

SUBMISSION No: 17

DATE RECEIVED: 2/5/2014

Submission to the House of Representatives

To: Agriculture and Industry Committee

Inquiry on Country of Origin Food labelling

Submitted by: Simplot Australia Pty Ltd. Mr. Callum Elder, Executive Director/ Quality & Innovation.

Date: May 2nd, 2014

Simplot Australia is a leading Australian food manufacturer and the home of Australia's favourite food brands.



We are a family owned company focused on Bringing Earth's Resources to Life in a sustainable way so that Australians can always eat well.

This desire has seen us build long term partnerships with Australian farmers and our supply chain, invest in our people, and commit to the long term sustainability of earth's natural resources. Underlying all we do is a spirit of innovation.

Today our uniquely diverse business includes vegetable, meat and seafood manufacturing operations that supply chilled, frozen and shelf stable products to Australia's major supermarkets and Foodservice customers. We are proud of the investment we are making in the future of Australia through our Australian manufacturing operations.

Country of Origin Labelling submission

Mandatory statements for Country of Origin have been required for many decades in Australia, as a mean to increase transparency through the supply chain and to further aid consumers in making informed choices.

The current legal requirements are included both in the Australian Consumer Law (ACL) (in offence provisions and safe harbours), and specified in detail for food within the Australian New Zealand Food Standards Code (in Standard 1.2.11). New Zealand does not have a mandatory country of origin labelling requirement for foods.

- **Does the current Country of Origin Labelling (CoOL for food) system provide enough information for Australian consumers to make informed purchasing decisions?**

The current system is not clear.

- The insufficient definition of “substantial transformation” and the uncertainty of the 50% cost rule translates in an inaccurate, non-standard application of the claims. The cost should be mainly attributed to the food itself, and not to the packaging or labour.
- Safe harbours under ACL include criteria that are not always easy to understand by consumers, and pose an additional challenge to industry and importers.
- Safe harbours may not be “safe” since they do not cover misleading offences on the characteristics of goods in trade or commerce (s.33 and s. 155)
- The decision making process of a consumer is based on their values, habits and other complex determinants, but the clarity and consistency of the messages does influence the final purchase.
- The current system allows for the presence of concurrent messages that may not be consistent and may result in consumers being misled such as: the legal statement, logos, codes, pictorial representations.
- The system should provide a clear understanding of every option available that may best reflect the real origin of a product.

- **Are Australia’s CoOL laws being complied with and, what, if any, are the practical limitations to compliance?**

As explained in the previous term of reference, the ACL safe harbours costs rule and the Standard 1.2.11 provisions may be unclear, therefore limiting compliance.

- **Can improvements be made, including to simplify the current system and/or reduce the compliance burden?**

Certainly.

- There is a need to study what consumers understand and value from origin claims, in order to align improvements to what can help them make better informed decisions
- Made in Australia claims should have three clear options:
 - Made in Australia with no qualifications (the food or beverage product must have been produced in Australia with a minimum 90% Australian derived ingredients),

- Made in Australia with mostly local ingredients, that is used when the manufacturing is performed in Australia, and at least 50% of ingredients are Australian, and
- Made in Australia mostly from imported ingredients, when manufacturing is made here from less than 50% Australian components.
- Consumers need to be educated and made aware of what the labels mean and what to expect from the products they consume.

· **Are Australia's CoOL laws are being circumvented by staging imports through third countries?**

Under the Trans-Tasman Mutual Recognition Arrangement, goods that may be legally sold in New Zealand may be sold in Australia, and vice versa. Australian and New Zealand laws both prohibit misleading or deceptive conduct, but the Food Standard code 1.2.11 is only applicable in Australia. Goods with ingredients from anywhere in the world are currently sold in Australia as Made in New Zealand or Product of New Zealand competing strongly with lower prices against Australian made or grown products.

· **the impact on Australia's international trade obligations of any proposed changes to Australia's CoOL laws.**

Will depend on which changes are accepted and implemented.