

APC disappointed by Senate Inquiry recommendations; affirms commitment to clear labelling with new voluntary guidelines

The Alternative Proteins Council (APC) is disappointed by the recommendations of the Senate Rural and Regional Affairs & Transport Committee's Inquiry into plant-based product labelling, which have largely ignored evidence showing that Australian consumers understand current labels.

Evidence presented to the Senate Inquiry from government departments and agencies, researchers, retailers and others demonstrated that existing labelling is clear, and current regulations work.

Report recommendations conflict with current, fit-for-purpose labelling

The APC believes <u>the Committee's recommendations</u> to enact restrictive regulations are unjustified based on the balance of the evidence presented to the Inquiry.

While evidence demonstrating current labelling is fit-for-purpose appears in abundance in the Committee's Report, the Committee's conclusions are in direct opposition, relying on a heavy-handed approach that would have broad sweeping implications on a growing sector.

Prominent labels such as 'plant-based', 'beefless' or 'vegetarian' are critical for both consumers' seeking plant-based alternatives, as well as those seeking meat-based products. Australian shoppers clearly understand these terms when they are used with words like 'sausage' and 'burger', or combined with a meat term, which is why this kind of product labelling is used as best practice in markets around the world. Research' shows that this terminology helps people understand how the food they buy will look, cook and taste, and that removing these terms undermines consumers' understanding.

Commercial market analysis presented by the APC shows that the vast majority of Australian products follow this labelling convention, demonstrating that the plant-based products sector adheres to clear labelling requirements.

Evidence presented to the Inquiry – amongst six public hearings and 226 written submissions – demonstrated:

- **no substantive evidence of consumer confusion about plant-based product labelling**, as illustrated in data presented by the Australian Competition and Consumer Commission (ACCC), Woolworths and industry bodies;
- **no adverse economic impact** experienced by the red meat sector due to the emerging plant-based products sector;
- **no market failure arising from current plant-based product labelling** to warrant the regulatory intervention now proposed in this Report.

¹ Gleckel, Jareb A., Are Consumers Really Confused by Plant-Based Food Labels? An Empirical Study. University of Louisville, Louis D. Brandeis School of Law, Journal of Animal and Environmental Law (forthcoming), Available at SSRN: <u>https://ssrn.com/abstract=3727710</u>

APC restates its commitment to voluntary guidelines, aligned with recommendations of Minister for Agriculture's working group and others

The APC has consulted with the relevant regulatory and industry bodies, including the ACCC, to develop voluntary labelling guidelines that provide a clear framework for companies retailing plant-based products in Australia and New Zealand.

The guidelines, which are due for release in the coming weeks, were developed through extensive consultation, and with consideration to any remaining concerns raised in the Senate Inquiry. The guidelines include detailed advice on the use and prominence of qualifiers and product imagery on packaging, a timeline for industry adoption and a commitment to review in three years to ensure they remain fit for purpose.

The APC urges policymakers to review the significant evidence presented in the Inquiry in favour of voluntary guidelines, rather than considering the regulation as recommended in the Report.

This approach follows standard policy principles to minimise 'red tape' and allow a sector to self-regulate, with government intervening only in the event of demonstrable market failure. A regulatory approach in the absence of credible, objective and justifiable evidence threatens the \$6 billion that the plant-based sector could contribute to the Australian economy as projected by CSIRO.

Encouragingly, the Report includes <u>a dissenting report</u>, which is informed by the evidence and reflects the earlier determination of the Food Ministers' Meeting most recently in 2019 that existing regulations work well.

The dissenting report echoes the majority recommendation from the working group that included a cross-section of agricultural and food system representatives, established by the Minister for Agriculture in 2020 to examine plant-based labelling. The group majority determined that the plant-based products sector should develop voluntary labelling guidelines.

About The Alternative Proteins Council

The Alternative Proteins Council (APC), founded in March 2021, is the representative group for Australia's alternative proteins sector. The APC provides a collective voice for the sector, and a platform to discuss shared issues and opportunities. The council works to ensure the voice of the sector remains unified and impactful on key issues. The APC engages at a national level on policy issues, enabling the sector's shared vision and continuing to serve Australians who enjoy alternative protein products.

For media inquiries, please contact the APC Secretariat at <u>secretariat@alternativeproteinscouncil.org</u>