



**AUSTRALIAN PORK LIMITED**  
Labelling Support Tool  
July 2017



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## Overview

The new mandatory Country of Origin Labelling (CoOL) system came into force on 1 July 2016, designed to provide consumers a greater understanding about the provenance of the food they purchase. Specific laws cover the claims businesses make about the country of origin of food and the proportions and origins of ingredients, by weight, in the final product. Pork processors will need to be fully compliant by 1 July 2018.

Complying with the new requirements will require processors to implement systems that can verify proportion of Australian ingredient in their products. The Australian Competition and Consumer Commission (ACCC) has been given the compliance role and processors will be required to demonstrate that the CoOL label applied to their product is verifiable against the claim they make.

### Scope

This labelling support tool (CoOL support tool) allows pork processors to accurately calculate the percentage of the product that is Australian, thereby complying with and providing verification to the ACCC that the new CoOL requirements are met.

This tool has been developed in a program that is widely available and easy for pork processors to use, Microsoft Excel.

The Australian Government has released a **style guide, Country of Origin Food Labelling Information Standard** and an online tool to enable processors to select the appropriate CoOL logo/label and its design. This project does not seek to replicate this, but to assist processors to comply with the new system.

## Background

### Government reforms

Currently, there are three elements to Australia's framework for CoOL:

- The Food Standards Code;
- Australian Consumer Law; and
- Commerce (imports) Regulations.

On 31 March 2016, consumer affairs ministers agreed on reforms which set a new mandatory information standard under Australian Consumer Law rather than through the Food Standards Code.

The reforms came into effect on 1 July 2016. However, business has until 30 June 2018 to comply with the new regulations.<sup>1</sup>

### Foods to be affected by labelling

The new labelling reforms affect all food that is offered for retail sale, or not sold for retail but sold in a state suitable for retail without any further processing, packaging or labelling.

Most food grown, produced, made or packaged in Australia will need to carry a standard mark. There are differing labelling requirements depending on whether the food was:

- Grown, produced or made in Australia
- Packaged in Australia
- Grown, produced or made in another country
- Packaged in another country

There will generally be two or more marks from which to choose. In addition to a country of origin statement, the marks include an indication of the proportion of Australian ingredients by ingoing weight through text and a bar chart. If all the food in a display or package was grown, produced or made in Australia, the mark will also include a kangaroo logo. In some circumstances, more detailed information can be added to the text in a standard mark.

For most imported food (food grown, produced, made or packaged in a foreign country), the country of origin statement will need to be in a clearly defined box. Where imported food includes Australian ingredients, a standard mark showing the proportion of Australian ingredients by ingoing weight through text and a bar chart may be used voluntarily.

The new labelling reforms do not apply to any food that is sold to the public for immediate consumption. Examples of this include food sales in restaurants, canteens, schools etc.

The new information standard covers all food for retail, however non-priority foods only require a text statement of origin on their labels. Non-priority foods include seasonings,

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<sup>1</sup> <https://www.business.gov.au/Info/Run/Goods-and-services/Selling-goods-and-services/Selling-goods/Country-of-origin-food-labelling/Country-of-Origin-Labeling-online-tool>

confectionery, biscuits and snack food, bottled water, soft drinks and sports drinks, tea and coffee and alcoholic beverages.

### Definitions for the use of a Standard Mark

**Grown in** or **Produced in** are considered premium claims and requires that **all the ingredients** are Australian and that major processing occurred in Australia. The standard mark for this food is the “kangaroo logo” and the “bar chart” indicating the proportion of Australian ingredients by ingoing weight.

The **Made in Australia** standard mark can only apply to food that underwent substantial transformation in Australia. The standard mark for this food is the kangaroo logo and the bar chart indicating the proportion of Australian ingredients by ingoing weight.

**Packed in Australia** labelling is required when a food that is packaged in Australia does not meet the rules for grown, produced or made in Australia. **Packed in Australia** labels do not include the kangaroo symbol where the food is not of Australian origin.

Reimported food can be labelled **up to 100 per cent made in Australia** but must state what processing occurred overseas. Where ingredient sources vary, labels can express an average proportion of ingredients however the label must provide a way for consumers to get further information, either online or by phone. The origin of specific ingredients can be called out i.e. **Made in Australia from at least 20% Australian ingredients with Australian ham**. Imported food can use a standard label with a bar chart i.e. **Made in Vietnam from at least 50 per cent Australian ingredients**.

For further information please see the Country of Origin Food Labelling Information Standard 2016<sup>2</sup>.

### Substantial Transformation

The **Made in Australia** mark can be applied to imported goods that have undergone a fundamental change in form, appearance or nature.

**Made in Australia** cannot be used where imported ingredients were only subject to minor processes such as slicing, freezing, coating/crumbing, reconstituting or packing. For example, curing and drying imported pork to make bacon is considered substantially transformed (Made in Australia) while smoking imported bacon to add flavor is not.

**Note:** Previously, if 50% of the production cost was accrued in Australia the product could be deemed to be made in Australia. However, under the new ACCC guidelines, the 50 per cent production cost is no longer grounds for using the Made in Australia mark.

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<sup>2</sup> <https://www.legislation.gov.au/Details/F2016L00528>

## Calculating local content using the Government's online tool

The Department of Industry Innovation and Science provides a CoOL online tool to assist with determining the use of a standard mark and allows manufacturers to download the appropriate label for food products<sup>3</sup> following an online questionnaire<sup>4</sup>.

The type of standard mark produced by the online tool depends upon the answers provided by the manufacturer in the online questionnaire. Depending on whether the food ingredients are 100% Australian and whether the food was substantially transformed here in Australia will determine the type of standard mark produced by the Government's online tool. The questionnaire determines if the manufactured food can be labelled Made in, Product of or Produce of Australia, and the percentage of local ingredient claimed.

To use the Government's online labelling tool, food manufacturers need to know the proportion of local ingredients (by ingoing weight) and determine whether each ingredient is local, imported and part imported. This information also generates the bar chart, which accompanies the kangaroo logo. Further, before manufacturers use the Government's online tool, they need to know:

- Whether the food product contains any Australian ingredient
- **The percentage of Australian ingredients** in the food product
- Name of the country where the food product was last made (last substantially transformed) i.e.
  - Food made in Australia with Australian ingredients
  - Food made in Australia with imported ingredients
  - Food made overseas with Australian ingredients
- Whether your food product will be sold packed or unpacked
- Name of the country where your food product was packed or packaged
- A list of your food's processing activities that occurred overseas
- **The average percentage of Australian ingredients (by ingoing weight)** for:
  - Food grown or produced or made in Australia with a varying amount of Australian ingredients
  - Food grown or produced or made overseas and packed in Australia with a varying amount of ingredients (averages can be calculated over a one, two or three-year period).
- The origin of specific ingredients you want to highlight in your label.

Note: Special conditions must be met for food manufacturers that are affected by seasonal availability which affect Australian content, and their labelling claims. Specific labelling marks are available for food produced under this scenario<sup>5</sup>.

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<sup>3</sup> <https://www.business.gov.au/Info/Run/Goods-and-services/Selling-goods-and-services/Selling-goods/Country-of-origin-food-labelling/Country-of-Origin-Labeling-online-tool/Before-you-start-checklist>

<sup>4</sup> See <http://www.originlabeltool.business.gov.au>

<sup>5</sup> Country of Origin Food Labelling Information Standard, 2016, section 23 <https://www.legislation.gov.au/Details/F2016L00528>

## Using the APL Support Tool

The APL Support Tool assists manufacturers in calculating the proportion (by ingoing weight) of Australian ingredient so that they can more accurately answer the Government's business online tool questions regarding Australian content.

Accurately calculating the proportion of local ingredients is key to generating the correct standard mark (i.e. Made in Australian from 90% Australian ingredients). Certain ingredients, such as brine, require a calculation of their own due to the likelihood of imported ingredients.

### Step 1 – Brine Calculation Tab

The purpose of the brine calculation table is to calculate the percentage of local ingredients of the brine specifically, so that it may be added as a major ingredient in Step 2 (Major Ingredients Tab).

The example used assumes two types of brine are used, each with a differing amount of imported salts. In this example, both use Australian water in equal measure. However, a processor may only use one brine measurement, and in this case, would only be required to use one water and one salt ingredient.

As with Table 1, the tool is designed to be flexible and the user can use as many ingredients as is necessary, so long as they all use the same unit of measurement (in this case kilograms, but could use grams or tonnes instead).

Once the brine ingredients are correctly added, Table 2 will automatically generate a percentage of Australian ingredient figure in the Step 2 tab.

Step 1 - Brine Calculation						
28/07/2017 9:51	Ingredient Name	Unit of measurement (use same unit for each entry)	Net Weight Units	% Australia	Total Wght Aust	Total Weight
Ingredient 1	Imported Brine Salts	kilograms	0.20	0.00	0.00	0.20
Ingredient 2	Australian Water	kilograms	1.00	100.00	1.00	1.00
Ingredient 3	Reconstituted Fresh Brine	kilograms	0.05	0.00	0.00	0.05
Ingredient 4	Australian Water	kilograms	1.00	100.00	1.00	1.00
Ingredient 5		kilograms			0.00	0.00
Ingredient 6		kilograms			0.00	0.00
Ingredient 7		kilograms			0.00	0.00
Ingredient 8		kilograms			0.00	0.00
Ingredient 9		kilograms			0.00	0.00
Ingredient 10		kilograms			0.00	0.00
Ingredient 11		kilograms			0.00	0.00
Ingredient 12		kilograms			0.00	0.00
Total Weight					2.00	2.25
<b>Total Australian Ingredients in Brine (%)</b>						<b>88.89</b>

## Step 2 – Major Ingredient Table

The purpose of Table 1 (major ingredient table) is to calculate the percentage of local content for the dashboard on the first tab (Step 3 – dashboard).

Ingredient measurement is key to calculating the percentage of Australian content. The support tool allows for the listing of up to ten ingredients. As per the Australian government checklist, **the percentage of Australian ingredients is based on the ingoing weight of the Australian ingredients before cooking, baking, frying or any other method of conserving curing or preparing the end-product. No allowances can be made for loss during cooking.**

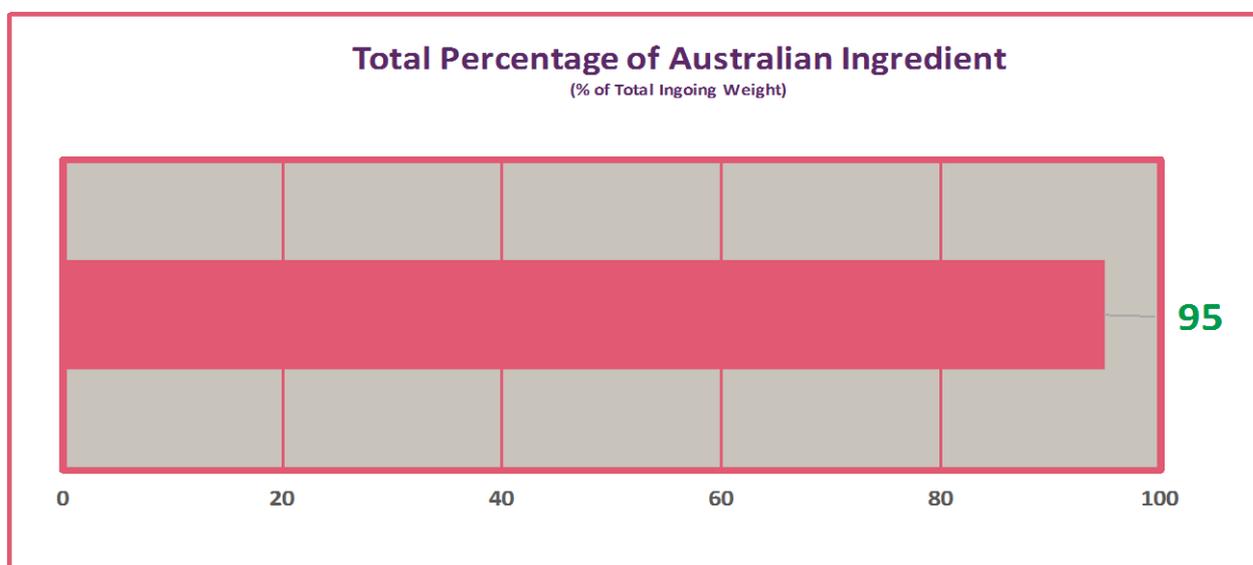
The **unit of measurement** used in this support tool must be the same for every ingredient, however the user has the flexibility to use any unit of measurement for all ingredients – it is measured in net weight in units.

The **Australian ingredients** as a percentage of total weight, appearing in the bottom right corner, is driven by the simple equation - Australian ingredient weight divided by total ingredient weight, expressed as a percentage. This is the figure to be used when using the Government’s online tool in generating the local content to be used with the Made in Australia mark.

Step 2 - Major Ingredient Table						
28/07/2017 9:48	Ingredient Name	Unit of measurement	Net Weight Units	% Australian	Total Wght Aust	Total Weight
Ingredient 1	Brine	kilograms	0.10	88.89	0.09	0.10
Ingredient 2	Ham	kilograms	1.00	100.00	1.00	1.00
Ingredient 3	Preservative	kilograms	0.10	50.00	0.05	0.10
Ingredient 4						
Ingredient 5						
Ingredient 6						
Ingredient 7						
Ingredient 8						
Ingredient 9						
Ingredient 10						
Ingredient 11						
Ingredient 12						
Total Weight					1.14	1.20
Imported Ingredients (percentage of Total Weight)						5.09
Australian Ingredients (percentage of Total Weight)						95

## Step 3 - Dashboard

When Steps 1 and 2 are correctly completed, the percentage of Australian ingredient, by ingoing weight, will be generated on the dashboard (opening tab). It is this figure which is used in the Government's online tool for developing a standard mark.



**Note:** When a standard mark is successfully generated, using the Government's online tool, up to three things are generated. The kangaroo logo, the bar chart and a statement, which describes the origin of the product.

The bar generated by the Government's online tool rounds to the nearest ten, except when the content is over ninety per cent when it rounds to the nearest five. Further, to claim 100 per cent Australian content, there can be no imported content whatsoever (there is no rounding up to 100 per cent). Therefore, the only content percentages generated by the online tool are 10, 20, 30, 40, 50, 60, 70, 80, 90, 95, and 100 per cent. However, the statement will reflect the exact proportion of Australian ingredient to the nearest whole number, see below.



## The Raw Data Record

The fourth tab demonstrates all the raw data from the first three tabs and shows a record of the data used (including the date), this can be printed and filed as a record of the Australian content calculation.

Step 1 - Brine Calculation						
6/6/17 12:52	Ingredient Name	Unit of measurement	Net Weight Units	% Australia	Total Wght Aust	Total Weight
Ingredient 1	Imported Brine Salts	kilograms	0.20	0.00	0.00	0.20
Ingredient 2	Australian Water	kilograms	1.00	100.00	1.00	1.00
Ingredient 3	constituted Fresh Brine	kilograms	0.05	0.00	0.00	0.05
Ingredient 4	Australian Water	kilograms	1.00	100.00	1.00	1.00
Ingredient 5	0.00	0.00	0.00	0.00	0.00	0.00
Ingredient 6	0.00	0.00	0.00	0.00	0.00	0.00
Ingredient 7	0.00	0.00	0.00	0.00	0.00	0.00
Ingredient 8	0.00	0.00	0.00	0.00	0.00	0.00
Ingredient 9	0.00	0.00	0.00	0.00	0.00	0.00
Ingredient 10	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Weight</b>					<b>2.00</b>	<b>2.25</b>
<b>Total Australian Ingredients in Brine (%)</b>						<b>89</b>

Step 2 - Major Ingredient Table						
6/6/17 12:52	Ingredient Name	Unit of measurement	Net Weight Units	% Australian	Total Wght Aust	Total Weight
Ingredient 1	Brine	kilograms	0.10	88.89	0.09	0.10
Ingredient 2	Ham	kilograms	1.00	100.00	1.00	1.00
Ingredient 3	Preservative	kilograms	0.10	50.00	0.05	0.10
Ingredient 4	0	0	0.00	0.00	0.00	0.00
Ingredient 5	0	0	0.00	0.00	0.00	0.00
Ingredient 6	0	0	0.00	0.00	0.00	0.00
Ingredient 7	0	0	0.00	0.00	0.00	0.00
Ingredient 8	0	0	0.00	0.00	0.00	0.00
Ingredient 9	0	0	0.00	0.00	0.00	0.00
Ingredient 10	0	0	0.00	0.00	0.00	0.00
Ingredient 11	0	0	0.00	0.00	0.00	0.00
Ingredient 12	0	0	0.00	0.00	0.00	0.00
<b>Total Weight</b>					<b>1.14</b>	<b>1.20</b>
<b>Imported Ingredients (percentage of Total Weight)</b>						<b>5</b>
<b>Australian Ingredients (percentage of Total Weight)</b>						<b>95</b>



**AUSTRALIAN PORK LIMITED**  
ABN 83 092 783 278

Level 2, 2 Brisbane Avenue, Barton ACT 2600  
PO Box 4746 Kingston ACT 2604 Australia

P: 02 6285 2200 F: 02 6285 2288  
E: [apl@australianpork.com.au](mailto:apl@australianpork.com.au)

[www.australianpork.com.au](http://www.australianpork.com.au)