

Country of Origin Labelling – Submission

To whom it concerns,

Bertocchi Smallgoods Pty Ltd is concerned about the implications and cost to our business if the proposed mandatory Country of Origin Labelling is approved for the following reasons:

1. The overall economic benefit of the proposed reforms is unclear.
2. Bertocchi Pty Ltd invests in the local community and environment and employs up to 400 locals in Melbourne's north, up to 600 over Christmas and 1,500 through spin off companies. While the Australian made logo (kangaroo) represents that the product was made in Australia, adding a bar chart which reveals low levels of Australian ingredients may detract from this message and not communicate the company's values or its investment in Australia to the customer. Some ingredients are not available in Australia, and there is a risk that customers will not understand this when making purchasing decisions. In particular, the supply of raw Australian Pork is insufficient for production needs. The premium costs would be higher than customers can afford.
3. The cost of changing internal processes, new packaging alone will be \$1,561,250.00 and arrangements with suppliers to implement the reforms for a company like Bertocchi are substantial. Audit costs in particular are substantial (estimates up to \$20-\$30k per audit, up to seven audits a year including various government and supermarket audits). Planned business expansions both locally and overseas will be delayed, or potentially put at risk as a result of the company having to re-direct funds to meet the new requirements.

Bertocchi Smallgoods Pty Ltd has approximately **250** sku's, based on the Federal Government estimate of \$6,245 cost of new packaging per sku, our investment on packaging alone will be \$1,561,250.00 (sku's x \$6,245).
Our costs will be considerably higher than \$6,250.

Implementing this scheme with new packaging and compliance will be at considerable cost resulting in loss of business, deletion of product lines, reduced employment and or looking to produce outside of Australia.

Our products are greatly affected by seasonal ingredients, implementation will require us to delete sku's and reduce employment opportunities

The current real estate on our packaging will not be adaptable to the current proposal, requiring major packaging redevelopment.

The increased costs for the proposed Country of Origin Labelling scheme will have to be absorbed by our business through other means, eg deletion of lines, reducing employment.

Bertocchi Smallgoods Pty Ltd does/does not support the mandatory Country of Origin Labelling proposal. We would support the current proposal if it was voluntary.