



# Country of Origin Labelling

## Frequently asked questions for Australia's trading partners

**February 2017**

Australia has made changes to country of origin labelling in response to a strong consumer desire for clearer and more consistent information. This follows extensive public consultation, including with international trading partners.

### What is changing?

The reforms aim to deliver clearer and more reliable origin information to Australian consumers, particularly for food.

The main change to current requirements is that the labels for most food that is grown, produced or made in Australia must include a logo (kangaroo in a triangle symbol), as well as a bar chart and text statement to show the proportion of Australian ingredients.

Consumer research, undertaken during stakeholder consultation, found that this is the origin information of most importance to the Australian community.

To implement these reforms, a new Information Standard under Australian Consumer Law has been created, which sets out the new country of origin labelling requirements for food sold in Australia.

### When do these reforms take effect?

These changes commenced on 1 July 2016. Businesses have two years (until 30 June 2018) to transition to the new arrangements. All stock in trade\* can be sold during and after the transition period.

*\*Stock in trade refers to stock that has been labelled under the requirements of the Australia New Zealand Food Standards Code before the end of the transition period.*

### What are the likely impacts on trading partners?

There will be minimal impact on food imported into Australia. Imported food will continue to require a label with a country of origin statement (e.g. Product of Thailand, Made in Canada etc).

The main change for labels for imported foods is the requirement for the origin of priority foods\* to be placed in a clearly defined box on the label. This aligns with the requirements for foods which are made, grown, produced or packaged in Australia. Foods of overseas origin must not carry labels with the kangaroo symbol.

For more information, please visit [www.business.gov.au/foodlabels](http://www.business.gov.au/foodlabels).

*\*Priority foods exclude the following categories: seasonings (e.g. salt and spices), confectionery, biscuits and snack foods, bottled water, sports drinks and soft drinks, tea and coffee, and alcoholic beverages. Visit [here](#) for more details.*

### What are the new labelling rules for 'Made in' claims under the reforms?

Under the new rules, a food product can be described as having been 'Made in' a country if it underwent its last substantial transformation in that country. That is, a food's ingredients might not all originate in 'Country X', but if it underwent major processing in 'Country X', it can claim 'Made in Country X' origin. However, if the imported foods only underwent minor processes in 'Country X', like slicing, canning, reconstituting or repackaging, it cannot make a 'Made in Country X' claim.

## What does 'substantial transformation' mean?

The definition of 'substantial transformation' has been amended through the *Competition and Consumer Amendment (Country of Origin) Act 2017*.

The Act ensures that the definition of 'substantial transformation' better reflects consumer expectations and international practice. Previously, goods were deemed to be substantially transformed if they underwent a fundamental change in nature, **form or appearance**, such that the goods existing after the change are new and different goods from those existing before the change. The new definition will require finished goods to be wholly obtained in a particular country, or to be fundamentally different from their imported inputs in terms of nature, **identity or essential character**.

The Act, together with revised guidance material, makes it clear that the claim 'Made in' cannot be used where imported ingredients are only subject to minor processes such as slicing, freezing, coating/ crumbing, reconstituting or packing.

*For example: mozzarella cheese made in Australia from ingredients entirely imported from Italy (including milk) could be labelled 'Made in Australia from 0% Australian ingredients', but imported Italian mozzarella cheese that is just shredded and packaged in Australia for resale would have to make a 'Made in Italy' claim.*

In addition to clarifying the definition of 'substantial transformation' for 'Made in' origin claims, the Act simplifies the making of these claims by removing the 50 per cent production cost test from the safe harbour defence requirements. It also creates a new safe harbour defence for goods labelled in accordance with Information Standards. Safe harbour defences give businesses surety that their country of origin claims are not false, misleading or deceptive where certain requirements are met.

Please see [www.business.gov.au/foodlabels](http://www.business.gov.au/foodlabels) for more information.

## Would the proposed changes to the definition of 'substantial transformation' for country of origin labelling purposes affect the tariff heading for my product?

No. There is no direct relationship between the proposed new definition of 'substantial transformation' and the tariff heading applying to a product.

## What are the new labelling rules for 'Packed in' claims under the reforms?

Where food has been grown, produced or made in a single overseas country but was packed in another country, the label must state the country where the food was grown, produced or made. Stating where it was packed is optional.

A 'Packed in' claim is **required** when it cannot be claimed a food was grown, produced or made in a single country. In this case, the label must also indicate that the food comes from multiple origins or is comprised of imported ingredients. For example, where food in a package comes from multiple countries and is not substantially transformed in the country where it is packed (e.g. France), the label may state 'Packed in France from imported ingredients'. See '[Mandatory Labelling](#)' example in the attached label list.

For 'Packed in Australia' claims, a standard label is required but the standard label would not include the kangaroo symbol as the food is not of Australian origin. In this case, it may still contain some Australian ingredients and may have undergone some minor processing in Australia, but it does not meet the criteria to make a grown, produced or made in Australia claim.

*For example: imported mozzarella cheese that is just shredded and packaged for resale in Australia would need to be labelled with the actual country in which it was made or produced. It could optionally make a claim of being 'Packed in Australia', as long as this included the bar chart and statement of the proportion of Australian ingredients.*

## **Can the bar chart be used on imported food products to show the proportion of Australian ingredients?**

Yes. Food products that have been made overseas with some Australian ingredients and then imported into Australia, may voluntarily use the bar chart to show the proportion of Australian ingredients used. The kangaroo symbol cannot be used, as the final product is not of Australian origin.

## **What labelling is required for Australian food exported and reimported without substantial transformation?**

Where Australian food is exported, processed overseas without substantial transformation and then reimported, the label must state, in brackets, what processing occurred overseas. For example, 'Australian Macadamias (shelled in Fiji)'. See 'Australian food exported and reimported without substantial transformation' example in the attached label list.

## **What changes will be imposed on imported foods at the border?**

Australia will continue to apply a risk-based compliance and enforcement scheme for imported food at the border, including for country of origin labelling requirements.

## **Which Australian Government agency will have responsibility for monitoring country of origin labelling amendments, including enforcement of new measures?**

The Department of Industry, Innovation and Science holds policy responsibility for country of origin labelling.

The Australian Competition and Consumer Commission is responsible for enforcing the new Information Standard, with state and territory consumer affairs agencies also having some involvement.

The Department of Immigration and Border Protection and the Department of Agriculture and Water Resources will continue to share responsibility for inspecting imported goods at the border.

## **Who should I contact if I have a country of origin labelling enquiry?**

Contact the Department of Industry, Innovation and Science

Phone: +61 2 6276 1085

Email: [originlabelling@industry.gov.au](mailto:originlabelling@industry.gov.au).

## **How do I get more information?**

For more information, visit [www.business.gov.au/foodlabels](http://www.business.gov.au/foodlabels).

# Examples of Country of Origin Labels and Logos

## Mandatory Labelling



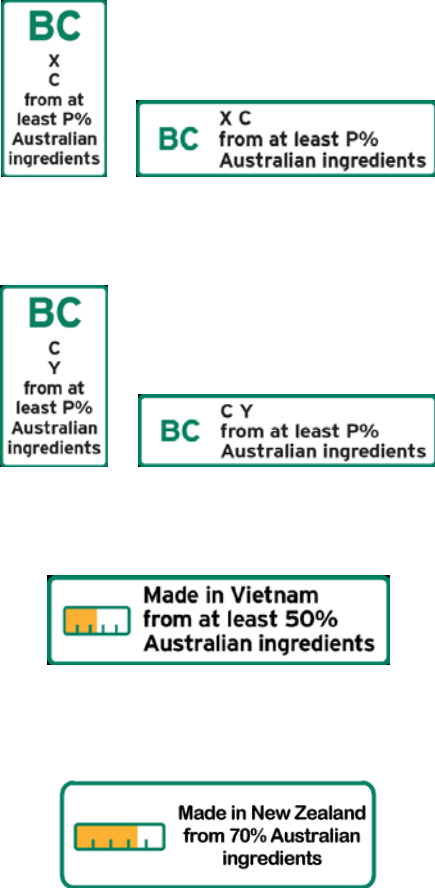
Country of origin labelling is required on all imported food products. For priority foods, importers are required to make their country of origin claim in a box on the label, so it can easily be found by consumers. They are not allowed to use the kangaroo symbol as the product is not of **Australian origin**.

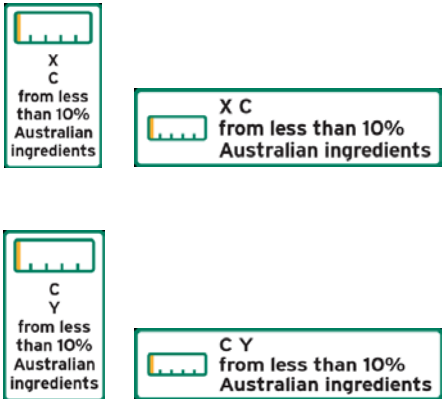
Companies will have two years, to 30 June 2018, to transition to the new labelling requirements.

<div style="border: 2px solid green; padding: 5px; text-align: center; width: fit-content; margin: auto;"> <p><b>Produced in Canada</b></p> </div>	<p>For priority foods made, grown or produced <b>in a single country</b>, a statement on the label such as this could be used.</p>
<div style="border: 2px solid green; padding: 5px; text-align: center; width: fit-content; margin: auto;"> <p><b>Packed in France from imported ingredients</b></p> </div>	<p>A 'Packed in' claim is required when the food cannot claim to have been grown, produced or made in a single overseas country. In this case, the label must also indicate that the food comes from <b>multiple origins</b> or is comprised of imported ingredients.</p> <p>Where food has been grown, produced or made in a single overseas country but was packed in another country, the label must state the country where the food was grown, produced or made. Saying where it was packed is optional.</p>
<p>Made in Mongolia Product of Peru Grown in Greece Packed in Thailand from imported ingredients Packed in China from multiple origins</p>	<p>For non-priority foods – a statement of the country of origin of the food or, if the food was packaged (without substantial transformation) using food from more than one country, that the food is from multiple origins or that the food contains imported ingredients, is required. This information does not have to be in a box.</p>

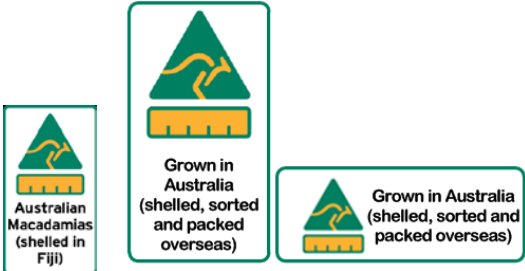
## Voluntary Labelling

Imported foods that have Australian ingredients - i.e. foods that have been made in another country using Australian ingredients - may voluntarily use the following labels.

	<p>If the food is made in a country other than Australia, but the food's ingredients are <b>exclusively</b> (i.e. 100%) of Australian origin the labelling may include one of the following marks.</p>
	<p>One of the following bar charts can be used to provide a visual indication of the average proportion, by ingoing weight, of the food's Australian ingredients.</p>
	<p>If some, but not all of the food's ingredients by weight are Australian, the labelling may include one of the following marks:</p> <p>Where: 'BC' is the appropriate bar chart to represent P% of Australian ingredients          'X' is the phrase 'Made in', 'Packed in' or 'Packaged in', as appropriate          'Y' is the word 'Made' or the kind of food, as appropriate          'C' is the name of the relevant country, or the adjectival form of that name, as appropriate          'P%', in which P is a whole number which is not more than the proportion by weight of the Australian ingredients of the food</p> <p>They cannot use the kangaroo symbol, as the food was not made, grown or produced in Australia.</p> <p>For example:  <i>Jam made in New Zealand from Australian cherries.</i></p> <p>Label includes: bar chart filled to the 70% mark; and statement 'Made in New Zealand from 70% Australian ingredients'.</p>

	<p>If less than 10% of the food's ingredients by weight are Australian, the labelling may include the following marks:</p> <p>Where:</p> <p>'X' is the phrase 'Grown in', 'Produced in', 'Produce of', 'Made in', 'Packed in' or 'Packaged in', as appropriate</p> <p>'Y' is the word 'Grown', 'Produce', 'Product', 'Made' or the kind of food, as appropriate</p> <p>'C' is the name of the relevant country, or the adjectival form of that name, as appropriate.</p>
<p>'Made in Canada with Chinese berries'</p> <p>'Made in Vietnam from at least 10% Australian ingredients with prawns from Thailand'</p>	<p>If one or more of the ingredients in a particular food originates exclusively in the country specified as the origin of that ingredient a phrase such as the following may be added to the end of the statement.</p>

### Australian food exported and reimported without substantial transformation

	<p>Where Australian food is exported, processed overseas without substantial transformation, and then reimported, the label must state, in brackets, what processing occurred overseas.</p>
---	---