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About Australian Grape & Wine

Australian Grape & Wine is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future. We represent the interests of the more than 2,500 winemakers and 6,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism. We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus. 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.

General Comments

Australian Grape & Wine welcomes the opportunity to provide comment to Food Standards Australia and New Zealand (FSANZ) on the call for submissions to Proposal P1062 Defining added sugars for claims (P1062). We appreciate the engagement and transparency adopted in this process and encourage ongoing further engagement on this complex issue. We support the application of scientific rigor applied to decision making on any consideration of amendments related to wine and broader food and beverage regulation by FSANZ. We also support revision of the Code's elements and definitions in ensuring the provision of clear and transparent consumer information that ensures consumers are not misled. The following are general comments on P1062 content and its implications for the Australian wine sector, based on wine sector stakeholder feedback.

Relevant Winemaking definitions

Wine is defined as the product of the complete or partial fermentation of fresh grapes, or a mixture of that product and products derived solely from grapes to which certain other ingredients may be added. The primary ingredient is fresh grapes which are typically crushed to release the liquid portion of the grapes. This liquid is generally what is meant by "products solely derived from grapes".

While the liquid is typically referred to as juice, it is not the same as finished 'fruit juice' as defined in the Food Standard Code, Standard 1.1.2. It can contain large amounts of particulate matter such as grape skins, seeds and stems and is not suitable or intended for direct consumption. More accurately this liquid is referred to as "grape must". Grape must undergoes a number of processes before it is transformed into the final product, wine. This can also include the addition of grape must (juice) or must concentrates (concentrates) to adjust the desired sugar or acidity levels. Fermentation then follows, where the sugars in the must are broken down by yeasts and converted to alcohol and carbon dioxide. Unlike fruit juice where juice or concentrates can be added and their sugars remain in the final product, the addition of must or must concentrates as part of the winemaking process



is inconsequential to sugar levels which remains in the final product. Following fermentation most of these sugars are converted and typically, residual sugars in wine are quite low.

Allowable winemaking practices in Australia related to the addition of sugar, juice or concentrate under the Food Standards Code are complex and vary between product types and between domestic and international producers. Standard 4.5.1 restricts the use of sugar in the production of Australian wine, however this standard does not apply to imported products. There are additional allowable winemaking practices that allow for the addition of juice or concentrate after fermentation in some circumstances. For sparkling wine, sugar can be added to either the tirage liqueur, which is then fermented or the expedition liqueur, which is not subject to fermentation. There are also wines, such as fortified wine, where the natural grape sugars are retained in the final product through fortification, refrigeration, and other techniques which do not add sugar. Requiring wine to identify when "sugar" has been added is highly complex and would only lead to potential for misleading consumers.

There has been extensive scientific evidence published by the Australian Wine Research Institute¹ and the New Zealand wine industry on wines energy content and sugar in winemaking. We would recommend these references are further considered when making considerations of changes to the food standard code which impact on the wine sector. This work shows low levels of remaining sugar in most wines and that by far the total energy content in the majority of wines relates primarily to the alcohol concentration and any remaining residual sugars.

For these reasons defining added sugar in relation to wine for the purposes of claims, labelling or any other purpose is highly complicated and redundant from a consumer perspective. Providing information about any form of added sugar, regardless of how it is defined, will not provide consumers useful information that allows for positive dietary choices and will more likely mislead and confuse consumers.

Added Sugar Claims and Wine.

While we support the provision of clear and transparent definitions to allow consumers to make informed choices, it is extremely unclear under the current proposal what implications, if any, there would be for wine under the proposed amendments set out in the call for submissions.

As noted in previous submissions to P1049 Carbohydrate and sugar claims on alcoholic beverages, FSANZ consumer research had noted that "No carbohydrate or sugar content claims were identified on wines, spirits or liqueurs during the survey." We can confirm these results are somewhat reflective of our experience with wine. While not unheard of amongst our membership, these types of claims are currently less common practice for Australian wine producers. Specifically, "no added sugar" claims do not get used in wine, as such claims would be confusing for consumers of a fermented beverage where sugars are converted during the winemaking process. There are some products we are aware of which make claims regarding the product's final sugar content, but these are also very rare.

Furthermore, it has not been made clear by FSANZ how the changes to these definitions will relate to Proposal P1058 - Nutrition labelling about added sugars nor how it will relate to Proposal P1059 - Energy labelling on alcoholic beverages. FSANZ has noted these proposals are linked but that they are currently out of scope of P1062. While understanding the difference between these proposals, we argue they cannot be considered in isolation, as established definitions may be relevant to the subsequent proposals.

At this stage we are unable to support the proposed amendment as its relevance to wine, if any, is unclear as well

¹ AWRI Technical Note – Technical Review No. 253 August 2021



as how these definitions may relate to future proposals.

Dietary guidelines

It is vital that we consider the original intention of the New Zealand and Australian Dietary Guidelines that are being used as part of the justification for this proposed amendment. These guidelines identify "added sugar" as an area which needs to be addressed to support consumers' information in making healthy choices. They clearly intend "added sugars" to mean extrinsic sugars that are added to increase the intrinsic sugar content in the final product. As such, Australian Grape & Wine believes that including grape juice used for the fermentation of wine would be inconsistent with those Guidelines.

It is clear that carbohydrates used for the production of wine (including grape juice or must, concentrated grape juice and sucrose) should not be considered "added sugars". Anything beyond this is an extension of the "added sugars" concept that is not contemplated in the Dietary Guidelines. There is no jurisdiction anywhere in the world that requires "added sugars" labelling for grape wine. In fact, such labelling would be internationally inconsistent and in conflict with Australia's obligations under several international trade arrangements.

International consistency with overseas regulations

Harmonisation of international regulation is of great importance to the Australian wine sector, which is an export orientated industry. We are therefore supportive of FSANZ seeking to understand and align its approach to other overseas regulations. This should be encouraged where regulations are appropriate and applicable to Australian consumers and industry. We note Proposal P1062 has identified some relevant international references regarding definitions of added sugar. However, the majority of these are not relevant or applicable to wine.

We also refer FSANZ to the proposed work of Codex Committee on Food Labelling (CCFL). In particular the agreement by all members at CCFL47² on future work that:

"CCFL47:

....

- *ii.* Agreed that Costa Rica would prepare a discussion paper on the **definition for added sugars (emphasis added)** and that:
 - a. The discussion paper would take into account the need for including sugar on the nutrient declaration list: and
 - b. A CL would be issued to request for information to support the development of the discussion paper...."

With this entirely relevant and pivotal piece of work underway at Codex, we strongly recommend that FSANZ gives further consideration to this work before implementing changes which could then prove to be inconsistent with the work of Codex CCFL.

Consultation timelines and Transition period

² REPORT OF THE FORTY-SEVENTH SESSION OF THE CODEX COMMITTEE ON FOOD LABELLING



P1062 has proposed a two-year transition period to allow businesses adequate time to re-label following entry into force of this change. A three-year transition period is a general standard required by industry to allow for any major labelling changes. The wine sector has had a number of labelling changes imposed by FSANZ and others in recent years and the possibility of further labelling change should be considered when proposing adequate time to implement labelling changes. In this instance as it is unclear what the implications of this on wine labelling will be and how they relate to other pending changes. For these reasons we cannot support the proposed two-year transition period. We would also strongly recommend that any proposed labelling changes implemented by FSANZ regarding sugar, carbohydrate, or energy related to wine should be aligned to allow for a single labelling change once adequate time has been determined.

In regard to the timeframes that have been allowed for the call for submissions, Australian Grape & Wine would like to make the following comments. While we acknowledge that Food Ministers have sought to expedite this work, we are concerned that doing so for such a complex issue will more than likely result in future unintended consequences such regulatory barriers, international inconsistencies and potential to mislead or confuse consumers. Acknowledging the work that has already been undertaken on added sugars which has led FSANZ and Ministers Forum to acknowledge the complexities of add sugar labelling, we do not think that P1062 has allowed due time to consult and respond to the issue. The call for submissions was opened on 11 September and closes on 8 October 2023, allowing 27 days including weekends and a public holiday. The Australian government's own guidance on acceptable standard for public consultation is between 30 and 60 days depending on the complexity of the issue. P1062 is an extensive 70pg document with annexures and linkages to several associated documents. Information sessions were also held in the second week of the consultation, further limiting time to respond.

Furthermore, we note that for both Australia and New Zealand, the World Trade Organization (WTO) Technical Barriers to Trade notification period is 60 days (11 September to 10 November) for international WTO responses. We therefore assert that, regardless of the desire to expediate this work, the complexity of the issue means the Australian public should be afforded the same opportunity to consider and comment on the issue as that provided to international competitors.

FSANZ Proposed amendment

At this stage Australian Grape & Wine is unable to support the proposed option as the implications for wine and their relevance to subsequent updates have not been made clear. While wine does not tend to make "no added sugar" claims supporting definitions in this proposal isn't possible as their subsequent linkages is unclear and, depending on that, may impact on consumers' understanding as well as cost to the sector.

We recognise that Food Ministers are seeking to expedite this issue however our concern that doing so on such a complex issue without giving due consideration to its consequences will not support the objectives being sought by FSANZ and the Food Ministers. It risks international inconsistency, breaches of trade obligations and will more likely create consumer misunderstanding and confusion. We therefore support the status quo arrangement, at least until further clarification and information is provided on the implications of this amendment for wine. FSANZ also needs to provide further consideration that changes are internationally consistent and provide a clear understanding of how these proposals link to future proposals noted above. We cannot support the position that the proposal as outlined would present more benefit than cost and, therefore, support maintaining status quo as a priority.



Consultation Questions

1. FSANZ proposes to continue to set 'no added sugar(s)' claim conditions based on the addition of ingredients to foods (see section 5.2 of the Call for submissions document).

Refer to General Comments above

2. FSANZ proposes a food displaying a 'no added sugar(s)' claim must not contain an 'added sugars' as an added ingredient including an ingredient of a compound ingredient. FSANZ proposes defining 'added sugars' for this claim condition (see section 5.2.1.4 of the Call for submissions document).

Do you have any comments on this approach or the defined added sugars (see below)?

FSANZ proposes to define 'added sugars' for the purpose of 'no added sugar(s)' claim conditions to mean the following derived from any source:

- hexose monosaccharides and disaccharides;
- starch hydrolysate;
- · glucose syrups, maltodextrin and similar products;
- products derived at a sugar refinery, including brown sugar, molasses, raw sugar, golden syrup, treacle;
- icing sugar;
- invert sugar;
- sugar and sugar syrups derived from plants;
- honey;
- · malt;
- malt extracts;
- · concentrated fruit juice, unless the food for sale is fruit juice; and
- · deionised fruit juice.

Refer to General Comments above

Australian Grape & Wine submits that this definition should be amended to exclude concentrated grape juice and sucrose used in the production of wine from the definition of added sugars, since these are not additions, and their inclusion is not required by the Dietary Guidelines.

3. FSANZ proposes 'no added sugar(s)' and 'unsweetened' claims are not permitted on foods containing the hexose monosaccharide D-tagatose, as an ingredient, consistent with existing claim conditions in the Code. As D-tagatose is a hexose monosaccharide, it is captured in the definition of 'added sugars' (see section 5.2.2 of the Call for submissions document).



4. FSANZ proposes foods containing low energy sugars (mono- and disaccharides), as ingredients, listed in subsection S11—2(3) of Schedule 11 not be permitted to display 'unsweetened' claims (see section 5.2.2 of the Call for submissions document).

NA

5. FSANZ proposes a food displaying a 'no added sugar(s)' claim must not contain the fruit products listed below as an added ingredient (including as an ingredient of a compound ingredient). FSANZ proposes to exempt fruit products which are lemon or lime fruit (see section 5.3 of the Call for submissions document).

Do you have any comments on this approach or the fruit products listed (see below)?

- Dried fruit, other than whole, cut or chopped dried fruit;
- fruit juice (other than concentrated fruit juice), unless the food for sale is canned fruit or frozen fruit;
- · fruit juice powder;
- · fruit powder;
- · fruit pulp;
- · fruit purée;
- · concentrated fruit purée.

Refer to General Comments above

The approach as outlined in the call for submissions is overly cumbersome and unclear as it relates to wine and other products. While these may make sense for some products, for wine, the implications remain unclear. Australian Grape & Wine submits that fruit juice and concentrated grape juice used in wine production should not be considered an addition.

6. FSANZ proposes a fruit product which is the food for sale (e.g. fruit juice) be permitted to make a 'no added sugar(s)' claim. This includes when the food is sold as a singular fruit (e.g. apple juice) or a blend of different fruits (e.g. blend of fruit juices), providing the food contains no 'added sugars' or other products identified in claim conditions, as added ingredients. A blend or combination of different fruit products (e.g. fruit juice and fruit purée) will not be permitted to make the claim. FSANZ also proposes to clarify that fruit does not include legumes, fungi, herbs, nuts and spices for the purpose of the claim conditions (see section 5.3 of the Call for submissions document).

Refer to General Comments above

7. FSANZ proposes 'no added sugar(s)' claims are not permitted when the concentration of sugars in the food is increased from the hydrolysis of carbohydrates during food manufacture, except when the sugars concentration in cereal-based plant milks made using hydrolysis is $\leq 1.5\%$ (and the product otherwise meets claim conditions) (see section 5.3.2 of the Calls for submissions document).

NA



8. FSANZ proposes to maintain the existing condition that a food displaying an 'unsweetened' claim must meet the conditions for a 'no added sugar(s)' claim, noting that the amended 'no added sugar(s)' claim conditions will apply (see section 5.4 of the Call for submissions document).

Refer to General Comments above

9. FSANZ proposes to maintain the existing condition for intense sweeteners, sorbitol, mannitol, glycerol, xylitol, isomalt, maltitol syrup or lactitol. FSANZ proposes a food containing low energy sugars (monoand disaccharides) listed in subsection S11—2(3) of schedule 11, as an ingredient (including an ingredient of a compound ingredient), not be permitted to display an 'unsweetened' claim (see section 5.4 of the Call for submissions document).

NA

10. FSANZ is proposing a two-year transition period to allow producers, manufacturers and importers time to make any required labelling changes for products carrying 'no added sugar(s)' or 'unsweetened' claims to comply with the new claim conditions (see section 7 of the Call for submissions document).

A three-year transition period is a general standard required by industry to allow for any major labelling changes. The wine sector has had a number of labelling changes imposed by FSANZ and others in recent years and the possibility of further labelling change should be considered when proposing adequate time to implement labelling changes. In this instance as it is unclear what the implications of this on wine labelling will be and how they relate to other pending changes. For these reasons we cannot support the proposed two-year transition period. We would also strongly recommend that any proposed labelling changes implemented by FSANZ regarding sugar, carbohydrate or energy related to wine should be aligned to allow for a single labelling change once adequate time has been determined.

11. Do you have any data or are you aware of published data on the number of products with 'no added sugar(s)' or 'unsweetened' claims in Australia and/or New Zealand (see data used for this proposal at section 3.1 of the Call for submissions document)?

Refer to General Comments above

12. Do you have any evidence or are you aware of published literature on consumer understanding of and responses to 'no added sugar(s)' or 'unsweetened' claims on food products (see evidence used for this proposal at section 3.2 of the Call for submissions report and Supporting Document 1)?

Refer to General Comments above

13. Do you have any data or know of any published data on the costs of labelling changes per stock keeping unit or package type (see data used for this proposal at Attachment E to the Call for submissions document)?



Refer to General Comments above

Conclusion

Australian Grape & Wine asserts that sources of carbohydrate used for the production of grape wine (including grape juice or must, concentrated grape juice and sucrose) should not be considered 'added sugars' - whether for 'no added sugars' claims or for any other purpose. Including these sources within the definition could have broader consequences beyond the scope of this immediate consultation and has the potential to mislead and confuse consumers in the context of wine.

Harmonisation with international standards and regulations related to added sugar and wine remains extremely important and needs to be further taken into consideration for any changes being proposed.

The call for submissions does not answer a number of questions of relevance to wine and is unclear in its relevance to future proposals with implications for wine. Given the complexity, adequate time and consideration have not been given for consultation with the sector on this call for submissions. Furthermore, the transition period for a change which may have significant implications must be extended beyond the two-year period outlined in the call for submissions. It should allow for explicit protection of previously labelled stock, as well as alignment with the other proposals underway that may have an impact on wine labelling.



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