



Country of Origin Food Labelling - Factsheet

The need for country of origin food labelling reform

Over many decades public concern over country of origin labelling has resulted in numerous inquiries, reports and proposals on the matter over many decades without any real change or improvement. For many years consumers demanded clear and more meaningful origin labels on food. Consumers are interested in not just where something was made or packaged but also how much of the food was grown in Australia.

The purpose of the Government's reforms to country of origin labelling is to enable consumers to make more informed choices about the food they buy. The Government is determined to deliver better country of origin food labelling in as the most cost effective way possible. While we don't want to unnecessarily increase regulatory or production costs for businesses, we do want to ensure that most consumers get the information they need to make purchasing decisions in line with their personal preferences.

Changes to the current framework

Australia's current framework comprises three elements:

- The Australia New Zealand Food Standards Code (the Food Standards Code)
- The Australian Consumer Law (ACL)
- The Commerce (Imports) Regulations 1940, made for the purposes of the *Commerce (Trade Descriptions) Act 1905*.

At the meeting on 31 March 2016, consumer affairs ministers agreed on reforms which will see country of origin labelling for food regulated through a new mandatory Information Standard under the Australian Consumer Law, rather than through the Food Standards Code.

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

When are these reforms to take effect?

The reforms commenced from 1 July 2016. Businesses have two years, until 30 June 2018, to change labels to the new format. Consumers will progressively see new labels in stores over this period.

What foods will the new Information Standard for food apply to?

The new requirements only apply to food currently required to be labelled with country of origin under the Food Standards Code – that is food offered for retail sale in Australia. They do not apply to food sold in places like restaurants, cafes, take-away outlets or schools.

Priority food and non-priority food

The new Information Standard covers all food for retail sale in Australia. However, there are additional graphics and information requirements mandated for priority foods (e.g. logo, bar chart, text in a box). These are optional for non-priority foods. Non-priority foods only require a text statement of origin on their labels.

Non-priority foods include:

- Seasonings
- Confectionery
- Biscuits and snack food
- Bottled water
- Soft drinks and sports drinks
- Tea and coffee
- Alcoholic beverages.

Priority foods are all other food products.

What do the new labels look like and what information do they include?

The new country of origin labels for priority food grown, produced, made in Australia identify two key things:

- Firstly, that the food was grown, produced or made in Australia – indicated by the kangaroo logo and the first part of the standard phrase stating that the food was grown, produced or made in Australia.



- Secondly, what percentage of the ingredients in the food, by ingoing weight, are Australian – indicated by the bar chart and the second part of the standard phrase.



What do 'Grown in', 'Produced in' and 'Made in' Australia mean?

All of these claims mean that a product meets the requirements to make a claim of Australian origin.

'Grown in' or 'Produced in'

These are premium claims. They mean that all of the ingredients are Australian, and major processing occurred in Australia.

‘Made in’

A food can be described as having been *made* in Australia if it underwent its last substantial transformation here. That is, it might not contain all Australian ingredients, but it underwent major processing in Australia such that it can claim Australian origin.

What does ‘substantial transformation’ mean?

The definition of ‘substantial transformation’ has been amended through the *Competition and Consumer Amendment (Country of Origin) Act 2017* with effect from 23 February. Details of the Act can be found on the [Federal Register of Legislation](https://www.federalregister.gov/) website.

Essentially 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 (please see www.business.gov.au/foodlabels for more information).

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.

When is a ‘Packed in Australia’ claim used?

A ‘Packed in Australia’ claim is required when a food that is packaged in Australia does not meet the rules for stating that food has been grown, produced or made in Australia or another country.

For ‘Packed in Australia’ claims, a standard label does not include the kangaroo symbol, as the food is not of **Australian origin**.

If the food in the package was grown, made or produced in different countries, and some of the food (or its ingredients) is Australian, the label would state the product was packed in Australia and include a bar chart and statement to show the proportion of Australian ingredients. When the food in the package was grown, made or produced in different countries, and it contains no Australian food or ingredients, a label like ‘Packed in Australia from imported ingredients’ with an empty bar chart must be used.

Where food packed in Australia has been grown, produced or made in a single (one) overseas country, a ‘Packed in Australia’ claim is optional. This means a label like ‘Grown in France, Packed in Australia’ with an empty bar chart could be used. Alternatively, this food could just be labelled with its overseas country of origin, as a wholly imported product, where a label like ‘Grown in France’ or ‘Made in Thailand’ could be used. For priority foods, the origin statement would need to be in a clearly defined box.



Australian food exported and reimported without substantial transformation

Where Australian food is exported, processed overseas without substantial transformation, and then reimported, the label will have to state, in brackets, what processing occurred overseas.



Alternative labels where ingredient sources vary

Alternative labels are available where the sources of ingredients vary. These labels allow an average proportion of ingredients to be specified. This average is calculated based on a one, two or three year period that concluded within the last two years.

However, the label must provide a way for consumers to get information on the proportion of Australian ingredients in the actual food they want to buy or have bought, either online or over the phone, by referring to things like batch numbers or best before dates printed on the package, or scanning a bar code or similar device printed on the package.



Calling out the origin of specific ingredients on standard labels

The origin of specific ingredients can be called out in any of the new labels.



How will the new labels be applied to wholly imported products?

There will be minimal impact on food imported into Australia. Imported products will continue to be required to be labelled with a country of origin (Product of Thailand, Made in Canada etc.), and would need to meet the new rules around 'made in' and 'packed in' claims.

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



**Produced
in Canada**

If businesses want to indicate the presence of Australian ingredients in an imported food, they could use a standard label that also includes a bar chart and text about the proportion of Australian ingredients.



For wholly imported food, a 'packed in' claim is required when the food **cannot** claim to have been grown, produced or made in a single overseas country. A label like 'Packed in France from imported ingredients' would be used.

Where food has been grown, produced or made in a single overseas country but was packed in another country, the new rules require that the label states the country where the food was grown, produced or made. Saying where it was packed is optional.



**Packed in
France from
imported
ingredients**

Flexibility in label design

A Style Guide has been published detailing the specifications for standard labels. Labels don't have to be green and gold. Labels can also be printed in black and white. However, all elements must be kept together and in a box. There are exceptions for small packages.

The Government has developed a new online self-assessment tool specifically for businesses to help them identify their new labels. Businesses can download their new labels using this tool.

Other requirements

This is a snapshot of the reforms. Further information may be available over the coming months. Business and consumers are encouraged to check [this website](#) for updates.