A clearer message for consumers

Report on the inquiry into country of origin labelling for food

House of Representatives
Standing Committee on Agriculture and Industry

October 2014
Canberra
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Labelling Logic - the Blewett Review

Government response

Food Standards Amendment (Truth in Labelling Laws) Bill 2009

Senate Economics Committee inquiry

Senate Select Committee on Australia’s Food Processing Sector

Government response

Competition and Consumer Amendment (Australian Food Labelling) Bill 2012 (No. 2)

Senate Rural and Regional Affairs Committee inquiry

Senate Committee recommendation and conclusion

Progress of the first Milne Bill and the Senate Committee’s recommendations

Proposed re-introduction of legislation by Senator Milne

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Recommended areas of reform from earlier inquiries

Apparent difficulties with previous reform proposals

‘Do no harm’

Constitutional limitations

Regulation must be ‘country neutral’

7 Proposed solutions and improvements

Is change needed?

Separate the ingredients from the manufacturing

Proposals from submissions

CHOICE

Simpot Australia

Safcol Australia

Australian Made Campaign Limited

AUSVEG

Australian Manufacturing Workers Union

Apple and Pear Australia Limited

Australian Industry Group

Sabrands Pty Ltd

Other ideas

Key ingredient
Foreword

There have been a number of inquiries into Australia’s food labelling system in the last ten years, even though most, including the extensive ‘Labelling Logic’ Blewett Review, have focussed on a wide range of issues surrounding food labelling and safety.

When considering an inquiry topic the Committee was of the opinion that while other reports had made recommendations in the area of country of origin food labelling, considerable public confusion and frustration remained and that the topic was one which was repeatedly raised by consumers on media such as talk-back-radio.

Accordingly the Committee requested support from the Ministers of Industry and Agriculture to mount a specific inquiry into the issue with an aim of recommending possible modifications which would provide clarification to the general public while at the same time taking great care not to inflict anti-competitive burdens on our food manufacturers and growers.

The Committee agreed on 27 March to undertake an inquiry into Australia’s country of origin food labelling. During the course of the inquiry the Committee received 54 submissions, seven supplementary submissions, held seven public hearings in Melbourne, Sydney, Brisbane and Canberra, and spent a day in Adelaide visiting and meeting food manufacturers to gauge their views in the workplace environment.

It became clear very early in the inquiry that the ‘safe harbour’ descriptors were in some cases not providing any information to the general public as to the origin of food products. While in most cases industry are complying with the law, often using the ‘safe harbour’ descriptors, the general public did not understand what they mean.
It was made quite clear to the Committee that the country of origin of food is not overly important to many and that relevant information is considered less important on heavily processed foods. However, to a significant and important sector of the market, country of origin information is important and clear information should be provided to the consumer.

The Committee was of the opinion that any country of origin food labelling regime should not present an impediment to importers and/or provide non-tariff trade protection to our industries, but it should provide clear information to consumers who wish to make an independent choice to support either Australian farmers or food manufacturers.

The Committee strongly supports the current labelling system’s non-prescriptive manner in the way a food manufacturer or marketer should represent a particular food’s country of origin status.

Some examples include front or back of pack labelling, focus on particular regions or specific countries for the origin of selected ingredients and logos or individualised wording. These are all acceptable as long as they provide the minimum information and are not false, misleading or deceptive. Consequently, the Committee has limited its suggestions for change to the country of origin labelling system to adjustments to the ‘safe harbour’ claims.

It is the Committee’s opinion that none of the recommended changes would have any significant negative impact on Australian producers or manufacturers but that the core recommendations concerning the ‘safe harbour’ claims will provide common sense information that consumers can understand.

At the heart of the recommendations is that each item should have a separate reference to the ingredients and the manufacture of goods. It keeps the best of what is good with the Australian country of origin statements, provides some specialised language that puts some separation between food and other products in the Australian market and most importantly addresses the confusion surrounding the ‘Made in Australia’ and ‘Made in Australia from local and imported ingredients’ descriptors.

The Committee would like to express its appreciation to all who have contributed their valuable time and shared their experience with us throughout the course of the inquiry.

Rowan Ramsey MP
Chair
Membership of the Committee

**Chair**  Mr Rowan Ramsey MP

**Deputy Chair**  Ms Clare O’Neil MP

**Members**  
- Hon Joel Fitzgibbon MP  
- Ms Michelle Landry MP  
- Ms Cathy McGowan AO MP  
- Mr Tony Pasin MP  
- Ms Melissa Price MP  
- Mr Dan Tehan MP  
- Mr Rick Wilson MP  
- Mr Tony Zappia MP
## Committee Secretariat

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<td>Ms Julia Morris</td>
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<td>Inquiry Secretary</td>
<td>Mr Anthony Overs</td>
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<td>Senior Research Officer</td>
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Terms of reference

The Committee is to inquire into Australia’s Country of Origin Food Labelling Laws with particular attention to:

- whether the current Country of Origin Labelling (CoOL for food) system provides enough information for Australian consumers to make informed purchasing decisions;
- whether Australia’s CoOL laws are being complied with and, what, if any, are the practical limitations to compliance;
- whether improvements could be made, including to simplify the current system and/or reduce the compliance burden;
- whether Australia’s CoOL laws are being circumvented by staging imports through third countries; and
- the impact on Australia’s international trade obligations of any proposed changes to Australia’s CoOL laws.
# List of abbreviations

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<th>Description</th>
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<tr>
<td>ACCC</td>
<td>Australian Competition and Consumer Commission</td>
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<td>ACL</td>
<td>Australian Consumer Law</td>
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<td>AMAG Code of Practice</td>
<td>Australian Made, Australian Grown Logo Code of Practice</td>
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<td>AMAG logo</td>
<td>Australian Made, Australian Grown logo</td>
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<td>AMCL</td>
<td>Australian Made Campaign Limited</td>
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<td>Codex</td>
<td>Codex Alimentarius Commission</td>
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<td>CTD Act</td>
<td><em>Commerce (Trade Descriptions) Act 1905</em></td>
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<td>FSANZ</td>
<td>Food Standards Australia New Zealand</td>
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<td>GATT</td>
<td><em>General Agreement on Tariffs and Trade</em></td>
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<td>TBT Agreement</td>
<td><em>Technical Barriers to Trade Agreement</em></td>
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<td>the Code</td>
<td><em>Australia New Zealand Food Standards Code</em></td>
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<td>the Standard</td>
<td>Standard 1.2.11 (Country of origin labelling) of the <em>Australia New Zealand Food Standards Code</em></td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>TTMRA</td>
<td>Trans-Tasman Mutual Recognition Arrangement</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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List of recommendations

Proposed solutions and improvements

Recommendation 1
The Committee recommends that the Australian Government implement the following country of origin labelling safe harbours:

- ‘Grown in’ – 100 per cent content from the country specified;
- ‘Product of’ – 90 per cent content from the country specified;
- ‘Made in [country] from [country] ingredients’ – 90 per cent content from the country specified;
- ‘Made in [country] from mostly local ingredients’ – more than 50 per cent Australian content;
- ‘Made in [country] from mostly imported ingredients’ – less than 50 per cent Australian content.

Recommendation 2
The Committee recommends that the Australian Government amend Standard 1.2.9 of the Australia New Zealand Food Standards Code that will allow for prescription of country of origin label text information on packaged foods to be increased in size compared with surrounding text on a product label.

Recommendation 3
The Committee recommends that the Australian Government increase its scrutiny of products with mostly or all imported ingredients that use misleading Australian symbols, icons and imagery.

Recommendation 4
The Committee recommends the introduction of a visual descriptor that reflects the safe harbour thresholds of Australian ingredients in the content of a product.
Recommendation 5

The Committee recommends that the Australian Government, in conjunction with industry and consumer advocacy groups, develop and implement an education program designed to raise awareness of country of origin labelling rules, regulations, requirements and impacts, for consumers and industry. The program should be developed and implemented following any changes that have been adopted in response to this report.

Recommendation 6

The Committee recommends that the Australian Government, in co-operation with industry, investigate the use of bar code technology in the presentation of product information for consumers, with a view to implementing a voluntary system for producers and manufacturers. Any system developed should be highlighted as part of a consumer education campaign.

Recommendation 7

The Committee recommends that the Northern Territory's country of origin labelling of seafood in the food service sector be referred to the Council of Australian Governments for consideration.

Recommendation 8

The Committee recommends that the Department of Industry undertake specific liaison with the New Zealand Government to reach an agreed interpretation and understanding of the provisions of the Trans-Tasman Mutual Recognition Arrangement and the Commerce (Trade Descriptions) Act 1905, as they relate to country of origin labelling for food.