

2nd May, 2014



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Committee Secretary
House of Representatives Standing Committee on Agriculture and Industry
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Secretariat,

Re: Country of Origin Food Labelling

I write to outline the Australian National Retailers' Association (ANRA) views on Country of Origin (CoO) food labelling.

ANRA represents Australia's largest retailers across the full spectrum of retail goods and services. ANRA's membership includes leading household names in supermarkets, department stores and specialty retailers. ANRA members account for over \$110 billion of the more than \$260 billion in retail spending across Australia annually.

ANRA members' research shows that Australian households are increasingly concerned about where their food comes from, with a clear preference for domestically sourced goods. Retailers have responded to customers' needs by making local produce readily available. Indeed, ANRA's major supermarket members demonstrate a strong preference for providing Australian sourced produce whenever it is available at sufficient quantities and quality, at a fair and reasonable price. In practice this means that around 97% of all fresh food sold in their stores comes from Australian sources with imports typically being sold when seasonal shortages limit Australian supply.

In general, ANRA supports clear and unambiguous food labelling that allows consumers to make informed choices about the foods they purchase. Clear and concise CoO labelling can therefore help consumers understand the provenance of the food they eat. ANRA members are strong supporters of CoO labelling, going above the requirements of law in many respects; including by extending CoO labelling beyond the list of mandatory products. Indeed, ANRA members were supportive of the Food Standards Australia New Zealand proposal to extend CoO labelling to lamb, chicken, beef and veal.

Under the current CoO regime the classifications used are:

- **Made in Australia/Australian Made:** For goods that have been 'substantially transformed' in the specified country and where 50% or more of the total cost of producing or manufacturing the goods has occurred in that country.
- **Product of Australia:** When each significant ingredient or significant component of the goods and all, or virtually all, the production or manufacture happened in Australia.
- **Grown in Australia/Australian Grown:** Where each significant ingredient or component of the goods was grown in Australia and all, or virtually all, processes involved in production or manufacture happened in Australia.

- **Made in Australia from local and imported ingredients:** This is a qualified claim that can be used where it is not possible for a standalone 'Made in' claim to be made, either due to uncertainty around the question of substantial transformation and whether 50% costs of production is met or to adjust to seasonal changes in availability of individual ingredients.

However, members' research also suggests Australian consumers believe the current CoO labelling regime is not necessarily delivering the required clarity in all cases, particularly *Made in Australia* claims associated with packaged and processed foods.

A common misconception is that a product carrying the *Made in Australia* claim is derived from produce that was grown in Australia – in contrast to the criteria detailed above which shows that the product only needs to be '*substantially transformed*' in Australia and 50% or more of the total cost of producing or manufacturing the goods has occurred in Australia'.

ANRA would welcome the opportunity to consider the detail of any proposed changes that will cost-effectively provide consumers with the information they want to be able to make informed purchase decisions. In making any changes it's important that a reasonable time-frame is allowed for transition and Australian food producers and manufacturers – who already face high production costs and significant regulatory compliance costs – are not left facing an unreasonable burden. Any changes to food labelling must support Australian food producers and processors, rather than just add to their costs.

ANRA also notes that any changes will need to be accompanied by an education campaign so consumers understand the changes and can have increased confidence in Australia's CoO labelling regime. After all, food labelling is fundamentally about assisting customers to make informed choices.

Thank you for considering ANRA's position on Australia's country of origin food labelling regime. Should you have any questions regarding our position please contact Mr Russell Goss, Deputy Chief, at our Sydney office on _____ or via email on _____

Sincerely,

Margy Osmond
Chief Executive