



# Energy Drinks – An Industry Commitment

The Australian Beverages Council, representing the energy drink market, supports a responsible commitment to the manufacture, marketing and consumption of this non-alcoholic beverage category.



## Introduction

- The Australian Beverages Council represents over 95% of the non-alcoholic beverage industry in Australia comprising large, medium and small members from across the country.
- Members of the Beverages Council that manufacture or distribute energy drinks, representing 99% of the market's production volume, have all committed to a range of best practice standards over and above legislative requirements.

## Energy Drinks - Regulations

- Energy drinks in Australia are one of the most stringently regulated categories of all the world markets.
- Energy drinks are classified as a food and as such are regulated under the Australia and New Zealand Food Standards Code under Standard 2.6.4 Formulated Caffeinated Beverages (FCBs).
- FCBs are non-alcoholic beverages which must contain certain levels of caffeine and this range is between 145mg/L and 320mg/L.
- This is comparable to the caffeine levels found in coffee which typically vary from 60-120mg per cup of coffee (approx 240mg-480mg/L) (refer Table One).
- Energy drinks must comply with labelling provisions of the Code with regards to contents disclosure, recommended daily usage and advisory statements that the product is not suitable for children, pregnant or lactating women. This is in addition to compliance with the relevant sections of the *Competition and Consumer Act* (2010) (Cth).

## Energy Drinks - Contents

- One of the main active ingredients in energy drinks is caffeine, which can have a stimulant effect.
- The amount of caffeine in a standard sized energy drink (250mL) is equivalent to a cup of coffee<sup>1</sup>.
- Coffee sourced from retail outlets eg espresso, generally contain more caffeine than a standard size (250mL) energy drink<sup>2</sup>.

**Table One - Caffeine content of beverages**

Beverage	Caffeine content
Percolated coffee	60-120 mg / 250mL cup
Formulated caffeinated beverages (Energy Drinks)	80 mg / 250 mL can
Instant coffee (1 teaspoon per cup)	60-80 mg / 250 mL cup
Tea	10-50 mg / 250 mL cup
Coca-Cola	36.4mg / 375mL can

Source: <http://www.foodstandards.gov.au/consumerinformation/adviceforpregnantwomen/caffeine/andindustrydata>

- In addition to caffeine, energy drinks contain vitamins and other functional ingredients (which may include taurine, guarana, inositol, glucuronolactone etc) (refer Table Two).

**Table Two - Common ingredients and functions**

Ingredients	Function
Caffeine	Caffeine is an ingredient in many beverages, and has been consumed by people for hundreds of years. At low doses (20-200mg) positive associations such as increased energy, alertness, motivation and concentration are observed.
Taurine	Taurine is an amino acid that occurs naturally in the human body and is involved in many of its vital functions.
Inositol	Inositol is a carbohydrate. It is a natural constituent of the human body where it is produced from glucose. Inositol is also contained in a range of natural foodstuffs.
Glucuronolactone	Glucuronolactone is a derivative of sugar that occurs naturally in the body, where it is produced in the liver through the metabolism of glucose.

Source: Various web sources

- These Australian regulations compare to the USA and Europe where there are no limits to the levels of caffeine that can be added to beverages. US regulation does not require any specific labelling of energy drinks and

European Union legislation stipulates that products containing more than 150mg/L of caffeine must bear the advisory statement 'high caffeine content' followed by the amount of caffeine contained in mg/100mL.

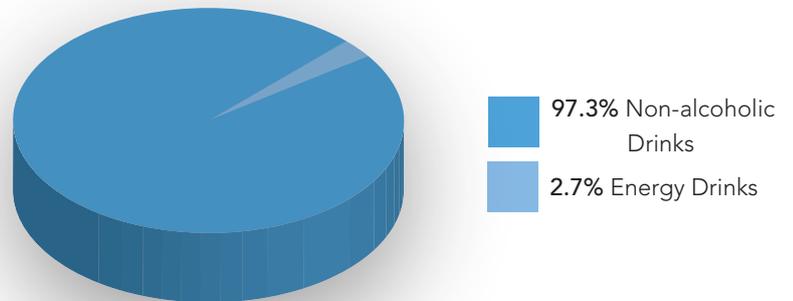
## Energy Drinks - Industry Commitment

Beverages Council members continue their active engagement and involvement in the responsible marketing, promotion and consumption of their products.

As energy drinks are developed for a mature consumer, all members commit to the following guidelines which relate to the manufacture, distribution and marketing of energy drinks:

- energy drinks **are not made available** in primary nor secondary schools
- marketing and advertising activities of energy drinks **are not directed at children**
- **no promotional activities** are undertaken that encourage excessive consumption of energy drinks
- labels of energy drinks **do not promote** the mixing of energy drinks with any other beverage.

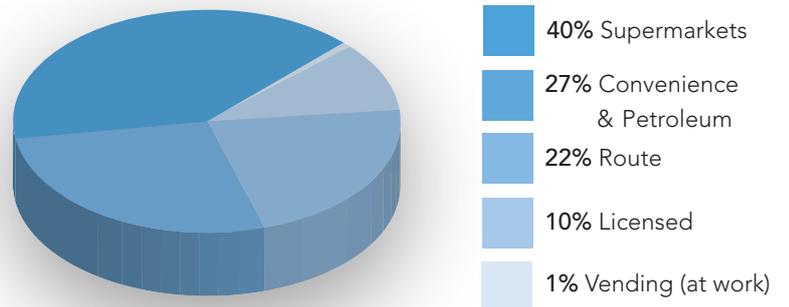
### Size of Energy Drink Market in Australia



Source: Euromonitor, Canadean, Aztec & ACNielsen - 2010<sup>3</sup>

- The energy drink category represents a very small segment (2.7%) of the total non-alcoholic beverages market.

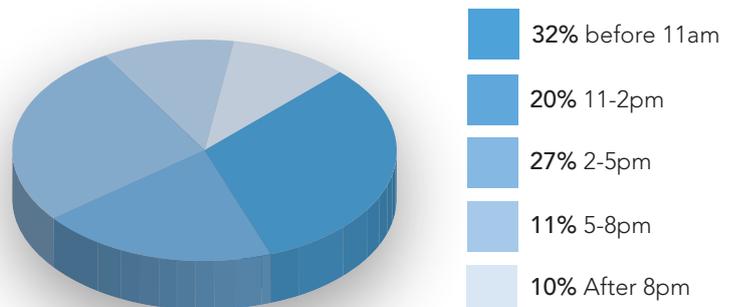
### Energy Drink Distribution by Channel



Source: Euromonitor, Canadean, Aztec & ACNielsen - 2010<sup>3</sup>

- 9 out of 10 energy drinks are sold away from licensed venues.
- Almost half of all energy drink sales occur in the supermarket.

### Energy Drink Consumption Times



Source: Beverages Council – 2010 Member Market Research<sup>4</sup>

- 90% of energy drinks are consumed before 8pm.

### Energy Drinks and Alcohol

Alcoholic beverages are commonly mixed with a range of non-alcoholic drinks such as cola, soda water, ginger ale, fruit juice, milk, cream and cocoa or coffee based beverages eg liqueur coffee. Excessive and irresponsible consumption of alcohol can have adverse effects on the human body and behavior and ultimate responsibility rests with the individual.

Beverages Council members, where their products are sold in licensed premises recommend venue education including but not limited to:

- proactive engagement with on-premise representative groups in relation to these industry commitments
- energy drinks be promoted as an alternative to alcohol (like water, soft drinks, juice, tea and coffee) and included as part of a venue's responsible service of alcohol strategy
- venue staff continuing to use a range of indicators in assessing a person's level of intoxication which includes the number of standard alcoholic drinks consumed

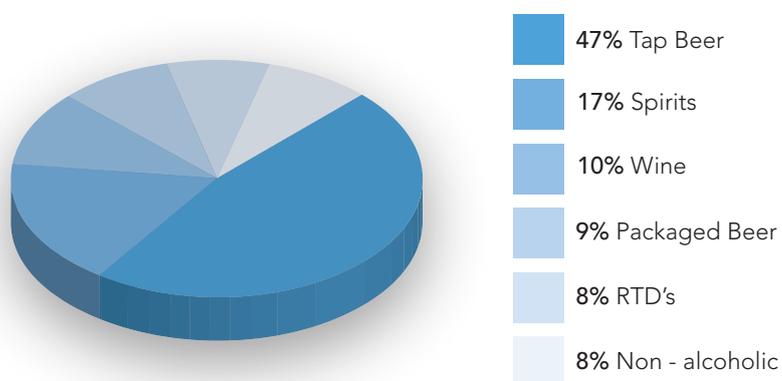
- energy drinks should not feature in a practice or promotion that encourages rapid and excessive consumption of alcohol or energy drinks
- encouraging a consumer message of "responsible consumption of energy drinks" by reference to the recommended daily usage statement on product labelling
- refraining from making any unsubstantiated scientific claims with regard to energy drinks and alcohol e.g. that the consumption of energy drinks counteracts the effects of alcohol

- provision of clear and accessible information, as contained on labels or at the point of sale, to ensure consumers are able to make an informed decision about their own consumption of energy drinks.

#### Licensed Venue Market Facts

- Non-alcoholic drinks represent 8% of total licensed premise revenue.
- Of the non-alcoholic sales, only 8% are energy drinks.
- Consequently only 0.64% of total venue sales are energy drinks of which only a proportion are mixed with alcohol.

#### Licensed Venue Category Shares



Source: Over the Bar Scan Report 2010

### FAQs

#### Q: How much caffeine is in an energy drink?

**A:** By law, energy drinks must contain between 145mg/L and 320mg/L of caffeine. A typical 250mL can of energy drink contains a maximum of 80mg which is equivalent to a cup of coffee.

#### Q: How many energy drinks should a person drink per day?

**A:** As with any food or beverage, the key to a healthy consumption level is moderation. A FSANZ report determined moderate daily caffeine intake to be between 300-400mg<sup>5</sup>. The daily usage statement on the back of cans and bottles of energy drink recommends a maximum energy drink intake of 2 x 250mL or 1 x 500mL typical energy drink(s), which equates to 160mg of caffeine.

#### Q: How can I find out how much caffeine is in an energy drink?

**A:** By law, each can or bottle MUST state the amount of caffeine on the back of the label expressed as both per serve and per 100mL. Energy drinks must NOT contain more than the equivalent of 320mg of caffeine per litre (320mg/L).

### References

1. <http://www.foodstandards.gov.au/consumerinformation/adviceforpregnantwomen/caffeine/>
2. Desbrow B, Hughes R, Leveritt M, Schellings P, 2007. *An examination of consumer exposure to caffeine from retail outlets*. Food Chem Toxic. 45:1588-1592
3. Combined market data from Euromonitor, Canadean, Aztec and ACNielsen 2010
4. Australian Beverages Council member data
5. FSANZ Expert Working Group Report The Safety Aspect of Dietary Caffeine June 2000