



BREWERS
ASSOCIATION

Brewers Association of Australia & New Zealand Inc

**Submission to the House of Representatives Standing
Committee on Agriculture and Industry Inquiry into
Country of Origin Food Labelling**

2 May 2014

Introduction

The Brewers Association of Australia and New Zealand (Brewers Association) welcomes the opportunity to provide a submission to the Inquiry into Country of Origin Food Labelling being undertaken by the House of Representatives Standing Committee on Agriculture and Industry.

The Brewers Association of Australia and New Zealand represents major brewers with the core purpose to celebrate beer, its contribution to the economy and to social wellbeing through responsible consumption.

Australian members of the Brewers Association comprise Carlton & United Breweries, Coopers and Lion. Members of the Brewers Association produce and distribute around 95% of beer brewed and bottled in Australia.

Beer is a significant contributor to the economy and supports local agriculture, logistics and hospitality industries with 90% of beer consumed in Australia, brewed in Australia.

Background

Currently the Australian members of the Brewers Association are using a variety of wordings to indicate that their products are Australian.

In 2012, the Brewers Association provided a submission in response to the proposal of the *Competition and Consumer Amendment (Australian Food Labelling) Bill 2012*.¹ We did not support the proposal for a “Made from Australian Ingredients” label on the grounds that such a change would not achieve the objective of improving consumer information.

In 2012 we stated that the current labelling requirements are sufficient to identify country of origin but there is a lack of public education as to the meaning of those terms. As such, the proposal to introduce “Made from Australian Ingredients” requirements would have done very little to resolve the primary issue of improving consumer information and would have inflicted substantial costs across all food producing industries. We maintain that position.

Discussion

The Brewers Association believes that the current options of “Product in Australia” and “Made in Australia” should be maintained. The ACCC requirements for “Made in Australia” are substantial transformation of the ingredients and at least 50% of the costs are incurred

¹ http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r4876

in Australia. This includes the packaging costs. A report undertaken for industry by Catalyst Consultancy & Research in April 2014 reveals that both factors of 'Country of Origin' and 'Country of Manufacture' rate as an important consideration for consumers making purchasing decisions. 'Country of Manufacture' is perceived as the most relevant factor in determining how 'Australian' a product is due to connotations of greater employment, economic benefit and quality control. It is also understood by consumers that seasonality affects producer ability to maintain 'Country of Origin' commitment.

Given substantial transformation reflects local manufacturing, and it is clear this remains an important input to a consumer's understanding of what is or isn't Australian, it is important that this be maintained.

If Government believes that there are issues with consumer understanding of Country of Origin labelling, our recommendation is that before further regulation is considered and or implemented, that improved education of the existing system is undertaken.