

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TRADE PRACTICES AMENDMENT (ORIGIN LABELLING) BILL

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be Moved on Behalf of the Government

(Circulated by the authority of the  
Minister for Consumer Affairs,  
the Hon. Jeannette McHugh MP)



## **AMENDMENTS TO THE TRADE PRACTICES AMENDMENT (ORIGIN LABELLING) BILL**

### **OUTLINE**

The purpose of these Government amendments to the Trade Practices Amendment (Origin Labelling) Bill is to provide for the identification of particular places within Australia or of particular parts of Australia in representations about Australian origin and to clarify the requirements of section 65VG of the Bill. The amendments also extend the phase-in time for the legislation to 18 months to give industry more time to adjust to the new labelling requirements.

An amendment to section 65VE(2) authorises the addition of information about particular places to follow the terms authorised by that subsection. Section 65VG is amended so that where goods carry a representation identifying a production step which occurred in Australia, they must either identify the place of origin of the goods or the place or places of origin of the components or ingredients.

### **FINANCIAL IMPACT STATEMENT**

The amendment to clause 2 of the Bill, to allow a phase-in period of 18 months, will give industry more time to introduce new labels as old labels and packaging runs out, thus reducing costs for industry. The other amendments will have no effect on the financial impact of the Bill as set out in the Explanatory Memorandum.

## NOTES ON AMENDMENTS

### Amendment (1)

1. In the Report of its inquiry into this Bill, the House of Representatives Standing Committee on Industry Science and Technology recommended that the proposed 12 month phase-in period for the Bill be extended to 18 months. This amendment achieves this end by changing the word "thirteenth" in Clause 2 to "nineteenth". The provisions of the Bill will thus become effective on the first day of the nineteenth month after Royal Assent.

### Amendment (2)

2. The purpose of this amendment to subsection 65VE(2) is to remove any doubt that where suppliers want to identify a particular town, city, region or State as part of an express and unambiguous claim that the goods are Australian, they can do so by adding the name of the place to the terms authorised by the subsection. Where this is done, the name of the particular place must follow the authorised term. Permitted representations under this provision would be 'Product of Australia - Tasmania' or 'Made in Australia at Bendigo'. This amendment relates only to the positioning of place names when the name is part of an express and unambiguous Australian origin representation.

3. When identifying a particular place, suppliers should be careful that the representation does not become false or misleading and therefore in contravention of section 53(eb) of the *Trade Practices Act. 1974*.

### Amendment (3)

4. If goods carry a representation that a production step happened in Australia, the representation may identify the particular place where that step occurred, for example, 'Assembled in Melbourne, Victoria'. Section 65VG currently requires that where representations of this sort are made, information about the source of the components or ingredients must be included. The label would then read, 'Assembled in Melbourne, Victoria, from Australian and imported parts'.

5. The amended section 65VG clarifies the nature of the additional information which must be provided when there is a representation about a production step that happened in Australia. The alternative options are to identify the place of origin of the goods, or, as before, to identify the place or places of origin of the components or ingredients. There was a question whether an example given in the Note to the section, 'Packed in Australia - Product of India', met the requirement of the section. The difficulty with this type of representation is that the source of all the ingredients cannot be known with certainty. However, goods labelled with such representations meet the intent of the section, that is, that where there is a representation about a limited process occurring in Australia, further information should be provided to consumers about the overseas contribution to the goods. The section has therefore been amended to make it clear that representations such as 'Product of India' or 'Made in England' are acceptable as an indication of the overseas contribution to the goods.

6. The amended section will also have the effect that goods which meet the conditions for being labelled with one of the terms authorised by subsection 65VE(2) may also carry information about a particular process which happened in a particular place in Australia without having to identify the source of components or ingredients. Thus under the new section 65VG representations such as 'Product of Australia - Brewed in Adelaide' or 'Made in Australia - Carved and crafted in Victoria' will be permitted.