

**Submission to
Food Standards Australia New Zealand (FSANZ)**

**Application A1026 - Minimum Alcohol Content for Wine
2 June 2011**

ADCA Submission

Application A1026 - Minimum Alcohol Content for Wine

Thank you for the opportunity for the Alcohol and other Drugs Council of Australia (ADCA) to contribute to the discussion around the application to change the Food Standards Australia New Zealand (FSANZ) *Food Standards Code* (Code) in relation to the minimum alcohol content of wine. To assist with the deliberations about the application, ADCA's Alcohol Fact Sheet is attached. Of particular relevance are the references to alcohol taxation and pricing as well as restriction and regulation of alcohol advertising and marketing. Please note that this paper needs to be updated to reflect new figures around the cost of alcohol abuse in Australia. This cost has now been estimated at around \$35 billion following research commissioned by the Alcohol Education and Rehabilitation Foundation (AERF) (2010).

Background

Alcohol is the most widely used drug in Australia (AIHW 2008a). Next to tobacco, excessive alcohol consumption is a major risk factor for morbidity and mortality. Alcohol has been associated with diseases such as cancers, stroke, heart attack, and liver cirrhosis, and with injuries including motor vehicle and bicycle accidents, incidents involving pedestrians, falls, fires, drowning, sports and recreational injuries, overdose, assault, violence, and intentional self-harm (NHMRC 2009; Chikritzhs et al 2003). It affects adults, children, family, friends, associates, colleagues and complete strangers.

It has been estimated that harm from alcohol was responsible for 3.2% of the total burden of disease and injury in Australia in 2003 (Begg et al. 2007). For 2004-2005, the total social cost of alcohol abuse was estimated at \$15.3 billion (Collins & Lapsley 2008a). Recently, the AERF (2010) estimated that in addition to this figure, more than \$14 billion per annum could be attributed to the tangible costs of harm to others and more than \$6 billion in intangible costs, suggesting that the true cost of alcohol to society is around \$36 billion.

Current alcohol consumption levels in Australia are high by world standards (WHO 2008), with patterns of high risk drinking among young people and in some Indigenous communities of particular concern. Research shows that occasional or weekend excessive drinking poses the greatest risk in relation to alcohol-related violence, accidents, and injury, thus contributing exponentially to the overall social costs of alcohol misuse in Australia.

Harm minimisation

While people continue to consume excessive amounts of alcohol, ADCA will continue to advocate for action that seeks to minimise the harms associated with its use. A number of strategies have been adopted in Australia to do exactly that in relation to alcohol misuse, and ADCA has articulated its position on some of these in its Submission to the Food Labelling Law and Policy Review in May 2010. ADCA's recommendations to that Review are relevant to this Submission.

In the context of its underlying principle of harm minimisation, ADCA sees the proposal to reduce the minimum alcohol content of wine from 8% to 4.5% as potentially having a number of benefits. A reduction in the minimum alcohol content of wine could:

- increase choice for consumers to select a lower alcohol wine
- provide a lower alcohol option for consumers, enabling them to have greater control over their own alcohol consumption
- facilitate greater awareness amongst consumers about levels of alcohol in wine and other drinks
- encourage consumers to adopt a more responsible approach to alcohol consumption, and
- support efforts to reduce alcohol consumption in the community.

A reduction in the minimum alcohol content of wine is exactly what the 2009 National Preventative Health Strategy is trying to achieve through its priority area of shaping supply towards lower risk products. As a mechanism to reduce the harmful consumption of alcohol, it will also contribute to achieving the strategy's target of reducing the proportion of Australians who drink at short-term risk and/or high-risk levels and the proportion of Australians who drink at long-term risk and/or high-risk levels.

Lower alcohol wine could be viewed in the same context as lower alcohol beer. It may not directly address the behaviour of excessive consumption that is part of Australian drinking culture, but it does provide the opportunity for people to consume lower levels of alcohol through choice of a lower alcohol wine.

Marketing

However, the marketing of low alcohol wines needs to be carefully considered. ADCA believes that the marketing of all alcohol products should be regulated by the Federal Government and be independent of the alcohol industry. This is particularly important in the case of low alcohol wine, to ensure that consumers understand that a lower alcohol wine may be a healthier choice, if consumed in the same recommended quantity that regular wine is consumed, but it is not in itself, healthy.

Low carbohydrate beer offers a case in point. A recent survey of community attitudes around low carbohydrate beer by VicHealth (2010) revealed that most (71%) people who drank low carbohydrate beer believed it to be healthier than full strength beer. This belief however, did not translate to changes in behaviour, with the level of binge drinking amongst the low carbohydrate beer drinkers surveyed found to be the same as for binge drinking across the broader population in Australia. In fact, some participants (15%) reported that they consumed *more* low carbohydrate beer than they usually would because they believed it was healthier for them.

The potential for targeting the marketing and promotion of lower alcohol wine is also of concern. Women and young people, and especially young women, are particularly open to claims about the healthy nature of food and drinks as they are all often highly conscious of their body image (Miller et al 2010).

It is therefore important that any marketing of a lower alcohol wine does not suggest that it is healthy. Such has been the concern over this in the European Union that in 2006, the European Parliament adopted the Resolution that “Beverages containing more than 1.2% by volume of alcohol shall not bear health claims” (Miller et al 2010).

Labelling

Quality may, however, be an issue but regardless, ADCA believes that a distinction between lower alcohol wine and wine that meets the current standard is warranted. This could work in the same way that the distinction between ‘full strength’ and ‘light’ beer operates. It is important that people understand what it is that they are drinking and are able to easily recognise when they move from a lower alcohol wine to a wine that meets the current standard, and vice versa. The language associated with identifying lower and higher concentrations of alcohol in wine would need to be developed in consultation with key stakeholders to find appropriate terminology. Again, care must be taken in the context of how such wine might be promoted.

Appropriate labelling would make an important contribution to helping consumers develop greater awareness of their alcohol consumption. Standard drink information and the alcohol content of the wine being considered would help consumers identify how much a standard drink represents for a particular wine. Standardisation of the way in which standard drink information is presented and use of graphics to provide that information would simplify the message and make it easier for consumers to make decisions about their consumption.

Nutritional information including a list of ingredients would inform consumers of the nutritional value of different wines, particularly those of varying alcohol content, which may further encourage them to make healthy choices in their consumption of wine. ADCA has previously recommended that the exemption for alcoholic products

to disclose ingredients and nutritional information under the *FSANZ Code* be revoked and made mandatory to allow consumers to make informed choices about their alcohol consumption (ADCA Submission to the Food Labelling Law and Policy Review 14 May 2010).

Campaign to promote changes

ADCA advocates that any changes to the minimum alcohol content of wine should be promoted broadly and the context of such a change communicated clearly. Australia needs to change the culture of drinking in this country and reduce the harm and costs associated with excessive alcohol consumption. The availability of lower alcohol wine supports the harm minimisation approach that has been a key feature of Australian drug and alcohol policy since the mid 1980's and reiterated in the 2009 National Preventative Health Strategy. The report on *Australia's Future Tax System* (known as the Henry Review) recognises the social costs of alcohol abuse and consequently makes recommendations for a volumetric tax on alcohol to better address the issue of reducing social harm. The ability to produce a lower alcohol wine is one step towards achieving this. It provides options for all individuals when purchasing wine and assists them to take a more responsible approach to their alcohol consumption.

Summary

While not wanting to associate with the marketing of wine per se, ADCA sees the application to lower the minimum alcohol content of wine as an opportunity to:

- increase awareness around alcohol consumption
- allow people to take greater responsibility for their own consumption
- increase choice for consumers to select a lower alcohol wine
- provide a lower alcohol option for consumers
- facilitate greater awareness amongst consumers about levels of alcohol in wine and other drinks, and
- support efforts to reduce alcohol consumption in the community.

However, at the same time, ADCA recommends that:

- the marketing of all alcohol products be regulated by the Federal Government and be independent of the alcohol industry
- a clear name distinction be made between lower alcohol wine and wine that meets the current standard, and that the development of appropriate terminology be agreed in consultation with key stakeholders
- exemptions for alcohol products under the *FSANZ Code* be removed
- appropriate labelling be introduced

- standard drink and alcohol content information in logo format be standardised and mandated
- nutritional information panels be included on labels, and
- any changes to the minimum alcohol content of wine be promoted broadly and the context of such a change communicated clearly.

Queries in relation to this Submission should be directed to Meredythe Crane at meredythe.crane@adca.org.au or on 02 6215 9808.

References:

ADCA 2010, *Submission to the Food Labelling Law and Policy Review*, Canberra

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Alcohol

May 2010

Background: Alcohol is the most widely used drug in Australia¹. Next to tobacco, excessive alcohol consumption is a major risk factor for morbidity and mortality, and has been associated with injuries in many settings, including motor vehicle and bicycle accidents, incidents involving pedestrians, falls, fires, drowning, sports and recreational injuries, overdose, assault, violence, and intentional self-harm^{3,5}. It has been estimated that harm from alcohol was responsible for 3.2% of the total burden of disease and injury in Australia in 2003², and for 2004-2005, the total social cost of alcohol abuse was estimated at \$15.3 billion⁴.

Current alcohol consumption levels in Australia are high by world standards⁶, with patterns of high risk drinking among young people and in some Indigenous communities being of particular concern. Research shows that occasional or weekend excessive drinking poses the greatest risk in relation to alcohol-related violence, accidents, and injury, thus contributing exponentially to the overall social costs of alcohol misuse in Australia.

ADCA's position: ADCA welcomed the Federal Government's commitment to put alcohol misuse with its harms and costs on the political agenda by initiating the National Binge Drinking Strategy in March 2008, commissioning the National Preventative Health Taskforce to identify ways of reducing alcohol-related harm by 30 per cent by 2020, and asking the Henry Review of Taxation to examine current alcohol taxation legislation. ADCA was dismayed at the Government's failure to address alcohol tax reform in its response to the Henry Taxation Review on 2 May 2010. Government advised that it would not implement Recommendation 71 which said that "all alcoholic beverages should be taxed on a volumetric basis..." (Commonwealth of Australia 2010). ADCA understands that Recommendation 71 is likely to be reviewed when there is clarity following the wine industry restructure.

ADCA further believes that the level of funding committed to reducing alcohol-related harms is still insufficient when considered in the context of the harms and costs alcohol misuse causes Australian communities. ADCA is concerned about the considerable disparity of money collected by governments from alcohol tax and the amount allocated towards alcohol misuse prevention. On the other hand, ADCA welcomes the Government's investigation of alcohol taxation issues and the role of alcohol industry bodies in regard to regulating advertising, sponsorship, and promotion. ADCA hopes that decisions made regarding these issues, especially regarding funding allocations for prevention and treatment will reflect the Government's serious commitment to reducing alcohol-related harm and changing Australia's drinking culture.

A number of strategies have been adopted in Australia to reduce the harms associated with alcohol misuse. Below are summaries of ADCA's position on these strategies as outlined in greater detail and evidence-based in the longer position paper, available on the ADCA website.

- **Alcohol taxation and pricing:** ADCA recommends that the ad valorem WET and other product-based tax distortions be replaced with a consistent, progressive volumetric taxation regime, with tax rates being based on alcohol content for all alcoholic beverages. ADCA further recommends that alcohol taxation rates be increased overall, progressively over several years, beyond the adjustments to the CPI presently in effect. The revenue from the increase in taxes should be earmarked to support increases in treatment services and prevention programs for alcohol problems.
- **Exemption of alcohol from National Competition Policy:** ADCA recommends that alcoholic beverages be exempted from the provisions of National Competition Policy.
- **Responsive regulation:** Both the physical and economic availability of alcohol should be restricted and regulated to a greater degree. State and Territory Governments should create risk-based licensing approaches.

- **Restriction and regulation of alcohol advertising and marketing:** ADCA recommends that self-regulation of alcohol advertising and promotion be replaced with a system of alcohol advertising and promotion that is regulated by Federal Government and thus independent of the alcohol industry. Further, restrictions should be imposed on the way alcoholic beverages are advertised and marketed, especially to young people. Government should consider formally involving young people in the re-approval process of alcohol advertising, given that those in the target audience are the best people to judge what a particular advertisement is saying to them. ADCA also recommends that health warning and nutrition information labels be made mandatory for all alcoholic products and that advertisements for alcoholic beverages in any medium be required to include a series of warning messages about the potential harms of use, similar to what has been carried out with the tobacco industry.
- **Encouragement of alcohol management plans/liquor accords:** ADCA endorses the development of local liquor accords but urges that they be embedded in broader Community Safety Strategies and contain effective enforcement mechanisms and formal evaluation mechanisms as means to further enhance effectiveness of liquor accords and inform best practice.
- **Developing data for policy development and monitoring:** Governments at all levels should resource the collection and evaluation of data on alcohol sales and consumption to inform best practice as well as policy and program development.
- **Interventions and treatment:** ADCA recommends that Government allocates more resources to prevention and brief interventions in primary health care settings as they are identified as time and cost-effective strategies to address and treat early-stage drinking problems and eliminate the need for later more intense and costly treatment. Policy makers should further realise the potential of sobering-up centres to function as an avenue for early intervention and treatment referrals. Pharmacotherapy and clinical withdrawal treatment should always be embedded in an integrated treatment program that includes psychological therapy and social support in order to achieve sustainable outcomes.
- **Education programs and campaigns:** National education programs and campaigns should be embedded in, and form part of, a comprehensive strategy that incorporates targeted approaches and which links to State/Territory and local initiatives. ADCA recommends that more public awareness be raised about the new NHMRC guidelines and the health, social and economic harm associate with excessive alcohol consumption in a nation-wide social marketing and public education and awareness campaign.

REFERENCES

- ¹ **Australian Institute of Health and Welfare (AIHW) 2008**, *2007 National Drug Strategy Household Survey: first results*, Australian Institute of Health and Welfare, Canberra.
- ² **Begg S, Vos T, Barker B, Stevenson C, Stanley L & Lopez AD 2007**, *The burden of disease and injury in Australia 2003*. Cat. No. PHE 82, AIHW, Canberra.
- ³ **Chikritzhs T, Catalano P., Stockwell T R, Donath S, Ngo H T, Young D J and Matthews S 2003**, *Australian Alcohol Indicators, 1990-2001; patterns of alcohol use and related harms for Australian states and territories*. National Drug Research Institute and Turning Point Alcohol and Drug Centre Inc, National Drug Research Institute, Perth. Available from: <http://ndri.curtin.edu.au/local/docs/pdf/naip/naipaaifullreport.pdf>
- ⁴ **Collins D and Lapsley H 2008**, *The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004/05*, National Drug Strategy Monograph Series no.66, Commonwealth Department of Health and Ageing, Canberra.
- ⁵ **National Health and Medical Research Council (NHMRC) 2009**, *Australian Guidelines to reduce health risks from drinking alcohol*, NHMRC, Canberra.
- ⁶ **World Health Organization (WHO) 2008**, *World Health Organisation Statistical Information System*

This is a summary of an ADCA policy position paper on the prevalence of alcohol misuse in Australia with its associated harms and costs. The paper looks at a number of strategies that have been adopted/ are being considered to reduce alcohol-related harm. A full copy of ADCA's policy position is available on the ADCA website www.adca.org.au.