



Winemakers' Federation of Australia

For the Industry by the Industry

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WINEMAKERS' FEDERATION OF AUSTRALIA

**Submission to the
Senate Community Affairs Committee
Inquiry into the Alcohol Toll Reduction Bill 2007**

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1. Executive summary

The *Alcohol Toll Reduction Bill 2007* (the Bill) aims to create a culture of responsible drinking, and to facilitate a reduction in the alcohol toll resulting from excessive alcohol consumption.

The Winemakers' Federation of Australia (WFA) fully supports the intent of the Bill, however, considers the specific measures outlined in the Bill in relation to labelling and advertising, to be simplistic and ineffective in dealing with the problem of irresponsible and excessive alcohol consumption.

The WFA considers that a requirement for mandatory health warning labels on alcohol products will not address the issue of irresponsible and excessive alcohol consumption. There is no evidence that shows that warning labels on alcohol products lead to behavioural changes amongst those groups that are at risk.

The current labelling requirements in place in Australia are sufficient to ensure consumers have adequate information to make an informed decision on their alcohol consumption patterns.

The issue of alcohol advertising has been the subject of a number of comprehensive reviews over the last few years, and whilst those reviews found that improvements could be made, there was general support for the Alcohol Beverages Advertising Code (ABAC) Scheme.

A number of recommendations were handed down as a result of the reviews and the ABAC Management Committee has fully implemented those recommendations. This has resulted in a strengthened ABAC Scheme.

The statistics outlined in this submission reflect the strengthening of the Scheme and a robust pre-vetting and complaints process for alcohol advertising.

Furthermore, the number of complaints regarding alcohol advertisements on television relative to other types of advertising categories does not bear out the assertion of broad community concern with respect to alcohol advertisements on television.

The wine sector takes very seriously its responsibility to ensure that wine is produced, marketed and consumed in a responsible manner and is committed to the development of a holistic approach that balances industry self- or quasi-regulation, personal responsibility and legislation based on sound scientific evidence.

2. Background

The Winemakers' Federation of Australia (WFA) is the peak national body representing wine enterprises of all sizes across Australia. Voluntary membership represents in excess of 95% of wine production in Australia.

The Australian wine sector is a major contributor to the economic and social fabric of Australian life. Responsible for employing more than 60,000 Australians and fostering the prosperity of many regional communities, the Australian wine sector produces a product that is responsibly enjoyed by millions of people around the world.

The Australian wine sector is an Australian success story. In 2006-07 the value of domestic sales reached \$1.9 billion and the value of export sales \$3.0 billion.

The strong growth seen in the wine sector has been particularly important for regional communities in Australia. The number of wineries has more than doubled in 10 years, to exceed 2,100 in 2007. The vast majority of wineries are small and located in regional areas, and around 70% have an annual crush of less than 100 tonnes. This increase in wineries and growth of the sector has contributed to regional employment, infrastructure and tourism.

Despite its success, the wine sector faces a number of challenges that it will need to overcome if it is to maintain strong growth.

The Australian wine market is a relatively mature market with increasing competition from other beverages and imports. Accordingly, Australian wine businesses target export markets as a key opportunity for growth.

In May 2007, the Australian wine sector launched *Wine Australia: Directions to 2025*, an industry strategy for sustainable success. *Directions* was developed to reassess the priorities and challenges facing the industry.

Directions identified the potential for the Australian wine sector to sell an extra \$4 billion worth of wine over the next five years – lifting cumulative domestic and export sales for the period to \$30 billion. The gains will come through an increased emphasis on regional and fine wines, aimed at revenue increases through quality enhancements and positioning rather than volume growth.

When consumed in moderation, in a manner consistent with the Australian Alcohol Guidelines, wine is part of a healthy lifestyle. The industry also recognises when wine or other alcohol products are consumed to excess, either in the short or long term, they can contribute to a range of social and physical harms.

The Australian wine sector takes very seriously its responsibility to ensure the benefits of moderate wine consumption are maximised and associated harms are minimised in every possible way.

To this end, the industry has taken a leadership role in promoting wine as a product to be enjoyed responsibly, linking its consumption with food and initiating a number of programs, including:

- The development and promotion of standard drinks labelling;
- The promotion of appropriate levels of consumption for males and females; and
- Partnering with other alcohol sectors in the formation of DrinkWise, an independent organisation which is focused on promoting change towards a more responsible drinking culture in Australia.

Directions outlines the need for winemakers and wine sector organisations to adopt a range of initiatives that will promote healthier consumption patterns, enhance the social responsibility of the sector and highlight the many measures they have taken to encourage wine drinking in moderation. Responsible promotion and moderate consumption of wine with food is identified as a core value for the Australian wine sector.

3. Response to Terms of Reference

The following outlines the WFA's position on the terms of reference for this inquiry.

3.1 Require health information labels on all alcohol products

Under the current labelling requirements, all wine producers are required to state the number of standard drinks contained in their bottle or packaging. Alcohol beverages are also required to have an alcohol content statement included in the label.

In addition, wine producers are voluntarily adopting a standard drinks logo and responsible consumption messages on package labels such as "Enjoy wine in moderation".

The WFA considers that a requirement for mandatory health warning labels represents a simplistic and ineffective approach to public policy. There is no evidence that shows that warning labels on alcohol products lead to behavioural changes amongst those groups that are at risk.

In 1998, the then Australia New Zealand Food Authority (ANZFA) received an application from the Society Without Alcoholic Trauma, requiring labelling of alcoholic beverages with a warning statement.

The application was rejected by ANZFA. In its statement of reasons, ANZFA states that:

*"Scientific evidence for the effectiveness of warning statements on alcoholic beverages shows that while warning labels may increase awareness, the increased awareness does not necessarily lead to the desired behavioural changes in 'at-risk' groups. In fact, there is considerable scientific evidence that warnings statements may result in an increase in the undesirable behaviour in 'at risk' groups."*¹

In addition, in respect to the current labelling requirements for alcoholic beverages, ANZFA stated in 1998 that:

*"This information, together with existing public health and education initiatives, provide consumers with sufficient information to make informed decisions about the alcohol they consume."*²

It is also important to note that Food Standards Australia New Zealand (formally ANZFA) is currently considering an application for the labelling of alcoholic beverages with a pregnancy health advisory label. The WFA and the Australian Wine Research Institute have made a comprehensive joint submission to this inquiry outlining reasons for not supporting the application, primarily on the basis that the evidence available demonstrates that warning labels do not change behaviour.

If decisions regarding labelling are aimed at achieving an effective public health message, then the current FSANZ process should be allowed to run its course and not be circumvented by the proposed measures in this Bill. In addition, the complex issues surrounding the misuse of alcohol would be difficult to articulate in a concise, simple warning statement. The Bill indicates that the proposed warning label would need to provide for:

¹ Australia New Zealand Food Authority Statement of Reasons Rejection of Application A359, July 2000.

² Australia New Zealand Food Authority Statement of Reasons Rejection of Application A359, July 2000.

- (a) the consumption guidelines of the National Health and Medical Research council;
- (b) the unsafe use of alcohol;
- (c) the impact of drinking on populations vulnerable to alcohol;
- (d) health advice about the medical side effects of alcohol;
- (e) the manner in which the information may be provided, (including provision in text or pictorial form).

To include all of the above information is impractical or impossible and would require a label of considerable size and detail, making it unworkable for most packaging and ineffective in delivering a simple and accurate message for consumers.

3.2 Restrict TV and radio alcohol advertising to after 9pm and before 5am, to stop alcohol being marketed to young people

The Bill proposes to limit the timing of the broadcasting of advertisements for alcohol products to the period of 9pm to 5am each day.

Alcohol beverage advertising must already comply with the Commercial Television Industry Code of Practice. In summary, the Code stipulates that a direct advertisement for alcoholic drinks may be broadcast only during the following periods:

- Between 8.30pm and 5.00am on any day.
- Between 12 noon and 3.00pm on school days.
- On weekends and public holidays as an accompaniment to the live broadcasting of a sporting event.
- During the live broadcasting of a sporting event, where the event is simulcast to a number of licence areas and a direct advertisement for alcohol is permitted in the area where the event is held.

In addition, alcohol advertisements must comply with the Children's Television Standard, which prohibits the broadcast of advertisements for alcohol drinks during C classification periods.

There is no evidence to suggest that further regulation of advertising times would have any impact on irresponsible and excessive consumption of alcohol.

3.3 **Require all alcohol ads to be pre-approved by a government body comprising an expert from the medical profession, alcohol and drug support sector, accident trauma support sector and the alcohol industry**

The issue of alcohol advertising has been the subject of a number of reviews over the past few years, including a Victorian Parliamentary Inquiry, the New South Wales Summit on Alcohol Abuse, the inquiry by the National Committee for the Review of Alcohol Advertising (NCRAA), commissioned by the Ministerial Council on Drug Strategy, and the establishment of the Monitoring of Alcohol Advertising Committee.

These comprehensive reviews found that whilst improvements could be made, there was general support for the Alcohol Beverages Advertising Code (ABAC) Scheme.

In handing down its report in 2003, NCRAA stated that:

“NCRAA is of the view that alcohol advertising should continue to be self-regulated in Australia and recommends that the MCDS work with the alcohol industry to enhance the existing self-regulatory system.”³

NCRAA made a number of recommendations aimed at strengthening the then ABAC Scheme. The ABAC Management Committee, in recognising changing community expectations and the need to maintain the integrity and effectiveness of the scheme, fully implemented all of the recommendations handed down by NCRAA.

These recommendations have resulted in a strengthened ABAC Scheme which was recognised in the 2006 report by the Victorian Parliamentary Drugs and Crime Prevention Committee, which stated that:

“The revised ABAC on paper at least does seem to promote a much more transparent and comprehensive model for overseeing alcohol advertising. It should be given the chance to see if it works in practice. The Committee therefore makes no recommendation at this stage to put Australia’s oversight of alcohol advertising on a statutory footing.”⁴

The operation of the current ABAC Scheme consists of two separate elements, the pre-vetting process and the complaints process. These two processes are, quite properly, carried out by different people to ensure no conflict of interest issues arise between the pre-vetting and the complaints processes, **and both are separate from industry.**

Since the report was handed down in 2006, complaints against alcohol advertising, as a percentage of complaints across all product categories, have decreased significantly. In 2007, the ASB received 2602 complaints about advertisements across all product categories. Of these, only 2.44% related to advertisements for alcohol products. This is in comparison to previous years:

Percentage of complaints that related to alcohol advertising

2004	2005	2006	2007
21.38%	7.07%	3.14%	2.44%

³ Report to the Ministerial Council of Drug Strategy, Review of the Self-Regulatory System for Alcohol Advertising August 2003.

⁴ Victorian Government’s Drugs and Crime Prevention Parliamentary Committee, Inquiry into Strategies to Reduce Harmful Alcohol Consumption 2006.

The following data highlight the effectiveness and scope of the ABAC scheme in addressing concerns with alcohol advertising and providing a tight pre-vetting net.

2006 Pre-vetting statistics ⁵

Number of alcohol advertisements that were pre-vetted	936
Number that were accepted	701
Number that were accepted subject to conditions	53
Number that were rejected	182

2007 Complaints statistics

Number of complaints received by the Advertising Standards Board	87*
Number assessed as being within the scope of the ABAC and referred to the full ABAC Adjudication panel	25
Number of complaints dismissed	14 ⁺
Number of complaints upheld	8 ⁺

* The 87 complaints related to 38 separate advertisement campaigns

⁺ A number of complaints were dealt with through one determination

An overview of the operation of the complaints system can be found at **Appendix A**.

The above statistics reflect the strengthening of the Scheme. The WFA supports the current ABAC Scheme which provides a robust pre-vetting and complaints process for alcohol advertising and will continue to work as part of the Management Committee to strengthen the scheme at every available opportunity.

⁵ 2006 ABAC Annual Report

3.4 Ban alcohol ads which are aimed at children or which link drinking to personal, business, social, sporting, sexual or other success

The ABAC Scheme already in operation has a broader, stricter requirement than the proposed Bill recommends. Under the ABAC Scheme, alcohol advertisements must:

- only depict the responsible and moderate consumption of alcohol beverages;
- not have a strong or evident appeal to children or adolescents;
- not depict the consumption or presence of alcohol beverages as a cause of or contributing to the achievement of personal, business, social, sporting, sexual or other success.

Furthermore, the ABAC Scheme goes beyond the Bill by requiring that advertisements must not promote offensive behaviour, must not challenge or dare people to drink and must not depict any direct association between the consumption of alcohol beverages and the operation of a motor vehicle, boat or aircraft or the engagement of any potentially hazardous activity.

Importantly, the ABAC Scheme is the only Code that attempts to regulate internet advertisements. The ABAC Management Committee endorses the principle that any complaint, regardless of its medium, must have a 'home'. This ensures a thorough and rigorous system that provides an effective mechanism for the community to raise their concerns about alcohol advertising, regardless of where the concerns originate. To the knowledge of the WFA, no other jurisdiction in the world currently even attempts to regulate alcohol advertisements on the internet.

4. Conclusion

The wine sector fully supports the intent of the Bill, which seeks to create a culture of responsible drinking, and to facilitate a reduction in the alcohol toll resulting from irresponsible and excessive alcohol consumption.

However, the WFA does not support the specific measures outlined in the Bill in relation to advertising and labelling. The WFA considers these measures to be simplistic and ineffective in dealing with the problem of irresponsible and excessive alcohol consumption.

The National Alcohol Strategy 2006-2009 is due to be reviewed in the next 12 months or so. This strategy is a plan for action developed through collaboration between Australian governments, non-government and industry partners and the broader community. This is the appropriate context to review and progress action to reduce alcohol related harm in Australia as a holistic approach to policy and programs.

Measures to address alcohol abuse should be targeted at risky consumption and problem drinkers, such as the recent announcement by the Federal Government of \$53 million to combat binge drinking.

The WFA is concerned that any increase in regulation such as those measures proposed in this Bill, are likely to have significant negative impacts on our members, particularly the smaller, regional producers.

Decisions on policy and regulation to address the issue of irresponsible and excessive consumption of alcohol must be based on sound scientific evidence and the WFA urges the Government to ensure that any review of alcohol policy includes consultation with key stakeholders, including industry.

Appendix A

ABAC Complaints System

Below is a step-by-step guide to the Alcohol Beverages Advertising Code (ABAC) Complaints system:

- Step 1.** Complaints are received by the Advertising Standards Bureau (ASB)
- Step 2.** (a) All copies of complaints are forwarded to the ABAC Chief Adjudicator to determine if they are to be considered under ABAC.
- (b) All complaints are assessed by the ASB under Section 2 of the Australian Association of National Advertisers (AANA) Code of Ethics and any of the other relevant codes.
- Step 3.** Complaints to be considered under ABAC are forwarded to the full ABAC Complaints Panel for assessment.
- Step 4.** Once assessed, the Advertiser is notified of the decision and if the complaint is upheld, is asked to modify or withdraw the ad.
- Step 5.** The Chief Adjudicator advises the ASB of the panel decision and what action the advertiser has taken (if complaint is upheld).
- Step 6.** Complainant is informed by ABAC of the decision.

Important points:

- Complaints can be received via email, letter or fax.
- The AANA Code of Ethics deals with matters of taste and decency as well as issues of sexism and racism. The ABAC deals with issues surrounding the responsible use of alcohol and ensuring that alcohol advertising does not encourage irresponsible use of the product.
- Complaints are assessed under **both** codes.
- The Chief Adjudicator advises the ABAC pre-vetting panel of all outcomes of investigations. This ensures quality assurance checking for the pre-vetting panel.
- If an advertisement is to be modified as a result of an adverse finding by the complaints Adjudication panel, the modified version goes back through the ABAC pre-vetting process.
- There is no charge to the consumers. All costs are borne by industry.
- All decisions are final.
- Alcohol advertising must also be consistent with other applicable laws and codes, including:
 - The Trade Practices Act and state fair trading legislation
 - The Australian Association of National Advertisers Code of Ethics
 - The Commercial Television Industry Code of Practice
 - The Commercial Radio Codes of Practice
 - The Outdoor Advertising Code of Ethics