

COVER SHEET FOR SUBMISSIONS

REVIEW OF FOOD LABELLING LAW AND POLICY

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10 May 2010

The Food Labelling Review Secretariat
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Canberra ACT 2601
AUSTRALIA

Email: FoodLabellingReview@health.gov.au

Dear Secretariat

Submission on the Food Labelling Law and Policy Review

Thank you for the opportunity to comment on the Issues Consultation Paper: Food Labelling Law and Policy Review. Accordingly, please find attached a written submission from the Distilled Spirits Association of New Zealand Inc.

The undersigned is available to provide additional information if so required.

The undersigned contact details are as follows:

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The Association has no objections for its submission to be made public.

Yours sincerely

Thomas Chin
Chief Executive

The Distilled Spirits Association of New Zealand

Submission to the Review of Food Labelling Law and Policy

May 2010

THE ASSOCIATION

The Distilled Spirits Association (the Association) is the national trade organisation representing New Zealand's leading brand owners, importers and exporters of premium spirits (e.g. Brandy, Whisky, Rum, Gin, Vodka) and liqueurs.

The Association's members include: Anchor Ethanol Ltd, Bacardi Martini Asia Pacific Ltd, Beam Global (NZ) Ltd, Brown Forman Beverages Worldwide, Diageo (New Zealand) Ltd, Federal*Geo Ltd, Hancocks Ltd, Lion Nathan Wines and Spirits Ltd, Moët Hennessy NZ Ltd, Pernod Ricard New Zealand Ltd, The Rum Company (New Zealand) Ltd and Vintage Wines and Spirits Ltd.

The Association has a keen interest in all food labelling matters as they impinge directly on the composition, production, importation, distribution, sale and consumption of distilled spirits in New Zealand.

SUBMISSION

Given the relevance to our industry sector, the Association confines its comments to addressing the matters raised in the Issues Consultation Paper narrative headed "Alcohol" at paragraph 3.17 (page 7) and Question 20:

Q20. Should alcohol products be regulated as a food? If so, should alcohol products have the same labelling requirements as other foods (i.e., nutrition panels and list of ingredients)? If not, how should alcohol products be regulated?

Definition of Food

As a starting point it would be helpful to review the current legal definition of food.

The New Zealand Food Act 1981, section 2, "Interpretation" includes the following definition:

"Food means anything that is used or represented for use as food or drink for human beings"

Unfortunately, the term is not defined in "Standard 1.1.1 Preliminary Provisions - Application, Interpretation and General Prohibitions" of the Australia New Zealand Food Standards Code (the Code).

Notwithstanding the above, at the most basic level ordinary New Zealanders would broadly consider legal alcohol beverages to be a drink and thus be appropriately included in the general definition and understanding of food.

Historical basis

Alcohol beverages have been consumed for longer than recorded human history.

Alcohol beverages have long been used as thirst quenchers on a daily basis and have been generally consumed with food, by themselves as refreshment, or for special events and ceremonies. They have a deeply ingrained role in our culture and are an integral part of everyday living in New Zealand.

Composition

Alcohol beverages are all sourced from agricultural origins. For example, distilled spirits such as Vodka, Rum, Gin, and Whisky are produced from the natural fermentation of a diverse range of food sources like grains, potatoes, sugar cane, molasses, beets, fruit, berries, herbs, grapes, honey and whey. Alcohol beverages also have some food value if they contain certain levels of carbohydrates, fat, protein, vitamins and minerals. Some also contain important sources of nutrients and calories. These are all important characteristics of food.

It is recognised that alcohol beverages are optional in our diet, just like sugar, salt, chocolate and caffeine. And at light to moderate consumption levels for some individuals alcohol beverages are associated with certain health benefits such as protecting against cardiovascular disease, slowing cognitive decline and dementia and increasing longevity. Scientific evidence shows these benefits are limited to light to moderate drinking levels. According to official guidelines issued by the Alcohol Advisory Council (ALAC), the recommended non-hazardous drinking levels are no more than six drinks per day for men and no more than four for women.

An overwhelming majority of people who consume alcohol beverages do so responsibly and in moderation. However, alcohol beverages can be abused by a small minority of individuals. This is not a reason to disregard them as a food.

Legal precedent

As alluded to above, alcohol beverages have long been regulated as food, especially under the 1981 Food Act, the (now revoked) Food Regulations 1984 and the current Australia New Zealand Food Standards Code (from 2000).

The labelling requirements for alcohol beverages are generally the same as for other foodstuffs. For example, the common labelling mandatorys for spirits include the following elements:

Labels must bear:	Code Reference
1. The name of the product i.e. distilled spirit (e.g. Bourbon, Gin, Vodka, Brandy, Tequila, liqueur, etc).	1.2.2 (1)
2. A lot number for tracing purposes.	1.2.2 (2)
3. The name and business address of the supplier .	1.2.2 (3)
4. A statement of ingredients - applies only to beverages that cannot be defined as a "spirit" or "liqueur" (applies to RTDs and other hybrid drinks); ingredients to be listed in descending order of ingoing weight.	1.2.4
5. A best before date if the best before date is less than two years.	1.2.5
6. Nutrition information for products that cannot be defined	1.2.8

	as a “spirit” or “liqueur” (applies to RTDs).	
7.	English wording and be legible.	1.2.9
8.	Ingredients by percentage. Applies only to beverages that cannot be defined as a “spirit” or “liqueur” (applies to RTDs and other hybrid drinks).	1.2.10
9.	A Genetically Modified Organisms statement.	1.5.2
10.	An Alcohol by Volume statement correct to +/- 0.5%.	2.7.1 (1), (2)
11.	A Standard Drinks declaration. In packages containing <10 STDs, needs to be accurate to first decimal place. For packages containing >10 STDs, needs to be accurate to nearest whole number.	2.7.1.(3)
12.	A Country of Origin statement (Australia only).	1.1A 3

In addition to the requirements listed above, there are other labelling provisions related to and including the use of food additives, the use of terms such as “low alcohol”, “spirit” and “liqueur”, and geographical indication information.

Alcohol beverages should continue to be regulated as a food

The Association submits that the evolution of alcohol beverages, consumer expectations, and the long established New Zealand regulatory treatment of alcohol beverages under local food laws, deem it logical that they should remain under the auspices of the Code and that manufacturers of alcohol beverages should continue to conform and adhere to all of the current labelling requirements.

NUTRITION CONTENT INFORMATION

The Issues Consultation Paper raises a supplementary question related to nutrition panels.

We note that standardised alcohol beverages containing more than 1.15% alcohol by volume have a long-standing exemption from displaying nutrition information.

The Association believes the rationale for not requiring nutrition information is that consumers do not actually seek out this knowledge as they do not generally choose alcohol beverages for potential dietary or health benefits.

Additionally, there may be potential conflict with the intent behind some public health messages as implicit nutrition information could be seen as government endorsement of alcohol beverages.

If further nutrition content information were to be required (over and above the current alcohol concentration [%abv] and ingredients list), the Association would highlight that there is substantial objective and scientific evidence of the health benefits associated with moderate alcohol consumption, and that alcohol beverages are not unhealthy or unsafe as such. Rather, it is only the over-consumption or inappropriate consumption of alcohol beverages that may be unhealthy for some individuals and this information should be reinforced for the consumer.

The Association submits that nutrition labelling is largely irrelevant for spirits (e.g. Rum, Vodka, Whisky, Gin, Tequila) in that they typically contain very low levels of calories, no

carbohydrates or fat. Unintentionally, and in an extreme case, it is possible that mandatory nutrition labelling could succeed in influencing some consumers (e.g. those who are weight conscious) to drink more spirits over higher calorie non-alcohol beverages.

It is naïve to suggest that nutrition labelling of alcohol beverages would “promote safer drinking”.

The Association believes that there is no compelling reason to change the current nutrition information labelling exemption for standardised alcohol beverages.

LIST OF INGREDIENTS

Another supplementary question raised in the Issues Consultation Paper queries an ingredient listing for alcohol beverages.

It is noted that spirits (and other alcohol beverages listed under Standard 2.7 of the Code) have a long-standing exemption from displaying an ingredient listing.

The Association agrees that accurate and factual information should be disclosed to consumers to assist their decision making. However, we are not aware of consumers requesting more information on ingredients in spirits. Traditional spirits are essentially food products fermented and distilled from a single food source. For instance, Rum’s one ingredient is sugar cane juice or molasses. Tequila’s ingredient is the blue agave. Brandy and Cognac’s ingredients are grapes. This information is either already voluntarily provided on labels as part of the brand’s trade dress or is commonly known by consumers. If necessary, the information can also be readily sourced from producers, importers or their agents and other media, such as the web.

Where there is the addition of a food to a spirit then the product becomes an unstandardised general alcoholic beverage or “mixed drink” (e.g. Ready to Drink or RTD) and there is currently a requirement to list ingredients.

The Association believes that there is no compelling reason to change the current ingredient listing exemption for standardised alcohol beverages and it is illogical to suggest that labelling of alcohol beverage ingredients would “promote safer drinking”.

HEALTH ADVISORY INFORMATION LABELLING ON CONTAINERS AND PACKAGING

The Issues Consultation Paper references a proposal *“to require health advisory information labelling on containers and packaging of all alcohol products to promote safer drinking”*.

The Association does not believe any proposals around the mandatory placement of general and simplistic label statements on alcohol beverage containers or packaging would be effective in changing the drinking pattern or behaviour of the small minority of individuals who over consume. Nor would it reduce the problems associated with abusive drinking. The negative effects of excessive alcohol drinking and alcohol misuse are widely known and acknowledged.

The recommendation by the National Preventative Health Strategy and its related variants generally do not appear to take into account the fact that the majority of adult consumers are moderate and responsible in their consumption habits. The proposal appears to have an operating assumption that any alcohol beverage consumption is problematic; however the scientific and medical evidence show that light to moderate consumption may accord certain positive health benefits. Health advisories and warnings such as those promoted by anti-alcohol advocates could unfairly demonise alcohol beverages for responsible consumers.

The argument for health advisory and warning labels also reveals a number of flaws:

1. The Review Panel should recognise the difficulties in placing accurate and non-misleading information on small and limited spaces (i.e. product labels).
2. There is a lack of robust evidence for the effectiveness of health advisory information.
3. Behavioural science suggests there is a risk that such health advisory information could be ignored by those consumers most in need of assistance, thus defeating the intended purpose.
4. Such a new labelling rule could create a barrier to international trade.

In order to promote safer drinking practices, the Association believes there are other, more practical non-labelling measures that could be considered that may be more appropriate and effective. These include community education, public information campaigns, promotion of responsible drinking, leaflets and other support materials in doctors' surgeries and promulgation of safe consumption limits.

The Chairman of the Review Panel, Dr Neal Blewett AC, summed it up best when he said:

"One thing we are sure of is that a label itself is not a solution to these problems; it may be part of a multi-method approach to some of the alcohol problems."

"Alcohol labelling a challenge for panel", The Press 27/3/10

SUMMARY

The Association believes that alcohol beverages should continue to be regulated as a food.

We would not support any proposals to shift alcohol beverages out of the current Food Standards Code or any changes to the current nutrition and ingredients exemptions regime for standardised alcohol beverages. We note that these exemptions are the accepted practices amongst our key trading partners.

Finally, the Association strongly opposes any proposals for the mandatory placement of disputable health advisory or warning statements on container labels or their packaging.

The Association stands ready to provide additional information if required.

Distilled Spirits Association of New Zealand Inc