

February 1st, 2016

Country of Origin Labelling Taskforce,
Portfolio Strategic Policy Division, Department of Industry, Innovation and Science,
GPO Box 9839,
Canberra ACT 2601

Dear Sir/Madam,

Re: Proposed Change to the Australian Country of Origin Labelling Framework

George Weston Foods Limited (GWF) is one of Australia and New Zealand's largest food manufacturers employing over 6,500 people across 58 sites. George Weston Foods is structured into four businesses in Australia and New Zealand; Tip Top, Don KRC, Mauri ANZ and Jasol. Within these businesses our products and services include:

- Quality bread and bakery products (Tip Top)
- Premium quality small goods (Don KRC)
- Through Mauri ANZ, a full service bakery ingredients solution with comprehensive product, research, innovation, technology, production and distribution capabilities. It also has an extensive presence in commercial livestock animal nutrition across the region.
- Providing cleaning and hygiene solutions to a broad range of industries (Jasol)

GWF welcomes the opportunity to comment on the revision to the Australian country of origin labelling framework, providing our comments below.

Overall Position

GWF supports initiatives that allow our consumers and customers to better understand the information they are supplied with on labelling. GWF acknowledges that considerable effort has been made by the Department of Industry, Innovation and Science to ensure that consumer input is key to ensuring that any proposal to change the country of origin labelling in Australia will allow consumers to have a better understanding of this information on food labels. In turn, it will allow consumers to make informed decisions when purchasing food products.

However, with the proposal of the new country of origin labelling framework, we would like the following points to be considered:

NORTH RYDE OFFICE

BUILDING A, LEVEL 1, 11 TALAVERA ROAD, NORTH RYDE, 1670
PO BOX 587 NORTH RYDE BUSINESS CENTRE NSW 2113 AUSTRALIA
TELEPHONE +612 9815 7300 FACSIMILE +612 9419 2907

Cost to business

As indicated in the Consultation Regulation Impact Statement, costs involved in updating labels to meet the proposed requirements of the Draft Country of origin food labelling standard are considerable. As well as the cost of the actual artwork updates, it will also include the time required for the business to understand the new regulations, train staff, implement processes to capture the changes and potential packaging write off. Not including these resources and just taking packaging update costs alone, the changes proposed by the Draft Country of Origin Information Standard will cost the GWF business at least \$2 million.

GWF would also like it to be acknowledged that a significant artwork update has just been completed to ensure that all our products are compliant with new Food Standards Code health claims Standard 1.2.7. This standard was fully operation only January this year. This also involved a significant cost to the business

Transition Period

GWF supports the flat transition period of 24 months. Many GWF products have shelf-life less than 6 months. If the phased transition was implemented, this would be a huge undertaking for GWF to update hundreds of labels in a very short amount of time. There are a number of steps involved in updating labelling artwork which involve time including calculation of data required for labelling, documentation of this data, providing this data to the artwork house, updating labelling with revised data, checking this data is correct on proposed labels, providing correct artwork to the label maker, getting this artwork printed, sending the new labelling to the required site and implementing new labels.

We believe that a 6 months transition period would not allow enough time to ensure that all product labelling is updated and compliant with the new regulations. In addition, this would involve additional cost to the business due to significant label write off, extra resourcing to ensure compliance and the potential that non-compliant labels may still be present in the market place despite our best attempts to ensure that all labels are compliant, risking potential fines.

Printing

GWF would like the Country of Origin Labelling taskforce to consider flexibility in the styling of the new country of origin labelling. We would like to see the option of a black and white version of the country of origin labelling, to keep costs of artwork to a minimum where necessary. Labelling artwork that does not use green and gold colours, would involve an unnecessary increase in the cost due to extra plates required during printing.

In addition to the above, a number of GWF products use online labellers. The capability of these machines to print the Australian Made Logo and bar chart may be limited. As a result, additional costs may be incurred by the business to upgrade

NORTH RYDE OFFICE

BUILDING A, LEVEL 1, 11 TALAVERA ROAD, NORTH RYDE, 1670
PO BOX 587 NORTH RYDE BUSINESS CENTRE NSW 2113 AUSTRALIA
TELEPHONE +612 9815 7300 FACSIMILE +612 9419 2907

online printers or even having to resort to pre-printed artwork for products where we believe this is not necessary. We would like the Country of Origin Taskforce to take this format of labelling into consideration when considering the new country of origin labelling requirements.

GWF would like to have the style guide available as soon as possible, so that planning of updates to artwork can occur in a timely manner, to prevent delays in updating labels, to reduce label write off and to keep the cost impact of the changes to a minimum for the business.

George Weston Foods welcome the opportunity to participate in the debate on this and other Food Regulation issues. We would be happy to expand on any issue with you if this would assist in the deliberations on the proposed changes to the Australian Country of Origin Labelling framework.

Yours sincerely,



Emma Corless
Regulatory Affairs Associate

NORTH RYDE OFFICE

BUILDING A, LEVEL 1, 11 TALAVERA ROAD, NORTH RYDE, 1670
PO BOX 587 NORTH RYDE BUSINESS CENTRE NSW 2113 AUSTRALIA
TELEPHONE +612 9815 7300 FACSIMILE +612 9419 2907