SUBMISSION TO THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON AGRICULTURE AND INDUSTRY INQUIRY INTO FOOD ORIGIN LABELLING

AUSTRALIAN MADE CAMPAIGN LIMITED
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1. INTRODUCTION

Australian Made Campaign Limited (AMCL) welcomes the opportunity to make this submission to the Standing Committee.

AMCL has a strong, ongoing interest in the country of origin labelling of food, and has made submissions to similar reviews in the past, including the Blewett review in 2010, the Senate Select Committee on Australia's Food Processing Sector (2012) and the Senate Inquiry into the Competition and Consumer Amendment (Australian Food Labelling) Bill 2012 (no. 2).

Whilst this submission will focus chiefly on the first and third terms of reference of the inquiry, namely:

- whether the current Country of Origin labelling (CoOL) system for food provides enough information for Australian consumers to make informed purchasing decisions; and

- whether improvements could be made, including to simplify the current system and/or reduce the compliance burden,

comments will also be included on the remaining three ToRs.

Australian consumers are becoming increasingly concerned about the origins of the food they eat. Such concerns are driven by a range of factors – economic, health and safety, ethical and environmental. However there is ample evidence that many consumers do not understand the country of origin claims in general use and also that they do not find that these claims provide sufficient information about the product.

For the most part, these concerns and misunderstandings revolve around the 'Made in Australia' claim and its variants.

Under the Australian Consumer Law a product may safely make this claim if it is substantially transformed in Australia, and at least 50% of the cost of making the product is incurred in Australia.

However, as pointed out in the Blewett Report, "As food is ingested…, naturally consumers are primarily focused on the components and ingredients of foods and not with their substantial transformation, packaging or value adding".[1]

AMCL believes that, while it is not be feasible to meet all consumer expectations, changes can and should be made to the current legislative framework to ensure that the requirements for the different country of origin claims are both clarified and made more stringent in relation to food.

Legislative change needs to be supported by a significant consumer education and information program funded and delivered by a partnership between government and industry. Improvements can also be made to the system to provide more certainty for businesses.

[1] Neal Blewett et al. Labelling logic: review of food labelling law and policy (2011). p.110.

2. BACKGROUND – AUSTRALIAN MADE, AUSTRALIAN GROWN (AMAG) LOGO

The AMAG logo was introduced by the federal Government in 1986 as a certification trade mark across all 34 classes of goods.

AMCL is the not-for-profit public company set up in 1999 by the business community (through the Australian Chamber of Commerce and Industry network), to administer the Australian Made, Australian Grown (AMAG) logo. The logo, consisting of a stylised kangaroo inside a triangle, is a registered certification trade mark governed by a Code of Practice approved by the ACCC.

AMCL administers the logo in accordance with a Deed of Assignment and Management with the federal Government entered into in 2002 and reports annually to the Department of Industry on its operations.

AMCL's core funding is derived from licence fees paid by companies to use the logo. It receives no financial support from Government for its core operations, which are to:

- license companies to use the logo,
- administer a strict compliance regime governing the logo's use, and
- promote the logo to consumers and businesses, thereby reinforcing its credentials as a means of promoting/selling genuine Australian products and produce.

From its launch in 1986 until 2007, the logo was available for use with two descriptors – 'Australian Made' and 'Product of Australia' – with compliance criteria consistent with sections 65AA – AN of the Trade Practices Act.

In 2007, the federal Government introduced the 'Australian Grown' descriptor for use on fresh produce and processed foods with a high Australian content. The criteria for making an 'Australian Grown' claim, including the qualified AG claim, were developed by a Ministerial Working Party chaired by the then Minister for Agriculture, Fisheries and Forestry, the Hon Peter McGauran.

The rules governing the use of the AMAG logo were rewritten to accommodate this new label, and this was done in conjunction with the Department of Agriculture, Fisheries and Forestry, the Department of Innovation, Industry, Science and Research, the ACCC, and IP Australia. (At that time, the term 'Australian Grown' did not have a corresponding definition in legislation. This changed with the introduction of the Australian Consumer Law (ACL), a schedule to the Competition and Consumer Act, in 2011.)

When used with the AMAG logo without qualification, 'Australian Grown' is essentially equivalent to the 'Product of Australia' claim – that is, all the significant ingredients must have been grown in Australia and all production or manufacturing processes must have taken place in Australia. The difference is that the 'Product of Australia' claim may be used for products where the components have not been grown.

A qualified 'Australian Grown' claim was also introduced in 2007. When used with the name of an ingredient, e.g. 'Australian Grown Potatoes', it indicates that at least 90% of the overall content (net weight) of the product is grown in Australia, at least 50% of the net weight of the product is made up of the named ingredient, and 100% of the named ingredient, in this instance potatoes, is grown here. This is a stricter definition than that found in the ACL which requires a minimum of only 50% Australian grown content with no minimum percentage of the named ingredient.

In 2011, the 'Australian Seafood' descriptor was introduced for use with the logo on products consisting entirely or substantially of seafood farmed or wild caught in Australia.

Close to 2000 companies are currently licensed to use the AMAG logo, with numbers growing strongly in recent years. Over 98% of Australian consumers recognise the AMAG logo and trust is over 88%.

Around 12% of licensees are in the food and beverage sector. The vast majority of AMAG licensees use the logo with the 'Australian Made' claim.

3. SPECIFIC COMMENTS ON THE TERMS OF REFERENCE

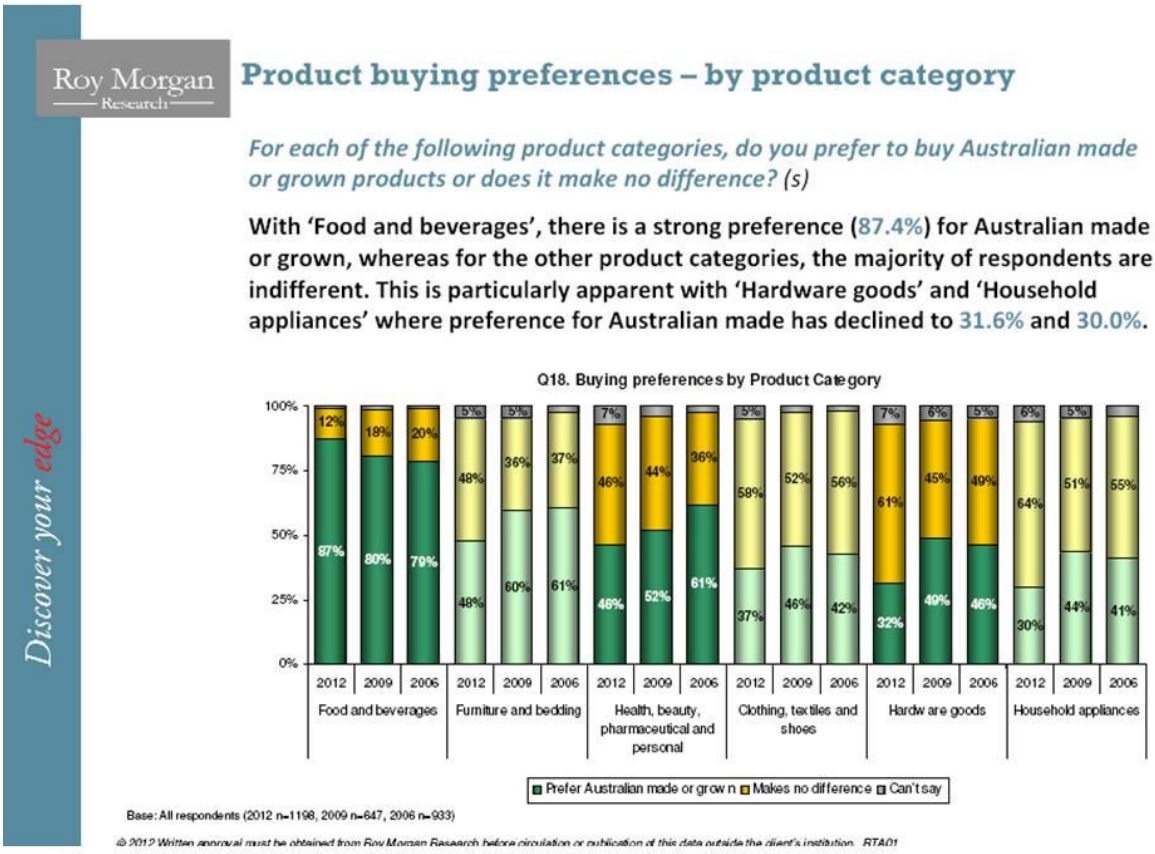
3.1 Whether the current country of origin labelling (COOL) system for food provides enough information for Australian consumers to make informed purchasing decisions

As pointed out in the Blewett Review's Issues Paper[2], one of the primary purposes of food labelling is to provide consumers with enough information to enable them to make informed choices.

There has been ample evidence in the media for some time of growing consumer concerns about the country of origin of fresh foods and of ingredients in processed food products. Drivers of these concerns include anxieties about food safety (as in the melamine in milk tragedy in China) and environmental impact issues (food miles).

In addition, many consumers recognise the quality, freshness and high standards of Australian grown produce and the social and economic benefits of supporting the Australian economy and the country's farmers and fishermen by buying locally produced products whenever possible.

Research conducted in 2012 for AMCL by Roy Morgan Research found that 87% of respondents indicated a strong preference for Australian made or grown food products. While preference for Australian made products in other categories had declined since 2006, preference in the food category had increased by 8%.



In the light of these consumer concerns, AMCL makes the following points about the adequacy or otherwise of the different country of origin claims used on food products in Australia.

[2] Issues Consultation Paper: Food Labelling Law and Policy Review (2010). P. 2.

3.1(i) Grown in

This claim is principally used in relation to fresh fruit and vegetables and is the most transparent and easily understood of the country of origin claims available.

The AMAG Australian Grown label was created in response to demand from consumers and producers for a simple and readily understood method of identifying Australian produce, and has been enthusiastically taken up by major retailers including Coles, Woolworths, Aldi and IGA.

The Australian Consumer Law (ACL) provides criteria for both an unqualified 'Grown in …' claim and for claims relating to the major ingredient/s of a product (for example, 'Australian grown peanuts' on a jar of peanut butter), although it is AMCL's view that *for claims relating to ingredients* the threshold levels are set too low. There is no minimum percentage of content for the named ingredients and the overall Australian grown content of the product can be as low as 50%.

The AMAG logo with the words 'Australian Grown' *when used with the name of one or more ingredients* continues to provide a premium claim for products where at least 90% of the content by weight is grown in Australia. As mentioned above, these criteria were developed by the federal Government.

It seems to make no sense for the provisions inserted (somewhat hastily, we understand, at the time) into the ACL for 'Australian Grown' *claims relating to ingredients* to be different from those developed by the Government for use with the 'Australian Grown' claim with the AMAG logo.

The 50% level is significantly too low to meet consumer expectations. AMCL would welcome a review of this criterion with the aim of bringing the two criteria for use of the 'Australian Grown' claim *relating to ingredients* into alignment.

AMCL's experience is that the 90% by weight threshold is too high in a practical sense and a lower level, say 75%-80% might be a more appropriate balance between consumer expectations and processing capability in Australia.

AMCL recommends that the 'Grown in' claim be retained but that for claims relating to ingredients consideration be given to raising the minimum level of Australian grown content from 50% to at least 75%.

3.1(ii) Product of

The 'Product of' claim can be used in relation to fresh produce, meat, mineral water, juice, etc., as well as processed foods.

The ACL states that a product can safely claim to be a 'Product of' a country when:

(a) the country was the country of origin of each significant ingredient or significant component of the goods; and

(b) all, or virtually all, processes involved in the production or manufacture happened in that country.

Anecdotal evidence suggests that this claim is not well understood by consumers and that consumer education may be needed to improve awareness and understanding.

AMCL's experience with businesses wishing to use this claim is that there is often confusion about what constitutes a 'significant ingredient' and also whether packaging is considered to be a 'significant ingredient'.

AMCL recommends that this claim be retained but that detailed guidelines or regulations under the ACL be developed to clarify issues relating to significant ingredients and packaging.

3.1(iii) Made in

The major area of consumer concern continues to be the 'Made in …' claim and related qualified claims, such as 'Made in Australia from local and imported ingredients'.

The 'Made in …' claim, as currently defined in the ACL and consequently the Food Standards Code, relates to manufacturing processes and costs of production, rather than to content. A food product which contains a high percentage of imported ingredients can still legally be described as 'Made in Australia', provided it meets the twin criteria of 'substantial transformation' in Australia and 50% of costs incurred locally.

However, consumers are understandably concerned about the origin of the major ingredients in processed foods and various consumer research indicates a significant number of consumers are seeking (and not finding) this information as part of their purchasing decision.

AMCL does not support calls for mandatory country of origin labelling for all ingredients of food products because of the complexity involved and the costs to business of compliance. However we believe that changes to the current system can be made which will give consumers greater confidence in the 'Made in…' claim and these are dealt with below.

3.1(iii)(a) Substantial transformation and food products

AMCL's major area of concern in regard to food product labelling is the interpretation of the term 'substantial transformation'. The issue is clearly demonstrated in the ACCC booklet '*Food and beverage industry: country of origin guidelines to the Trade Practices Act*' (2005) where, under these guidelines, mixing, homogenisation, coating and curing are all processes *"likely to be considered as substantial transformation"*.

Thus, homogenised milk, mixed diced vegetables, blended fruit juices, battered fish fillets, crumbed prawns and ham and bacon may all qualify under these guidelines as 'Australian Made' even though all the major ingredients may be imported, as long as at least 50% of the cost of production is incurred in Australia.

Although this publication was withdrawn from the ACCC website in 2011 following the introduction of the Australian Consumer Law, it has not been replaced with a new set of guidelines for food[3] and has formed the basis for a great many labelling decisions relating to products currently in the marketplace.

As noted in the ACCC's general guidance[4], interpretation of the law ultimately rests with the courts and judges often take into consideration whether the average consumer might be deceived by product labelling. AMCL believes that the average consumer, seeing the words 'Australian Made' on the products

[3] New CoOL guidelines were recently released by the ACCC (ACCC. Country of origin claims and the Australian Consumer Law, 2014) however these guidelines are not specific to food products.
[4] Ibid. p.5

listed above, might reasonably believe that the product was made from ingredients of Australian origin, certainly the major or characterising ingredients.

For this reason, AMCL has moved to specifically exclude a number of processes such as crumbing, curing and juicing from the definition of substantial transformation for the purposes of the AMAG Logo Code of Practice.

The full list of excluded processes to be included in the July 2014 revision of the Code of Practice (currently in the final stages of consideration by the ACCC) is as follows:

- packaging or bottling
- size reduction – cutting, dicing, grating, mincing, etc.
- reconstituting – e.g. of fruit juice concentrate
- freezing, canning or simple preserving processes associated with packaging
- mixing or blending of food ingredients, where the resulting product is not substantially different to the separate ingredients
- juicing – extraction of juice from fruit
- homogenisation
- pasteurisation
- seasoning
- marinating
- coating – as in crumbing prawns or battering fish fillets
- pickling
- dehydrating/drying
- fermentation – e.g. in the production of wine, cider or salami
- curing – the treatment of meat with curing salts, as in ham or bacon
- roasting or toasting – e.g. of coffee beans, nuts or seeds.

AMCL recommends that the Government use the power set out in the ACL to make regulations which prescribe changes which are considered not to be fundamental changes, and that it publishes new and stricter guidelines on substantial transformation in relation to food products.

The result of the introduction of such a change would be that some food products would no longer meet the substantial transformation test and as such would not have the protection of the 'safe harbour' provisions of the ACL for a claim that the product was 'Made in Australia'. The preferred outcome would be for the manufacturer or processor to use some other, more accurate claim, such as 'Indian lentils, packed in Australia 'or 'Vietnamese prawns, processed in Australia'.

We note that the Senate Rural and Regional Affairs Committee recommended in 2013[5] that the government give consideration to the creation of a 'negative list' of processes which do not satisfy the substantial transformation test.

In addition, AMCL believes that a major consumer education program is needed to clarify the meaning of the 'Made in' claim, following on from reports from Choice[6] that many consumers believe that the claim means that all or most of the ingredients originate from Australia. This should be delivered through a partnership between the federal government and the Australian Made Campaign.

[5] Senate Rural and Regional Affairs and Transport Legislation Committee. [Report on the] Competition and Consumer Amendment (Australian Food Labelling) Bill 2012 (No.2). 2013

[6] http://www.choice.com.au/media-and-news/consumer-news/news/country-of-origin-confusion.aspx

3.1(iii)(b) Made in Australia from local and imported ingredients

The paradox of the so-called 'qualified made in claim' is that while it actually provides more information to consumers than a simple 'Made in Australia' claim, it provokes more consumer outrage than any other claim. This may be because it draws attention to the presence of imported content in a way that the other claim does not and at the same time provides no indication of either the scale or source of that imported content.

The situation was not helped by the ACCC's country of origin guidelines of 2006 and 2011 which stated that where a company was unable to make an unqualified claim for their product, such as 'Made in Australia', they may make a qualified claim and such qualified claims do not have to meet the substantial transformation or 50% content tests. [7]

This would suggest that a qualified claim could be used on products which had been simply packed in Australia or, in the case of juice, reconstituted from imported concentrate.

New guidelines released by the ACCC on 15 April this year[8] no longer include such statements, stating instead only that such claims should not be false or misleading. Unfortunately the damage has been done in terms of consumer confidence.

AMCL takes the view that where an unqualified 'Made in Australia' claim cannot be supported, any qualified claim made should not include the words 'Made in Australia'. The current practice is illogical and confusing for both consumers and manufacturers. The words 'Made in Australia' or 'Australian Made' should be reserved exclusively for products which can meet the tests set out in the legislation.

Currently the ACL does not prescribe specific wording for what it calls the 'general country of origin claim', stating that "It covers, for example, 'Made in Australia', 'Made in China', 'Australian Made' and 'Manufactured in Australia'. It may also cover many other terms such as 'Built in Australia' etc."[9]

AMCL recommends that the ACL should include specific provisions on allowable wording of country of origin claims and that these should include a prohibition on the use of the words 'Made in ...' or equivalent where the product does not meet the criteria for an unqualified 'Made in ...' claim.

3.1(iv) Country of origin ingredient labelling

As noted in 3.1(ii) above, AMCL does not support calls for mandatory country of origin labelling for all ingredients of food products because of the complexity involved and the costs to business of compliance.

However we note that the European Commission is currently discussing a proposal (EU Regulation 1169/2011 Article 26(3)) which would require that in the EU the country of origin of the 'primary ingredient' of a product should be indicated where it is different to that of the product.

An example of such a declaration might be "Jam made in Australia from New Zealand raspberries".

Clearly there will be major definitional hurdles to overcome in implementing such a proposal. However, AMCL believes that the EU experience will bear close watching.

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[7] *ACCC. Country of origin claims and the Trade Practices Act. 2006.p.18* and *ACCC. Country of origin claims and the Australian Consumer Law, 2011, p.23*

[8] *ACCC. Country of origin claims and the Australian Consumer Law, 2014*

[9] *Ibid., p.8.*

It is also interesting to note that some manufacturers or retailers may already be moving in this direction on a voluntary basis, as evidenced by the labelling of this Coles' product:

It is perhaps worth noting as a comment on the often unrealistic nature of consumer expectations that this product, despite carrying an accurate country of origin claim and providing information well in excess of the current labelling requirements, still attracted a consumer complaint, featured on national television, because according to the complainant, it did not contain more than 50% Australian ingredients (excluding water).

3.2 Whether Australia's COOL laws are being complied with and what, if any, are the practical limitations to compliance

AMCL does not have specific knowledge relating to what degree businesses are complying or not complying with the current labelling laws.

Our experience with AMAG logo users is that the vast majority want to do the right thing, but that many are confused and uncertain as to what claims they should be making.

The recommendations made under 3.1 and 3.3 of this submission to improve and simplify the current system will assist businesses to comply.

3.3 Whether improvements could be made, including to simplify the current system and/or reduce the compliance burden

A number of suggestions have been made above as to how the labelling system can be changed to improve the information provided to consumers.

AMCL also has recommendations regarding the Food Standards Code and food labelling issues from the business perspective.

3.3(i) Food Standards Code (FSC)

The Food Standards Code Standard 1.2.11 currently requires a country of origin claim to be made on all packaged foods and some unpackaged foods offered for retail sale. Prior to 2013 this included only pork, seafood, fruit and vegetables[10]. In 2013, the Standard was revised to also cover beef, veal, lamb, hogget, mutton and chicken (and a mix of foods on the list). Other meats (e.g. rabbit, turkey and kangaroo) do not require a country of origin label, nor do unpackaged dairy products such as cheese. While the revised Standard is a step forward, it would be simpler and less confusing if it simply applied to all food products.

AMCL recommends that Food Standard 1.2.11 be extended to cover all food products.

AMCL believes that if country of origin labelling is required, then for the benefit of both businesses and consumers, the rules should be consistent, clear and as simple as possible, with:

- one set of rules for all States and Territories
- one set of rules for all types of products (food and otherwise)
- rules to apply equally to all types of food products.

It is also important that rules for food labelling continue to be consistent with other federal laws in this area.

Currently the FSC relies on the country of origin provisions of the Australian Consumer Law (ACL) for definitions of claims such as 'Made in', 'Grown in' and 'Product of'. *AMCL believes this is appropriate and should be retained.*

However, if the Government were to consider mandating additional labelling requirements specifically for food products, then AMCL believes that the Food Standards Code is the appropriate place for such requirements.

AMCL does not support proposals such as the Palmer United Party's proposal for coloured tags on food products[11].

3.3(ii) Issues for business

Any change to labelling requirements should attempt to balance consumer interests with those of manufacturers and producers. Calls for more complex labelling regimes, such as country of origin ingredient labelling, may in fact harm those businesses which consumers wish to support.

[10] Under the FSC, 'fruit and vegetables' also includes nuts, spices, herbs, fungi, legumes and seeds.
[11] http://palmerunited.com/2013/07/palmer-tags-in-for-better-aussie-food-labelling/

AMCL believes that changes can be made to the current country of origin provisions to provide greater certainty for businesses when making country of origin claims.

AMCL's principal concern in this area is that the definition of 'substantial transformation' in the ACL is very far from providing a clear and objective criterion against which to assess claims. Although the ACCC has published guidelines on country of origin claims in which it expresses its views on what may or may not constitute substantial transformation, it acknowledges that "*interpretation of the law will always ultimately be a matter for the courts*"[12] and such interpretation occurs on a case by case basis.

There is currently no mechanism by which a manufacturer may obtain a definitive answer as to whether it may safely claim that its product is 'made in Australia' or a 'product of Australia'. A company may hesitate to make a country of origin claim for fear that competitors (usually the source of such questions) will challenge its validity.

This also places AMCL in the invidious position of administering a Code of Practice which sets out compliance criteria for goods, but being unable to objectively determine whether a particular good meets the criteria. AMCL is regularly required to make judgements and/or provide advice on applications by businesses wanting to use the AMAG logo with a country of origin claim.

There are a number of ways in which this situation might be improved:

1. *Provide a simple administrative mechanism whereby a manufacturer who is uncertain as to whether it may make a country of origin claim in respect of a good is able to apply for and receive a ruling on the matter, for an appropriate fee and within a reasonable timeframe. An example of such a system is the US Customs and Border Protection Customs Rulings which are also available via a searchable online database (http://rulings.cbp.gov/).*

2. *Consider adopting an alternative definition of substantial transformation, along the lines of that used for Rules of Origin (RoO) in Free Trade Agreements. Rules based on the Change of Tariff Classification (CTC) approach, such as those set out in the ANZCERTA and TAFTA agreements, provide a more objective method for determining in what country a good is substantially transformed.*

3. *If relying on the existing definition, use the power set out in the ACL to make regulations which prescribe changes which are considered to be (or not to be) fundamental changes, as discussed in 3.1(iii) above.*

4. *Again, if relying on the existing definition, make available (eg, on a website) a library of case law detailing previous judicial decisions.*

AMCL believes that the adoption of step 1 above, either in conjunction with step 2 or steps 3 and 4, would provide much greater certainty for business and reduce confusion in this area.

[12] *ACCC. Country of origin claims and the Australian Consumer Law. 2011.p.3*

3.4 Whether Australia's CoOL laws are being circumvented by staging imports through third countries

Under the Trans-Tasman Mutual Recognition Act 1997 (TTMRA) a product which can be legally sold in New Zealand may also be sold in Australia without being required to comply with any further labelling requirements imposed by Australian law.

As New Zealand does not currently require a country of origin statement on food products (Food Standard 1.2.11 of the Food Standards Code does not apply in New Zealand), this would mean that food products imported from New Zealand may be sold in Australia without a country of origin statement. However, Australia's Commerce (Trade Descriptions Act) 1905 is specifically excluded from the operations of the TTMRA. The subordinate Commerce (Imports) Regulations 1940 require imported foods and beverages to be marked with the country in which they were made or produced and the Act prohibits the import of goods bearing false trade descriptions.

AMCL is also aware of allegations regarding Chinese frozen vegetables being packed in New Zealand and sold in Australia with claims such as 'Made in New Zealand from local and imported products'.

AMCL has no firsthand knowledge or evidence of this practice. However we would point out that, under the mutual recognition principle, any claims made on such products would need to be valid claims under New Zealand law.[13] Section 13(j) of New Zealand's Fair Trading Act 1986 prohibits any "false or misleading representation concerning the place of origin of goods".

According to the NZ Commerce Commission[14], when determining the place of origin of a food product, consideration should be given to where the "essential character" of the food is created. Simply repackaging imported vegetables would certainly not be sufficient to justify a claim that the product is 'Made in New Zealand'.

Whether products consisting of a mix of NZ-grown and imported vegetables can be legally labelled under NZ law as 'Made in New Zealand from local and imported products' or 'Made in New Zealand from imported and local products' is doubtful and it would be helpful to seek clarification from the NZ Commerce Commission.

If products imported from New Zealand were sold in Australia carrying false or misleading country of origin claims, they would potentially be liable for action under the ACL for making false or deceptive claims.

There are precedents for action to be taken by the ACCC against overseas companies[15].

AMCL recommends that the ACCC investigate and take strong action against any imported products carrying false or misleading country of origin claims.

AMCL understands that the NZ Parliament's Primary Production Committee is currently considering whether New Zealand should introduce mandatory country of origin labelling for food products.[16] From AMCL's point of view, alignment of the NZ laws with Australia's would be the preferred outcome.

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[13] Trans-Tasman Mutual Recognition Act 1997. Section 13(2).
[14] Commerce Commission [New Zealand]. The Fair Trading Act: place of origin representations, 2012.
[15] https://www.accc.gov.au/media-release/accc-takes-court-action-against-yellow-page-directories
[16] Russell McVeagh. Food Law Update, 30 April 2014. http://www.russellmcveagh.com/Publications/ViewPublication/tabid/176/Title/parliament-considers-mandatory-origin-labelling-for-food/pid/291/Default.aspx

3.5 The impact on Australia's trade obligations of any proposed changes to Australia's CoOL laws

AMCL's unequivocal view is that the changes to Australia's product labelling laws for food as proposed in this submission will have no impact on Australia's trade obligations. The current rules already require most foods to carry a CoO label. AMCL's proposed changes will only ensure that the labels are not misleading.

Country of origin labelling is and should be seen as providing information to consumers, who are then free to use or not use that information as they see fit in making their purchase decisions. The final decision rests always with the consumer.

It is important that Australia's CoOL rules apply equally to local and imported foods, but having said that, AMCL recognises that the rules associated with such matters as quarantine, food security and traceability of food products may make it more difficult for certain imported produce to be used in the manufacture or processing of products.

The 2012 decision of the WTO in the complaint by Mexico and Canada that the United States' CoOL laws would discriminate against imported livestock gives some insight into this.

SUMMARY OF RECOMMENDATIONS:

1. AMCL supports retention of the 'Grown in' claim as defined in the ACL. For claims that ingredients are 'Grown in' a country, AMCL recommends that consideration be given to raising the minimum level of Australian grown content from 50% to at least 75%.

2. For 'Product of' claims, AMCL recommends that the existing claim be retained but that guidelines or regulations under the ACL be drawn up to clarify what constitutes a 'significant ingredient' and whether packaging is considered to be a 'significant ingredient'.

3. AMCL does not support calls for mandatory country of origin labelling for all ingredients of food products because of the complexity involved and the costs to business of compliance. However AMCL believes that changes to the current system can be made which will give consumers greater understanding and confidence, particularly in the 'Made in…' claim.

4. For 'Made in' and similar claims, AMCL recommends that the Government use the power set out in the ACL to make regulations which prescribe changes which are considered not to be fundamental changes, and that it publishes new and stricter guidelines on substantial transformation in relation to food products.

5. AMCL recommends that the ACL should include specific provisions on use and wording of unqualified and qualified country of origin claims and that these should include a prohibition on the use of the words 'Made in ...' or equivalent where the product does not meet the criteria for an unqualified 'Made in ...' claim.

6. Food Standard 1.2.11 should be revised to cover all foods offered for retail sale.

7. The Food Standard Code should continue to rely on the country of origin provisions of the Australian Consumer Law (ACL) for definitions of claims such as 'Made in', 'Grown in' and 'Product of'. Any additional labelling requirements specifically for food products, should reside in the Food Standards Code.

8. Government should provide a simple administrative mechanism whereby a manufacturer who is uncertain as to whether it may make a country of origin claim in respect of a good is able to apply for and receive a ruling on the matter, for an appropriate fee and within a reasonable timeframe.

9. Government should give consideration to alternative definitions of substantial transformation which may provide a more objective method for determining in what country a good is substantially transformed.

10. AMCL recommends that the ACCC investigate claims relating to imported products and take strong action against any products carrying false or misleading country of origin claims.

11. Consumer education is the key to reducing misunderstanding of country of origin labelling. AMCL recommends a major consumer education program, jointly funded and delivered by Government and industry through the Australian Made Campaign.