



Frequently asked questions for Australia's trading partners

The Australian Government is proposing changes to country of origin labelling for food to respond to consumer calls for clearer and more consistent information. Consultation, both domestically and with trading partners, is now underway, with the changes expected to be in place by the middle of 2016.

What is changing?

The Australian Government has announced proposed reforms to the current country of origin labelling framework.

The proposed changes aim to deliver reliable, more informative and less ambiguous origin information to consumers, particularly for food, whether imported or of Australian origin.

Why is change needed?

The Australian Government has received numerous complaints over a number of years from consumers that they are confused by Australia's current country of origin labelling rules for food. Changes have been requested. The proposed amendments would make the rules clearer and would provide information about the proportion of Australian ingredients in food that is made, grown, produced or packaged in Australia. A recent consumer study found that this information was important to many people in the Australian community.

What are the likely impacts on trading partners?

There would be minimal impact on food imported into Australia. Imported food would still be required to carry a true country of origin statement to reflect where the product was made, grown, produced or packaged. The main change would be that, for some imported foods, the origin statement would need to be in a clearly defined box on the label.

How would imported food need to be labelled?

The country of origin statement for some imported food, the origin of which consumers most care about (priority foods), would be placed in a box so that it can more easily be found by consumers.

- Priority foods would be defined by excluding the following categories: seasonings (eg salt and spices), confectionery, biscuits and snack foods, bottled water, sports drinks and soft drinks, and alcoholic beverages.
- This aligns with rules for foods made, grown, produced or packaged in Australia.

All food, including imported food, would be subject to new rules that clarify when 'made in' and 'packed in' statements can be used.

For 'made in' claims:

- The definition of 'substantially transformed' would be amended so that the goods must undergo their last substantial transformation in the country claimed as origin;
- It would be made clear that a 'made in' claim could not be used on foods that were only packed or underwent other minor processes (like slicing, reconstitution or canning) in the country claimed.

For 'packed in' claims:

- The use of the 'packed in' claim will be limited to circumstances where the food in the package came from two or more countries.
- Food from one country that was packed in another country would need to name the country of origin of the food, not just where it was packed.
- For example, companies that import food and package it in Australia would be required to include a statement about where the product was originally made or grown. They would have the option to add that the food was packaged in Australia, e.g. 'Made in France, Packed in Australia'.

What changes would 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.

My business uses Australian ingredients. Can I use the bar chart?

Only food products that have been made, grown, produced or packaged in Australia would be able to use the bar chart.

Imported food may optionally provide extra details about the origin of the ingredients, as is currently the case.

If the product is a priority food, the origin information would need to be in a clearly defined box.

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

There is no direct relationship between the proposed new definition of 'substantial transformation' and the tariff heading applying to a product. The new definition would require a product and its imported inputs to be fundamentally different goods, with no particular regard to the tariff classification for either the product or its inputs.

Will there be a transition period?

With state and territory agreement, the reforms are expected to be in place by mid-2016. A transition period for any changes will be permitted, with details being finalised subject to submissions received during consultation.

- Feedback will be sought on whether a straight two year transition period for all foods or a staggered transition period of 6-24 months is most feasible.

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

Once the new system is introduced, the Department of Industry, Innovation and Science is expected to retain policy responsibility for country of origin labelling.

The Australian Competition and Consumer Commission will be responsible for enforcement, 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 inspection of imported goods at the border.

Which Australian Government agency will be responsible for fielding enquiries?

A hotline in the Department of Industry, Innovation and Science is available on tel. +61 (0)2 6276 1085 or email originlabelling@industry.gov.au.

Will trading partners be consulted before the changes are finalised?

Australia has notified the reforms to the World Trade Organisation. Trading partners will have 60 days to provide comment on the proposed reforms.

What is happening now?

The Government is currently consulting on the details of the reforms. You will find a consultation package at <https://consult.industry.gov.au/cool-taskforce/cool>

The package contains several important documents that you are encouraged to read carefully. There is a Regulation Impact Statement which examines issues including the advantages and disadvantages of the proposed reforms and the potential cost implications for consumers, businesses and government. The Information Standard outlines the proposed new labelling rules. The discussion papers outline proposed changes to legislation.

How do I get more information?

For more information go to www.industry.gov.au/CoOL.