



SEPTEMBER 2020

Submission to the Department of Industry,  
Science, Energy and Resources  
**Evaluation of Country of Origin Labelling for  
Food**

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# ABOUT

## **About CHOICE**

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

## INTRODUCTION

Whether grocery shopping in-store or online, consumers should be able to access clear and transparent information that will help them make an informed decision about the products they wish to buy. CHOICE members, supporters and the broader community are passionate about country of origin labelling on food products, and it remains a high priority issue for them. In a recent CHOICE survey on country of origin food labelling, more than 21,100 people provided their views<sup>1</sup>. Of these, 98.6% said that knowing where the food and drink they buy comes from is important.

CHOICE appreciates the opportunity to make a submission to the Department of Industry, Science, Energy and Resources in its evaluation of country of origin food labelling. Since its introduction, consumers Australia-wide have benefited from the increased level of information available on food products, and this information has allowed them to make purchasing decisions that align with their personal needs and values.

CHOICE supports the continuation of the country of origin labelling framework and recognises the benefits that have arisen for consumers since its introduction. However, we believe the framework could be strengthened to ensure it is fit for purpose and matches consumer needs and expectations.

The Federal Government has an opportunity to address consumer concerns related to the country of origin labelling framework. CHOICE makes the following recommendations based on feedback from consumers nationwide.

## RECOMMENDATIONS

1. The requirements under the *Country of Origin Food Labelling Information Standard* should be retained.
2. The information standard should mandate that key ingredients sourced or grown overseas should be disclosed in country of origin labels.
  - a. Templates should be provided in the standard so that any label that includes information on the country of origin of key ingredients presents this information in a consistent manner.
3. Non-priority foods should be included in the country of origin labelling scheme.
4. Country of origin information for food products sold online should be accessible through text at minimum and be available at the time of display.

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<sup>1</sup> CHOICE survey sent out via email on 26 August 2020 to people who have subscribed to CHOICE campaign updates. These people are likely more engaged in consumer issues than the average Australian. Respondents = 21,159. Responses received between 26 August to 10 September 2020.

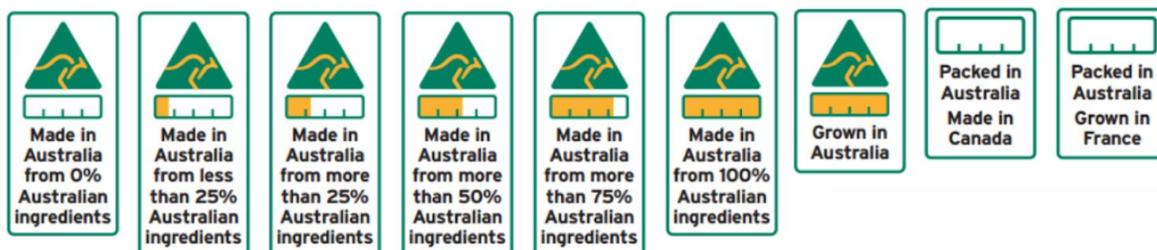
## Consumer knowledge and experience of CoOL

In August 2020, CHOICE surveyed 21,159 people who had not necessarily indicated an interest in country of origin labelling (CoOL) previously. Generally, survey respondents recognised and used the country of origin labels to make decisions about the products they buy. Most said the labels were easy to understand, however many claimed that the labels were sometimes confusing, particularly when a product was 'Australian Made' but the majority of ingredients came from overseas.

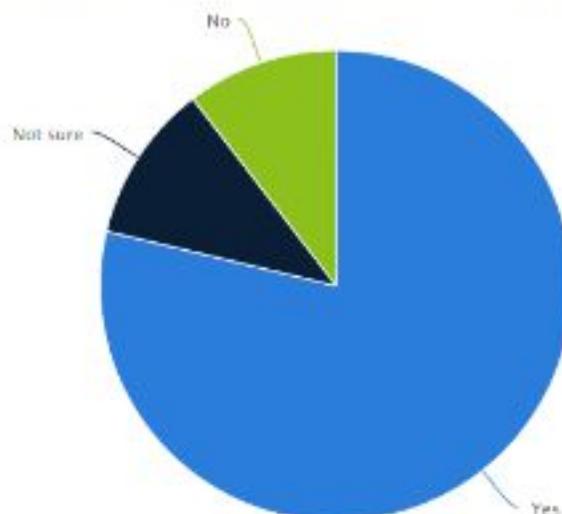
### Recognition

When asked if they were familiar with the country of origin labels, a majority of respondents (79%) said that they were. This indicates a high level of recognition of the country of origin labels.

Below are examples of 'Country of Origin' labelling for food products:



Q1) Have you seen labels like this on food or drink products before?

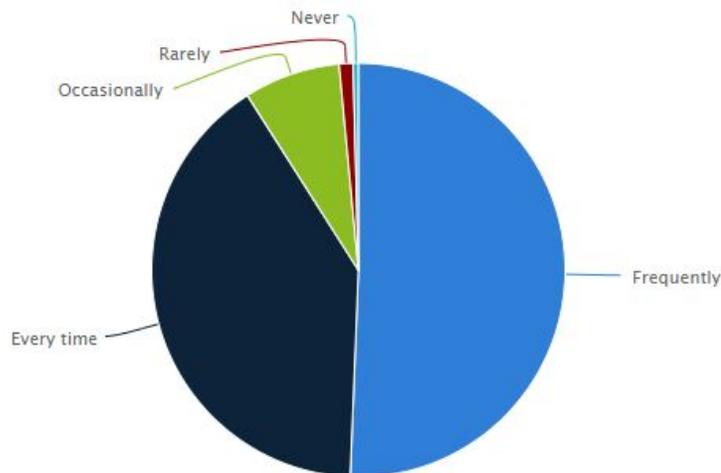


Answer	Answered	Percentage
Yes	16,639	78.73%
Not sure	2,301	10.89%
No	2,194	10.38%

## Usage and value

When asked how often they use country of origin labelling to make decisions about the products they buy at the supermarket, just over half (51%) stated that their use of the labels was 'frequently', with a further 40% stating they use it 'every time'. This means that around 90% of respondents used country of origin labelling to make purchasing decisions at the supermarket.

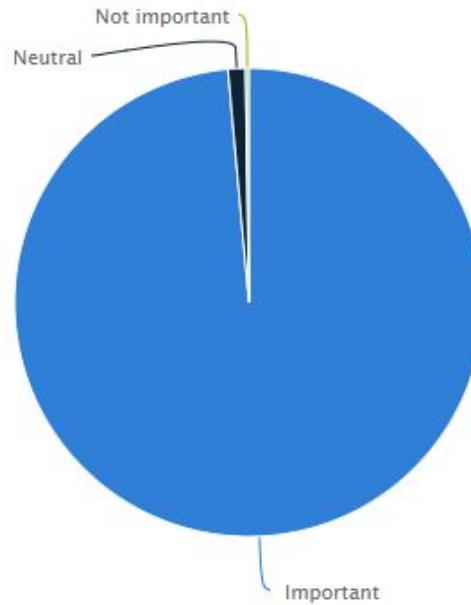
Q3) How often do you use country of origin labelling to make decisions about the products you buy at the supermarket?



Answer	Answered	Percentage
Frequently	10,705	50.64%
Every time	8,529	40.34%
Occasionally	1,592	7.53%
Rarely	231	1.09%
Never	84	0.4%

The survey asked how important it is to know where food and drink comes from. An overwhelming majority (98.6%) of respondents stated that it was 'important' to know where the food and drink they buy comes from, indicating that the country of origin labelling scheme is crucial in meeting this consumer need.

Q4) How important is it for you to know where the food and drink you buy comes from?

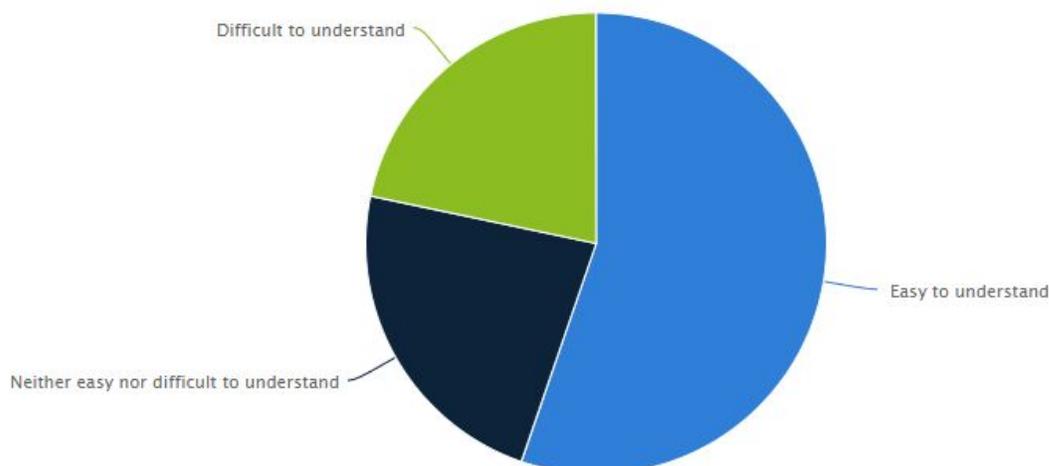


Answer	Answered	Percentage
Important	20,808	98.57%
Neutral	252	1.2%
Not important	49	0.23%

## Ease of understanding

When asked how easy or difficult it was to understand country of origin labels, over half of respondents stated that they found the labelling 'easy' to understand, with close to a quarter of respondents finding the labels neither easy nor difficult to understand. This indicates room for improvement in terms of the clarity of labels.

Q2) How easy or difficult do these labels make it for you to understand where the food and drink you buy is from?



Answer	Answered	Percentage
Easy to understand	11,660	55.27%
Neither easy nor difficult to understand	4,859	23.03%
Difficult to understand	4,577	21.7%

## Consumer concerns about CoOL

Respondents to CHOICE's survey provided feedback on ways in which the country of origin labelling scheme could be improved. The most pressing concern was that the country of origin labels fail to provide information on the specific country in which key ingredients are grown or sourced. Respondents were not satisfied with the labels only demonstrating the percentage of ingredients that were Australian. Respondents were also concerned about the lack of country of origin information available when shopping online.<sup>2</sup>

### Specific country in which key ingredients were grown/produced

Consumers want to identify whether a product is local or not. However, if a product is not local or has overseas ingredients, consumers want to know the origin of these ingredients. Highlighting the proportion of Australian ingredients does not satisfy the statement 'country of origin' nor does it meet consumers' expectations of food labels. For example, claims such as 'Made in Australia from at least 25% Australian ingredients' still leaves consumers in the dark as to where the remaining ingredients come from.

<sup>2</sup> Respondents of CHOICE's Country of Origin Labelling survey provided free-form responses via email.

The system currently does not meet consumers' expectations if it does not mandate or at least actively encourage manufacturers to provide information on the specific countries in which key ingredients were grown. Consumers are very passionate about this point. Some of the comments we received were:

*"All I want as a consumer is to know where the food we are eating comes from. The symbol does not do this, it only states the portion that comes from Australia but not where anything else comes from."*

*"These labels are not really telling me what the item's country of origin is. It's only telling me that [a] certain percentage is made in Australia. Which ingredients are in this percentage and where is the rest actually coming from is not shared. I see it more as a campaign for buying Australian made goods than informing the consumer of the country of origin."*

*"I think the labelling is inadequate. We need to know what ingredients are not Australian and what are. Many items should be totally Australian in content which are not, and I think we need to know just what is imported and what is local."*

*"[I] Do understand there are small components (5%) that might not be Aus [sic] that would be hard to identify, but say if a product is < 50% Aus the remaining 50% should be required to identify where it came from. Not only do we want to know if a product is Australian but also where it came from if not Australian."*

*"These labels do not tell you where 100% of the product is from. Just saying that it is 25% Australian is not good enough, where is the other 75% from?"*

*"The labels do show the percentage made in Australia. BUT they do NOT show the countries from where the remaining percentage of imported products come from and I find that important in making my choice. So there is room for improvement."*

CHOICE understands the limitations with listing the origin of every ingredient. However, the system is not effectively meeting Australian consumer needs when it lacks transparency on the country of origin for key ingredients. Key ingredients can be described as those that make up at least 20% of a product, or are marketed as a defining characteristic of the product e.g. 'raspberry' in raspberry-flavoured yoghurt. The information standard should mandate the display of key overseas ingredients on country of origin labels. Templates should be provided in the standard so that any label that includes information on the country of origin of key ingredients presents this information in a consistent manner.

## 'Made in Australia' claims

Respondents were also concerned that the 'Made in Australia' labels were misleading and difficult to understand, most often when there were minimal Australian ingredients. This issue was particularly prevalent in relation to pork products, where consumers found the labels obfuscated the true origin of the pork. Consumers cited that they would like to know the country of origin of meat products as purchasing decisions on such products were often guided by concerns about animal welfare and regulated quality control.

*"My comment is don't use the Kangaroo unless it's 100% Australian. Find another symbol if it's only a % Australian... don't use it at all for small percentages. For a busy shopper - it sends the wrong message."*

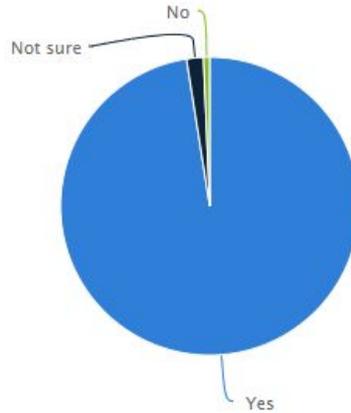
*"Not happy with the labelling. Would like to know what ingredient is Australian. In the bacon for instance, the salt could be the only Australian ingredient."*

*"The Australian Made triangle / kangaroo label is very misleading. It is impossible to buy Australian grown ham, bacon and related products from the main supermarkets. They all carry the green and gold symbol yet, the pork is grown overseas. Manufacturers use a loophole that adding salty water in Australia to fully imported pork makes it Australian made... None of the 'Australian Made' ham, bacon and related items divulge the actual country of origin."*

## Non-priority foods

CHOICE would like non-priority foods to be incorporated into the country of origin labelling scheme. Consistency across all food products sold in Australia will reduce confusion for consumers. When asked whether non-priority products should be included in the country of origin labelling scheme, the response was overwhelmingly in favour (97.5%).

Q6) Currently, country of origin labelling only applies to certain categories of products like fruits and vegetables, meat and seafood, bread, juice, milk, honey, nuts and cereal. It doesn't apply to products such as confectionery, biscuits, snack foods, or alcohol, soft drinks and tea and coffee. Do you think country of origin labelling should be extended to apply to items such as snack foods and soft drinks?



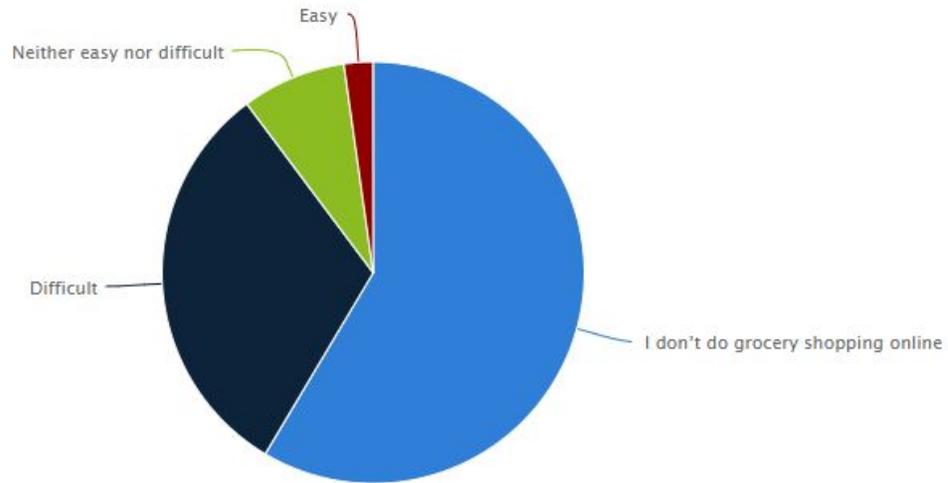
Answer	Answered	Percentage
Yes	20,586	97.52%
Not sure	383	1.81%
No	142	0.67%

## Online shopping

CHOICE would also like to see more consistency in the display of country of origin information for food products sold online. In the COVID-19 context, grocery shopping online has increased significantly, particularly during lockdown periods. There are also newer players in the online grocery services category, such as Amazon, so it is likely that the proportion of people doing their grocery shopping online will continue to grow. Consumers who choose to shop online should have the same access to product information, including country of origin information, as consumers who shop in-store.

Respondents to CHOICE's survey who do grocery shopping online found it difficult to find information about the country of origin of products. Where images of labels cannot be displayed, accessible text statements should be displayed with the product.

Q5) When grocery shopping online, do you find it easy or difficult to find information about where products come from?



Answer	Answered	Percentage
I don't do grocery shopping online	12,371	58.55%
Difficult	6,603	31.25%
Neither easy nor difficult	1,688	7.99%
Easy	468	2.21%

## CONCLUSION

Country of origin information is highly valued by the majority of Australian consumers and they want the system to remain in place. However, the system could be strengthened to meet its purpose of increasing consumer confidence through transparency and clarity about where food comes from.

Currently, people are being let down by the system when it doesn't provide information on the country of origin for the main ingredients in a product. This prevents consumers from being able to make an informed choice about the products they buy. A system that meets people's needs would promote trust between consumers and food manufacturers. A system that does not do this will further erode confidence in country of origin labelling and have implications for labelling more broadly.

The Federal Government has an opportunity to change this through adoption of CHOICE's key recommendations. CHOICE would be happy to work with the Federal Government to provide consumer insights and help implement proposed recommendations.