

Attachment C: Stakeholder Interviews – Consumer Groups

Energy labelling of alcoholic beverages

Summary Report

HealthConsult Pty Ltd

ACN 118 337 821

Sydney Office: 3/86 Liverpool Street, Sydney, New South Wales, 2000 Phone (02) 9261 3707

Melbourne Office: 429/838 Collins Street, Docklands VIC 30081 Phone (03) 9081 1640

13th July, 2017

# Summary of Consumer Groups Interviews

HealthConsult conducted two interviews with Consumer Groups, one with a representative of Choice Australia and another with a representative of the Consumers’ Federation of Australia (CFA). The interviews followed the seven key discussion questions outlined in the *Energy labelling of alcoholic beverages Targeted consultation paper* (herein: targeted consultation paper) prepared by the Food Regulation and Standing Committee (FRSC). This document summarises the discussions, without attributing the views to one interviewee or the other.

## Consumer Opinion on Energy Labelling of Alcholic Beverages

Consumer representatives believed that it is essential to have energy labelling on alcoholic beverages, as it provides information for consumers to make informed choices around in the consumption of alcohol. In addition, the view was raised that energy information should not be limited to physical labels on products, but also be required in all mediums in which products are advertised. They further expresses the view that consumers currently have limited access to energy information of alcoholic beverages. Whilst they acknowledged that consumers may not be actively enquiring about nutritional information on alcoholic beverages, they believed that this limited enquiry rate is due to the time and inconvenience associated with obtaining the information.

Consumer representatives did acknowledge that for a number of producers there is energy information available online through producer websites and APPS. But they noted that there is inconsistent information available across the different product categories, and that some producers used kilojoules whilst others used calories. In addition, they believed that only providing the information via online forums is an inconvenience to consumers, as it requires consumers to spend additional time to find it. They argued that having standardised energy labels on alcoholic beverages would give consumers readily accessible information in a consistent manner.

Overall, consumer representatives believed that the provision of energy information on alcoholic beverages is highly desirable and beneficial for consumers. They emphasised that they could see no reason for alcoholic beverages to be treated differently to other foods (including soft drinks), arguing that it was a ‘loophole’ in the regulations. Consumer representatives also emphasised that the effective provision of energy information will assist consumers to make more informed choices and that this will significantly increase competition between products and producers.

Importantly, consumer representatives made the point that although labelling should be the initial measure, its impact on consumers will be dependent on whether it is implemented well (development of Standards for the labels); how well it is complied with by Industry (enforcement of the Standards); and the development and roll-out of initial and ongoing educational campaigns to support energy labelling implementation.

## International Standards, Regulations, voluntary codes & Policy Action

Consumer representatives noted that the European Union (EU) has recently supported a voluntary Industry driven approach to implementing energy labelling of alcoholic beverages. They expressed the view that it is a challenge to have Industry implement an approach in a consistent manner. Drawing on their knowledge of what has been implemented to date (acknowledging it was limited and anecdotal), they stated that there appears to be a lack of consistency in how the energy information is presented in the EU, particularly across the product categories. They argued that this inconsistency makes it difficult for consumers to compare the energy content of beer, wine and spirits. Accordingly, the consumer representatives favoured a regulated approach in Australia, with standardised labels (again the question of kilojoules versus calories was seen as particularly important).

## Industry Perspective on Energy Labelling of Alcholic Beverages

Consumer representatives were of the view that Industry currently uses energy labelling of alcoholic beverages as a marketing tool. They noted that there were a number of issues or inconsistencies with how the energy has been implemented:

* Currently, there is not full disclosure on all products available. In particular, it was noted that there is limited information that is currently available on cider. They stated that they believed that there is a higher energy content in cider, however, the limited information available makes it difficult for consumers to understand whether this is in fact the case.
* There is energy information that is provided in the form of calories instead of kilojoules. Kilojoules is the standard measure that is used in Australia. They argued that presenting energy information in calories is confusing for consumers. They further stated that this practice may have the impact of making products appear lower in energy content, when in actual fact the information is simply not provided in a comparable way for Australian consumers.

Consumer representatives noted that it may be a challenge to have Industry agree on a single way forward. They acknowledged that to develop a single approach has potential for resistance by Industry, as it limits their ability to do things differently. However, consumer representatives believe that is important for the implementation of energy labelling of alcoholic beverages to be standardised. They stated that if labelling for some parts of the Industry was not mandated, any voluntary provision of information should comply with the standards that need to be developed for labels, so that information is provided to consumers consistently.

Consumer representatives acknowledged that there are additional costs to producers in providing energy labelling on alcoholic beverages, but it is believed that the per-unit cost impact to consumers would be minimal. They also made the point that the larger producers, in particular, change their labelling all the time, thus a staged implementation should incur little additional cost. They also hypothesised that a small increase in costsresulting from the provision of information would be received positively by consumers. Thus, Industry should not be concerned about the cost of providing this information.

## Linkage Between Energy Information, weight management and alcohol Consumption

Consumer representatives could not cite any additional studies (relative the targeted consultation paper) that specifically investigate the linkage between energy information, weight management and alcohol consumption. However, they noted that there are numerous studies and examples that show labelling does work and influences consumer behaviours. The following points were noted:

* They stated that the introduction of labelling of trans fats in America has resulted in reduced consumption of trans fats. They also stated the view that in addition to changing consumer behaviour, this measure has also influenced positive change in how products are formulated.
* They noted that the Health Star rating that was recently introduced in Australia has seen an increase in the number of consumers moving towards products with a higher health star rating.
* Consumer representatives said that they would be interested in better understanding the information collected by Industry. In particular, it was noted that reference 35 of the Targeted Consultation Paper highlights that Diageo have introduced Nutritional Information labelling on the products and states that *“two out of three Australians says having clear information would influence their choice of beverage”.*

Consumer representatives said they believed that the energy labelling of alcoholic beverages is a necessary first step in educating consumers on how much alcohol contributes to their daily energy intake. However, they again noted that this initiative would need to be combined with education and awareness campaigns, particularly around the targeting of discretionary food consumption, of which alcohol is part.

## Intervention Options

Consumer representatives noted that consistent labelling across the Industry is the most desired solution, and mandatory implementation would provide the greatest coverage. They again stated that voluntary measures are slow in achieving full coverage and there is often inconsistency in the implementation. To fast track the process, they believed that mandatory implementation of energy labelling on alcoholic beverages would have the greatest impact. Consumer representatives, however, accepted that there are implementation issues that need to be considered (e.g. cost, stage approach). Nonetheless, they believed that these issues should not prevent the development of viable solutions. The key difficulties highlighted and suggestions discussed were:

* There is a need for consistent labelling. This practice will allow consumers to make comparison across the different products both within and across product categories.
* When considering the presentation of energy content of alcoholic beverages, it was noted that consideration needs to be given to how consumers are actually consuming their drinks (i.e. packaging size).
* The ‘menu-board’ system as implemented for fast food chains could be implemented for out of package consumption. Consumer representatives did note the potential complications associated with different out of package serving size. However, they stated that this complexity should not distract from the issue that energy labelling can be implemented as a viable solution for packaged products, considering they account for the bulk of alcohol consumption (80% according the targeted consultation paper). They stated that once a solution for packaged products has been implemented, then focus should be on how to provide information for alcohol that is consumed out of packages.
* Consumer representatives acknowledged that small producers may find energy labelling challenging, however they argued that these producers should not be excluded from any regulation. They suggested that the market could be segmented and smaller/craft producers could be given a greater transition time. They again noted that should any producer be initially exempt or excluded, any nutritional information provided on a voluntary based should be presented consistently within the standard format. They suggested that one option to reduce the burden on small producers (i.e. to minimise the need to test every batch) would be to allow for an energy value range to be provided.
* In terms of digital forums as a means for providing consumers with the energy information, consumer representatives believe that implemented alone, it is not an effective solution, as consumers should not have to go online to find what is considered ‘basic information’. In addition, they expressed concerns over access issues, particularly for those in lower Social Economic Status (SES) group. They did, however, note that a digital forum is a good supplementary form for educating consumers, particularly around niche information.

Consumer representatives believed that the provision of energy information should not be limited to physical labels on products, but also be required in mediums in which products are advertised. In addition, it was again noted that the implementation of energy labelling needs to be combined with broader educational and awareness campaigns, particularly around the contribution alcohol consumption makes to an individual’s diet. They emphasised that nutritional information should be provided on labels and that it is important that positive claims are not made.

Consumer representatives noted that there is an increasing number of producers making nutritional claims for their products (e.g. low carb). Whilst they acknowledged that nutritional information is required when such claims are made, they also stated that without having a suitable comparator (‘low relative to what’), it is hard for consumers to verify or substantiate these claims.

## Potential Risks or Issues

While consumer representatives acknowledged that there are potential adverse risks associated with energy labelling of alcoholic beverages, they believed that the risks are overstated. They speculated that the introduction of energy labelling of alcoholic beverages would have similar impact to the labelling of soft drinks, and they argued that consumers do not necessarily skip a meal in order to have soft drinks. They added energy labelling may encourage consumers to consume lower kilojoule alternatives or reduce alcohol consumption. Consumer representatives believed that the risks are manageable through public education, and if consumers are going to drink, mandatory labelling may lead to them rethinking their alcohol consumption.

## Impact for Stakeholders

Consumer representatives believed that energy labelling of alcoholic beverages is a necessary step for consumers to be able to choose healthier products. Although they stated that there is no direct data available, they were of the view that consumers are more health conscious and the provision of energy information on alcoholic beverage is necessary for weight management. They hypothesised that the impact to consumers would be large.

In addition, consumer representatives noted that having nutritional information readily accessible for consumers will also provide an incentive for producers to improve their products.