



10 June 2014

Competition Policy Review Secretariat
The Treasury
Langton Crescent
Parkes ACT 2600
www.competitionpolicyreview.gov.au/submissions/

Dear Sir/Madam

Cider Australia appreciates the opportunity to make a submission to the Competition Policy Review.

Cider Australia is the national body that represents the cider and perry (pear cider) industry in Australia. We have more than 50 member organisations including Australian agricultural producers, local and international cider makers, manufacturers and distributors. These businesses directly employ hundreds of people in regional areas across Australia and indirectly support the employment of thousands of others.

Cider Australia's primary concern as an organisation is to build a sustainable category through maintaining and improving the quality of ciders produced and marketed in Australia. Our key functions are to advance the industry through policy development and promotion, educating consumers about production and responsible consumption, and creating marketing opportunities and strategies to assist producers to grow their businesses.

Cider Australia does not wish to comment on Australia's competition laws specifically, but rather the product labelling obligations that sit alongside these laws and which impact the ability of cider producers, particularly smaller operators, to compete in the market. Cider Australia considers improvements to the design and enforcement of labelling laws as a crucial part of the reform agenda that would drive improved consumer choice, product innovation and competition.

Integrity in labelling is an important driver of non-price competition in the cider market. It is clear that an increasing number of consumers value the origin and quality of the ingredients used to produce cider. To ensure producers are able to compete on these grounds, consumers must be able to identify what they are buying and producers must be able to differentiate their product. The existing regime does not achieve these objectives.

Cider Australia advocates changes to cider labelling laws to enhance the information provided to consumers and ensure the claims on product labels are meaningful. A fundamental change needed is the adoption of a consistent definition of cider across tax and food standards legislation. Currently, the tax and food standards definitions are

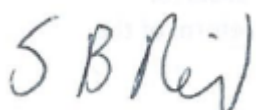
markedly different. As a result, cider producers face a complicated and, at times, confusing task in complying with the law, consumers are unable to make informed choices about what they are purchasing and the incentives to produce and market quality cider are reduced.

In relation to provisions in the *Competition and Consumer Act 2010* that prohibits misleading representations about the place of origin, nature, manufacturing process or characteristic of goods, Cider Australia questions which definition of cider the regulator would use when considering claims about cider and perry, and whether this definition aligns with consumer expectations. Cider Australia considers the definition of cider under the food standards and, consequently, the range of products that can be labelled as 'cider' in Australia, to be too broad.

Furthermore, the current Country of Origin Labelling system does not provide sufficient information for Australian consumers of cider to make informed purchasing decisions. The system does not ensure consumers can identify the origin of the key ingredient in cider, the apple and/or pear juice, which reduces the ability of local producers to differentiate their product.

Please do not hesitate to contact our Executive Officer, Jane Anderson on 0434 559 759 or office@cideraustralia.org.au if we can assist the review further.

Yours sincerely

A handwritten signature in blue ink that reads "S Reid". The letters are cursive and slightly slanted.

Sam Reid
President