

20 March 2020

MEDIA RELEASE

Grape and wine businesses welcome review of pregnancy warning proposal

Australian Grape & Wine welcomes the decision taken by the Australian and New Zealand Ministerial Forum on Food Regulation to request a review of the proposed pregnancy warning label designed by Food Standards Australia-New Zealand (FSANZ).

"Fetal Alcohol Spectrum Disorder (FASD) is an issue that we take very seriously. We have publicly supported the adoption of a mandatory pregnancy warning label throughout this process, and have joined the Australian Government in investing in the DrinkWise FASD Awareness program to help drive greater awareness and understanding of FASD" said Tony Battaglione, Chief Executive of Australian Grape & Wine.

"However, the label designed by FSANZ was the worst possible outcome for wine businesses, and particularly those small family owned businesses that make up the majority of our sector".

According to costs estimates put to Ministers by FSANZ in its approval report, the best case scenario would cost businesses \$4,924 per SKU (stock-keeping-unit, or label), while a 2008 Pricewaterhouse Coopers Report for FSANZ identified an average cost of \$9,000 to \$10,000 for a major label change. With most wine businesses offering multiple varieties and wine styles to their customers, the costs would have been immense, and small wine businesses would have been the hardest hit.

"We are relieved that Ministers have chosen to take a common sense approach and ensure the mandatory labelling scheme is effective and cost efficient. The 2,500 small wine businesses across rural and regional Australia will breathe a sigh of relief at this pragmatic outcome" said Mr. Battaglione.

The Australian grape and wine sector employs more than 160,000 people across rural and regional Australia, and contributes more than \$45.5 billion to the Australian economy¹.

"Bushfires, smoke and now COVID-19 are putting unprecedented pressure on hundreds of Australian wine businesses, most of which are small and family owned. This week they've been looking at orders drying up, functions being cancelled and the prospect of nobody visiting their cellar doors for months".

"We believe a label design that does not mandate colours, and contains a more targeted headline message of "Pregnancy Warning" will be effective and cost efficient". This would cut the cost of a label change by 30-50 per cent, and provide a much clearer message consumers" said Mr. Battaglione.

"Let's get FSANZ to do this review quickly and let's get on with the job of the industry working with the Australian and State and Territory Governments to reduce instances of FASD. We can do this by supporting an effective mandatory pregnancy warning label, and driving greater awareness and cultural change through investments in targeted education campaigns. DrinkWise's FASD Awareness Program is doing just that, and we believe it serves as a template for future co-investments" said Mr. Battaglione.

- Ends -

¹ <https://www.wineaustralia.com/getmedia/34d4f68c-c8e9-4625-a078-bdaf197c09ef/AgEconPlus-Gillespie-Economic-Contribution-Wine-Report-2019.pdf>



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About Australian Grape and Wine Inc

Australian Grape and Wine Inc is the national association of grape and wine producers. We address issues across the supply-chain that impact on the profitability and sustainability of the sector. We lead and advocate public policy that enhances the ability to responsibly produce, promote and enjoy Australian wine in moderation.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the Wine Australia Act 2013, and is incorporated under the SA Associations Incorporation Act 1985. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.