

SUBMISSION TEMPLATE

Policy options targeted consultation paper:

Pregnancy warning labels on packaged alcoholic beverages

Overview

This submission template should be used to provide comments on the policy options targeted consultation paper: *Pregnancy warning labels on packaged alcoholic beverages*.

Contact Details

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Date of submission: 14 June 2018

If we require further information in relation to this submission, can we contact you? Yes No

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Personal information provided to the Food Regulation Standing Committee (FRSC) as part of the *Pregnancy warning labels on alcoholic beverages* public consultation will be dealt with in accordance with the Privacy Act 1988 (Cth) at www.comlaw.gov.au and the Australian Privacy Principles at www.oaic.gov.au. The Department of Health's Privacy Policy is available at <http://www.health.gov.au/internet/main/publishing.nsf/Content/privacy-policy>.

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Do you want this submission to be treated as confidential?

Yes

No

If yes, please state why:

Submission Instructions

Submissions should be received by 5pm AEST on 14 June 2018. The Food Regulation Standing Committee reserves the right not to consider late submissions.

Please complete the attached template for your submission. Note that submissions may not be drawn upon in preparing the decision regulation impact statement (DRIS) to recommend a preferred policy option to the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) if they:

- are not supported by evidence;
- do not directly answer the questions in the Policy options targeted consultation paper; and/or
- do not use this template.

Please do not change the template.

Where possible, submissions should be lodged electronically. Please send your submission to: FoodRegulationSecretariat@health.gov.au with the title: *Submission in relation to pregnancy warning labels on packaged alcoholic beverages*.

OR mail to:

c/- MDP707
GPO Box 9848
Canberra ACT 2601

If you need to attach documents to support your submission, please make it clear which question/s they relate to.

Consultation questions

- 1.1 Please insert your comments against the consultation questions below. These questions correspond to specific sections of the Consultation Paper. If you cannot answer the question or it doesn't apply, please write "nil response" or "not applicable".

1: Are these appropriate estimates of the proportion of pregnant women that drink alcoholic beverages? Do you have any additional data to show changes in drinking patterns during pregnancy over time? Please specify if your answers relate to Australia or New Zealand.

Please see paragraphs 11 – 13 in the attached submission document.

2: Are these appropriate estimates of the prevalence and burden (including financial burden) of FASD in Australia and New Zealand? Please provide evidence to support your response.

Please see paragraph 14 in the attached submission document.

3: Do you have evidence that the voluntary initiative to place pregnancy warning labels on packaged alcoholic beverages has resulted in changes to the prevalence of FASD, or pregnant women drinking alcohol, in Australia or New Zealand? Please provide evidence to justify your position.

Please see paragraphs 15 – 24 in the attached submission document.

4. Variation in labelling coverage and consistency, and some consumer misunderstanding associated with the current voluntary pregnancy warning labels in Australia and New Zealand were identified as reasons for possible regulatory or non-regulatory actions in relation to pregnancy warning labels on alcoholic beverages.

Are there any other issues with the current voluntary labelling scheme that justify regulatory or non-regulatory actions? Please provide evidence with your response.

Please see paragraph 25 in the attached submission document.

5: Has industry undertaken any evaluation on the voluntary pregnancy warning labels? If so, please provide information on the results from these evaluations.

Please see paragraph 26 in the attached submission document.

6: Considering the potential policy options to progress pregnancy labelling on alcoholic beverages and address the implementation issues:

a) Are there additional pros, cons, and risks associated with these options presented that have not been identified? Please provide evidence to support your response.

Please see paragraph 27 in the attached submission document.

b) Are there other potential policy options that could be implemented, and if so, what are the pros, cons and risks associated with these alternate approaches? Please provide evidence to support your response.

Please see paragraph 28 in the attached submission document.

7: Which option offers the best opportunity to ensure that coverage of the pregnancy warning labelling is high across all types of packaged alcoholic beverages, the pregnancy warning labels are consistent with government recommendations and are seen and understood by the target audiences? Please justify your response.

Please see paragraphs 29 - 39 in the attached submission document.

8: Do you support the use of a pictogram? If so, do you have views on what pictogram should be used (e.g. pregnant woman holding beer glass or wine glass), and also, what colour/s should be used, and why? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views.

Please see paragraph 40 in the attached submission document.

9: Do you support the use of warning text on a label? Why or why not? Do you have views on what text should be used, and if so, what is it? Do you support the use of warning messages already used in other markets? Please provide research or evidence to support your views.

Please see paragraph 41 in the attached submission document.

10: Do you have views on what colour should be used for text, and whether green should be permitted? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views.

Please see paragraph 42 in the attached submission document.

11: Should both the text and the pictogram be required on the label, or just one of the two options? Please justify your response.

Please see paragraph 43 in the attached submission document.

12: Are you aware of any consumer research on understanding and interpretation of the current DrinkWise pictogram and/or text? What about other examples of pictogram and/or text?

Please see paragraph 44 in the attached submission document.

13: Describe the value of pregnancy warning labels. Please provide evidence to support your views.

Please see paragraph 45 in the attached submission document.

14: Which is the option that is likely to achieve the highest coverage, comprehension and consistency? Please provide evidence with your response.

Please see paragraph 46 in the attached submission document.

15: Which option is likely to achieve the objective of the greatest level of awareness amongst the target audiences about the need for pregnant women to not drink alcohol? What evidence supports your position?

Please see paragraph 47 in the attached submission document.

16: More information is required on the benefits of each of the regulatory options. Do you have any information on the benefits associated with each option in relation to social, economic or health impacts for individuals and the community? Please provide evidence with your response.

Please see paragraph 48 in the attached submission document.

17: To better predict cost to industry associated with each option, can you provide further information that could inform the cost to industry associated with each of these approaches, particularly costings from a New Zealand industry perspective? Please provide evidence to support your response.

Please see paragraphs 49- 52 in the attached submission document.

18: For Australia, is the estimated cost of \$340 AUD per SKU appropriate for the cost of the label changes? To what extent do these cost estimates capture the likely impacts on smaller producers? Should the cost estimates be adjusted upwards to capture disproportionate impacts on smaller producers?

Please see paragraphs 53 -55 in the attached submission document.

19: Is the number of active SKUs used in the cost estimation appropriate? What proportion of SKUs on the market is from smaller producers?

Please see paragraph 56 in the attached submission document.

20: Should there be exemptions or other accommodations (such as longer transition periods) made for boutique or bespoke producers, to minimise the regulatory burden? If so, what exemptions or other accommodations do you suggest?

Please see paragraph 57 in the attached submission document.

21: To better predict the proportion of products that would need to change their label to comply with any proposed change, information on the type of pictogram and text currently used is required. Do you have evidence of the proportion of alcohol products that are currently using the red pictogram, and what proportion of products are using an alternate pictogram (e.g. green)? Do you have evidence on the proportion of alcohol products that are currently using the beer glass pictogram, or the wine glass pictogram? Please specify which country (Australia or New Zealand) your evidence is based on.

Please see paragraphs 58 - 59 in the attached submission document.

22: What would be the cost per year for the industry to self-regulate? Please justify your response with hours of time, and number of staff required. Please specify which country (Australia or New Zealand) your evidence is based on.

Please see paragraph 60 in the attached submission document.

23: For each of the options proposed, would the industry pass the costs associated with labelling changes on to the consumer? Please specify which country (Australia or New Zealand) your evidence is based on.

Please see paragraph 61 in the attached submission document.

24: If you identified an alternate policy option in question 5, please provide estimates of the cost to industry associated with this approach.

N/A

25: Based on the information presented in this paper, which regulatory/non-regulatory policy option do you consider offers the highest net benefit? Please justify your response.

Please see paragraph 63 in the attached submission document.



Spirits New Zealand

Submission to the Food Regulation
Standing Committee

*Policy options targeted consultation
paper: Pregnancy warning labels on
packaged alcoholic beverages*

June 2018

Introductory Comments

1. Spirits New Zealand is the national trade organisation representing New Zealand's leading producers, distributors, brand owners, importers and exporters of premium spirits and spirit-based drinks. Our members are Bacardi, Beam Suntory, Brown-Forman, Diageo, Hancocks, Independent Liquor, Lion, Moet-Hennessy and Pernod Ricard. In addition we have three associate members who are Lactinol (formerly Anchor Ethanol), EuroVintage and Federal Merchants.
2. Spirits NZ represents over 96% of spirit industry interests in New Zealand.
3. Spirits NZ and its members support efforts to reduce the incidence of Foetal Alcohol Spectrum Disorder through coordinated programmes and activities including those focused on changing behaviours of women who currently drink while pregnant. We acknowledge that carrying appropriate messaging on beverage alcohol labelling and packaging is a component of these programmes.
4. By itself pregnancy warning labelling will do little to change behaviours and reduce drinking during pregnancy. To effectively contribute to a reduction in drinking while pregnant, warning label imagery and messaging must be promoted widely through targeted social awareness campaigns and supported through consistent and ongoing advice from health professionals and relevant community advisors and influencers.
5. Spirits NZ acknowledges that the New Zealand Ministry of Health has developed - and is currently implementing – the action plan *Taking action on fetal alcohol spectrum disorder 2016-19* but feels that the social change initiatives currently implemented to support this strategy could be better funded and delivered. We believe there is a need to establish an industry/government coordinated programme of activity that effectively identifies where, together, we can more ably focus social change efforts to support women not drinking while pregnant.
6. As part of this we bring to FRSC's attention a pilot programme wholly funded by New Zealand industry and being delivered through its social change initiative *Cheers!* which encourages pregnant women not to drink. As well as engaging social media this pilot programme (*You might want a drink but your baby doesn't: No alcohol = no risk*) uses, for the first time in New Zealand, specific point-of-sale messaging that will be tested for effectiveness.
7. It is our intention to share the outcome of this pilot programme with agencies to better inform ongoing efforts to reduce the incidence of FASD.
8. With specific regard to warning labelling we propose that an ongoing voluntary approach as a variation on Option 1b as described in the consultation paper will be most effective. Our proposal is that a working group be formed of industry and government interests to develop labelling guidelines to be used to standardise imagery and impact.
9. Additionally we propose that guidelines, once adopted, be audited and evaluated through a body either established specifically for this purpose or already in existence – such as the Advertising Standards Authority. In this way coverage of non-member product can be assured and full coverage gained in the shortest timeframe.

10. Please do not hesitate to contact me to discuss anything in this document in more detail. We give permission for this submission to be made available publicly.

A handwritten signature in blue ink that reads "Robert Brewer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert Brewer
Chief Executive
Spirits New Zealand Inc
Email rbrewer@spiritsnz.org.nz

Submission

Statement of Problem

Question 1: Are these appropriate estimates of the proportion of pregnant women that drink alcoholic beverages? Do you have any additional data to show changes in drinking patterns during pregnancy over time? Please specify if your answers relate to Australia or New Zealand.

11. We have no additional information on estimates of the proportion of pregnant women who drink or on the patterns of their drinking. We note however that the New Zealand Health Promotion Agency is yet to publish any additional data on this topic as a result of the three years of social marketing initiatives in this area.
12. Additionally the industry-funded social change programme alluded to above is currently running. Its evaluation should be complete and available by the end of October this year.
13. Lastly the New Zealand Ministry of Health action plan – *Taking action on fetal alcohol spectrum disorder 2016-19* is also underway and has yet to report on its progress and findings.

Question 2: Are these appropriate estimates of the prevalence and burden (including financial burden) of FASD in Australia and New Zealand? Please provide evidence to support your response.

14. We are not aware of any additional or different estimates.

Objectives

Question 3: Do you have evidence that the voluntary initiative to place pregnancy warning labels on packaged alcoholic beverages has resulted in changes to the prevalence of FASD, or pregnant women drinking alcohol, in Australia or New Zealand? Please provide evidence to justify your position.

15. It is highly unlikely that pregnancy warning labels will have had a significant (or any) impact on the prevalence of FASD. For this to happen – even if issues with the measurement of FASD could be overcome in the first place – then the warning labels would have had to have had a measurable impact on behaviour.
16. To the best of our knowledge this has not been measured. The most that has been measured in New Zealand is awareness of pregnancy labelling¹⁻³ and within this the implied intention to change behaviour. The results of these studies shows scant unprompted awareness of the presence of warning labels.

17. However the lack of impact of health warning labels (HWLs) per se is well understood. The evidence around HWLs suggests that while they may increase consumer awareness of health advice, they have limited impact on drinking behaviours⁴⁻⁹.
18. More specifically overseas evidence supports the assertion that HWLs raise awareness of the risks of drinking during pregnancy, but as a stand-alone prevention measure they have not demonstrated a meaningful impact on the drinking behaviour of pregnant women.¹⁰⁻¹²
19. As alluded to in the consultation document the relationship between pregnancy warning labels and behaviour is complex. One U.S. study of pregnant women found an impact of warning labels on drinking behaviour, but there were differential effects for two groups:
 - a. Women in their first pregnancy were found to be more likely to reduce drinking and heed HWLs than women who had been pregnant before.
 - b. Lighter drinkers were found to decrease their alcohol consumption, but at-risk drinkers did not.¹³
20. Additionally the impact of HWLs on perceptions of risk and drinking behaviour among pregnant, binge, and heavy drinkers has not been shown to be significant.^{10,14}
21. The impact of HWLs on the perceptions and behaviour of pregnant women may also be influenced by culture, education, or social status. A survey of Hispanic women in the U.S. for example showed that cultural beliefs, language skills, and level of education were closely linked to knowledge about HWLs.^{15,16}
22. In fact Purmehdi et al (2016) found that warning label effectiveness is contingent on the type of expected behavioural outcome. In short labels aimed at cessation outcomes were less effective at promoting behaviour change – even when recognised.¹⁷ We also bring to FRSC's attention the recent work of Hassan and Shiu (2018) which found overall, there was very limited research exploring the potential of pictorial warning labels. And that the evidence base "...is weak and caution is needed by policymakers regarding the introduction and implementation of alcohol warning labels."¹⁸
23. We believe that a different conclusion about pregnancy warning labelling might be reached if they were part of a coordinated, targeted, well-resourced and determined campaign. Current programmes run by the New Zealand Health Promotion Agency (HPA) have had an unknown impact but seem to suffer from a lack of resource.
24. It should be noted that the New Zealand beverage alcohol industry is levied approximately \$11.4 million per annum to fund HPA's alcohol programmes.

Question 4: Variation in labelling coverage and consistency, and some consumer misunderstanding associated with the current voluntary pregnancy warning labels in Australia and New Zealand were identified as reasons for possible regulatory or non-regulatory actions in relation to pregnancy warning labels on alcoholic beverages. Are there any other issues with the current voluntary labelling scheme that justify regulatory or non-regulatory actions? Please provide evidence with your response?

25. We are not aware of any additional issues that would justify regulatory or non-regulatory actions that have not yet been identified. As already stated we would support efforts to standardise messaging and imagery as long as -
- a. Appropriate lead-in times are made available to industry should changes to current labelling be required; and
 - b. Once standardised a well-resourced, targeted and expertly implemented campaign approach is used to promote the imagery and the messaging it supports.

Question 5: Has industry undertaken any evaluation on the voluntary pregnancy warning labels? If so, please provide information on the results from these evaluations

26. In April this year Spirits New Zealand members report that the average uptake for pregnancy warning labels for spirits is 96% and for RTDs is 98%. This compares to 81% and 83% respectively in November 2017.

Statement of Options

Question 6: Considering the potential policy options to progress pregnancy labelling on alcoholic beverages and address the implementation issues:

- a) *Are there additional pros, cons, and risks associated with these options presented that have not been identified? Please provide evidence to support your response.*

27. See our response below.

- b) *Are there other potential policy options that could be implemented, and if so, what are the pros, cons and risks associated with these alternate approaches? Please provide evidence to support your response.*

28. See our response below.

Question 7: Which option offers the best opportunity to ensure that coverage of the pregnancy warning labelling is high across all types of packaged alcoholic beverages, the pregnancy warning labels are consistent with government recommendations and are seen and understood by the target audiences? Please justify your response.

29. The options as presented in the consultation paper all provide for excellent coverage and uptake of the pregnancy warning label. Spirits NZ's considers options are best viewed from an outcomes perspective. We believe, broadly, desired outcomes to support a reduction in FASD are that –
 - a. All beverage alcohol carries an agreed set of pregnancy warning imagery/messaging.
 - b. Pregnancy imagery/messaging currently carried is transitioned, as necessary, to the agreed state as quickly and cost effectively as possible.
 - c. A cost effective audit or monitoring regime is put in place to, on an ongoing basis, support (a) and (b) above.
30. With this in mind we would propose a variation on Option 1b (or Option 1c depending on your point of view) be considered. We detail this proposal below.
31. We agree that, as suggested, guidelines are developed with a view to:
 - a. Standardising imagery and/or messaging (with acknowledgment that different target cohorts may respond to different 'tones' of message) based on the best evidence available as to effectiveness.
 - b. Ensuring that imagery and/or messaging can be accommodated within the outcomes/milestones and programmes as developed in the New Zealand Ministry of Health's FASD action plan.
 - c. Creating guidelines in the first instance but building their outturn (i.e. consistent use of imagery and messaging) into a coordinated social change campaign model.
 - d. Building a cooperative operational model that involves industry and government in the development of guidelines as well as any social change campaigns drawing from learnings from the industry pilot programme, HPA's campaign approach and global industry resources and expertise.
32. With this in mind we propose that a joint industry/government agency working group be established to, firstly, develop labelling guidelines to be implemented by all of industry in an agreed timeframe. This working group would be chaired by FSANZ and would bring to the table relevant industry and government agency representatives.
33. Once developed we recommend that the guidelines are owned and administered and their uptake audited by either a body created specifically for this purpose or by an existing body – such as the Advertising Standards Authority (which would be our preference) which has pedigree in such matters.
34. The guidelines, once adopted, would become an industry standard or code. It would effectively be self-policing but with a natural government oversight with and through the ASA (if the ASA option was adopted).
35. FRSC might also consider the system adopted for the use and placement of the Health Star Rating system. There are some similarities proposed here with that system.

36. Spirits New Zealand has some evidence of the success of voluntary industry codes that is also informative. In 2012 Spirits NZ members signed up to a voluntary industry code governing the production of RTDs (see appendix 1).
37. This code limits the alcohol content of RTDs to 7% and the container size to one limited to a maximum of two standard drinks. Conservatively, as a result of the code, the equivalent of over 1.2 million litres of pure alcohol has been removed from the market.
38. Importantly, and in addition to the above, such is the buy-in from the wider industry that now the code has established itself as the industry benchmark major retail chains will simply not stock product that is deemed non-compliant. The code is wholly administered and audited by Spirits NZ.
39. From Spirits NZ's perspective we are, therefore, confident that a well-evidenced set of guidelines voluntarily adopted by industry signatories and administered through the likes of the ASA would be adopted as an industry standard without the need for a mandatory regime to be put in place.

Ensuring the Message is Understood

Question 8: Do you support the use of a pictogram? If so, do you have views on what pictogram should be used (e.g. pregnant woman holding beer glass or wine glass), and also, what colour/s should be used, and why? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views.

40. Spirits NZ believes that the final determination of what imagery is used on-label should be determined on a 'best evidence' basis as part of the development of guidelines as described above.

Question 9: Do you support the use of warning text on a label? Why or why not? Do you have views on what text should be used, and if so, what is it? Do you support the use of warning messages already used in other markets? Please provide research or evidence to support your views

41. See the answer to question 8 above.

Question 10: Do you have views on what colour should be used for text, and whether green should be permitted? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views

42. See the answer to question 8 above.

Question 11: Should both the text and the pictogram be required on the label, or just one of the two options? Please justify your response.

43. See the answer to question 8 above.

Question 12: Are you aware of any consumer research on understanding and interpretation of the current DrinkWise pictogram and/or text? What about other examples of pictogram and/or text?

44. We are not aware of any consumer research on pregnancy pictogram and/or text other than that already cited in the introductory comments to this submission.

Impact Analysis (Costs and Benefits)

Question 13: Describe the value of pregnancy warning labels. Please provide evidence to support your views.

45. As stated, by themselves or unsupported by other activity, the intrinsic value of pregnancy warning labels as a behaviour-changing tool is minimal (see Question 3 above).

Question 14: Which is the option that is likely to achieve the highest coverage, comprehension and consistency? Please provide evidence with your response.

46. We believe the answer to this question is best addressed through determinations made through the process described in the answer to Question 7 above.

Question 15: Which option is likely to achieve the objective of the greatest level of awareness amongst the target audiences about the need for pregnant women to not drink alcohol? What evidence supports your position?

47. We believe the answer to this question is best addressed through determinations made through the process described in the answer to Question 7 above.

Question 16: More information is required on the benefits of each of the regulatory options. Do you have any information on the benefits associated with each option in relation to social, economic or health impacts for individuals and the community? Please provide evidence with your response.

48. We are not aware of any specific evidence associated with such benefits. Further, because of the complex nature of the relationship between pregnancy warning labelling, FASD, the unknown prevalence of FASD in New Zealand and behavioural outcomes it is very difficult to draw any substantive conclusions about this matter at this time.

Question 17: To better predict cost to industry associated with each option, can you provide further information that could inform the cost to industry associated with each of these approaches, particularly costings from a New Zealand industry perspective? Please provide evidence to support your response

49. Costs associated with the labelling or re-labelling of spirits are inextricably linked to the final artwork or imagery required and, perhaps more importantly, to the timeframes required for changes to be made. If changes are phased in over a two to three year period then costs would be in the order of \$NZ2,000 - \$NZ3,000 per SKU.
50. If, however, a shorter timeframe was mooted that required a more immediate change then per SKU costs could be as high as \$NZ10,000 - \$NZ15,000.
51. It is also important for FRSC to understand that, because of the nature of the spirits industry, some product lines may not enter the market for upwards of five years. This is particularly true for higher value spirits such as Scotch Whisky, rums and bourbons but can equally apply to gin, vodka, tequila etc.
52. When considering a labelling regime therefore the nature of the sector and the products it sells needs to be taken into account. Such issues would be considered under the option put forward in answer to Question 7 above.

Question 18: For Australia, is the estimated cost of \$340 AUD per SKU appropriate for the cost of the label changes? To what extent do these cost estimates capture the likely impacts on smaller producers? Should the cost estimates be adjusted upwards to capture disproportionate impacts on smaller producers?

53. We are not aware of the impact on smaller producers. We can report however that in New Zealand there is a growing and increasingly vibrant craft distilling sector.
54. Spirits NZ has identified upwards of 55 distillers in New Zealand at varying levels of commercial intent and acumen. There is no doubt that these small businesses would be financially impacted by a label change that was not properly timed to coincide with their natural business cycles.
55. Spirits NZ is currently in the process of reaching out to these smaller producers to become their representative association and would be able to represent their interests more directly through the process outlined in answer to Question 7 above.

Question 19: Is the number of active SKUs used in the cost estimation appropriate? What proportion of SKUs on the market is from smaller producers?

56. We are not aware of the number of SKUs produced by the craft sector.

Question 20: Should there be exemptions or other accommodations (such as longer transition periods) made for boutique or bespoke producers, to minimise the regulatory burden? If so, what exemptions or other accommodations do you suggest?

57. We believe the answer to this question is best addressed through determinations made through the process described in the answer to Question 7 above. Spirits NZ is not averse to an exemption regime being considered.

Question 21: To better predict the proportion of products that would need to change their label to comply with any proposed change, information on the type of pictogram and text currently used is required. Do you have evidence of the proportion of alcohol products that are currently using the red pictogram, and what proportion of products are using an alternate pictogram (e.g. green)? Do you have evidence on the proportion of alcohol products that are currently using the beer glass pictogram, or the wine glass pictogram? Please specify which country (Australia or New Zealand) your evidence is based on.

58. We have been unable to collect detailed information on pictogram use within the consultation timeframe. We can report that the use of coloured pictograms, in general, on spirits and spirit-based products is less than 5%.

59. The vast majority of products carrying pregnancy warning information do so in black and white – either reversed out against the container or on-label.

Question 22: What would be the cost per year for the industry to self-regulate? Please justify your response with hours of time, and number of staff required. Please specify which country (Australia or New Zealand) your evidence is based on.

60. We cannot provide an estimate of this at this time until a self-regulatory option is agreed.

Question 23: For each of the options proposed, would the industry pass the costs associated with labelling changes on to the consumer? Please specify which country (Australia or New Zealand) your evidence is based on.

61. Spirits NZ cannot comment on what individual members may or may not do in terms of any cost imposition proposed label changes may have.

Question 24: If you identified an alternate policy option in question 5, please provide estimates of the cost to industry associated with this approach.

62. N/A

Question 25: Based on the information presented in this paper, which regulatory/non-regulatory policy option do you consider offers the highest net benefit? Please justify your response.

63. See the answer to Question 7 above.

References

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9. Stockley, C. S. (2001). The effectiveness of strategies such as health warning labels to reduce alcohol-related harms - An Australian perspective. *International Journal of Drug Policy*, 12(2), 153-166. Ronksley et al. 2011. Association of alcohol consumption with selected cardiovascular disease outcomes: a systematic review and meta-analysis. 342:d671.
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14. Hankin, J. R., Firestone, I. J., Sloan, J. J., Ager, J. W., Goodman, A. C., Sokol, R. J., et al. (1993). The impact of the alcohol warning label on drinking during pregnancy. *Journal of Public Policy & Marketing*, 10-18.
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Appendix 1



We, the members of the Spirits New Zealand, have developed the following Voluntary Industry Code for ready to drink beverages and have committed to abide by the details hereunder.

Ready to drink beverages (commonly referred to as “RTDs”) have been part of the New Zealand beverage landscape for many decades. They offer a convenient beverage format providing consistent pre-measured amounts of alcohol, as measured by standard drinks. This, together with clear labelling information about alcohol content, can assist consumers to more accurately measure their alcohol intake.

New Zealand’s leading producers and marketers of ready to drink beverages are united in implementing a voluntary set of steps to continue to ensure RTDs are enjoyed socially and responsibly.

Definition:

For the purposes of this VIC, an RTD is defined as:

- i. *a spirit-based alcoholic beverage mixed/diluted to an Alcohol by Volume (abv) range of 4% up to 14% (above which products become liqueurs as per S73,75 of the Customs & Excise Act 1996); and*
- ii. *sold in a primary package intended for single serve (i.e. in a vessel with contents of 500mls or less).*

The members of the Spirits NZ commit to do the following:

1. Limit the production and/or distribution of RTDs to a maximum alcohol strength of 7% ABV and a maximum of two standard drinks per single serve container to all licensed premises in New Zealand.
2. Not produce RTDs containing energy supplements with greater caffeine-equivalence than cola products as set out in section 14.1.0.3.2 of Schedule 15 attached to Standard 1.3.1 “Food Additives” of the Australia New Zealand Food Standards Code, which limits the amount of added caffeine in these products to a maximum of 145 mg/L. Nor will we market/promote the effects of caffeine in any products that meet this commitment.
3. Ensure that the number of standard drinks in each container is clearly visible and displayed on both primary and secondary packaging.

4. Ensure that RTDs are marketed in accordance with the *Code for the Advertising & Promotion of Alcohol* and *Section 237* of the *Sale & Supply of Alcohol Act 2012* so they do not have specific appeal to, nor are targeted at, those below legal purchasing age (LPA).
5. Advertise only in media channels or engage in sponsorship where the audience is at least 75% LPA and above.
6. Pro-actively work to improve the drinking culture in New Zealand and help minimise harmful consumption, through industry funded initiatives, such as *The Tomorrow Project* (www.cheers.org.nz).
7. Work with our retail customers to encourage compliance with this code taking due note of all relevant legal constraints (such as those defined by the Commerce Act 1986).

This Code was adopted by all members of Spirits New Zealand (formerly the Distilled Spirits Association of New Zealand) in November 2012 and re-endorsed by the following members in November 2017.

Bacardi New Zealand Holdings Ltd
Beam Suntory
Brown-Forman
Diageo
Hancocks
Independent Liquor
Lion
Moet-Hennessy
Pernod Ricard New Zealand