

**Comments from the Victorian Department of Health and Human Services and the Victorian Department of Jobs, Precincts and Regions.**

**Due date of submission – 18 June 2019**

The Victorian Departments of Health and Human Services and Jobs, Precincts and Regions (the departments) welcome the opportunity to respond to this application to amend the Australia New Zealand Food Standards Code (the Code).

Food Standards Australia New Zealand (FSANZ) has called for submissions to Application A1166 - Reduction in minimum alcohol for Tequila. The Application seeks to lower the minimum alcohol percentage by volume specified in Standard 2.7.5 of the Code for spirits using the Tequila geographical indication (GI) from 37% to 35% alcohol by volume.

From the FSANZ's call for submissions and supporting documentation it is understood that:

- The proposed amendment is necessary to ensure that all spirits legally entitled to use the Tequila GI under the relevant laws of Mexico can be sold in New Zealand and Australia. The requirement for Tequila in Mexico allows for a minimum percentage of 35% alcohol by volume.
- FSANZ has proposed to vary Standard 2.7.5-3 of the Code to require that tequila contains no less than 35% alcohol by volume and all other spirits contain no less than 37% alcohol by volume. The proposed change is consistent with the current definition of spirits in Australia and New Zealand and there are no collateral regulatory impacts.
- The proposed variation provides consumers in Australia and New Zealand with greater choice across the full range of products entitled to use the Tequila GI.
- There are no additional public health and safety risks related to the proposed amendment relative to existing Tequila spirit.

The departments note that the application was lodged in May 2018. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) referred to in the application has since come into force for Australia, New Zealand and Mexico (December 2018). The proposed amendment therefore resolves the anomaly between the Code as it relates to Tequila and the provisions of the CPTPP. Since the application was lodged, the European Commission has approved the addition of Tequila to the European Union register of GI. The proposed change does not impact on Australia's position on GI more broadly. Overall the departments concur with FSANZ's assessment that the change would result in the removal of a trade barrier.

On the basis of the information above, the departments support the progression of Application A1166.