# **Chapter 3**

## General meat labelling issues

- 3.1 Aside from the beef labelling issues discussed in Chapter Two, two other specific issues addressing labelling claims applying to various types of meat were raised during the inquiry. Firstly, there was concern that labelling claims about ethical animal treatment were being misused to the detriment of legitimate operators. The committee heard that the absence of enforceable definitions covering descriptors such as 'organic' and free range' allowed companies to make misleading claims about their animal welfare practices.
- 3.2 Secondly, some organisations expressed concern about misleading place of origination claims. These issues are addressed in the later part of this chapter.

### 'Free range', 'organic' and similar marketing terms

3.3 The committee heard a number of complaints about the misuse of ethical animal treatment claims in meat labelling. In evidence, RSPCA indicated that consumers are increasingly likely to consider food production systems when making consumer decisions about food. The increasing presence of labels such as 'free range' and 'organic' attached to food products reflects this interest and companies' desire to cater for consumers' ethical preferences. However, according to RSPCA specific claims about superior animal welfare compared with other producers may or may not be accurate because of ambiguity and inconsistency relating to the use of these terms. Their submission stated:

Generally speaking, people tend to assume that the term "free range" indicates that animals have had some access to outdoors and are not kept in close confinement. What is meant by "access to outdoors" and "close confinement" is also often undefined and poorly understood.

In the absence of any recognised definitions for such terms as "free range", "bred free range", "organic", "biodynamic", etc. to describe welfare-oriented production methods whether it is for red meat, eggs, chicken meat or pork, the public tend to assume that these terms confer some improvement in animal welfare over other production systems. This may or may not be the case and will be greatly influenced by the standards applied and the way in which the system is managed.<sup>2</sup>

3.4 Being open to interpretation allows producers to use these terms 'as they see fit'.<sup>3</sup>

<sup>1</sup> RSPCA, Committee Hansard, 17 March 2006, Canberra, p. 2

<sup>2</sup> RSPCA, Submission 26, p. 1

<sup>3</sup> RSPCA, Committee Hansard, 17 March 2006, Canberra, p. 3

3.5 Animals Australia argued that instances of the misleading use of descriptors such as 'free range' and 'organic' to extract a price premium means that consumers are willing to pay more for products derived from improved animal welfare practices.<sup>4</sup> They were concerned that misuse of welfare-related descriptors threatens the viability of genuinely ethical producers:

The absence of nationally applicable and legally enforceable terms which define the animal welfare status of meat products impairs the ability of consumers to make these informed choices. Of course, it also leaves the genuine cruelty-free producers, the free-range producers and others open to unfair competition by people who claim that their product is welfare friendly or imply that or mislead people to believe that.<sup>5</sup>

3.6 The committee was told that it is important for genuine ethical producers to receive a fair return on their welfare practices, necessitating a more rigorous approach to regulating these types of descriptors:

It is only fair that producers which seek to improve animal welfare by moving away from intensive animal farming methods should be able to get a fair return for any increased costs involved in that move. Animal welfare labelling is a necessary first step. Clear labelling to indicate the housing system and husbandry methods used is required to enable consumers to make an informed choice on their product purchases and to ensure that producers of animal welfare friendly products get any price premium benefit associated with the change.

For this to work, it is necessary that the improvements in animal welfare be based on properly assessed and monitored standards (and this must be done by an independent body).<sup>6</sup>

3.7 Free Range Pork Farmers Association told the committee that their members' viability is threatened by the unscrupulous practices of those who mislabel their products free range:

Commonly, the free range producer is a small family affair earning a living from the land. They fill a niche market, one that is now sadly open to exploitation by some within the pork industry ready to take advantage of the lack of truth in labelling laws and no recognised definition for free range.

These family farms are now finding that they are in competition with under priced, deceptively labelled pork that has the potential to put them out of business. These currently viable free range operations are at the mercy of unscrupulous operators marketing their pork as free range when, by accepted understanding of the term, they are not.<sup>7</sup>

5 Animals Australia, *Committee Hansard*, 17 March 2006, Canberra, p. 37

7 Free Range Pork Farmers Association, Submission 9A, pp. 3-4

<sup>4</sup> Animals Australia, *Submission* 22, p. 2

<sup>6</sup> Animals Australia, Submission 22, p. 2

- 3.8 The food labelling requirements of the Australia New Zealand Food Standards Code do not require meat producers to specify production methods, unlike the requirement to include facts such as ingredients and nutritional information on labels.
- 3.9 The certification of 'organic' foods occurs via a voluntary and somewhat disparate process subject to government oversight only in the case of exports. DAFF explained the current arrangements to the committee as follows:

Currently, domestically, organic labelling is a voluntary system. It is driven by accreditation agencies within the country that essentially accredit products to be labelled as organic. There are a number of private accreditation agencies that are not subject to government regulation at all, except of course the overarching requirements of the Trade Practices Act to ensure that a product is not misleading or deceptive to consumers. Domestically, that is the current situation within Australia. However, in the context of exports, there is a standard against which AQIS certifies a product to be organic before it is exported, and that satisfies the requirements of our international markets.<sup>8</sup>

- 3.10 When queried as to why the same standards do not apply to domestic product labelling, DAFF stated: 'At this point in time we are looking at a voluntary national standard that is under development by the organic industry'.<sup>9</sup>
- 3.11 Restrictions on the use of the phrase 'free range' are currently limited to egg carton labelling. Only eggs laid by chickens with shed shelter and access to an outdoor range may be labelled free range, as defined in the Model Code of Practice for the Welfare of Animals covering domestic poultry.<sup>10</sup>
- 3.12 The committee received evidence that a more comprehensive approach is required to regulating the use of terms such as 'free range' that relate to animal treatment. Lawyers for Animals claimed that enforcing laws prohibiting misleading and deceptive conduct in relation to the sale of meat is too difficult without laws defining the use of these terms. They suggested the mandatory labelling of meat products with a simple phrase best describing their means of production, broadly reflecting the current approach to eggs. These proposed descriptors cover a range of farmed animals and include 'free range', 'feedlot confined', 'intensively confined' and

DAFF, *Committee Hansard*, 17 March 2006, Canberra, p. 50; see also DAFF, *Committee Hansard*, Budget Estimates, 26 May 2009, pp. 69-70

<sup>8</sup> DAFF, Committee Hansard, 17 March 2006, Canberra, p. 49

Primary Industries Standing Committee, *Model Code of Practice for the Welfare of Animals:* Domestic Poultry 4<sup>th</sup> Edition, CSIRO Publishing, p. 2, accessed on 26 May 2009 at http://www.publish.csiro.au/books/download.cfm?ID=3451; RSPCA, Submission 26, p. 1

<sup>11</sup> Lawyers for Animals, Submission 55A, p. 3

'cage confined'. Lawyers for Animals submitted that 'free range' claims should also be subject to accreditation by an independent oversight body. 13

3.13 Animals Australia called for a comprehensive but unspecified labelling system on animal treatment:

...establishment of a uniform nationwide labelling system identifying methods of production for all meat products—not just free range but all meat products—so that people have an idea of the husbandry, handling and housing of the animals that was involved.<sup>14</sup>

3.14 They made the following recommendations:

Animals Australia submits that the Committee should consider recommending:

- 1. the establishment of a uniform nation-wide system of "cruelty-free" or "animal welfare friendly" labelling for meat products;
- 2. the labelling system be based on quantifiable standards;
- 3. the labelling system be established and administered by a body which is independent of industry;
- 4. the labelling body be established and empowered by statute, and
- 5. meat producers seeking to use the labelling system would be able to apply for accreditation and be audited regularly by an independent body. 15
- 3.15 RSPCA recommended nationally consistent definitions covering animal welfare:

What is required are definitions that plainly and unambiguously describe the housing system provided and the range of conditions under which the animals have lived. Definitions should provide clear directions to producers and give consumers the confidence that certain minimum standards have been met.<sup>16</sup>

3.16 However, they did not provide the committee with suggested definitions of the terms it expressed concern about:

...rather than coming up with a final solution, we consider it important that these definitions include information about the facilities that are part of the production process, the production process itself and whether that should include aspects such as humane slaughtering of the animals, and also

13 Lawyers for Animals, Submission 55A, p. 9

<sup>12</sup> Lawyers for Animals, Submission 55A, p. 9

Animals Australia, *Committee Hansard*, 17 March 2006, Canberra, p. 37

<sup>15</sup> Animals Australia, Submission 22, p. 3

<sup>16</sup> RSPCA, Submission 26A, p. 2

aspects that relate to the condition of the animals themselves, including aspects relating to the welfare of those animals, for example, stress levels. 17

- 3.17 RSPCA argued that well defined standards applying to welfare-related descriptors would provide the basis for a food labelling scheme conveying accurate information about a producer's animal welfare standards. The system would need to be underpinned by audits from birth to slaughter. RSPCA did not express preference for a voluntary or mandatory scheme, though did note that 'consumers will conclude that unlabelled products are from conventional production systems'. <sup>18</sup>
- 3.18 Humane Society International also called for limits to be placed on the welfare related labelling terms that may be used and under what circumstances, to be applied consistently across the country and underpinned by legislation. They did not explicitly spell out the terms they would like, but suggested:

Definitions of terms must include criteria on the source of the product, the type of housing provided and the specific standards of husbandry, transport and slaughter.<sup>19</sup>

3.19 Lawyers for Animals insisted that their proposed scheme be mandatory, stating that the objective of informing consumer choices would be undermined:

When a product label is silent as to its means of production, we submit that Australian consumers are likely to expect that optimal production methods have been used.<sup>20</sup>

3.20 Australian Pork Limited (APL) informed the committee that they had developed a descriptor for 'free range pork'. They stated:

Free Range Pork is pork derived from animals raised in Australia with adherence to humane animal practices as prescribed by the Model Code of Practice for the Welfare of Animals (Pigs). Throughout their lives the pigs are provided continuous free access to the outdoors and shelter from the elements furnished with bedding. This term may only be used when both the growing pigs and the sows from which they have been bred have been kept under these conditions.<sup>21</sup>

3.21 However, they suggested that a prescriptive approach to labelling is not required, given the role of the ACCC in enforcing the TPA and the availability of the RSPCA's accreditation standards for labelling.<sup>22</sup> APL told the committee:

19 Humane Society International, Submission 73, pp. 11-12

<sup>17</sup> RSPCA, Committee Hansard, 17 March 2006, Canberra, p. 3

<sup>18</sup> RSPCA, Submission 26A, p. 2

<sup>20</sup> Lawyers for Animals, Submission 55A, p. 10

<sup>21</sup> APL, Submission 42A, pp. 3-4

<sup>22</sup> APL, Submission 42A, p. 4

...the further development of production descriptors into standards (with associated verification systems) is essentially a matter for the markets. To date APL has not developed specific standards for any form of pig production system and will continue to be non-discriminatory in this matter ... there is no obstacle to producer groups or associations from developing these standards or systems themselves as a step to marketing their product based on its animal welfare criteria.<sup>23</sup>

- 3.22 Free Range Pork Farmers Association criticised this approach, characterising it as preferring to 'leave it up to the consumer to do their homework'. They called for the committee to 'make recommendations on the development of nationally recognised standard definitions of animal welfare-oriented meat production methods'. <sup>25</sup>
- 3.23 With regard to labelling organic products, Organic Food Chain P/L, one of Australia's certifying bodies, suggested that the ACCC and are reluctant to prosecute for misuse of the organic label. They said:

...products sold domestically can use the term "organic" without any verification, nor justification, and with no fear of prosecution. <sup>26</sup>

3.24 As well as arguing that consumers should not be misled about their food purchases, they also highlighted potential health concerns that may eventuate:

Consumers actively seek out organic produce for very real health reasons – people with allergies and those on doctor's instructions. Fraudulent organic labelling places these people at risk of medical complications.<sup>27</sup>

3.25 Australian Branded Beef Association (ABBA) called for a more consistent system of organic certification:

...we strongly support the requirement for a national organic symbol to be applied only to products certified by AQIS approved certification agencies. A successful example of this is the USDA Organic Seal. Australia lags behind most of our high value export markets in this regard.<sup>28</sup>

3.26 Lawyers for Animals also suggested that 'organic' claims be subject to accreditation by an independent oversight body.<sup>29</sup>

<sup>23</sup> APL, Submission 42A, p. 5

<sup>24</sup> Free Range Pork Farmers Association, Submission 9A, p. 2

<sup>25</sup> Free Range Pork Farmers Association, Submission 9A, p. 4

Organic Food Chain P/L, Submission 72, p. 1

<sup>27</sup> Organic Food Chain P/L, Submission 72, p. 2

<sup>28</sup> ABBA, Submission 40, p. 2

<sup>29</sup> Lawyers for Animals, *Submission 55A*, p. 9

#### Committee comment

- 3.27 The committee agrees that it is currently too easy for food producers to make dubious claims about their animal welfare practices on the labels seen at retail level. This is because it is too difficult for the ACCC to prosecute misleading and deceptive conduct in this area when the meaning of these descriptors are broadly understood but not clearly defined. Any misuse of animal welfare descriptors such as 'free range' threatens the competitiveness of genuine producers bearing the increased costs associated with meeting high animal welfare standards.
- 3.28 Animal welfare-related labelling should be subject to tighter controls to protect both consumers and genuine producers. The committee notes that the Australia and New Zealand Food Regulation Ministerial Council is due to start a comprehensive review of food labelling law and policy in 2009. Defined standards for welfare-related descriptors will be included in this review if animal welfare groups bring the issue to the Council's attention.
- 3.29 The committee is also of the view that the certification processes applying to 'organic' labelled products for export should also apply to those sold domestically. DAFF informed the committee that the organic industry is developing a voluntary national standard to apply to all the private accreditation agencies that accredit products to be sold domestically as 'organic'. If this endeavour does not succeed in ensuring a consistent approach to organic certification, the government should negotiate with the states and territories to have a national standard, resembling the AQIS standard for exports, apply to all organic certified products for domestic consumption.

#### Place of origination claims

3.30 The committee also heard concerns about producers and retailers making potentially misleading claims about the place of origination of meat products. During the inquiry producers claimed that existing legislative deficiencies legitimised tenuous marketing claims and misled consumers about the true origin of products.

#### King Island

3.31 The King Island Brand Management Group (KIBMG) suggested that companies were misusing the King Island brand name to the detriment of legitimate King Island producers. The basis of their complaint is that cattle from King Island are being processed off the island and labelled as King Island beef. Consequently, beef that has failed to meet their brand's specification and sold elsewhere as a commodity product is appearing at retail level as King Island beef and diminishing their reputation.<sup>30</sup>

- 3.32 They also highlighted misuse of the King Island brand to sell rabbits and chickens, neither of which are produced on a commercial scale on the island.<sup>31</sup>
- 3.33 KIBMG claimed that the quality of beef processed off the island is also affected by transportation:

We believe that the King Island beef brand product must be processed on King Island as live shipment off King Island compromises the brand in terms of quality and being the genuine article. ... Live shipments have the potential for stress, bruising—which compromises the meat quality, as with dark cutting—and toughness of meat.<sup>32</sup>

- 3.34 They suggested that consumers purchasing King Island beef would assume it was grown, fed and processed on the island, adding that '...the brand integrity is damaged enormously when that beef is processed somewhere else'.<sup>33</sup>
- 3.35 KIBMG emphasised the need for protecting the brand for the sake of local farmers:

A brand is more than just a trade name. A brand is a promise and is a reflection of the reputation of a product. If that brand is not protected and guarded jealously, then the value of that brand diminishes. The other very important thing is that a brand has to be of value to the people who grow the product. When that brand is diminished the value to those farmers diminishes accordingly.<sup>34</sup>

3.36 The committee was informed that the viability of operating on an island with high energy and labour costs was threatened when the brand premium is undermined:

The perception in the marketplace of the King Island brand name is a major reason for our major employers ... to operate processing plants on the island. Companies that have invested significantly to maintain operations on the island need to command a premium price to offset the high operating costs to maintain viability. However, by the continual misrepresentation of the King Island brand, legitimate King Island brands are being undermined and will eventually be seen as commodity goods due to the flooding of the market by fakes.

In regards to beef, it is already and industry joke that King Island must be larger than mainland Australia due to the amount of King Island Beef in the marketplace!<sup>35</sup>

35 KIBMG, *Submission 67*, p. 2; see also KIBMG, *Committee Hansard*, 26 March 2009, Melbourne, p. 12 and 15

<sup>31</sup> KIBMG, Committee Hansard, 26 March 2009, Melbourne, p. 10

<sup>32</sup> KIBMG, Committee Hansard, 26 March 2009, Melbourne, p. 10

<sup>33</sup> KIBMG, Committee Hansard, 26 March 2009, Melbourne, p. 11

<sup>34</sup> KIBMG, Committee Hansard, 26 March 2009, Melbourne, p. 10

- 3.37 The committee notes that in March 2009 the island's main processor, Swift Australia, announced the closure of its King Island abattoir while it reviewed the viability of its operations on the island. Shortly after, the plant re-opened after the Tasmanian agreed to offer financial support to the company during the business review. The future of the plant is still uncertain.<sup>36</sup>
- 3.38 A major problem for King Island's beef producers is that the Trade Practices Act does not clearly prohibit the sale of beef grown on the island and processed elsewhere as being sold as King Island Beef. Section 53(eb) prohibits corporations from making false and misleading representations concerning the place origin of goods. Section 65AB provides the test for country of origin representations and allows a representation as to the country of origin where:
  - b) the goods have been substantially transformed in that country; and
  - c) 50% or more of the cost of producing or manufacturing the goods (as the case may be) is attributable to production or manufacturing processes that occurred in that country...
- 3.39 The provision does not explicitly apply to regional claims.
- 3.40 Blatant misuse of the King Island brand to sell products that had very little or tenuous association with the island fall within the scope of section 52 of the TPA prohibiting misleading and deceptive conduct.
- 3.41 Appearing before the committee, KIBMG said that during discussions with the ACCC the regulator had indicated that as long as the beef is grown on the island it can be labelled King Island beef.<sup>37</sup> To overcome this situation KIBMG recommended that legislation be passed that mirrors the 'geographical indication' (GI) provisions in the *Australian Wine and Brandy Corporation Act 1980*. This act defines GI as follows:

geographical indication, in relation to wine, means:

- (a) a word or expression used in the description and presentation of the wine to indicate the country, region or locality in which the wine originated; or
- (b) a word or expression used in the description and presentation of the wine to suggest that a particular quality, reputation or characteristic of the wine is attributable to the wine having originated in the country, region or locality indicated by the word or expression.<sup>38</sup>

<sup>&</sup>lt;sup>36</sup> Future of King Island abattoir remains uncertain', *ABC News website*, 20 May 2009, accessed on 4 June at <a href="http://www.abc.net.au/news/stories/2009/05/20/2576434.htm">http://www.abc.net.au/news/stories/2009/05/20/2576434.htm</a>

<sup>37</sup> KIBMG, Committee Hansard, 26 March 2009, Melbourne, p. 11

<sup>38</sup> Section 4, Australian Wine and Brandy Corporation Act 1980

- 3.42 The Geographical Indications Committee, a statutory committee of the Australian Wine and Brandy Corporation, makes determinations about GIs.<sup>39</sup>
- 3.43 KIBMG also called on the ACCC, along with industry bodies such as AUS-MEAT and MLA, to take greater efforts to police the way red meat is marketed to consumers.<sup>40</sup>

#### Australian Pork

3.44 Australian Pork Limited (APL) raised the issue of imported pork products being labelled as Australian, either through deception or confusing labelling laws. Their first concern is the possibility of imported pork being substituted for domestic pork due to poor systems for preventing such activities. They suggested that 'more robust structures and systems' are required to ensure labelling laws are complied with:

A significant weakness and failure of the current system lies in the fact that authority to ensure and enforce compliance is vested with the state food authorities which are usually too poorly resourced to carry out effective routine inspections and audits.

Another key weakness in effecting compliance with labelling laws lies in the limited resources and authority of AQIS. There are significant gaps in the ability of AQIS to enforce import protocols. APL is seriously concerned with the weaknesses and flaws in the current audit and compliance system which is used to provide confidence that the quarantine conditions required for imported pigmeat are being effectively complied with. We believe that it is open to misuse and deception, either intentionally or indirectly. Significant areas of concern relate to the post border use of quarantine material (i.e. imported pigmeat) following receipt of this material at the registered warehouse and within the manufacturing plant itself, in particular the possible substitution of imported pork for domestic pork post border within the manufacturing system.

In the absence of mass balance reconciliation of imports and their intended use, as well as a robust audit process, there is the potential for substitution of imported pork with domestic post border within the manufacturing process.<sup>41</sup>

- 3.45 APL suggested that AQIS carry out reconciliations of the volumes imported and domestic pork entering and leaving pork manufacturing establishments. 42
- 3.46 The second issue of concern relates to current legislative provisions on country of origin labelling in the TPA. In particular, APL highlighted confusion and anomalies arising out of the current definitions of 'Made in Australia' and 'Product of

41 APL, Submission 42, pp. 9-10

<sup>39</sup> Section 40P, Australian Wine and Brandy Corporation Act 1980

<sup>40</sup> KIBMG, Submission 67, p. 4

<sup>42</sup> APL, Submission 42, p. 10

Australia' applying to processed pork products. Under the TPA a product must meet the following criteria for it to be labelled 'Product of Australia':

- Each significant ingredient or component of the goods must be from the claimed country of origin; and
- All, or virtually all, processes involved in the production or manufacture happened in that country. 43
- 3.47 However, APL pointed out that 'smallgoods processed in Australia from 100 per cent Australian pork are currently unable to use this label as brine, an essential ingredient in curing pork, is not produced locally and must be imported'. According to APL this restriction is predominantly a theoretical one:

Despite the use of imported brine in all hams and bacons, "Product of Australia" claims are used in packaged and bulk pork products which use 100 per cent Australian sourced pig meat, and the industry/APL feels no motivation to correct this, as it is at least one mechanism for enabling consumers to choose Australian product if they so desire. 45

- 3.48 The definition of 'Made in Australia' provides for a lower threshold for producers to use this label. The following criteria must be met:
  - The goods must have been substantially transformed in the claimed country of origin; and
  - 50 per cent or more of the cost of production must be attributable to processes that occurred in that country.
- 3.49 The TPA stipulates that:

...goods are substantially transformed in a country if they undergo a fundamental change in that country in form, appearance or nature such that the goods existing after the change are new and different goods from those existing before the change. 46

3.50 APL strongly criticised the operation of these categories when applied to imported food products, including processed pork. They argued that the 'Made in Australia' label is misleading for consumers because it does not necessarily relate to the source of the meat in the final processed product:

If a ham or bacon product has had more than 50 per cent of its value added in Australia, and has been substantially transformed in Australia, it may qualify to claim to be 'Made in Australia'. Ham or bacon made in Australia from imported fresh pork may have been substantially transformed and

45 APL, *Submission 42*, p. 12

46 Section 65AE, Trade Practices Act 1974

<sup>43</sup> Section 65AC, Trade Practices Act 1974

<sup>44</sup> APL, Submission 42, p. 11

more than 50 per cent of the value of manufacturing process may have been added in Australia. 47

- 3.51 They told the committee that, when applied to food, consumers do not understand the meaning the labels are actually conveying. Recognising that the current labelling system may be appropriate for other non-food products, APL suggested that a separate set of arrangements be established for food.<sup>48</sup>
- 3.52 DAFF informed the committee that in November 2008 COAG agreed that 'a comprehensive review of labelling should be undertaken'. They added that:

The Australia and New Zealand Food Regulation Ministerial Council will be undertaking that review. That independent review will be conducted over the next year or so.<sup>49</sup>

#### Committee comment

- 3.53 The committee understands the difficulties faced by King Island beef producers competing against beef raised on the island, processed offshore and labelled under the same name. However, adopting the geographical indication system applying to the wine industry would not be appropriate for the beef industry. Geography is significant in the wine industry because of the unique drinking characteristics special growing regions furnish their wines. Growers and winemakers in these regions are entitled to be protected from having the integrity of their product undermined by producers elsewhere claiming the same style without geographical basis. Beef products cannot be said to have characteristics so inherently attributable to the region in which the animals are raised. Regional claims in the beef industry are a marketing ploy. King Island beef processed on the island may be a very good product, but this will be due to quality breeding, cattle raising and supply chain practices, rather than the fact that the entire process occurs on King Island as opposed to anywhere else.
- 3.54 The ACCC should pursue clear misuse of the King Island name in accordance with section 52 of the TPA prohibiting misleading and deceptive conduct. Indeed, the committee suggests that the ACCC take a particular interest in the misuse of the King Island name to relieve the island's producers from the burden of identifying and reporting such cases. However, the committee is unable to recommend legislative change prohibiting beef raised on the island from being identified as King Island beef. King Island producers will ultimately need to solve this particular marketing problem with a marketing solution.

<sup>47</sup> APL, *Submission 42*, p. 12; APL noted in evidence that unpackaged processed goods must stipulate country of origin using 'product of' labelling, with the stricter threshold that applies to that label.

<sup>48</sup> APL, Committee Hansard, 17 March 2009, Canberra, pp. 23-24

<sup>49</sup> DAFF, Committee Hansard, 17 March 2009, Canberra, p. 42

- 3.55 On the matter of country of origin, the committee agrees with APL that the current TPA definitions regulating the use of 'Product of Australia' and 'Made in Australia' are not suitable for food products. The 'Made in Australia' label may provide useful information on manufactured goods but is not suitable for processed food. Consumers would be surprised that processed meat products using imported meats could be sold under the same label as those using Australian meat.
- 3.56 The committee notes DAFF's evidence that food labelling laws are currently the subject of a review by the Australia and New Zealand Food Regulation Ministerial Council. The committee is of the view that one outcome of this review should be for the government to create separate country of origin regulations for food products that recognise the importance of the origin of ingredients in processed food as well as the place where production processes occurred.

#### **Recommendation 2**

- 3.57 Subject to the current Australia and New Zealand Food Regulation Ministerial Council review into food labelling, the government create separate country of origin labelling regulations for food products that recognise the importance of the origin of ingredients in processed food as well as the place where production processes occurred.
- 3.58 Without evidence of imported pork being substituted for domestic pork during the manufacturing process, the committee is unable to recommend reconciliations of the volumes of imported and domestic pork entering and leaving pork manufacturing plants.

Senator Fiona Nash

France Noch

**Committee Chair**