

20th March 2023

Energy Labelling on Alcoholic Beverages Proposal
Food Standards Australia & New Zealand
PO Box 5423
KINGSTON ACT 2604

Via email to submissions@foodstandards.gov.au

Response to the call for submissions– Proposal P1059 Energy labelling on alcoholic beverages

I write to you today, to humbly ask that you reconsider the proposal to introduce energy labelling on alcoholic beverages. My name is [REDACTED]

Small craft breweries are a vibrant, entrepreneurial industry that has grown significantly in Australia - 650+ breweries have an economic output of \$1.93 Billion, employing 6,891 people. For every direct job within the industry, 3.8 jobs are created in agriculture, manufacturing, supply and hospitality - meaning the industry supports over 33,000 jobs. Within South Australia, 72 breweries operate; providing just over 2,000 jobs, boosting tourism and supporting local communities.

I would like to echo submissions made by both the national Independent Brewers Association and also the South Australian arm of the IBA, and make the following points.

- The economic climate currently for small breweries is very uncertain. In order to ramp up our production we have been required to explore the contract brewing route. This means we no longer fall under the Excise Remission Scheme, so are required to pay a significant amount of excise tax to the ATO. To put this volume in perspective, we have only undertaken 5 contract brews to date, but would have been able to have undertaken at least two more were it not for the Excise tax. Any unforeseen costs on top of this, like a packaging change, will be further detrimental to our industry, as well as other small startup craft breweries.
- Any labelling change unproportionally affects smaller brewers. With smaller volumes runs, any changes to packaging take a long time to recoup. If this change was to come in, along with other proposed changes it would mean our ability to continue building our business and growing our brand would be hamstrung.
- Reading Section 5 of the proposal, I would submit the economic impact on my business would be detrimental. I currently have 4 SKUs, with a plan to expand to 6 or more by the end of 2023. If each SKU has to be relabelled that would mean a cost of \$1,000 per SKU in can at a minimum, plus the additional design work to allow the room to fit the proposed additions, with the likely outcome being another brew that we can no longer undertake, putting another dent in our ambitions to continue growing the business. Ultimately, these costs would mean our business has the potential to cease operations and existence in general.

- Within the FSANZ submission there are references to an education campaign needed to help consumers understand the energy within alcoholic beverages. We would ask that this campaign is started in earnest before a labelling change is proposed.
- We also call for more in depth studies to ascertain the effectiveness of energy labelling, when all studies presented have concluded that there is no significant effect on consumer buying or consuming behaviour. This is a big change for our industry, and we would like to be a part of the consultation process.
- We propose that FSANZ abandon any plans of a full Nutritional Information Panel on labels for craft breweries in order to avoid consumer confusion and reduce consumers' intentions to buy.

If you would like to speak to me in regards to this submission, please find my contact details below.

Kind Regards.

