



ACCURATE COUNTRY OF ORIGIN LABELLING FOR FOOD

Polling consistently shows that overwhelmingly¹ Australians want clear and accurate labelling to help them identify and buy Australian-grown food.

However current food labelling laws are confusing and give a false impression. They have been adapted to packaged food from standards and regulations designed for products other than food. As a result a packaged food can legally declare it is 'Made in Australia' when in fact very little of the food it contains is Australian grown.

Given the strong preference from consumers to purchase Australian grown food and support Australian farmers, the current labelling laws confer a competitive advantage to imported processed foods as they can be presented as 'Made in Australia' as a result of manufacturing processes.

Australian growers, farmers and consumer advocates have long called for reform of our food labelling laws to ensure that Australians can make an informed choice in a fair and transparent food marketplace. Despite the Blewett Report into Food Labelling (2011)² supporting this position, neither the Labor Government nor the Coalition have moved to provide transparent and accurate country of origin food labelling standards.

The Greens Proposal

The Australian Greens will introduce a new bill into the Parliament to respond to the needs of Australian consumers.

Our *Accurate Country of Origin Labelling for Food (Competition and Consumer Act Amendment) Bill 2012* will amend the Food Standards Code and Part 5-3 of the Competition and Consumer Act to create a new, clear food-specific country of origin labelling framework. The labels will be based on ingoing weight of ingredients and components, as recommended by the Blewett Report into Food Labelling (2011).

The bill will specify the following standards for country of origin food labelling:

- 'Made of Australian Ingredients': at least 90% by weight (excluding water) of all ingredients or components of Australian origin (the current standard for the 'Australian Made and Grown logo);
- 'Grown in Australia'; for foods wholly grown in Australia.
- Removes the use of 'Made in' as a stand-alone claim in reference to Australian foods.
- Prohibits the use of 'Product of Australia' for foods to avoid confusion as this standard is also applied to non-food items.
- Retains existing mandatory labelling requirements for fresh meat and vegetables
- Provide clear stipulations for the use of logos associated with premium claims on the front of packages and plain English terms for on the back of food packaging, including minimum font sizes.

¹ See for example the 2009 Roy Morgan Community Attitudes survey – 89% of responders believed it was important or very important that the fresh food they buy is Australian grown, and 82% believed the same regarding packaged food - <http://www.australianmade.com.au/assets/Uploads/2009-CONSUMER-SURVEY-LOGO-AND-BUYING-AUSSIE.pdf>

² <http://www.foodlabellingreview.gov.au/internet/foodlabelling/publishing.nsf/content/home>

The Premium standards of 90% 'Made of Australian Ingredients' and 'Grown in Australia' would be derived from an agreed average to allow for fluctuations in supply that can at times mean an Australian ingredient is unavailable despite the producer's best efforts.

What is the problem?

Most Australians expect that terms like 'Made in Australia' on food products mean that the food is from Australian growers. However under current laws 'Made in Australia' and 'Australian Made' can legally be used where the food in question has been transformed, and 50% or more of the transformation costs were incurred here.

In other words, the terms 'Made in Australia' and 'Australian Made' aren't about the origin of the food content, they are largely about the process it underwent to get produced and packaged.

An example given by CHOICE: a package of glacé cherries that says "Australian Made and Owned" on the front. On the back it says "Made in Australia from imported and local products." The cherries are imported, but are glacéd in Australia. Therefore the claims are legal – the company is Australian owned; and by law the glacé process meets the 'transformation' definition 50% or more of the costs of that process were incurred in Australia. But the bottom line for the shopper is they probably think they are buying cherries grown in Australia, and they aren't.

To make things more confusing, companies can also use qualified claims regarding country of origin that specifically refer to ingredients. These are:

Made in Australia from local and imported ingredients- which means the product was processed in Australia and there is more locally sourced ingredients than imported ones; or

Made in Australia from imported and local ingredients – which usually means the product was processed in Australia – although the majority of the ingredients are imported.

Little wonder then that when CHOICE surveyed its members, only half actually understood what the current terms 'Australian Made' and 'Made in Australia' mean, and 90% said that country of origin labelling needs to be clearer.

The Greens' Response

The Greens had a bill before the previous parliament which called for only those products 100% made in Australia to use the made in Australia claim. We have taken on board feedback from the Senate inquiry that the 100% threshold was too onerous.

We have considered the recent Blewett Report and accept its key recommendation of basing country of origin labelling standards on the dry weight of ingredients.

However the Report's recommendation for a graduated scale of labelling based on percentage of Australian content simply replaces one complicated system that confounds consumers with another.

The Australian Greens are proposing a simple and clear premium claim which allows consumers to quickly and easily identify truly Australian grown food.