

# Country of Origin Food Labelling Research.



Prepared for: Department of Industry and Science

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# Executive summary

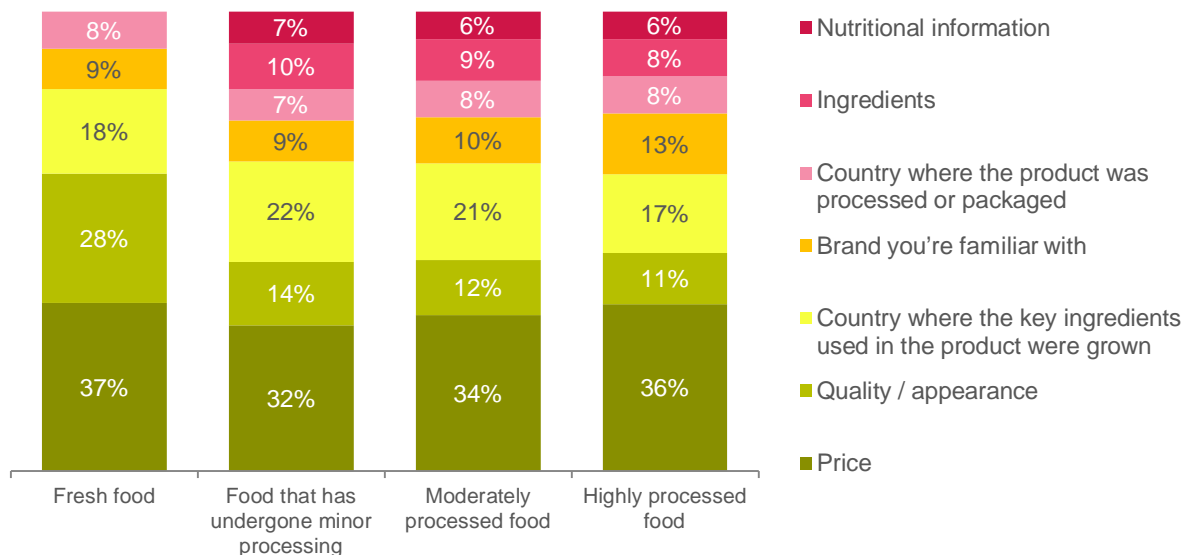
## Background

The Department of Industry and Science commissioned research with consumers and businesses to inform future implementation of Country of Origin Labelling (CoOL). The key objective for the consumer cohort was to understand consumers and their values and attitudes towards CoOL, for food products. The underlying values of consumers were captured to understand how values and beliefs shape attitudes and behaviours. The project also tested six concepts for future CoOL. These contained a range of devices to demonstrate that a product was at least partially made in Australia and the proportion of Australian ingredients.

## Consumers: CoOL today

The majority of Australian consumers in the focus groups said that they check CoOL when they are shopping. However it was also apparent that for many, other factors such as price and perceived quality often over-rode CoOL as a purchase decision driver. Apparently socially desirable responses were common in terms of the extent to which CoOL is checked and acts as a deciding factor in purchase choice.

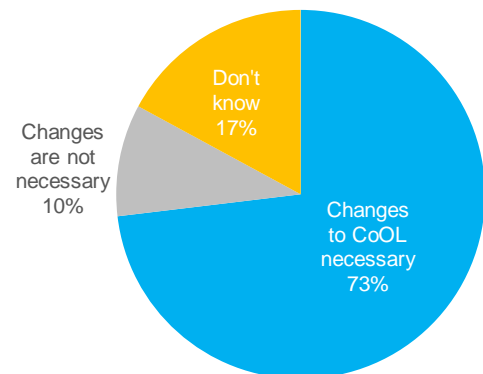
These findings were born out by findings in the survey. Across different food categories, the primary drivers of purchase were generally reported to be price. This consideration was followed by the source of ingredients which was similar overall to the quality of the product. Country of processing/packaging only a minor consideration.



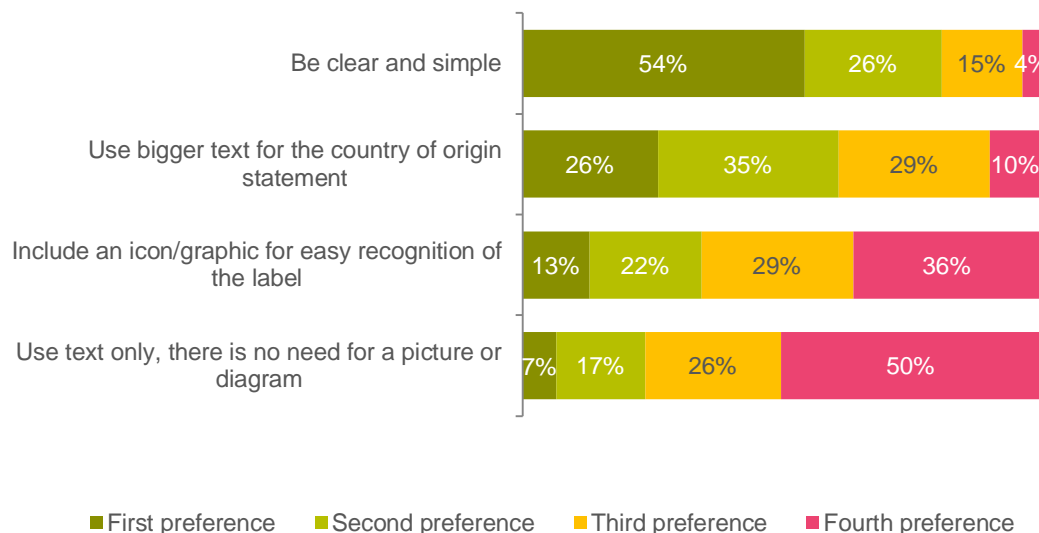
There are a range of reasons why CoOL isn't a priority for many consumers. Focus group participants stated that seeking out and purchasing Australian products is undermined by confusion and cynicism:

- CoOL terms consumers find particularly confusing are 'Made in' and 'Product of'. When asked what these terms meant, most interpretations were incorrect. 'Grown in' and 'Packaged in' were more widely understood.

- Consumers are also confused by the different addresses and country names that often appear on labels. Alternatively, they are confused by the absence of any country information other than where the product was 'made'.
- Consumers are cynical or mistrusting of CoOL. There is quite a strong feeling that manufacturers intentionally mislead consumers by using ambiguous terms such as 'local and imported ingredients'.
- Cynicism is also fuelled by product labels that don't state where the ingredients come from.



The need for reform for greater clarity for CoOL was also evident in the survey with three quarters of participants agreeing that changes to CoOL are required. The greatest calls for improvement are a greater level of simplicity and the use of bigger text.



## Consumers: The range of perceptions of CoOL

Plotting two key dimensions helps explain the various consumer segments in the Australian community (see diagram on page that follows):

1. How important a priority CoO is in food purchase decisions; and
2. The extent to which people's CoO behaviour is motivated by hope for gain (e.g. a benefit) or fear of loss (avoiding a negative consequence).

These are plotted in the figure below.



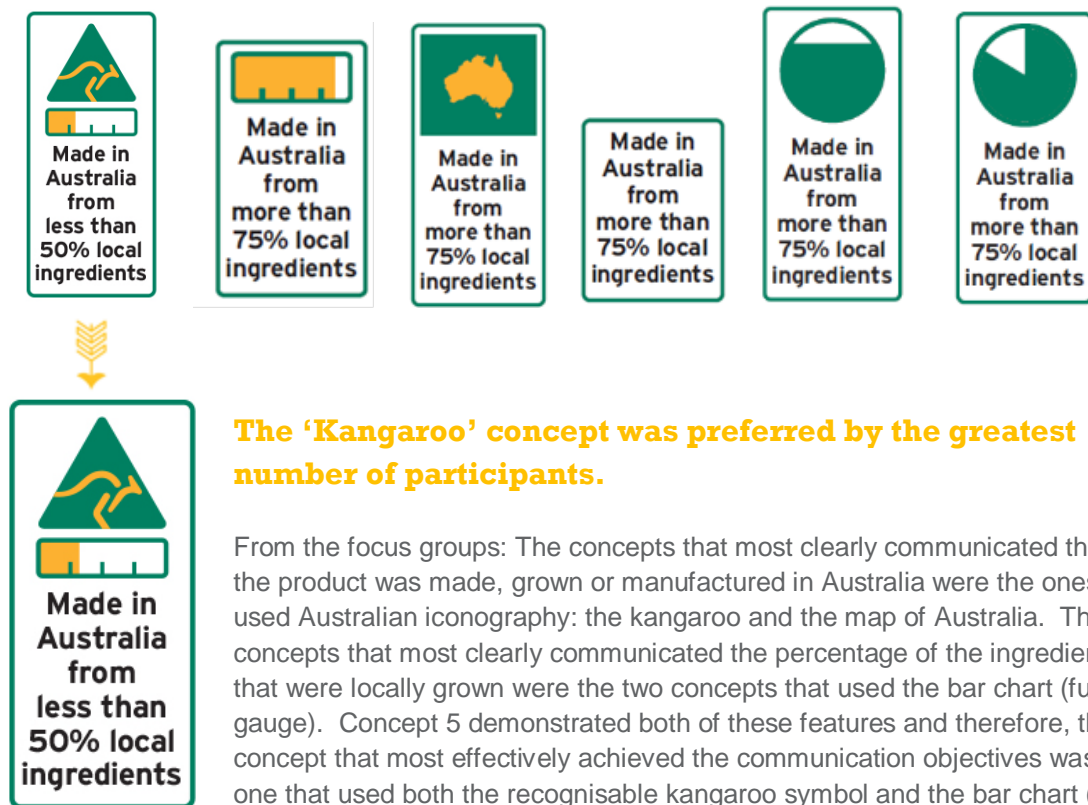
Five consumer segments emerged through the qualitative research with consumers.

1. **Convenience** – represented in the top-left of the segmentation hypothesis. For this group CoO is of little concern in their purchase decision. Their priority is fast and easy. If they can avoid shopping altogether or shop online, even better. This tended to be a younger audience (Gen Y and Z). Their shopping behaviour is sporadic.
2. **Budget** – represented in the bottom-left of the segmentation hypothesis. For this group CoO isn't a priority – price is. In addition to managing a tight budget they often have young children and are trying to get in and out of the supermarket as quickly as possible. Their shopping behaviour is habitual.
3. **Quality** - represented in the top-right of the segmentation hypothesis. This segment does care about CoO because they believe CoO is indicative of quality. They will buy Australian produce if they think its high quality. Equally, they will purchase overseas products if they believe the overseas product is higher quality. This audience tended to be somewhat older and higher SES.
4. **Jobs** - also represented in the top-right of the segmentation hypothesis. This segment cares about CoO because they believe in supporting Australian farmers and manufacturers. Buying Australian, even if it's a little more expensive, is good for jobs and the economy.
5. **Concerned** - is represented in the bottom-right of the segmentation hypothesis. This segment cares about CoO because they are concerned or fearful about the health and safety of overseas products. They will buy Australian products for reassurance and peace of mind.

The segments were quantified based on responses to the quantitative survey. Within the general population, the two largest segments were the **Budget** segment (31%), and the **Convenience** segment (29%). Following this, the **Jobs** segment comprised (18%) of the population, and the **Concerned** segment comprised 16%. The smallest segment was the **Quality** segment, making up 6% of the overall general population.

## Consumers: Concept testing

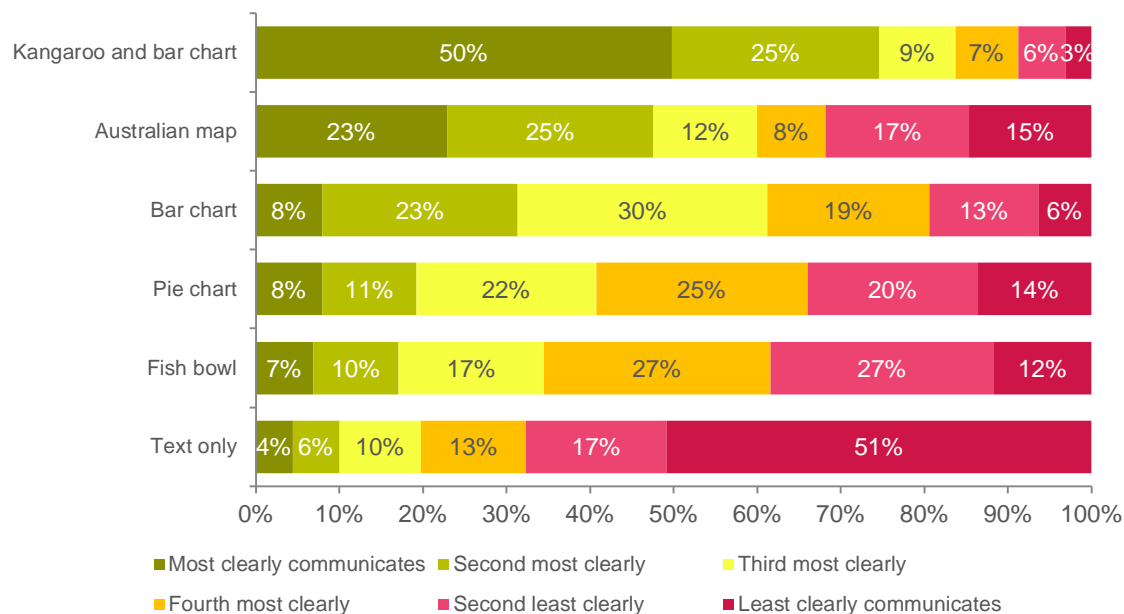
Six CoOL concepts were tested in both focus groups and the survey. These are shown below. These are depicted below.



From the focus groups: The concepts that most clearly communicated that the product was made, grown or manufactured in Australia were the ones that used Australian iconography: the kangaroo and the map of Australia. The concepts that most clearly communicated the percentage of the ingredients that were locally grown were the two concepts that used the bar chart (fuel gauge). Concept 5 demonstrated both of these features and therefore, the concept that most effectively achieved the communication objectives was the one that used both the recognisable kangaroo symbol and the bar chart (fuel gauge).

These findings were again mirrored in the quantitative research where the Kangaroo was clearly preferred as the best of the six concepts. The other visual design, the Australia map was next most popular and the bar chart third.





## Business: attitudes to CoOL

Most businesses understood current CoOL requirements as they related to their businesses though perceive that consumers do not. This lack of understanding was thought to have repercussions for their businesses as it served to negatively impact on their unique point of difference. Most businesses recognised the value of having CoOL on their products as almost all businesses' products were Australian grown, made and manufactured. This was considered to give their products an edge against their competitors even though they could not compete on price.

Costs associated with businesses complying with current CoOL were, in the main, financial and time. For most, the costs associated with compliance were reasonable and manageable and only really became an issue when there was a requirement to change labels to meet new regulations. Some sourced their compliance information from the FSANZ website but most referred to industry standards that stated what was required. All were in agreement that this time could be better spent attending to the operation of their businesses.

Difficulties with current CoOL requirements centred on how hard it was for consumers and themselves to understand current labelling, where a product comes from and being accurate with ingredients. What businesses struggled with more than any other issue was the perception that while they were conforming to CoO requirements, companies were misleading consumers about where their food originated.

## Businesses: Concept rating



Concept 1 was preferred by the majority of businesses. The concept that most clearly communicated that the product was made, grown or manufactured in Australia was the one that used the pie chart. The concept that most clearly communicated the percentage of the ingredients that were locally grown was the concept that used the pie chart. This is somewhat at odds with consumer who showed a far stronger preference for the Kangaroo (though the pie was second most popular). Many businesses were averse to more detailed imagery due to space limitations and costs

associated with complex coloured images. Also unlike consumers: some businesses preferred the text only options, essentially maintaining the status quo in terms of labelling requirements. These businesses expressed similar concerns over space and cost associated with any imagery beyond simple text.

All businesses believed that changing CoOL would have a real impact on their business. The main impact of changing CoOL was financial as there would be a cost involved in printing new labels to comply with new CoOL requirements. Most businesses would need new printing plates, new dyes would be needed to conform with the specified colour of the CoOL and some businesses would need to redesign their labels in order to fit the new CoOL. Some went so far as to say that they could not change their labels and remain in business. The costs would simply be too high given current low margins and the cost of printing.

### Price Increases

Like consumers, businesses were almost unanimous in their belief that food prices should not have to increase because of a one off mandatory label change. They thought that this was unnecessary as most would just have to absorb the cost of changes to the CoOL.

# Contents

1.	Background and methodology .....	1
1.1.	This report .....	1
2.	Consumer focus groups.....	2
2.1.	Perceptions of CoOL.....	2
2.2.	Hypothesised consumer CoOL segmentation.....	4
2.3.	Concept rating .....	8
	Overall preferred concept .....	8
	Perceptions of the other concepts.....	10
	Findings from the self-complete exercise .....	15
2.4.	Other considerations .....	17
3.	Findings from the Business interviews .....	19
3.1.	Businesses interviewed for the project .....	19
3.2.	Business attitudes to CoOL.....	20
3.3.	Concept rating .....	23
3.4.	Perceptions of the other concepts .....	24
3.5.	CoOL: suggestions for improvement .....	29
3.6.	Impact of changing CoOL.....	29
3.7.	Other considerations .....	30
4.	Findings from the consumer survey .....	33
4.1.	Allocation of time in decision-making process .....	33
4.2.	Importance of factors in decision-making for foods to purchase .....	35
4.3.	Importance of Australian ingredients, processing and packaging .....	40
4.4.	Perceived meaning of country of origin labelling elements .....	43
4.5.	Stated importance and perceptions of country of origin labelling .....	46
4.6.	Perceived necessity of changes to country of origin food labelling .....	50
4.7.	Evaluation of proposed concepts .....	53
4.8.	Willingness to pay for changes to country of origin labelling.....	57
4.9.	Unweighted sample details.....	58



# 1. Background and methodology

In 2014, the House of Representatives Standing Committee report *A clearer message for consumers: Report on the inquiry into country of origin labelling for food* concluded that there is a considerable level of confusion in the market about how the Country of Origin Labelling (CoOL) framework operates and current origin labelling.

The Department of Industry and Science commissioned research with consumers and businesses to inform future implementation of CoOL. The key objective for consumers was to understand consumers and their values and attitudes towards CoOL, particularly for food products. In particular, the underlying values of consumers were captured to understand how these values form beliefs that shape behaviours.

In addition, the project tested six concepts for future CoOL designed by the Department. These contained a range of devices to demonstrate to fact that a product was at least partially made or packaged in Australia and the proportion of Australian ingredients. These devices included textual information; statistical representations of proportions (pie charts, bars etc.) and other visual elements such as the map of Australia and the 'Made in Australia' kangaroo. These are depicted below.



## 1.1. This report

This report presents findings from:

- Eighteen focus groups conducted in regional and metropolitan Australia with consumers;
- Twenty interviews conducted with manufacturing and packaging businesses across Australia; and
- An online survey of 1,220 consumers.

Findings from each of these components are presented in their own chapters.

## 2. Consumer focus groups

Australian consumers are not a single homogenous group on any issue – including in relation to CoOL. The extent to which consumers pay attention to CoOL varies substantially. Equally, there is a range of reasons why they do or don't pay attention to CoOL. General perceptions of CoOL are presented below. A hypothesised segmentation by perception, need and behaviour in relation to CoOL is presented thereafter.

### 2.1. Perceptions of CoOL

The majority of Australian consumers will say that they check CoOL when they are shopping, but it often became evident as the groups progressed that what many say is different to what they're doing. Other factors were rated more highly in the food purchase decision, such as price, brand/familiarity, nutrition information, ingredients / food composition, and allergens information. The majority of participants expressed a desire to buy Australian made and a conscious effort to check CoOL. Few stated that they simply did not care (though some did). For others and particularly those on low incomes, price considerations over-rode CoO, even if the desire to buy Australian made was strong.

Socially desirable responses were common for many participants. Many believed they should seek out and purchase Australian products but don't though on reflection, drivers such as price and a preference for familiar brands usurped CoO as a purchase decision factor.

There are a range of reasons why CoOL isn't a priority for many consumers. The seeking out and purchase of Australian products is further undermined by a high degree of confusion and cynicism in relation to CoOL:

**Current CoOL is simply confusing for consumers.** CoOL terms consumers find particularly confusing are 'Made in' and 'Product of' and 'Australian owned'. When asked what these terms meant, a wide variety of responses were received - most of them incorrect. It was generally assumed that if read literally, these terms should mean that a high proportion of the product, or alternatively the core ingredient, was grown/produced in Australia as well as being processed and packaged locally. On articulating this definition, participants immediately reflected that this is most likely not what these labels mean. 'Grown in' and 'Packaged in' were more widely understood being more concrete terms and actions/processes that participants could visualise (as opposed to 'product of' which does not contain a verb at all).

*It says 'Product of Australia' which makes you think it was grown and made here. It probably doesn't. It probably means it was imported and someone popped a sticker on it.*

*Made in Australia is meaningless. It just means that 'something happened' in Australia!*



**Consumers are also confused by the different addresses and country names** that often



PACKED IN NEW ZEALAND  
FROM IMPORTED  
INGREDIENTS UNDER THE  
AUTHORITY OF OCEAN SPRAY  
INTERNATIONAL, INC. ONE  
OCEAN SPRAY DRIVE,  
LAKEVILLE-MIDDLEBORO  
M.A. 02349 U.S.A., OR LEVEL  
26, 181 WILLIAM STREET,  
MELBOURNE, VIC. 3000  
AUSTRALIA.

appear on labels (e.g. where the company is located, where it was packaged, where ingredients came from). Particular attention was called out for food that purported to come from or via New Zealand. Many participants perceived a 'scam' that existed in the form of an arrangement between New Zealand and Australia regarding CoOL that was alleged to mislead customers about the locality of food production and manufacturing. Alternatively, they are confused by the absence of any country information other than where the product was 'made'.

*They have this deal, Australia and New Zealand. It can say 'Made in New Zealand' or list an Australian address or something and be totally imported from elsewhere.*

**Confusion and ambiguity leads to mistrust.** Consumers are cynical or mistrusting of CoOL. There is quite a strong feeling that manufacturers intentionally mislead consumers by using ambiguous terms such as 'local and imported ingredients', 'made in' and 'product of'. Words they feel are open to interpretation or are meaningless. Particular suspicion was voiced over the 'local and imported ingredients'. There was a general consensus that this should mean that a substantial proportion of the ingredients *should* be Australian if this label was to be interpreted naively. However, the general consensus was that in all likelihood, the majority of ingredients were sourced (cheaply) from overseas with the minimum possible (expensive) Australian ingredients added at the end of the process. It was often assumed that this cost-cutting exercise extended to the simple addition of the cheapest possible ingredient: water. This sentiment was similar to the 'pop a label on the packaging at the end' scenario often cited by participants.



MADE IN  
AUSTRALIA FROM  
IMPORTED & LOCAL  
INGREDIENTS

*These beans (image presented to participants). They say 'local and imported ingredients'. Really. I assume the beans are grown overseas. Somewhere cheap. I Australia we just add some water than market to us as 'made in Australia'.*

Some participants became quite impassioned and irate on the subject, believing that they were being deliberately lied to by marketers with little or no intervention from regulators that should be looking after the interests of consumers.

*They have been getting away with murder. This is simply misleading. Lies. This is pure marketing, nothing to do with where this came from.*



MADE IN THE NETHERLANDS FROM IMPORTED  
COFFEE BEANS FOR D.E COFFEE & TEA  
LEVEL 1, 924 PACIFIC HIGHWAY,  
GORDON NSW 2072, AUSTRALIA  
9 GLADDING PLACE, MANUKAU,  
AUCKLAND, NEW ZEALAND

**Cynicism is also fuelled by product labels that don't state where the ingredients come from.** An example cited was a coffee product that was 'Made in the Netherlands from imported beans'. Consumers were infuriated that they couldn't identify where the coffee beans came from. This was a particular issue in the wake of the infamous

'Chinese berry incident' that was still very fresh in the minds of many participants (though varying accounts of the event were portrayed). For many, the lack of expanded CoOL information to include the country of importation came down to a safety issue with great concern over contracting hepatitis from 'food grown in human poo' and other such perceptions that imported food



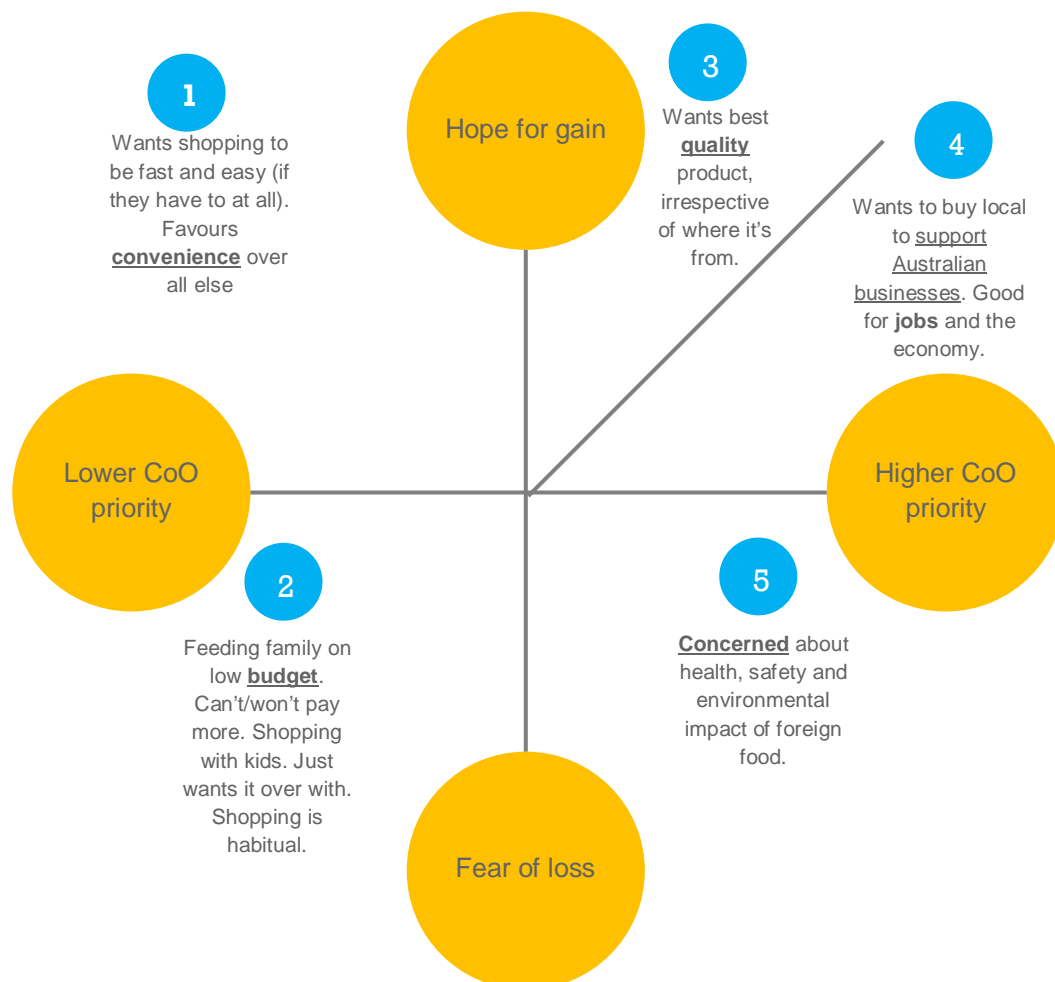
was produced to a far lower standard than is present in Australia. For others, the country where food produced was more of an ethical situation driven by a desire to purchase products from countries with good worker safety and wellbeing records. Specific consideration of these purchase drivers are discussed in the following section.

*I won't buy anything Chinese. Not now. So how do I know that these 'imported ingredients' aren't all from China and grown in sewage?*

## 2.2. Hypothesised consumer CoOL segmentation

Plotting two key dimensions helps explain the various consumer segments in the Australian community (see diagram on page that follows):

1. How important a priority CoO is in food purchase decisions; and
2. The extent to which people's CoO behaviour is motivated by hope for gain (e.g. a benefit) or fear of loss (avoiding a negative consequence).



The segments were quantified based on responses to the quantitative survey – derived from questions related to perceived importance of country of origin labelling, importance of price, and importance of buying food products for reasons including supporting jobs, higher perceived quality, and higher perceived safety.

Within the general population, the two largest segments were the **Budget** segment (31%), and the **Convenience** segment (29%). Following this, the **Jobs** segment comprised (18%) of the population, and the **Concerned** segment comprised 16%. The smallest segment was the **Quality** segment, making up 6% of the overall general population.

1

## Convenience: Hope for Gain, Low Priority (29%)

**Primary drivers of behaviour and decisions:** The 'convenience' segment – represented in the top-left of the segmentation hypothesis. For this group CoO is of little concern in their purchase decision. This segment exerts a great deal of control over their shopping habits and are not limited by finances but rather a lack of time or a dislike of shopping in favour of other priorities. Their priority is fast and easy. Taking the time to carefully read labelling information, much less follow up other forms of CoO information is not a consideration. When shopping is to take place, the convenience segment seeks out familiar brands that have been purchased in the past and are known to meet the basic needs of their meals. If they can avoid shopping altogether or shop online, even better. This group typically think of themselves and what they would rather be doing other than shopping with little attention paid to broader social and economic factors.

**Demographic and sociographic characteristics:** This segment tended to comprise a younger audience (Gen Y and Z) from medium to high socioeconomic backgrounds. Their shopping behaviour is sporadic with shopping typically taking place on a daily basis at whichever outlet was closest to work or home. Lengthy weekly shops in the interests of economy would be a rarity.

**Labelling needs:** Minimal effort needs to be made to meeting the needs of this group, who are more attuned to familiar brands than detailed CoO labelling (or indeed other information such as nutrition, additives etc.). If a goal was to shift the behaviour of this group towards supporting Australian food manufacturing, a very simple, very bold logo is required; potentially incorporated into existing branding. Any accompanying text is likely to be ignored.

2

## Budget: Fear of Loss, Low Priority (31%)

**Primary drivers of behaviour and decisions:** The 'budget' segment – represented in the bottom-left of the segmentation hypothesis. For this group CoO isn't a priority – price is. This group exerts little power over their shopping due to tight budgetary constraints. This segment often sees Australian made products as out of their reach due to price. Even if Australian products are of similar price to imports (which they sometimes are) many in the budget segment will still not use CoO as a purchase decision factor due to this over-arching perception and drive towards cut-price products. In addition to managing a tight budget; this segment often have young children and are trying to get in and out of the supermarket as quickly as possible (in some ways making them similar to the convenience segment, though for different reasons). This need for efficiency in shopping precludes detailed examination of CoOL. Shopping behaviour is habitual and typically centres on a large weekly shop preceded by a detailed study of the week's specials. Choice of retailer may be determined by this price study; though often ends up at outlets such as Aldi that feature discounted prices, though also largely imported products. .



**Demographic and sociographic characteristics:** Overall, lower socioeconomic status largely focussing on income. A wide range of ages is represented in this segment from students on tight budgets; to lower income families, particularly larger families and older/retired shoppers.

**Labelling needs:** Like the convenience segment: Minimal. Labelling around discounted products such as the yellow tags commonly used in Coles and Woolworths over-ride consideration of CoOL. For any CoOL to be noticed, the price would need to be equivalent if not cheaper than competing products, as well as being simple and graphical with minimal text. Complex phrasing such as 'more than 75% is likely to be ignored or misunderstood. A simple depiction of the kangaroo or the map of Australia might be heeded if the price was right.

3

### Quality: Hope for Gain, High Priority (6%)

**Primary drivers of behaviour and decisions:** The 'quality' segment is represented in the top-right of the segmentation hypothesis. This segment does care about CoO because they equate CoO with quality of products. This manifests itself in two ways:

- They will buy Australian products but only if these products are seen to be superior to imported products; i.e., something that Australia is known to be good at producing or produces exclusively, for example Barramundi;
- They will shun products from Australia if the imported product is seen to be superior, even if the product is grown in Australia, for example, tinned tomatoes from Italy.

Shopping patterns were typically habitual, though varied; with the shopper in a great deal of control of their habits due to higher incomes and the time and inclination to seek the highest quality products. Staples would typically be purchased from a large retailer such as Coles or Woolworths. However, preference is given to more 'artisanal' suppliers such as markets, butchers and green grocers who were known to provide quality products (imported or otherwise) irrespective of price.

**Demographic and sociographic characteristics:** This audience tended to be somewhat older and higher SES. Many had either travelled or otherwise had an interest in overseas products.

**Labelling needs:** The quality segment will pay attention to CoOL and will favour Australian products if the labelling suggests a high quality product. The stylised Kangaroo logo may in some way meet this need; very-simple designs (circles for example) or text only designs will not.

4

### Jobs: Hope for Gain, High Priority (18%)

**Primary drivers of behaviour and decisions:** The 'jobs' segment is also represented in the top-right of the segmentation hypothesis. This segment cares about CoO because they believe in supporting Australian farmers and manufacturers. This segment cares deeply about both micro factors (the Australian worker) and macro factors (the Australian economy as a whole). More esoteric factors are at play here including seeking a sense of national pride both in terms of a strong Australian economy; as well as seeking to view Australia as self-sufficient as it can be without reliance on other countries. The hope for gain was somewhat offset by a mourning of the loss of Australian jobs and manufacturing more generally (for example, the automotive industry). Buying Australian made, even if it's a little more expensive, is good for jobs and the economy. This segment exerts some control over their shopping in this regard. They do, to some extent, have the income to be able to make purchases of Australian goods, even if they are more expensive



**Demographic and sociographic characteristics:** This segment was not bound by any one age bracket or socioeconomic status. One of the more defining characteristics of the segment is some form of linkage to either manufacturing or agriculture; having been involved in these industries themselves or having come from a family involved in these industries.

**Labelling needs:** High. This segment is very interested in CoOL and will take the time to read and learn which products are Australian made. In particular, this segment is interested in the proportion of ingredients that are grown in Australia and the contribution of manufacturing to Australian jobs. The kangaroo icon is likely to appeal greatly to this segment.

5

## **Concerned: Fear of Loss, High Priority (16%)**

**Primary drivers of behaviour and decisions:** The 'concerned' segment is represented in the bottom-right of the segmentation hypothesis. This segment cares about CoO primarily because they are fearful about the health and safety of overseas products. In this way, the primary motivating factor is internalised and centres on the fear of harm to the self (or family). They will buy Australian products for reassurance and peace of mind based on a perception that Australian products are safer due to higher manufacturing standards. The spectre of frozen Chinese berries is repeatedly cited as an example (though sometimes challenged by others who recall food borne illness outbreaks in Australian products with little effect). A secondary fear of harm exists in terms of economic, humanitarian and environmental impacts. Notions of buying Fair Trade to protect workers in developing countries are coupled with environmental concerns such as 'food miles' to play a strong role in the purchasing decision. Shopping at organic markets and green grocers and butchers who stock free range products are preferred over Coles and Woolworths who may be perceived to be large corporations driven by profit at the expense of the wellbeing of people and the environment.

**Demographic and sociographic characteristics:** Typically higher socioeconomic status, more in terms of occupation and education; rather than income. A wide range of ages are represented in this segment.

**Labelling needs:** Similar to the Jobs Segment: high, though for different reasons. Like 'Jobs', this segment will take the time to read and learn which products are Australian made. In particular, this segment is interested in where the food was produced; whether ethical employment standards are in place and how far the food has had to travel. This segment is the most likely to conduct follow-up research on the exact sources of ingredients.

## 2.3. Concept rating

### Overall preferred concept



Concept 5 was most preferred by the majority of participants.

The concepts that most clearly communicated that the product was made, grown or manufactured in Australia were the ones that used Australian iconography: the kangaroo and the map of Australia. The concepts that most clearly communicated the percentage of the ingredients that were locally grown were the two concepts that used the bar chart (fuel gauge). Concept 5 demonstrated both of these features and therefore, the concept that most effectively achieved the communication objectives was the one that used both the recognisable kangaroo symbol and the bar chart (fuel gauge).

*Everyone knows that logo. We grew up with it. We all recognise it. It's really clear what it is telling us.*

Potential issues raised by some consumers around this concept, if it were to go ahead: Some wondered how this CoOL would be utilised for imported products, presumably the Kangaroo would not be used in the iconography. Many participants assumed that this logo simply reflected where the company's headquarters were located.

Further: The concept still does not say where the imported ingredient(s) came from with the greatest concerns coming from food imported from China. Participants tended to fall into three camps on this issue:

- Some were not overly concerned where the non-imported ingredients came from and were happy in the knowledge that at least some of their food was locally produced;
- Some wanted a small amount of additional information such as the region where the imported ingredients were from, or where the primary imported ingredient came from;
- A small number wanted very detailed information about the source of each component and expressed great frustration at not knowing exactly where their food was grown (noting that this would most likely be from a secondary source and not on the packaging itself).

Some participants wanted even more detailed information that indicated the state of origin (for example, 'made in Western Australia').

A common pattern emerged across some groups whereby participants demonstrated initial concern over the actual country of origin of imported ingredients. However, as conversations progressed, these concerns diminished as the practicalities of listing multiple countries and the need for follow-up to contain detailed information were realised. There was, however, a small group of hold-out participants who continued to demand such information.

*It seems important, where it actually came from. Would I bother to actually look it up?  
Probably not. Maybe if it was mostly from China ...*

Some participants were also of the opinion that products that fell below a certain percentage 'were not worthy' of having the Kangaroo. Most agreed that products with less than 25% of ingredients being Australian fell into this category and should therefore have the kangaroo removed. As was pointed out several times – this could represent 1%.

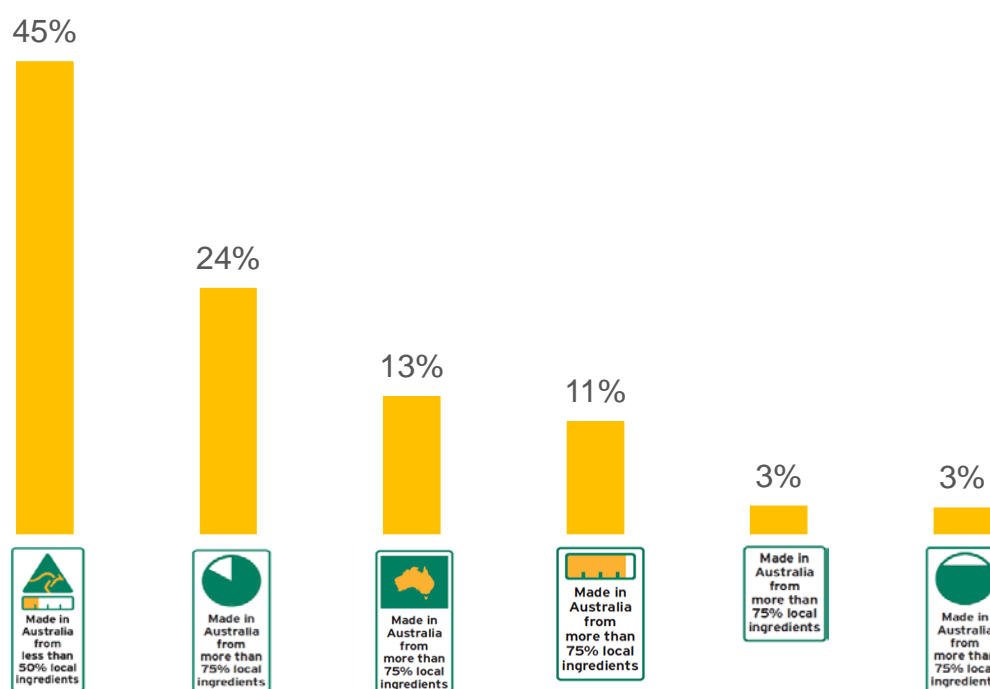
*The kangaroo makes you think it is all made here. That label says less than 25%, there is no way that one gets a kangaroo.*

There was some disagreement as to where the cut-off point where a product 'earns' a kangaroo. Some thought 50%, others 90%, others 100%.

These findings were backed up by quasi-quantitative data captured during the focus groups. Participants were asked which of the concepts best portrayed the fact that the hypothetical product was Australian made and which best demonstrated the percentage of Australian ingredients contained in the product. This question was asked for both the black and white and colour executions of the concepts. Data was captured using a simple selection scale where participants were asked to indicate which

As was the case in the qualitative discussion, the highest proportion of participants selected the kangaroo concept as the best of the six overall (45%). The kangaroo was not voted 'best' by a majority of participants, however, it was preferred by almost twice as many participants as the next favourite, the pie chart (24%). Around one in ten participants preferred the map and bar concepts (13% and 11% respectively). Last equal were the text only and filled circle concepts (3% each).

**Figure 1: Overall preference for concepts**



Base: 155 participants. These percentages are calculated based on composite scores from four questions:

1. Overall, for the colour versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia?
2. Overall, for the colour versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.
3. Overall, for the black and white versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia? How come?
4. Overall, for the black and white versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.

# Perceptions of the other concepts

## Concept 1: Pie Chart



- **Eye catching/attention grabbing:** For many participants, this concept was perceived to lack appeal; it was not eye-catching. The simple, plain pie chart was generally described as 'bland'. This was not true for all participants, a small though notable number appreciated the simplicity of the pie chart. These participants were sometimes more technically minded and most likely were already familiar with the statistical principles of a pie chart.

- **Good and bad aspects:** Those that liked the concept saw the graphic as, clear and easy to read. Some participants also perceived that the use of green (a typically 'Australian' colour) made it very clear which proportion of the food was made from local ingredients.

*You don't have to think too hard about it. It's easy to interpret. I like the idea the percentage is included.*

- **Effectiveness of communicating 'Australia Made':** Those that comprehended the pie chart thought that this concept clearly communicated the concept of Australian Made. However, some of these participants noted that the 'Made in Australia' text was very prominent. These participants felt this was misleading as saying Made in Australia could be all that someone reads. Those that dismissed the pie chart as confusing were less positive about the message conveyed, though noted that the text was clear in its intent.
- **Effectiveness of the graphic in conveying the % of local ingredients:** Some participants thought that the pie chart was clear in communicating that not the entire product was made in Australia. However, many did not. The majority of participants criticised the use of the pie charts stating that either they or others in the community (with lesser technical knowledge) would not necessarily understand the way in which a pie chart is constructed.

*Not everyone is a statistician. You might have been taught how pie charts work in school, but not everyone did. Not everyone will remember anyway.*

Some participants reported difficulties in distinguishing which part of the pie chart was supposed to represent the Australian made component. Most readily understood that they were supposed to focus on the green shaded segment. However, others gravitated towards the white unshaded segment and could not reconcile this perception with the accompanying text.

*Before we started taking about this one, I was looking at the wrong bit – the white bit. I get it now.*

- **Are other visual elements appealing:** Concept 1 does not contain any additional graphics beyond the pie chart. One suggestion that did arise from a number of the groups was to add the percentages to the pie chart (rather than in the accompanying text) for absolute clarity.

- **Black and white version:** The black and white version did not stand out for any participant. Those that did appreciate the use of the pie chart were heavily reliant on the green representing Australia. In the absence of colour, these participants were unsure which part of the pie they were supposed to be focussing on.

## Concept 2: Filled-line circles



2

- **Eye catching/attention grabbing:** Few, if no, participants considered this concept to be attention grabbing or eye catching. Even those participants that liked the pie chart in Concept 1 were dismissive of this concept. The use of a partially filled circle was seen to be bland and unappealing. The use of circles in any form seemed to be unappealing for participants in general.

*No, that's even worse than the pie chart. I'd never notice this.*

- **Good and bad aspects:** The only good aspect identified by participants was, again, the use of the colour green to identify that Australian nature of the ingredients. Most participants were far more negative in their perspectives. The graphic was sometimes compared unfavourably to the porthole of a sinking ship.

*It's the titanic then. Slowly going down and filling up.*

- **Effectiveness of communicating 'Australia Made':** The text used in this (and other concepts) was again said to be clear. The most important piece of information: how much of the product was made in Australia; was well understood. However, the graphic that accompanies the text was said to detract from clarity. On showing of this concept, participants also started to question where the remaining 25% of the food was produced.
- **Effectiveness of the graphic in conveying the % of local ingredients:** This was perhaps the least clear graphic of all Concepts tested. Many participants did not relate easily to the filling up circle and generally did not understand that the circle was supposed to be (approximately) three quarters full. Similar 'figure/ground' confusion was reported by participants with many unsure whether they were supposed to be concentrating on the bottom or the top part of the illustration. Participants also began to question why the graphic appears to be more than three quarters full. Many had not noticed the use of the words 'more than'; in the product text. This idea needed to be explained to participants, rather than something that was immediately understood.

*That's more than three quarters anyway. It's almost full. Seems to be exaggerating.*

- **Effectiveness of the graphic in conveying the % of local ingredients:** The use of a filling up circle was very unfamiliar to most participants. Most indicated that they had not seen data represented in this manner. Furthermore: Most of the respondents felt that this graphic wasn't relative to the explanation. While some could interpret the graphic as a level of water, it didn't really become clear that this was relating to the product and ingredients of that product.

- **Are other visual elements appealing:** Like Concept 1, Concept 2 does not contain any additional graphics beyond the partially filled circle. A remedy to the mild confusion that this concept caused was, again, to add the percentages to the circle rather than in the accompanying text.
- **Black and white version:** Like Concept 1: The black and white rendition of Concept 2 did not stand out. Those that did appreciate the use of the pie chart were heavily reliant on the green rep or effectively convey messaging around percentages of Australia made.

*No, the black and white does not work at all. It looks like a print error.*

### Concept 3: Bar chart



- **Eye catching/attention grabbing:** Compared with the circular designs presented in Concepts 1 and 2, Concept 3 was said to be far more eye catching. The rectangular motif used in the presentation of option three was thought to be bolder and more noticeable than Concepts 1 and 2. Overall, the design was thought to be more visually interesting. However, a small number of participants perceived this boldness as actually detracting from the seriousness of the concept and made it seem less serious.

*Yes, this stands out as being noticeable. Interesting. But I notice it because it looks a bit silly – irrelevant.*

- **Good and bad aspects:** In terms of the good: the use of the horizontal bar was easily recognisable to participants who drew a number of real-world analogies. Many recognised the shape as being similar to a barometer, petrol/fuel gage or the bars on a mobile phone to demonstrate battery level. This was seen as a positive by many participants in terms of using familiar objects (or representations) to demonstrate a numeric point. However, as noted above, some perceived that this level of extreme familiarity diminished the seriousness of the Concept.

*Everyone will recognise that. It's like a petrol gauge, or even the bars you get on your phone for power or signal. Everyone knows this from cars, everyone has a mobile phone.*

*... It works, I suppose it is 'almost silly' rather than just 'silly'*

- **Effectiveness of the graphic in conveying the % of local ingredients:** For many, the partially full rectangular symbol represented a better visual cue than the partially full circles. The use of more than one colour to outline and correspondingly fill the design likely assisted with the effectiveness of this visual cue (However, one participant commented that this graphic would not be easy to interpret for someone who was colour blind.) Further, the use of tick marks gave further explanation of the proportion of Australian ingredients and tied the graphic to the text ('75%'). However, the tick marks also had an adverse reaction from some participants who (again) noted that the bar does not read exactly 75%, the bar is clearly over the third tick mark, this over the 75% mark (Concepts 1 and 2 do not feature any such tick mark or visual indicator). The perceived discrepancy between the prominent '75%' or '25%' in the text and the manner in which the proportion is displayed in the graphic was an ongoing issue, even after explanation.



*That's much easier to understand. You can clearly see the rectangle filling up, not like the circles where it was hard to tell.*

Not all participants were as positive about the rectangular design. Although the analogy to barometers mobile phones etc. was understood, some saw it as being too far removed from the subject matter (food).

*It's a clever idea, but not overly relevant to the subject matter.*

- **Are other visual elements appealing:** Concept three has no other visual elements beside the bar and the text. No suggestions were made as to methods to improve the existing graphical elements.
- **Black and white version:** Does it work in black and white? Although no participants felt that the black and white version was preferable, the use of the filled bar plus tick marks was seen to be more amenable to a greyscale treatment than the pie.

## Australia map



- **Eye catching/attention grabbing:** Participants almost universally agreed that Concept 4 was very eye-catching and noticeable. The use of the colours and the Australian map were immediately familiar to participants.

*Yes, it's very eye catching with the Australian flag. I liked the colours - typical Australian.*

- **Good and bad aspects:** For the good: it was immediately apparent what the Concept was about. Participants immediately recognised this as a label about where a product was made in Australia (as opposed to previous concepts that used more abstract imagery without anything identifiably Australian apart from the colour scheme). The 'Made in Australia' perception sometimes tended to relate to consumer goods more broadly, rather than strictly relating to food. The major criticism levelled against the concept also centred on the Australian logo: Many respondents felt that having the Australian logo was misleading as it suggested that all of the product was made in Australia. Other criticism related to how the graphic failed to convey the proportion of Australian made ingredients (discussed in more detail below).

*This is very close to the Made in Australia symbol. Let's me know something is homemade, like clothes*

- **Effectiveness of the graphic in conveying the % of local ingredients:** The messaging was clear from the wording used (noting that the same wording had been used in the previous 3 Concepts). However the image is far less effective in conveying this message. A number of criticisms were raised about the way the image was used:
  - The use of shading or plain orange/white was noticed by very few participants as a visual device to denominate the proportion of local ingredients; and
  - It was believed that the map of Australia should gradually fill up in the same manner as the previous concepts where shapes gradually filled up with colour, though limitations were also noted with this approach.

*It shouldn't be just one or the other, coloured or not coloured. It could fill up like the pie charts or the bar. However, then I suppose that the NT or Queensland would be empty most of the time ...*

A common solution to this issue was to incorporate the bar motif from Concepts 3 and 5 given that these were the preferred means (for most participants) to indicate the percentage of local ingredients.

- **Are other visual elements appealing:** The map of Australia was seen to be very appealing for most and definitely relevant as an indicator of the CoO of food. There was some debate, however as to whether the map of Australia represented a better icon of being Australian made or grown compared with the Kangaroo. No consensus emerged as to which is likely to be superior. Some believed that the kangaroo was universally recognised and that some migrant communities (who may also struggle to read the text) would not know what a map of Australia looked like. Others held a completely contrary view that knowledge of the shape of Australia was near-universal and that the kangaroo was less recognisable.

A small number of participants viewed the use of the map of Australia in a negative light, using phrases like 'nationalistic' and 'jingoistic'. These participants expressed the idea that such imagery was over-used and perhaps in negative contexts at times. This was a minority view, however, with most participants generally warming to the use of the flag and colours.

- **Black and white version:** The use of the Australian map led many participants to conclude that this concept could work in black and white. However, as was the case for all concepts, colour was much preferred.

#### Text only



- **Eye catching/attention grabbing:** The text only version was the worst received by participants of all concepts tested. In the absence of any visual elements/graphics: The text was thought to be far too easily lost in amongst the many labelling elements already in existence on food labels.
- **Good and bad aspects:** Comments on this concept were entirely negative. It was typically dismissed out of hand. The usual positive and negative aspects of the text itself apply here (relative clarity overall though confusion over the 'more than 75%' in relation to the graphic); however, no further comment was made.
- **Effectiveness of the graphic in conveying the % of local ingredients:** As above, existing comment on the text applies here. No further comment is available due to the lack of graphical elements and repeated text across the concepts.
- **Are other visual elements appealing:** No additional visual elements were included in this concept thus no comment is warranted here, beyond the fact that a lack of any visual element greatly diminishes the appeal and effectiveness of this concept.
- **Black and white version:** The black and white version of the text-only concept was seen to be as ineffective as the colour version.

## Findings from the self-complete exercise

Data was gathered from all focus group participants about their preferences for each of the six concepts in terms of demonstrating that the product was Australian made and the proportion of the product that was made from Australian ingredients. Specifically, participants were asked the following questions:

1. Overall, for the colour versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia?
2. Overall, for the colour versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.
3. Overall, for the black and white versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia? How come?
4. Overall, for the black and white versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.

Participants selected their preferred concept for each of these questions without discussion or interaction using the self-complete forms demonstrated below.

**Figure 2: Concept rating form**

### Stimulus 3: Concept rating

Question	Concept						Why do you say this?
Overall, for the colour versions of the labels, which one did we think most Clearly communicates that the product was made, grown or manufactured in Australia?	1	2	3	4	5	6	

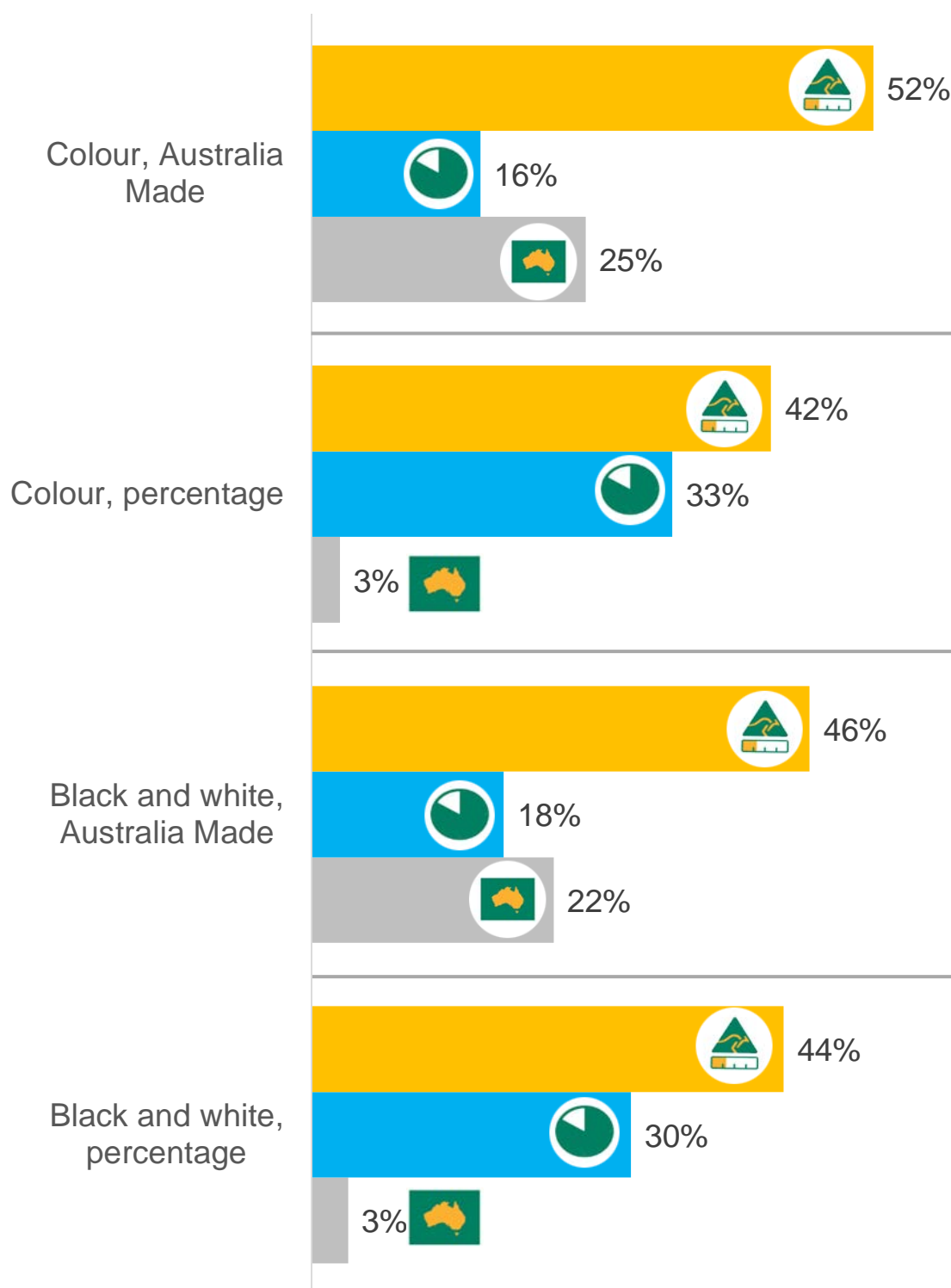
As noted on Page 9, the kangaroo concept was most popular overall. Correspondingly, this concept was also most popular for each of the individual questions relating to the colour and black and white executions of demonstrating Australia made and the proportion of Australian ingredients (42% to 52% of participants chose the kangaroo across the four questions).

Of the next two most popular concepts:

- The pie chart rated reasonably well at demonstrating the proportion of Australian ingredients (33% for the colour version, 30% for the black and white), though was less effective at demonstrating that the product was Australia made overall (16% colour, 18% black and white);
- The Australian flag concept scored moderately well at indicating that the product was Australia made (25% colour, 22% black and white) though was very rarely selected as demonstrating the percentage of Australian ingredients, most likely to be due to the lack of any visual percentage device beyond shading (3% for both colour and black and white).

Only the top three selected concepts are presented for consideration here: The other two concepts scored poorly across categories and have not been included.

Figure 3: Detailed findings from the concept rating



Base: 155 participants. These percentages are calculated based on composite scores from four questions:

1. Overall, for the colour versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia?
2. Overall, for the colour versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.
3. Overall, for the black and white versions of the labels, which one did we think most clearly communicates that the product was made, grown or manufactured in Australia? How come?
4. Overall, for the black and white versions of the labels, which one did we think most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.

## 2.4. Other considerations

Participants were also asked their views on three final considerations for CoOL

1. Is the notion of a 'tolerance' or deviation around the 25%/75% labelling acceptable (for example  $\pm 5\%$ )?
2. Would they be willing to bear an additional cost associated with the introduction of new CoOL standards?
3. Would they be interested in secondary sources of CoO information such as an app or website for detailed reference in addition to in-store labelling?

### Tolerances

Many participants immediately understood the implications of 'hard and fast' rules on the percentages displayed on CoOL in terms of variations in the sourcing and processing of ingredients year-on-year for manufacturers. This was particularly true of participants with some experience in production/manufacturing/agricultural sectors (who were represented in most if not all groups). For many participants, tolerances were thought to be acceptable for the labelling either due to factors associated with fluctuations in ingredients or a general acknowledgement that the percentages may not represent an exact science. However, a small number demanded absolute terms for these percentages and perceived that tolerances/deviations from the 25%/75% to be unacceptable and misleading (this was far from a majority opinion). It was universally stated that the tolerance percentages ( $\pm$ ) could not be too large else the labels become either meaningless and/or misleading. 10-25% was thought to be an acceptable range.

*You might get the beans from one place one year and another place another year. It is not fair to make them keep reprinting labels, so yes. Some sort of margin is fine. Needs to be small, though, if it was very different you should reprint.*

Technical considerations about tolerances, seasonal shifts in ingredients and the exact meaning of the percentages and the use of phrasing of 'less/more than' led many to question the feasibility of policing manufacturers and growers to ensure that their labelling was accurate. No participants could articulate or imagine how this might be done leading to general scepticism that the new CoOL standards would be unenforceable.

### Additional cost

Understanding of the additional costs associated with the introduction of the new legislation and labelling regulation was far lower compared with factors associated with sourcing ingredients from different (above). Participants viewed costs in very concrete terms: a small addition of a simple image to existing packaging. Little or no consideration was given to other costs such as testing and compliance costs.

As such, it was almost universally agreed that no cost should be passed to the consumer. In addition to the perception of minimal costs, it was repeatedly pointed out that 'companies change their packaging all the time'. It was assumed that these companies could simply add the new labelling with the next packaging refresh. It was assumed that as long as an acceptable 'grace period' was allowed to accommodate this, no unreasonable expense would be incurred.

*Coca cola just came out with a whole new lot of labels – green ones. They did not increase their prices. Next time they have a new label, just put the kangaroo and percentage on there. Won't cost anything.*

There was some acknowledgement that smaller manufacturers (the quintessential 'small local company doing it tough') might be unduly burdened. Some form of tax concession was often suggested (without specific detail) to offset costs where they were incurred.

## Apps and website

Reaction to the idea of additional information in the form of an app or a website containing CoO information was luke-warm at best. The ideas were generally conceptualised as 'something others might be interested in' rather than something that participants might use themselves. A small number of participants, generally from the 'concerned' segment indicated that they already did their own research and might be interested in such an app to check CoO based on safety, environmental and ethical concerns.

Limitations that inhibited the enthusiasm of other participants included:

- A general lack of interest in CoO in the first place;
- The fact that CoOL, particularly with the new percentage information was sufficient for their needs;
- A lack of time outside of shopping hours to bother to look up additional information; and
- A lack of desire to increase shopping time and effort through using mobile apps to look up information.

*You could have an app, I suppose. You have these sorts of things already using ... what are they called ... QR codes. I probably wouldn't though. I can't really see myself walking the supermarket scanning things with my phone.*



# 3. Findings from the Business interviews

## 3.1. Businesses interviewed for the project

20 interviews were conducted for the project represented by a mix of small and micro businesses in the food or beverage manufacturing industries. A table that provides details for each interview is provided below. A wide range of food types were produced by these businesses including wines, dairy products, preserves seafood and honey products.

**Table 1: Businesses interviewed**

	Industry	Size
1	Food Manufacturing	Small
2	Food Manufacturing	Micro
3	Beverage Manufacturing	Micro
4	Food Manufacturing	Micro
5	Beverage Manufacturing	Micro
6	Food Manufacturing	Small
7	Food Manufacturing	Medium
8	Food Manufacturing	Small
9	Beverage Manufacturing	Micro
10	Food Manufacturing	Medium
11	Food Manufacturing	Small
12	Food Manufacturing	Small
13	Food Manufacturing	Micro
14	Food Manufacturing	Small
15	Food Manufacturing	Medium
16	Food Manufacturing	Micro
17	Food Manufacturing	Small
18	Food Manufacturing	Micro
19	Food Manufacturing	Medium
20	Food Manufacturing	Small

## 3.2. Business attitudes to CoOL

As with Australian consumers, Australian businesses are not a homogenous group in their perceptions of CoOL. By their nature businesses pay more attention to CoOL than consumers as they are responsible for following legislative requirements to ensure that their products are compliant with the code. However, not all businesses perceived that they need to follow CoOL requirements for their products. General perceptions of CoOL are presented below.

### Perceptions of CoOL

For the most part, businesses follow CoOL legislation to ensure their product is compliant. These businesses are proactive in including CoOL on their products and do so for a number of reasons. The majority of businesses did so to inform consumers that their product was Australian grown, made and manufactured in Australia. Most businesses believed that CoO provided them with a marketing and branding edge and many felt that consumers wanted to know where their product came from and providing this information encouraged the consumer to consider their product.

**Most businesses understood current CoOL requirements as they related to their businesses though perceive that consumers do not.** This lack of understanding was thought to have repercussions for their businesses as it served to negatively impact on their unique point of difference. Businesses, particularly those that grew, made and manufactured 100% of their products such as frozen fruit, sauces, dressings and cordials, from a range of industries demonstrated a reasonable to good understanding of CoO as it applied to their business. These businesses use CoO labels on the back of their product packaging and also typically have a 'made in' or 'grown in' Australia label on the front of their product as a marketing and branding tool to attract consumers. In contrast, some businesses were almost completely unaware of CoOL as it applied to their business. Reasons given for this were predominantly because the business sold freshly made unpackaged foods such as pies and therefore there was no need for such labelling. However, a few small businesses, typically honey and wine growers, stated that they did not think they needed to put CoOL on their products. Although these businesses demonstrated a poor understanding of what CoOL means for their business, they did conform with the requirements of bodies overseeing their products and believed they could put product of Australia on their packaging

*Nah, I'm not affected because I'm not exporting so I don't have to have CoOL.*

**Most businesses recognised the value of having CoOL on their products as almost all businesses' products were Australian grown, made and manufactured.** This was considered to give their products an edge against their competitors (imports) although they could not compete on price. There was awareness that some but not all shoppers valued Australian made products however it was acknowledged that many consumers valued price over other considerations. Most businesses were happy to display 'made in' or 'product of' on their products but some did wonder about how well consumers understood what these terms mean and whether it would actually make a difference if they did. Most businesses were proactive in ensuring that they used the minimum of imported ingredients and sourced local ingredients, and processing and packaging if they were unable to do so themselves. Some businesses had expanded to be able to process and package their food in house as it was cheaper once start-up costs were absorbed and allowed them to control the supply chain more effectively. Only one business sent their fresh produce to another country (China) for processing and packaging and did label the product 'grown in Australia and 'processed in China'. The business thought that providing consumers with this CoOL information could be detrimental to the brand but stated that consumers are more concerned about where food comes from.

*We send the product to China for processing and my partner goes and supervises the whole process. People are more interested in where the product is grown not where it is processed.*

Almost all businesses thought that CoOL was good for their business to the extent that consumers were able to make a choice about their purchases. Having CoO information on their products was good for marketing and promoting their brand but most could not quantify whether CoOL alone increased their sales. Some businesses provided website links or QR codes on their products so that consumers could see the journey their food had taken, this was particularly important for reinforcing CoOL on their packaging.

*It's nice for consumers to know where their food comes from; they can track it back to the grower and see the journey the food has taken to get to them.*

**Costs associated with businesses complying with current CoOL were, in the main, financial and time.** For most, the costs associated with compliance were reasonable and manageable and only really became an issue when there was a requirement to change labels to meet new regulations. There was a sense that these businesses were resigned to CoOL compliance costs as they had no choice, it was something that they just had to do. Businesses designed labels to meet CoOL requirements and including the CoOL was a negligible extra cost.

*There's not much cost outside what I incur anyway.*

From some time was a more crucial cost that they had to bear in relation to complying with CoOL. This involved researching whether their CoO product labels complied with regulations and wading through dry but clear text that laid out what was required. Some sourced their compliance information from the FSANZ website but most referred to industry standards that stated what was required. All were in agreement that this time could be better spent attending to the operation of their businesses.

There was also concern that while Australian businesses had to comply with CoOL, imported products did not which meant that they were not subject to the same rules.

*The costs are reasonable, I just have to be organised. It affects us though because imported products don't play by the same rules.*

**Difficulties with current CoOL requirements centred on how hard it was for consumers and themselves to understand current labelling, where a product comes from and being accurate with ingredients.** What businesses struggled with more than any other issue was the perception that while they were conforming to CoO requirements, companies were misleading consumers about where their food originated. Another issue that was raised was maintaining accurate CoOL representations in the face of food shortages and seasonality, short of replacing redundant labels these businesses typically built in a tolerance to the ingredients of their product so that it would still meet the CoO requirements as stated on their label. Many thought that it was hard to buy only Australian made products as they contain vague CoOL. Ultimately, what these businesses wanted was a level playing field as they thought that it wasn't currently.

*There are double standards, they are using imported ingredients and labelling them as Australian.*

*Nothing about this is easy but I have to meet the requirements so I just do it.*

From a business as consumer perspective, space was also a problem as the size and font used are too small to be meaningful with some, typically those with larger product packaging, suggesting that FSANZ should ensure increase the size so that it was at least legible. However, for others this was a key difficulty as there was already a lack of space on small product labels. A few thought that the 50 percent safe harbour test on packaging was difficult, complicated and confusing. A simple and clear statement that stated where a product was grown and made rather than 'product of' which meant nothing was suggested as a possible solution.

**Companies that mislead consumers with CoO labels are taking advantage of Australian CoOL legislation.** An example that many businesses cited was that of Chinese products being (allegedly) imported to New Zealand where they were packaged and then imported to Australia carrying a 'Made in New Zealand' label. Many businesses were furious that, in their perception, transhipped food products with potentially less stringent quality control were entering Australia 'through the back door' and allegedly misleading consumers as to the real origin of the food. Not knowing where a product originated was a concern for businesses that have to compete on price with such imports. Most businesses wanted to see this alleged loop hole closed so that people could learn where their food really came from.

*Close the loopholes first and give credibility to this [CoOL]. China - New Zealand – Australia food transhipping makes a mockery of it for everyone.*

### 3.3. Concept rating



#### Overall preferred concept

Concept 1 was preferred by the majority of businesses.

The concept that most clearly communicated that the product was made, grown or manufactured in Australia was the one that used the pie chart. The concept that most clearly communicated the percentage of the ingredients that were locally grown was the concept that used the pie chart. Concept 1 demonstrated this feature and therefore, the concept that most effectively achieved the communication objectives was the one that used the pie chart and text.

*The pie is a good visual representation, people recognise it and it makes things clearer than what we currently have. It spells it out.*

The concept was thought to be simple, easy to understand and effectively told the story of the amount of local ingredients by tying together the visual indicator with the text. However, potential issues were raised by some businesses around this concept. These concerns included consumers potentially misinterpreting the percentage representation of the pie chart and the perception that it still does not address where a product was grown, made and manufactured.

A commonly held concern for businesses was the potential for this concept to be misleading for consumers. It was pointed out that the green and white colour, or black and white, of the pie chart was open to interpretation and could mean the same thing i.e. 25 percent white could appear to be 75 percent for consumers.

For some businesses, the concept does not say where any imported ingredient(s) came from, with the greatest concerns expressed about food that is imported from China to New Zealand and then on to Australia.

In addition:

- some businesses wanted to be able to change the colour of the label so that it was in keeping with their existing branding;
- there was a strong preference for the colour version over the black and white;
- 'more than' presented businesses with a clear advantage over competitors who may have 'less than' local ingredients; and
- There was a strong preference for 'made in' compared with 'manufactured in' as this did not indicate where ingredients were from.

### 3.4. Perceptions of the other concepts

#### Concept 2: Filled-line circles

2



- **Eye catching/attention grabbing:**

Most businesses agreed that the pie chart was much more attention grabbing or eye catching with most stating that it was not appealing. The use of the half full/half empty circle evoked associations with liquid, which was not relevant to the products of many businesses and as such these were dismissive of this concept.

*I'm not a fan, it doesn't tell the story.*

- **Good and bad aspects:** The main positive aspect of this concept was that it could be relevant for producers of liquids such as wine or cordials. Many businesses were unfamiliar with this visual indicator and thought that consumers would struggle with it for the same reason.

*I've never seen a visual measure like that before.*

- **Effectiveness of communicating 'Australia Made':** The text was considered to be clear in conveying how much of the product was made in Australia by most businesses. However for some, 'less than' local ingredients was an issue and was not believed to be effective in communicating where the ingredients originated. It was important for businesses that consumers were able to quickly identify where a food had come from and the text in conjunction with the image were thought to be confusing and potentially misleading.
- **Effectiveness of the graphic in conveying the % of local ingredients:** This was considered to be the least clear visual indicator of percentage of all concepts tested. Aside from wine producers, most businesses did not relate at all to the filling up circle and questioned whether accurate percentages could be shown using this image. There was also confusion as to whether they should be concentrating on the almost full or almost empty circle to derive the percentage.

*The image isn't telling me anything and you could read it either way.*

- **Are other visual elements appealing:** Like Concept 1, Concept 2 does not contain any other graphics. In order to make the concept more understandable it was suggested that a percentage scale could be placed vertically either within or beside the circle. Another idea was for the percentage to be shown inside the circle.
- **Black and white version:** Almost all businesses expressed a preference for the colour instead of the black and white versions of Concept 2. Those few who did like the visual indicator did so because it would suit their label branding or because they had businesses that produced wine or other drinks.



### Concept 3: Bar chart



- **Eye catching/attention grabbing:**

Reactions to the appeal of this concept were mixed, with some stating that it was more attractive, clearer and is a better measure of the percentage than concepts one and two. In contrast, other businesses thought that the bar chart (petrol gauge) was not appealing or attention grabbing.

- **Good and bad aspects:** The use of a horizontal bar was considered to be good, as it was easily recognisable and could be applied to the real world. Many associated it with a petrol gauge or thermometer. This association was considered to be beneficial in its application to food labelling as many consumers would have come across these images before. However, some businesses discounted any such association as being problematic as a visual indicator was not associated with food and may even be tainted by any association with petrol. For these businesses, the introduction of this concept would need to involve a concerted education campaign to educate consumers.

*This is not a diagram I would use to show measurement.*

*I'm driving a car and the speedo is going up and down, it doesn't really represent food.*

- **Effectiveness of the graphic in conveying the % of local ingredients:** For some businesses, the almost full bar chart (petrol gauge) represented a better visual cue than the pie chart. The use of green and gold was, for many, a positive as it reinforced the effectiveness of the visual indicator. However, some thought that the use of these colours would be meaningless for people who do not associate green and gold with Australia. There was concern that the tick indicators that indicate how high or low the percentage was did not accurately represent the percentage stated in the text.

*Yes, I can associate the green and gold as being Australian but this is not a great idea.*

- **Black and white version:** most businesses preferred the green and gold versions over the black and white, again there was a sense that the CoO black and white label could get lost amongst other mandatory labels on food packaging.

*No, not black and white it would be hard to read*

## Australia map

4



- **Eye catching/attention grabbing:** There was almost universal agreement that the map of Australia was eye catching and was considered to be an iconic symbol of Australia that was instantly recognisable. The map coupled with the green and gold served to reinforce familiarity and would effectively grab consumer attention.

*The use of the map provides a good emotional connection and the green and gold tops it off.*

- **Good and bad aspects:** Businesses generally like the concept as it was emotive and clearly showed that it was Australian. However, there were a number of concerns about this concept. The map bore no relation to the text as it did not give a graphical representation of proportion of food that is locally grown. In addition, many thought that a visual indicator should tell the story without having to read the text as many businesses stated that no one reads labels already and it would be the same in this instance. Thus a visual representation of the proportion of local ingredients was paramount.

*No, the country logo doesn't tell the story.*

There was also concern that people who can't read or people from a CALD background could be misled as they might not be able to read the text and could assume that a product with 'less than' twenty-five percent local ingredients was in fact Australian.

*People who don't speak English could be misled.*

- **Effectiveness of the graphic in conveying the % of local ingredients:** The map of Australia was not considered to be effective in presenting the percentage of local ingredients. The 'more than' and 'less than' maps were shown in yellow/grey or white/white, most businesses thought that it was unlikely that people would be able to differentiate between the two as one could be confused for the other. The text and the map do not tell the same story, some businesses suggested that there would need to be a percentage within the map or a piece of the map would need to be white/yellow to represent the percentage.

*You would need to add a vertical bar to this to show the percentage otherwise how will people understand it.*

- **Are other visual elements appealing:** The map of Australia was very appealing for most but was not considered to be relevant in conveying percentage in its current form. Most thought that the map was universally recognised and was an appropriate icon to use in representing country of origin. However, a small number perceived the map in a negative light and, like some consumers, used phrases including 'nationalistic' to describe the concept. These businesses thought that the image was overused and was out of context in relation to food.
- **Black and white version:** the black and white version of this concept was considered to be less appealing as it lacked something without the green and gold colours to strengthen the association.

## Kangaroo and text



- **Eye catching/attention grabbing**

Concept 5 rated almost as well as Concept 1 in terms of preference. The kangaroo was considered to be instantly recognisable, attention grabbing and eye catching. The kangaroo was thought to effectively demonstrate that the product is Australian made. Some businesses liked the combination of the kangaroo and bar chart as they thought that it was an effective way of communicating the percentage of ingredients whilst others thought that it was misleading.

- **Good and bad aspects:** Many liked the label because it effectively told the story, this was particularly the case for businesses that sold a lot of product to tourists as they would easily identify that the product was Australian.

*This is getting the point across, it's doing a good job and I can see the relationship between the measurement and the kangaroo.*

One negative aspect that was raised was that meat growers and manufacturers would not want to have the kangaroo on their product as people also eat kangaroo and having it on the label could be confusing for consumers and also affect sales.

*Beef and pork growers wouldn't want to take this up.*

However, others thought that the kangaroo was a dated 'homey' icon and the label needed to be a more modern representation of Australia.

- **Effectiveness of communicating 'Australia Made':** There was general agreement that the label effectively communicated that the product was 'Australia made'. The kangaroo was instantly associated with Australia, particularly tourists and this was seen to be a positive for those businesses targeting the tourist market. Some businesses, typically, small and boutique with a few line items already used the kangaroo logo on the front of their products and were either willing to adapt their existing label to meet CoO requirements or were strongly resistant to having to change to this concept. For some this was down to cost whilst for others it was the perceived 'large' size of the label that was problematic as they had small packaging that was already crowded. There was some concern that new migrants would not be aware of the kangaroo icon and might not make the connection that a product was in fact Australian.
- **Effectiveness of the graphic in conveying the % of local ingredients:** Although there was a general sense that the bar chart (petrol gauge) was effective in conveying the percentage of local ingredients, most believed that products that were made from less than twenty-five percent local ingredients had no right to display the kangaroo as it was misleading, the majority of ingredients were not local. It was stated many times by almost all businesses that less than twenty-five percent could actually mean one percent.

*Products with less than 25% shouldn't be able to use the kangaroo symbol, it is misrepresenting where the ingredients come from because they sure don't come from Australia!*

- **Are other visual elements appealing:** The kangaroo was appealing to most and therefore considered to be relevant as an indicator of where a food had come from, although a few did have reservations about its use as described above.
- **Black and white version:** The green and gold strongly preferred for this concept as they helped to convey the meaning of the images and identify them as Australian.

## Text only



**Made in  
Australia  
from  
more than  
75% local  
ingredients**

- **Eye catching/attention grabbing:** The text only version was poorly received by most businesses. In the absence of any visual elements/graphics it was thought that the text would too easily be lost in amongst the many labelling elements already on current food labels. A small number of businesses did state that the text only version appealed. Many were reluctant to introduce any new visual elements to their packaging and essentially wanted to maintain the text-only status quo of current labelling requirements.
- **Good and bad aspects:** Comments about this concept from almost all of the businesses were entirely negative. It was typically dismissed out of hand. The usual positive and negative aspects of the text itself apply here (relative clarity overall though confusion over the 'more than 75%' in relation to the graphic). The small number of participants who indicated that they did prefer the text-only option also stated that there was simply no more room for CoOL information beyond the text they already had.  
  
*There just isn't room. These are small jars and they are full already. We are organic and we do not even use or want the organic logo.*
- **Effectiveness of the graphic in conveying the % of local ingredients:** As above, existing comment on the text applies here.
- **Are other visual elements appealing:** No additional visual elements were included in this concept however; this was thought to reduce the effectiveness of the label.
- **Black and white version:** Most thought that the black and white version of the text-only concept was seen to be as ineffective as the colour version. However, a few businesses preferred the black and white version as it would be more in keeping with their existing package branding.

### 3.5. CoOL: suggestions for improvement

Some businesses did not think any of the concepts shown were effective in telling the consumer how much of the ingredients were locally grown. Concerns that were raised about the concepts included overly long written information that would put off consumers. The text was also considered to be an issue for people who are illiterate or from non-English speaking backgrounds who would again not understand what is written on the CoOL. The size of the label was also problematic given the small size of existing mandatory labelling on some products, it was thought that it would be very difficult to read for most people.

*There are way too many words - and all the words are illegible when you take the sample sent down to 5% - which I am guessing is around the size they would show on a bottle.*

One business went so far as to develop an alternative concept that had the potential to reduce space issues and address three key issues that these concepts fail to address; namely growing, processing and packaging. According to this business all of these processes are important and not addressed by the CoOL concepts shown. Each of these processes could be addressed on the bottle and in the above order (probably the order of importance for the consumer). The suggested CoOL concept is the 'petrol tank' symbol either in a solid block or a long bar with the 3 processes each identified:

- % Ingredients grown in Australia (scale of 1 to 100)
- % Processed in Australia (scale of 1 to 100)
- % Packaged in Australia (scale of 1 to 100)

The percentage bars could run up the side of the end of a brand label and the bars would not need to be overly wide. Over time only the scale would be required and the words would become obsolete as consumers understood the concept.

### 3.6. Impact of changing CoOL

All businesses believed that changing CoOL would have a real impact on their business. The main impact of changing CoOL was financial as there would be a cost involved in printing new labels to comply with new CoOL requirements. Most businesses would need new printing plates, new dyes would be needed to conform with the specified colour of the CoOL and some businesses would need to redesign their labels in order to fit the new CoOL. At this point, many businesses expressed concern about the new label clashing with their existing colour palette design. There were a few suggestions as to how this could be remedied including businesses having the option to change the colour of the CoOL so that it was in harmony with the existing design or allowing businesses to put a CoOL sticker on existing non-compliant labels.

*I would be upset if I had to reprint my labels and would prefer not to.*

*This could end up costing \$20-30,000 all up; you've got plates, design, dyes, managing the change, staff...*

Some went so far as to say that they could not change their labels and remain in business. The costs would simply be too high given current low margins and the cost of printing.

*If I had to comply with this, that's it. I would just shut up shop. Sell the business if anyone would buy it. It is just too much. Too expensive.*

Another concern raised by businesses was fitting the new label on their product; this was more so the case if the package was small and already crowded with mandatory food safety labels. How the new CoOL would fit in terms of space and branding was a key issue. Some sold products in very small packages and there was consternation and frustration about how they were meant to find space to accommodate changes to CoOL.

All businesses indicated that they wanted to see the government enact a phasing in period of a minimum of 1-2 years so that businesses could use up existing stocks of labels as it is more cost effective to buy a large volume. A few businesses stated that businesses with a turnover of < \$1.5million should not have to comply for a longer period compared with the 'big end of town'.

*The emphasis should be on the big end of town and the commodity products first. For small, boutique businesses the impost in the change can be a much more gradual thing.*

For some time was an issue as these businesses typically had one or two full time employees and had to manage all aspects of the business themselves. Finding time amongst other more pressing issues was problematic as they were already time poor. For other larger businesses, time was still a factor as it added another layer of management requiring new systems including packaging in order to implement the new CoOL requirements correctly on their products. This could include needing to learn about the new regulations, determining how to implement the changes on their production lines and educating staff about the new CoO requirements.

*So I would need to set up a spreadsheet to calculate new systems to measure and ensure conformance and then implement them. Not to mention relying on staff to get it right, that would be a massive headache.*

Another factor in printing new labels related to how frequently branding labels were changed. For businesses such as wineries, label changes occurred for each new vintage typically at least once a year. For others, brand label changes occurred more than once a year, ranging from two to ten years. One business had just changed labels after ten years at great expense and with no intention of changing again for many years and would be incensed if a brand label change was forced on it because the government had decided to change CoOL.

However, some were more positive about the proposed changes to CoOL. As a direct consequence of the government intention to change CoOL, some businesses indicated that the new CoOL would encourage them to source more of their ingredients locally and avoid imported ingredients wherever possible financially so that they could benefit from the claims on the label. In addition, one business stated that they would be happy to change their label to comply with new CoOL regulations. For these businesses the benefits outweigh the costs associated with compliance, it is better for the product and the consumer.

*There would be a small cost this is not a chore but a pleasure to promote my product.*

### 3.7. Other considerations

Businesses were also asked their views on three final considerations for CoOL

1. Did they think it was ok to increase prices on food to allow for clearer, easier to understand CoOL information?



2. Would they be willing to bear an additional cost associated with the introduction of new CoOL standards?
3. Would they be interested in secondary sources of CoO information such as an app or website for detailed reference in addition to in-store labelling?

## Price Increases

Businesses were almost unanimous in their belief that food prices should not have to increase because of a one off mandatory label change. They thought that this was unnecessary as most would just have to absorb the cost of changes to the CoOL. They stated that while retailers such as supermarkets might put up prices, they would certainly not wear the cost of changing CoOL. Some suggested a one off grant or rebate to cover the cost of implementing the new CoOL as a way to offset the onerous cost imposition on businesses.

*There should be some recognition of the cost impact in the short term, maybe a grant or rebate to facilitate the transition as this could be very expensive for really small businesses like mine.*

## Additional cost

Although most businesses did not want to incur a cost just for new CoOL information, some thought that this was inevitable and there was little they could do to change it. This sense of powerlessness was evident across the businesses; they just had to wear it and get on with it. However, a few thought it was a good idea and were willing to incur a small cost of up to \$500 a year if it meant that consumers were educated about the changes to CoOL and what the new label meant.

*No, this assumes we will have a choice.*

*Yes, it's good to educate and a smart thing to do.*

## Apps and website

Many businesses thought that providing consumers with additional information in the form of QR codes for smart phones or a website containing CoO information was generally a good idea. Ideas provided centred on giving consumers greater opportunity to discover the origin of their food in the form of the journey that a product took to reach the consumer. This was considered to be beneficial for those businesses whose products were completely grown, made and manufactured in Australia as it reinforced information that could be found on the label and provided a clear point of difference to consumers who wanted to buy Australian made products. The use of social media was also thought to be a good way of informing people about CoOL and the changes that are set to come in. People typically associate social media with pleasure rather than work and as such this could be an effective way to reach consumers.

A small number of businesses did not see any inherent value in providing consumers with more information about CoO as consumers that actively sought out and preferred Australian made products would do their own research anyway.

Limitations that inhibited the enthusiasm for additional information included:

- A perception that for many consumers price was the deciding factor in their food choices;

- Many consumers don't care where their food comes from;
- Concern that this could replace information on packaging; and
- QR codes 'not being the way of the future' it was doubtful that people would bother using this to find out information.

*I do see women in the supermarkets using their smartphones to find out information about a product but I probably wouldn't do it myself as I don't have time. I'm too busy!*

## Tolerances

Businesses immediately understood the implications of 'hard and fast' rules on the percentages displayed on CoOL in terms of variations in the sourcing and processing of ingredients year-on-year. Tolerances were thought to be acceptable for the labelling either due to factors associated with fluctuations in ingredients or a general acknowledgement that the percentages may not represent an exact science. It was universally stated that the tolerance percentages ( $\pm$ ) could not be too large as the labels would become either meaningless and/or misleading. 5% was thought to be an acceptable range.

## Variations of CoOL

Most businesses indicated that there would be cost implications depending on different variations of the CoO label. Almost all preferred to have a percentage representation compared with the proportion of ingredients by weight. Most thought that there will be a small cost involved if there was a visual descriptor. Businesses were divided into two camps regardless of demographic profile: some thought that any additions or changes would incur a significant cost whereas others thought that they would be minimal and were happy to absorb them. The main bone of contention that was raised by businesses was 'a visual descriptor in a box and 30% larger than surrounding text'. Many baulked at having to comply with this suggested label size. This was typically due to size of package and fitting in with the overall design of the brand.

## 4. Findings from the consumer survey

### 4.1. Allocation of time in decision-making process

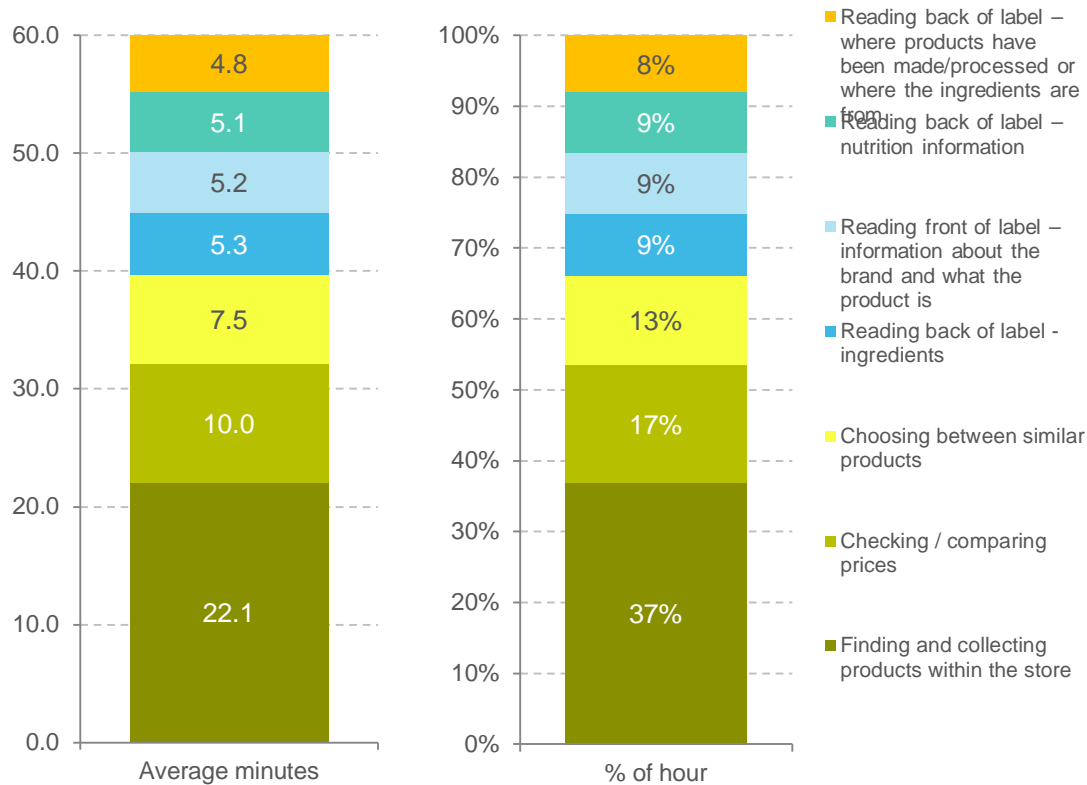
Participants were asked to estimate the proportions of time they spent during a regular but hypothetical 60 minute grocery shop doing the following things:

- Checking / comparing prices
- Reading front of label – information about the brand and what the product is
- Reading back of label – ingredients
- Reading back of label – nutrition information
- Reading back of label – where products have been made/processed or where the ingredients are from
- Choosing between similar products
- Finding and collecting products within the store

People on average reported spending the largest time during their grocery shop finding and collecting products within the store (37% of a typical shop or 22 minutes in a typical hour long shop). The second largest amount of time in a regular shop is spent checking and comparing prices (17%), followed by choosing between similar products in the same food category (13%).

The least amount of time is reportedly spent on reading the back of the label to find where products have been made/processed or where ingredients come from (8% of shopping time or 5 minutes in a typical hour long shop).

**Figure 4: Estimated decision-making time spent while grocery shopping**



Q9: Imagine you went to a supermarket to buy a week's worth of groceries. And imagine that it took you 60 minutes from the time you entered the store until you arrived at the checkout. How much of your time would you have spent doing each of the following... **RANDOMISE. MUST SUM TO 60 minutes.**  
Base: All respondents (N=1,220)

## 4.2. Importance of factors in decision-making for foods to purchase

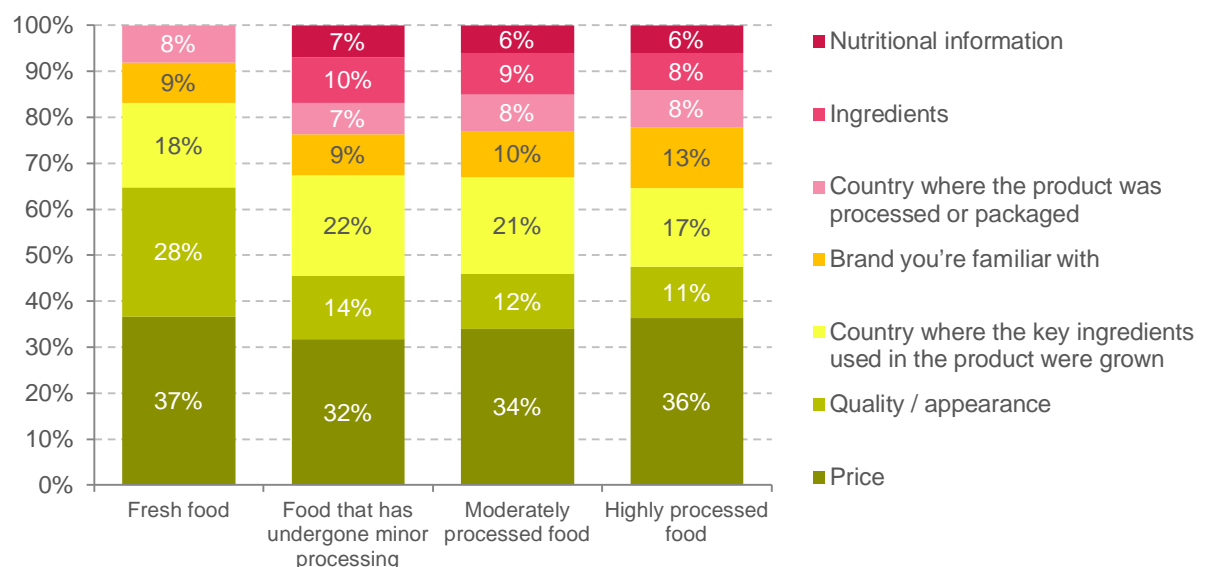
Participants were asked about the level of importance of a series of factors on their food purchase decision-making when it comes to shopping for:

- fresh food (e.g. meat, seafood, fruit and vegetables – including pre-packaged);
- food that has undergone minor processing (e.g. frozen or tinned fruit and vegetables or reconstituted fruit juice concentrate);
- food that has been moderately processed or pre-prepared (e.g. a jar of pasta sauce or a can of soup);
- highly processed food (e.g. confectionary, soft drinks or biscuits).

Figure 2 below shows the proportions of people reporting the **most important factor** when purchasing foods across the different categories listed above. The largest proportion of people reported that price is the most important factor when purchasing food in any category (37% said this was most important when buying fresh food; 36% when buying highly processed food; 34% when buying moderately processed food; and 32% when purchasing food with minimal processing).

Across different food categories, the second largest proportion of people reported that either quality or appearance (of fresh food), or country where the key ingredients used in the product were grown (for foods with any degree of processing) are the most important factors when purchasing food. Brand also received a preference for the most important factor when purchasing food, particularly for highly processed foods.

**Figure 5: First ranked factor, by food category**



Q10-13: Imagine you were shopping for fresh food (e.g. meat, seafood, fruit and vegetables – including pre-packaged) / food that had undergone minor processing (e.g. frozen or tinned fruit and vegetables or reconstituted fruit juice concentrate) / food that had been moderately processed or pre-prepared e.g. a jar of pasta sauce or a can of soup) / highly processed food (e.g. confectionary, soft drinks or biscuits). Please rank the following factors in terms of how important they are in terms of your decision on what to buy, where 1 = most important through to 5 = least important. RANDOMISE.

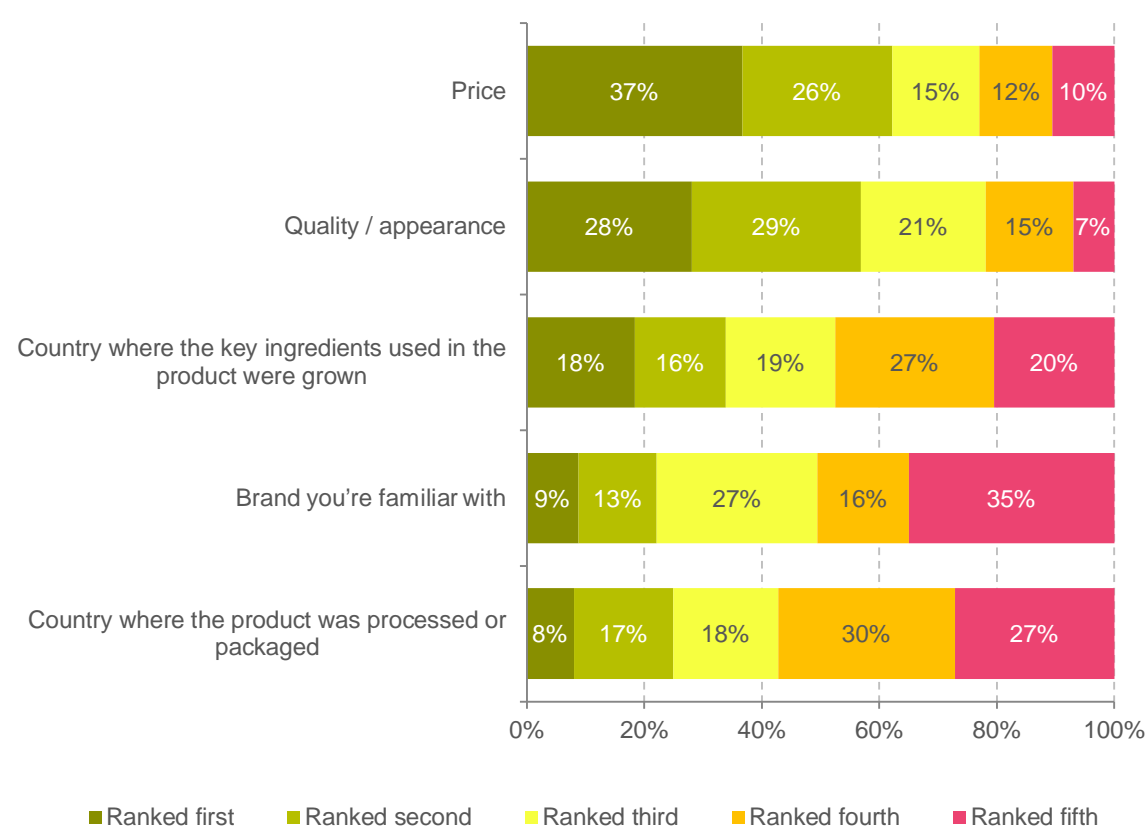
Base: All respondents (N=1,220)

The following four charts show the perceived importance of price, quality or appearance, country of key ingredients, country of processing or packaging, and brand (as well as nutritional information and ingredients for processed foods), broken down for each category of food (from fresh to highly processed).

When selecting fresh food, 37% of people felt that price is the most important factor, followed by 28% of people who feel that quality and appearance is the most important. Country where the key ingredients were grown is most important for 18% of people. Brand and country of processing / packaging is the most important factor in the purchase decision for less than 10% of people.

The largest proportion of people (35%) felt that familiar brand is the least important factor in their purchase of fresh food.

**Figure 6: Ranking of importance of each factor when shopping for fresh foods**



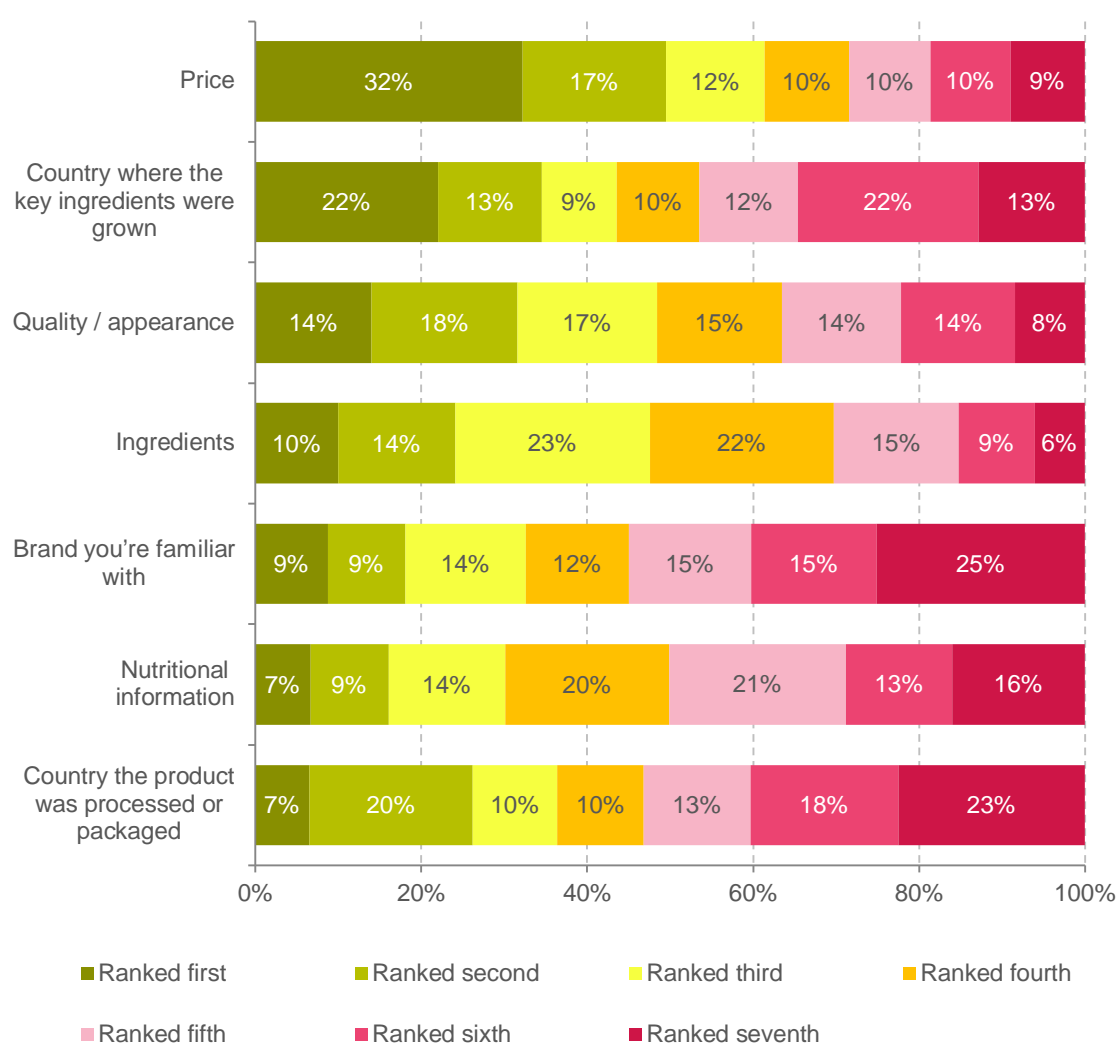
Q10: Imagine you were shopping for fresh food (e.g. meat, seafood, fruit and vegetables – including pre-packaged). Please rank the following factors in terms of how important they are in terms of your decision on what to buy, where 1 = most important through to 5 = least important. RANDOMISE.  
Base: All respondents (N=1,220)



When selecting foods that have undergone minor processing, 32% of people feel that price is the most important factor, followed by 22% of people who feel that country where the key ingredients were grown was most important. However, a large proportion of people feel that country where key ingredients were grown is the least important factor in their decision of what to buy in this category.

Quality or appearance is most important for 14% of people. Other factors such as ingredients, brand, nutritional information, and country of processing / packaging are the most important factors in the purchase decision for 10% or less, and instead received the largest proportions of people reporting that this information is least important when buying foods that have undergone minor processing.

**Figure 7: Ranking of importance of each factor when shopping for foods that have undergone minor processing**

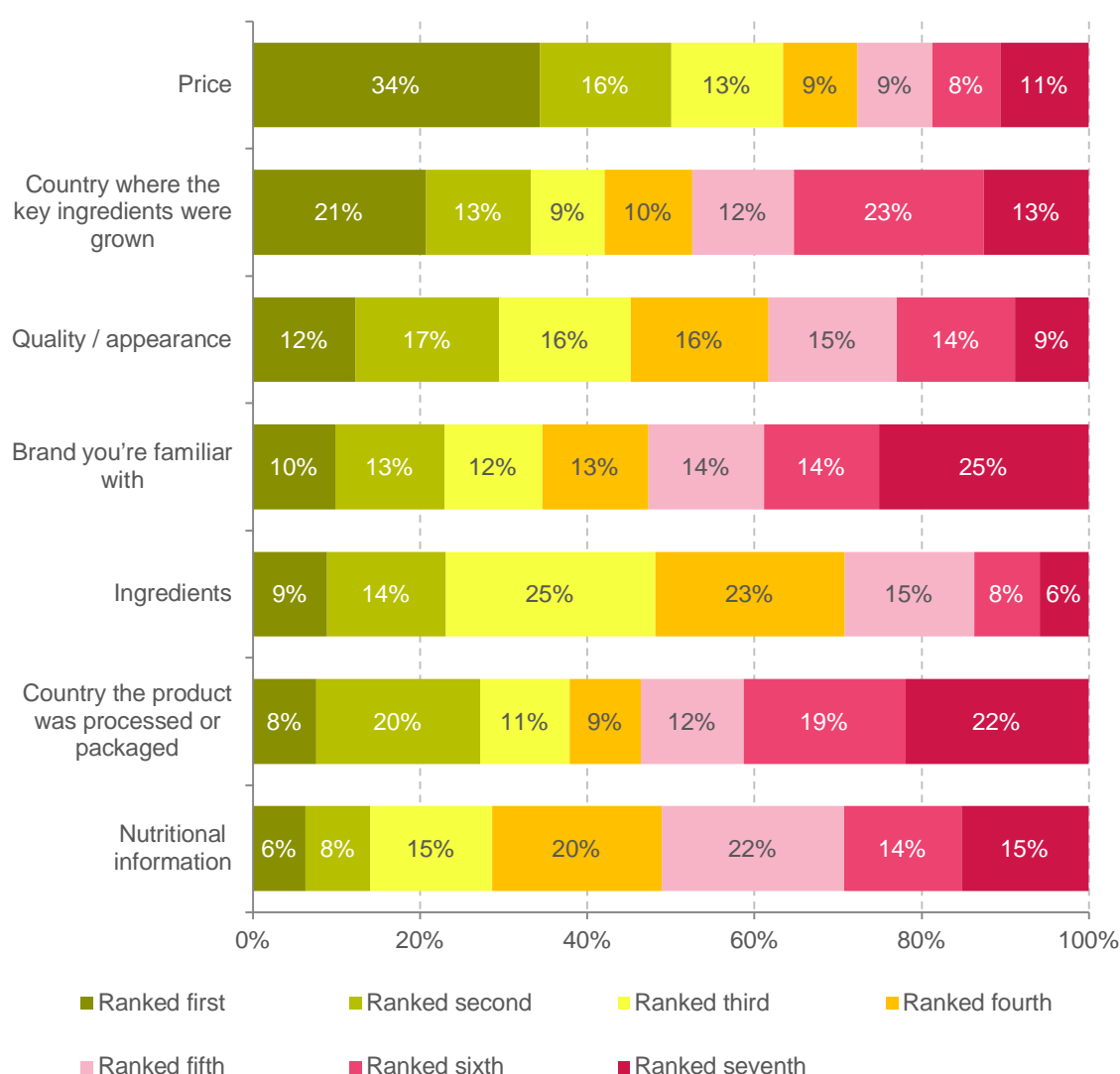


Q11: Imagine you were shopping for food that had undergone minor processing. For example frozen or tinned fruit and vegetables or reconstituted fruit juice concentrate. Please rank the following factors in terms of how important they are in terms of your decision on what to buy, where 1 = most important through to 7 = least important. RANDOMISE.  
Base: All respondents (N=1,220)

When selecting foods that have undergone moderate processing, 34% of people again feel that price is the most important factor, followed by 21% of people who feel that country where the key ingredients were grown is most important. However, again, a notable proportion of other respondents reported that country where the key ingredients were grown is one of the least important factors in their decision of what to buy in this category (13% least important, 23% second least important).

Quality or appearance is most important for 12% of people. Other factors such as brand, ingredients, country of processing / packaging, and nutritional information, are the most important factors in the purchase decision for 10% or less. Brand and country where the product was processed or packaged received the largest proportions of people reporting that these factors are the least important in their purchase decisions (25% and 22%, respectively).

**Figure 8: Ranking of importance of each factor when shopping for moderately processed foods**

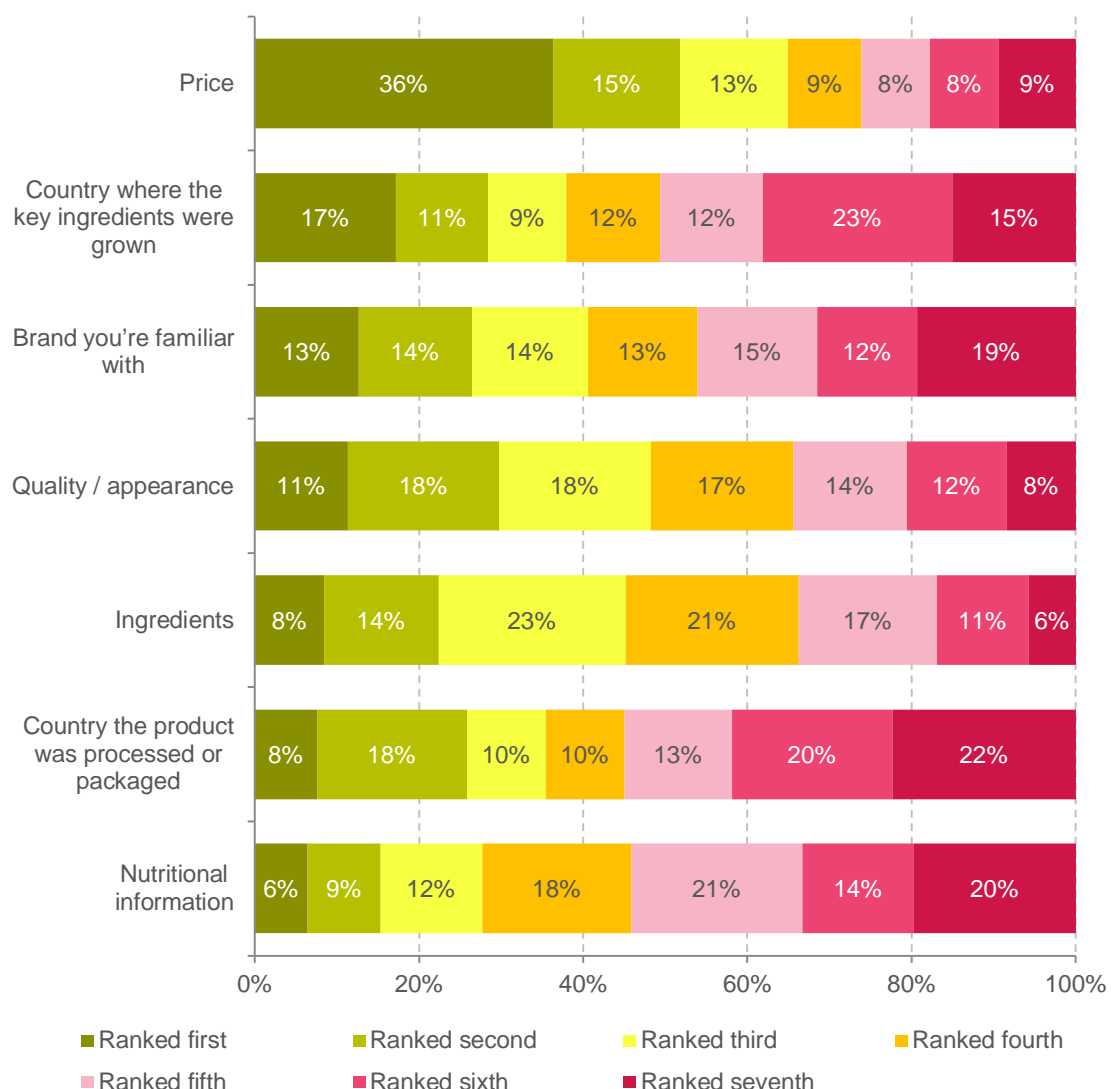


Q12: Imagine you were shopping for food that had been moderately processed or pre-prepared. For example, a jar of pasta sauce or a can of soup. Please rank the following factors in terms of how important they are in terms of your decision on what to buy, where 1 = most important through to 7 = least important. RANDOMISE.  
Base: All respondents (N=1,220)

When selecting foods that are highly processed, 36% of people again feel that price is the most important factor; followed by 17% of people who feel that country where the key ingredients were grown is most important. As with other processed foods however, country where the key ingredients were grown received a notable proportion of other respondents who indicated that this factor ranks as one of the least important factors in the decision when buying highly processed foods (15% least important, 23% second least important).

Quality or appearance is most important for 12% of people. The other factors such as brand, ingredients, country of processing / packaging, and nutritional information, are the most important factors in the purchase decision for 10% or less. Country where the product was processed or packaged received the largest proportion of people who ranked this as the least important factor in their purchase decision (22%).

**Figure 9: Ranking of importance of each factor when shopping for highly processed foods**



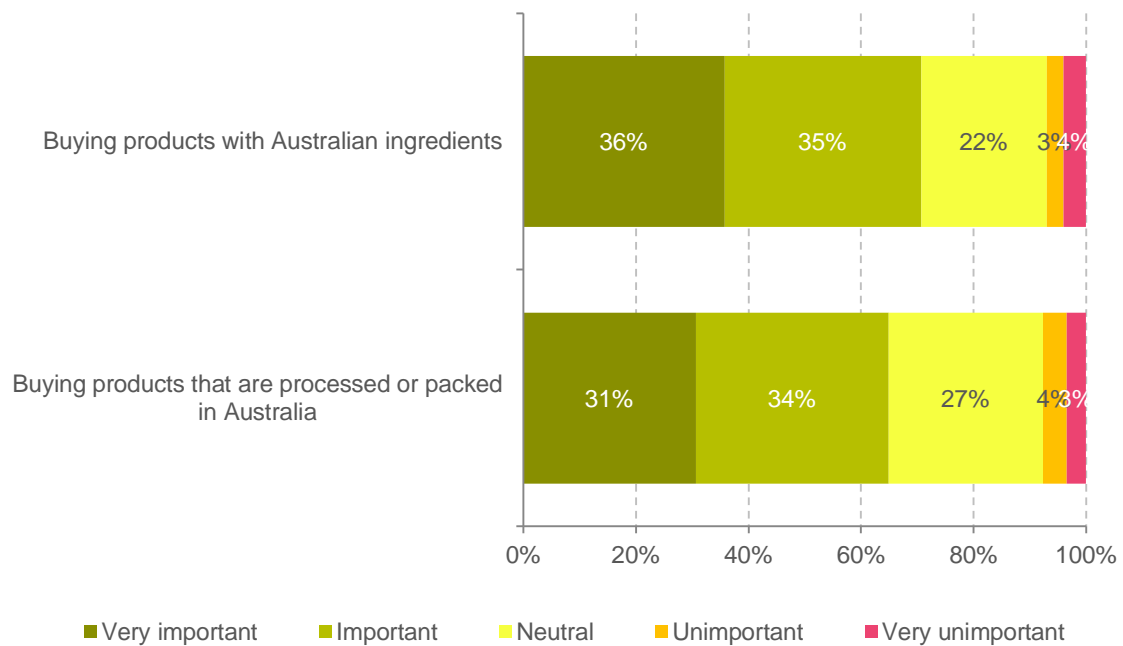
Q13: Imagine you were shopping for highly processed food. For example, confectionary, soft drinks or biscuits. Please rank the following factors in terms of how important they are in terms of your decision on what to buy, where 1 = most important through to 7 = least important. RANDOMISE.

Base: All respondents (N=1,220)

### 4.3. Importance of Australian ingredients, processing and packaging

Overall, 71% of people feel that buying Australian ingredients is important (36% feel this is very important). Sixty-five percent feel that buying products that are processed or packed in Australia is important (31% very important).

**Figure 10: Importance of buying products with Australian ingredients and/or are processed or packed in Australia**



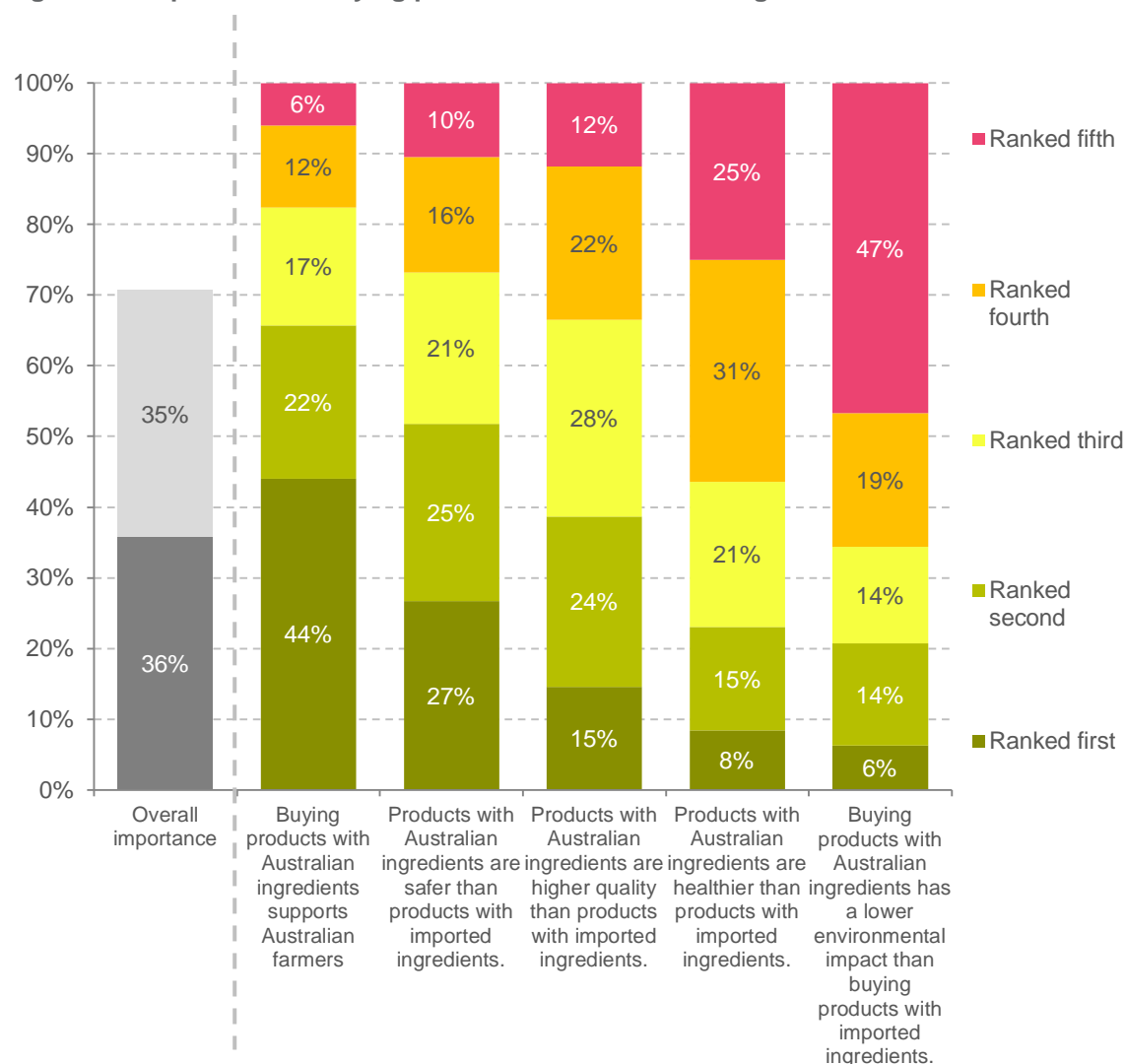
Q14: How important or unimportant to you is buying products with Australian ingredients, where 1 = very important through to 5 = very unimportant? **SELECT ONE.**

Q16: How important or unimportant to you is buying products that are processed or packed in Australia, where 1 = very important through to 5 = very unimportant? **SELECT ONE.**

Base: All respondents (N=1,220)

The largest proportion of people who feel that it is (very) important to buy Australian ingredients, feel that it is because buying products with Australian ingredients supports Australian farmers (44%), followed by the second largest proportion of people who feel that products with Australian ingredients are safer than products with imported ingredients (27%).

**Figure 11: Importance of buying products with Australian ingredients**



Q14: How important or unimportant to you is buying products with Australian ingredients, where 1 = very important through to 5 = very unimportant? **SELECT ONE.**

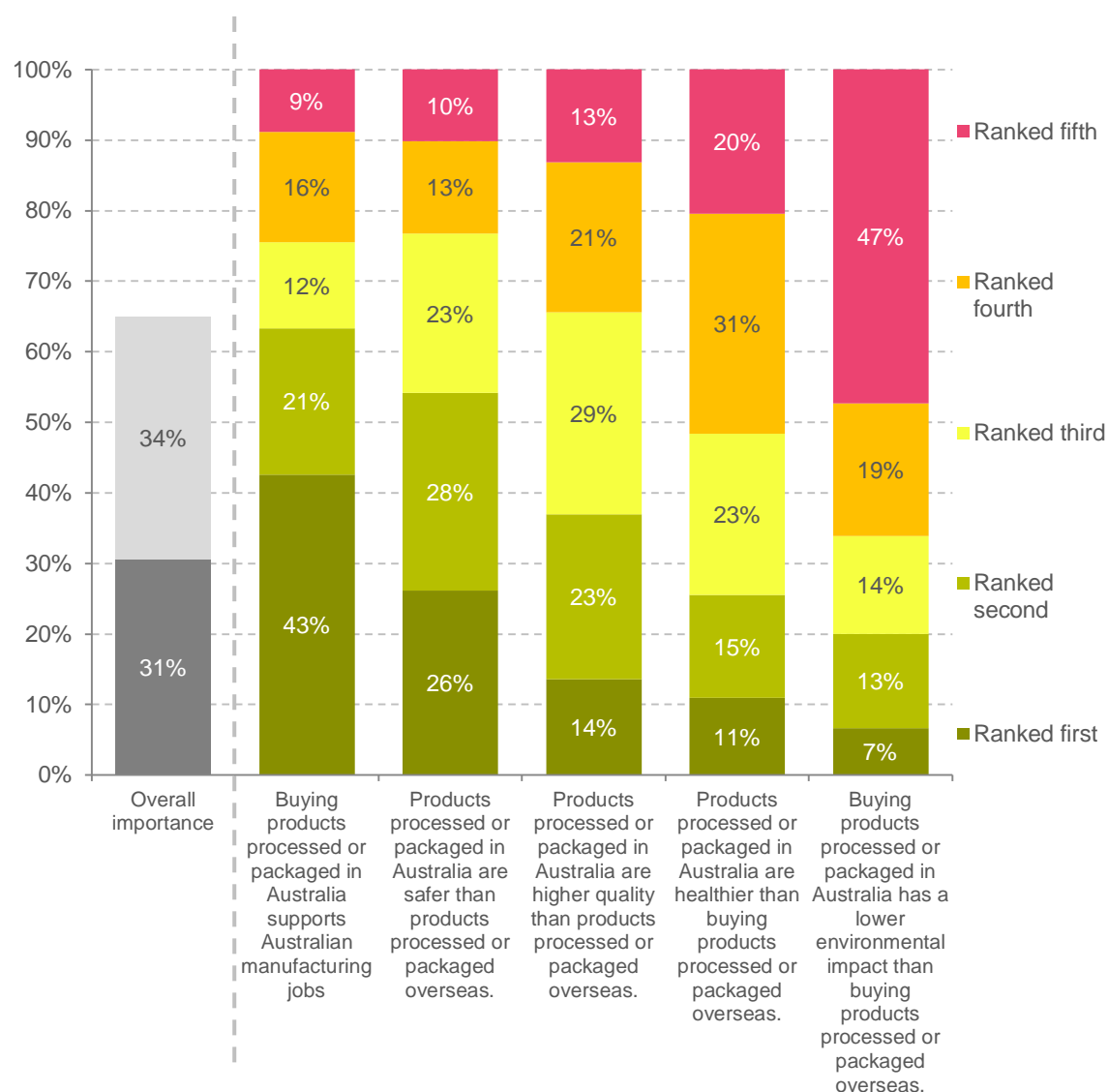
Base: All respondents (N=1,220)

Q15: IF VERY IMPORTANT OR IMPORTANT: Please rank the following in terms of their importance to you, where 1 = most important through to 5 = least important. **RANDOMISE.**

Base: Respondents who felt that buying products with Australian ingredients is (very) important (N=848)

The largest proportion of people who feel that it is (very) important to buy products processed or packed in Australia, feel that it is because this supports Australian manufacturers (43%), followed by the second largest proportion of people who feel that products processed or packaged in Australia are safer than products processed or packaged overseas (26%).

**Figure 12: Importance of buying products that are processed or packed in Australia**



Q16: How important or unimportant to you is buying products that are processed or packed in Australia, where 1 = very important through to 5 = very unimportant? **SELECT ONE.**

Base: All respondents (N=1,220)

Q17: IF VERY IMPORTANT OR IMPORTANT: Please rank the following in terms of their importance to you, where 1 = most important through to 5 = least important. **RANDOMISE.**

Base: Respondents who felt that buying products that are processed or packed in Australia is (very) important (N=787)



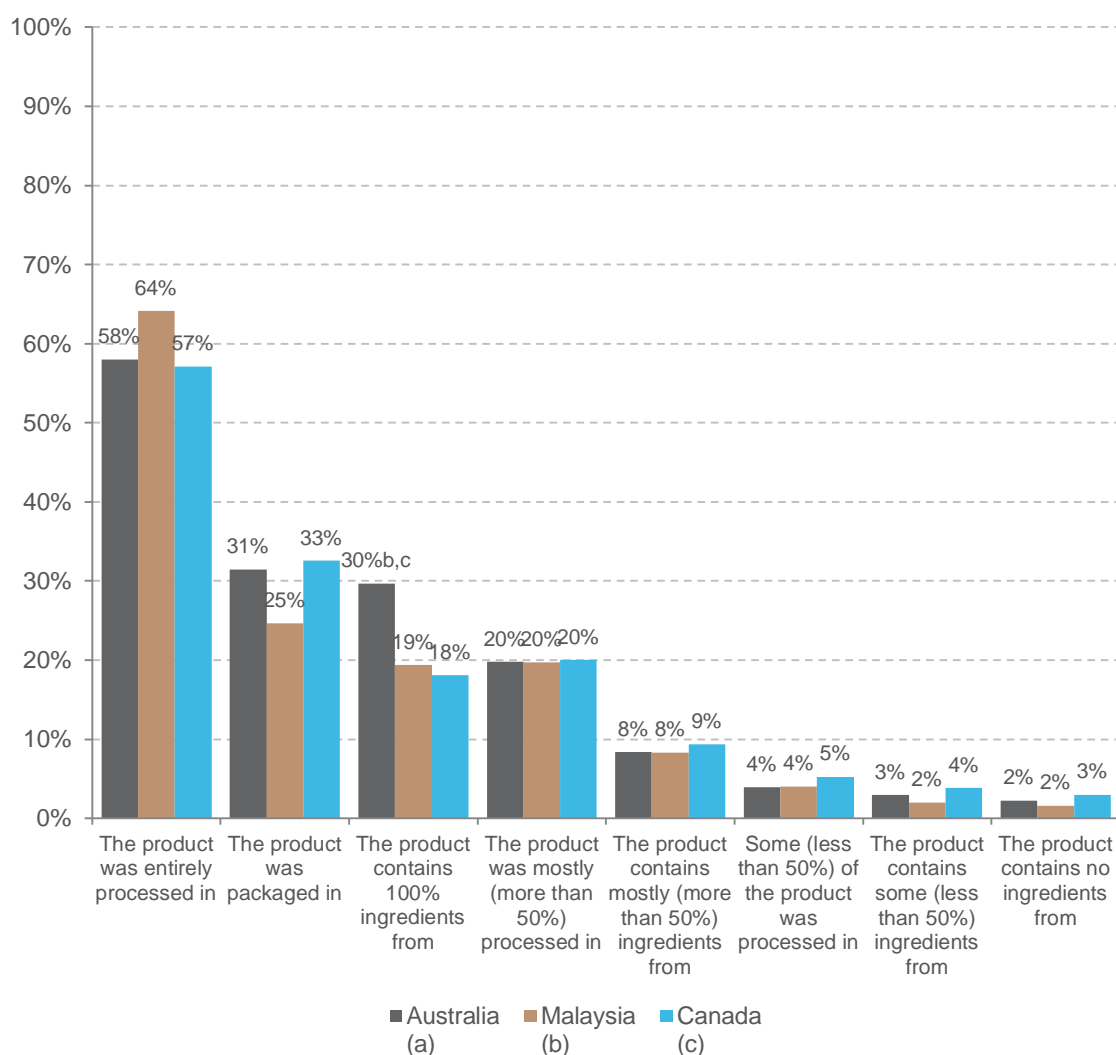
## 4.4. Perceived meaning of country of origin labelling elements

Participants were asked about a series of country of origin claims currently in use on food products and packaging. The country name was alternated evenly for groups of participants to determine if country name skewed responses.

The majority of people feel that “Made in Australia / Malaysia / Canada” means the product was entirely processed in that country (57-64%).

Interestingly, a significantly greater proportion of people (30%) feel that “Made in Australia” means that the product contains 100% ingredients from Australia, compared to 19% of people who feel that “Made in Malaysia” means the product contains 100% of ingredients from Malaysia, and 18% of people who feel that “Made in Canada” means the product contains 100% of ingredients from Canada.

**Figure 13: Perceived meaning of “Made in...” claims**



Q20. What does the statement “Made in <country>” mean to you? SELECT ALL THAT APPLY. RANDOMISE.

Base: All respondents (N=1,220)

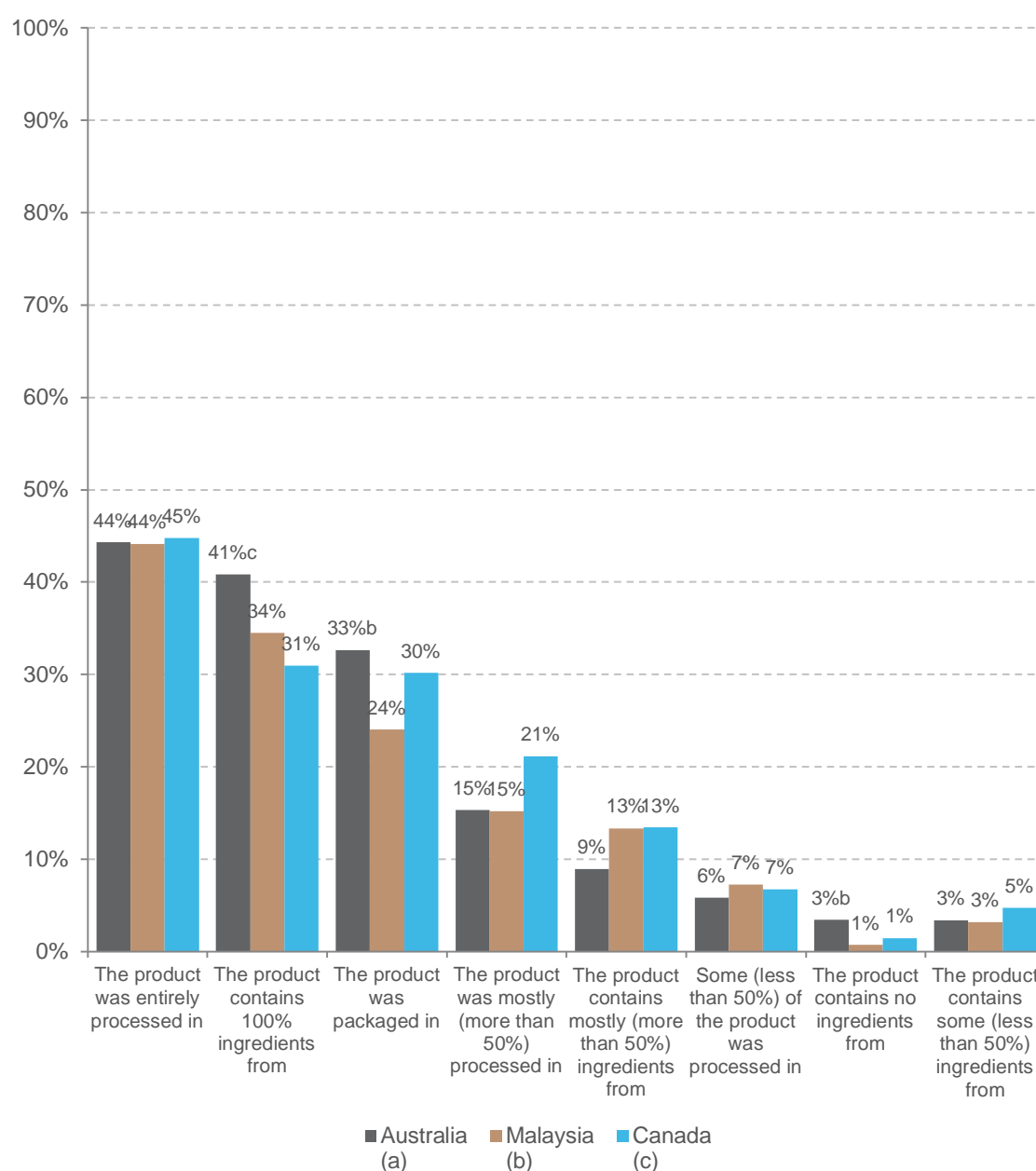
Letters represent statistically significant differences between responses for each country in question.

The majority of people feel that “Product of Australia / Malaysia / Canada” means the product was entirely processed in that country (44-45%).

A significantly greater proportion of people (41%) feel that “Product of Australia” means that the product contains 100% ingredients from Australia, compared to 31% of people who feel that “Product of Canada” means the product contains 100% of ingredients from Canada.

Further, a significantly greater proportion of people (33%) feel that “Product of Australia” means that the product was packaged in Australia, compared to 24% of people who feel that “Product of Malaysia” means that the product was packaged in Malaysia.

**Figure 14: Perceived meaning of “Product of...” claims**



Q21. What does the statement “Product of<country>” mean to you? SELECT ALL THAT APPLY. RANDOMISE.

Base: All respondents (N=1,220)

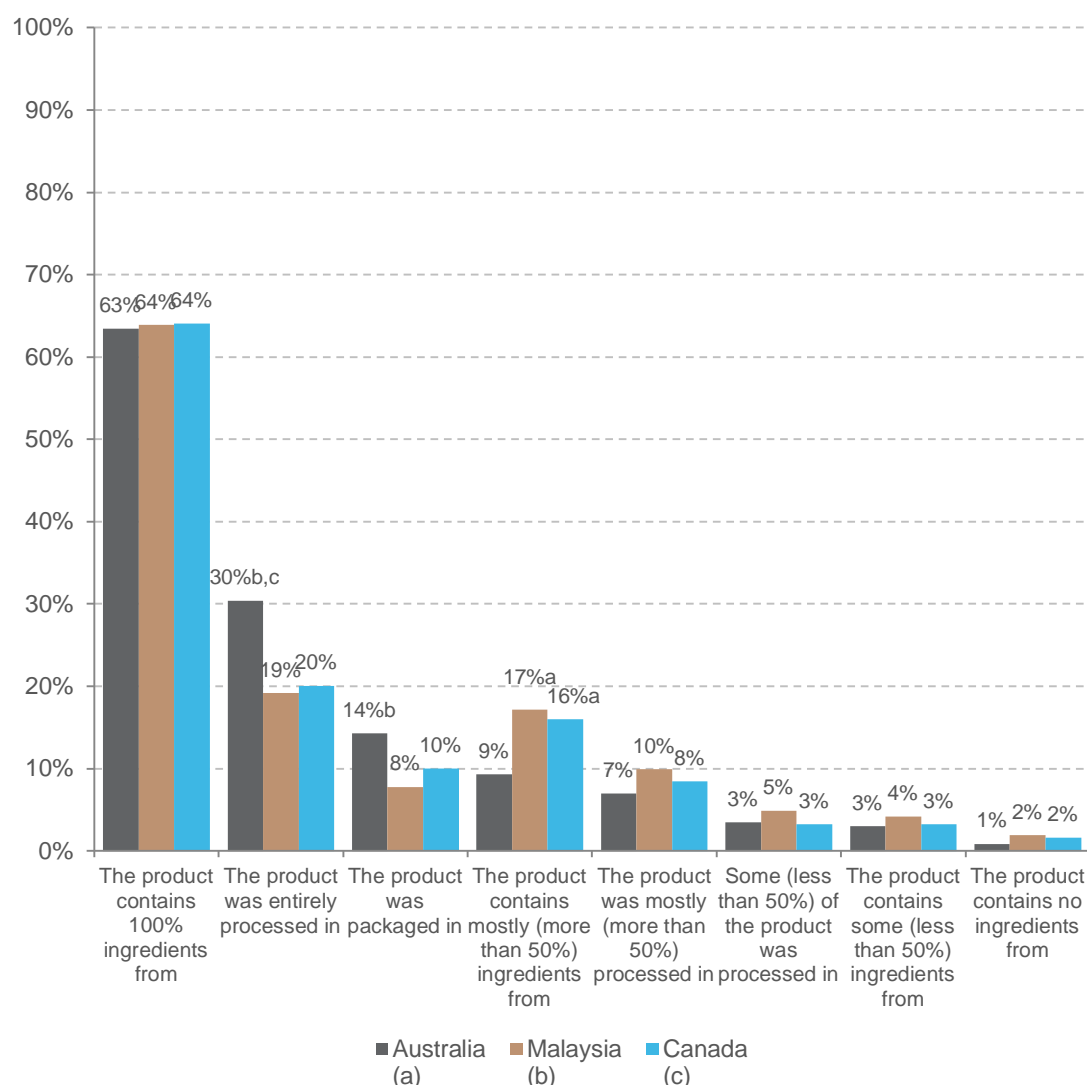
Arrows represent statistically significant differences between responses for each country in question.

The majority of people feel that “Grown in Australia / Malaysia / Canada” means the product contains 100% of its ingredients from that country (63-64%).

A significantly greater proportion of people (30%) feel that “Grown in Australia” means that the product was entirely processed in Australia, compared to 20% of people who feel that “Grown in Canada” means the product was entirely processed in Canada, and 19% of people who feel that “Grown in Malaysia” means the product was entirely processed in Malaysia.

Interestingly, a significantly smaller proportion of people (9%) feel that “Grown in Australia” means that the product contains mostly (more than 50% of) ingredients from Australia, compared to 17% of people who feel that “Grown in Malaysia” means that the product contains mostly ingredients from Malaysia, and 16% who feel that “Grown in Canada” means that the product contains mostly ingredients from Canada.

**Figure 15: Perceived meaning of “Grown in...” claims**



Q22. What does the statement “Grown in<country>” mean to you? SELECT ALL THAT APPLY. RANDOMISE.

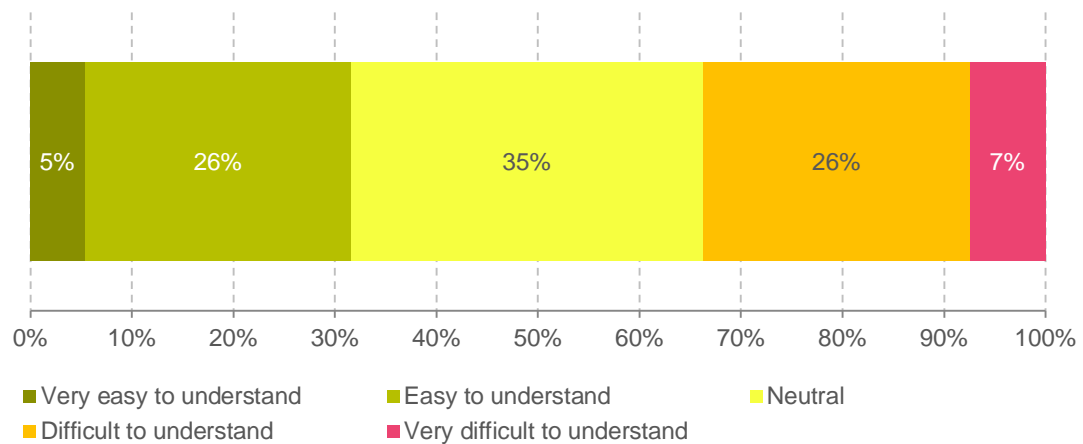
Base: All respondents (N=1,220)

Arrows represent statistically significant differences between responses for each country in question.

## 4.5. Stated importance and perceptions of country of origin labelling

Overall, 31% of people feel that current country of origin labelling is easy to understand (5% feel it is very easy), compared to 33% who feel that it is difficult to understand (7% very difficult).

**Figure 16: Perceived difficulty of understanding current country of origin labelling**

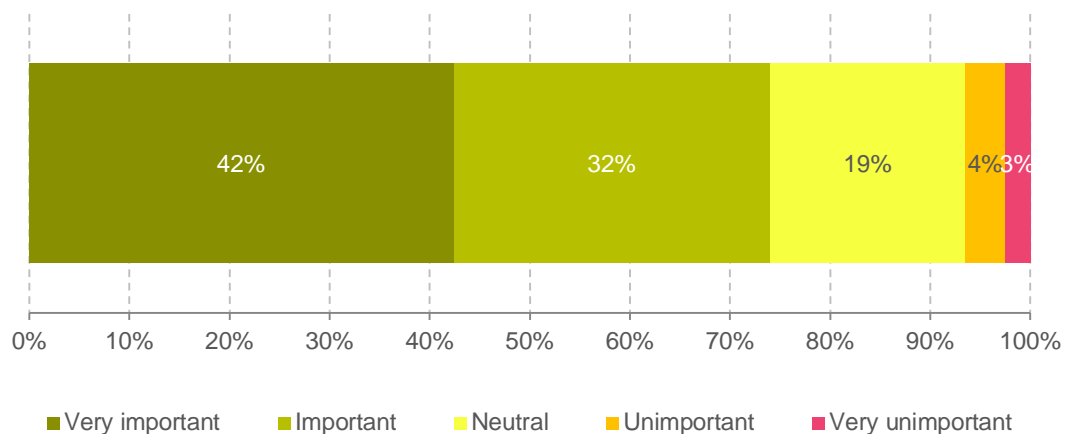


Q19: Are the country of origin statements on product labels easy or difficult to understand, where 1 is very difficult to understand through to 5 = very easy to understand? SELECT ONE.

Base: All respondents (N=1,220)

Overall, 74% of people feel that country of origin labelling is important (42% feel it is very important), compared to only 7% who feel that it is unimportant (3% very unimportant).

**Figure 17: Stated importance of country of origin labelling**



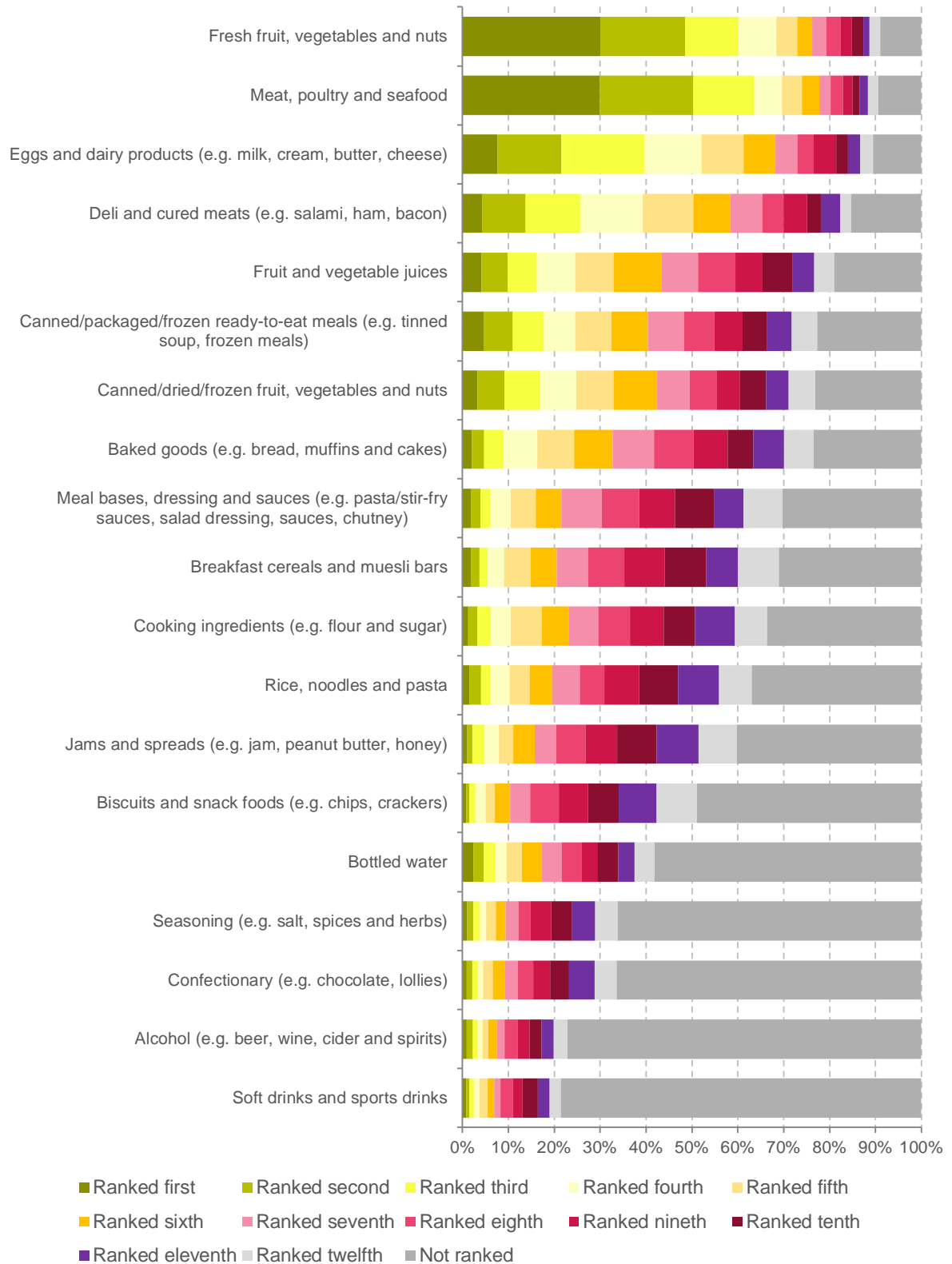
Q18: How important or unimportant is country of origin food labelling to you, where 1 = very important through to 5 = very unimportant? SELECT ONE.

Base: All respondents (N=1,220)

Participants were asked to rank the 12 food and beverage categories (of 19) for which they thought CoOL was most important. Four groups naturally fell out.

1. Very important are: fresh fruit, vegetables and nuts; meat poultry and seafood; eggs and dairy; deli and cured meats.
2. Important are: fruit and vegetable juices; canned/packaged/frozen ready-to-eat meals; canned/dried/frozen fruit, vegetables and nuts; baked goods.
3. Somewhat important are: meal bases, dressing and sauces; breakfast cereals and muesli bars; cooking ingredients; rice, noodles and pasta; and jams and spreads;.
4. Not important (relatively) are biscuits and snack foods; bottled water; seasoning; confectionary; alcohol; and sports drinks and soft drinks.

**Figure 18: Importance of country of origin labelling on various food types**



Q25: Please take a minute to consider the following food and beverage categories and the importance of country of origin food labelling... Please place the numbers 1 through 12 next to the 12 most important categories for country of origin food labelling. Place a 1 next to the most important category, a 2 next to the second most important category and so on through to 12 for the 12th most important category. Leave all other categories blank. RANDOMISE.

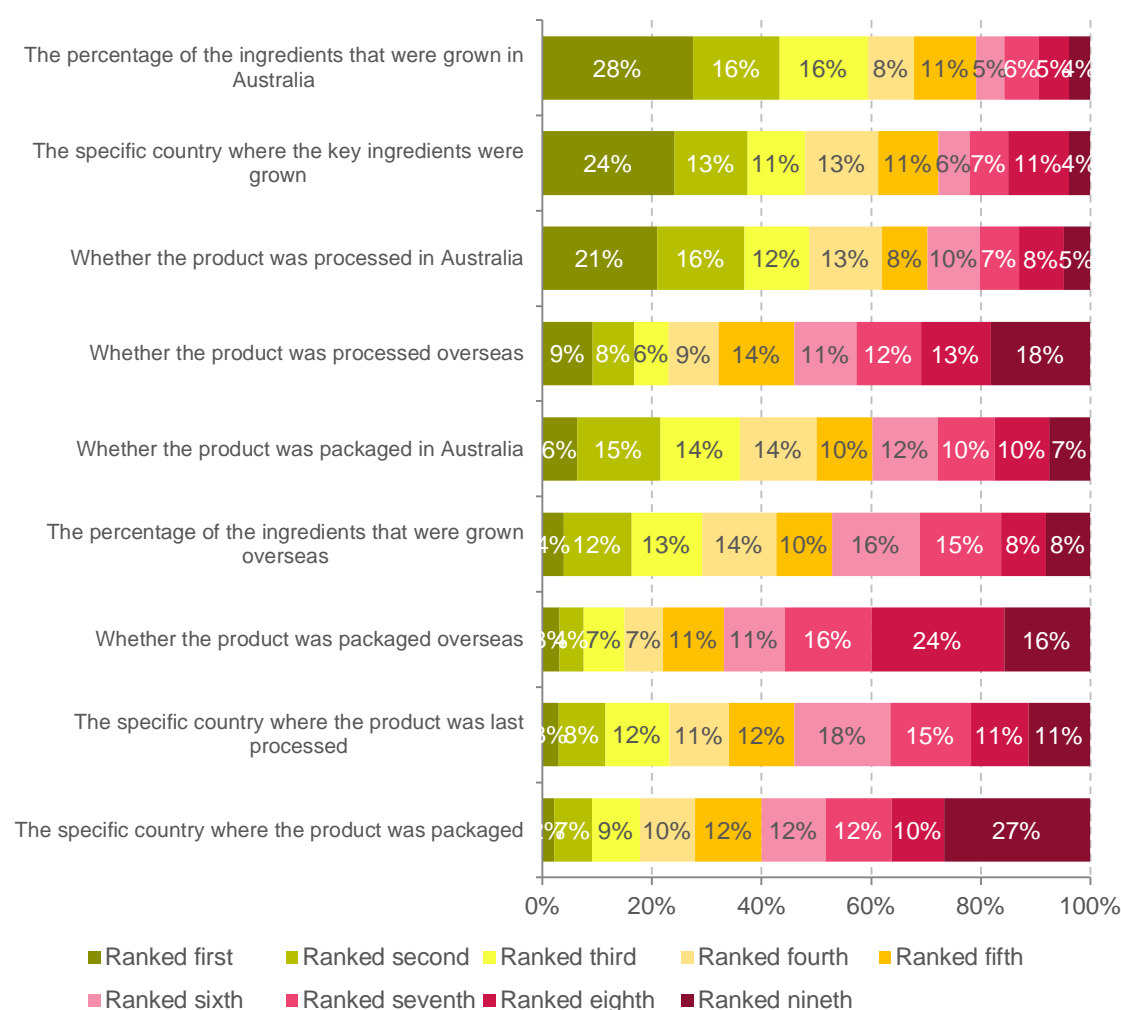
Base: All respondents (N=1,220)



Participants were asked to rank country of origin information that they perceived as most important to least important. The largest proportion of people (28%) feel that the most important piece of information to include would be the percentage of the ingredients that were grown in Australia, followed by 24% who felt that the most important piece of information is the specific country where the key ingredients were grown, and whether the product was processed in Australia (21%).

The largest proportion of people feel that the least important piece of information is the specific country where the product was packaged (27%), followed by whether the product was processed overseas (18%).

**Figure 19: Importance of country of origin labelling elements**

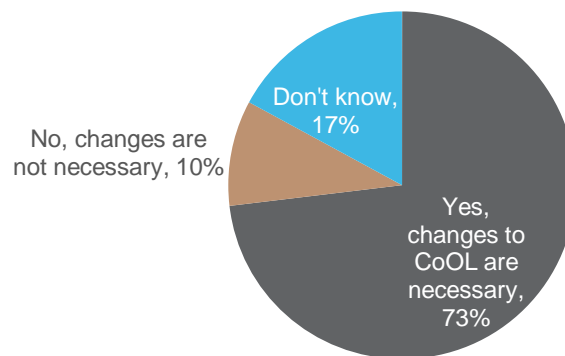


Q26: What Country of Origin information is most important to you? Please rank from 1 to 9, where 1 is most important and 9 is least important. RANDOMISE.  
Base: All respondents (N=1,220)

## 4.6. Perceived necessity of changes to country of origin food labelling

Almost three quarters of people feel that changes to country of origin food labelling are required (73%), compared to 10% who feel that changes are not required.

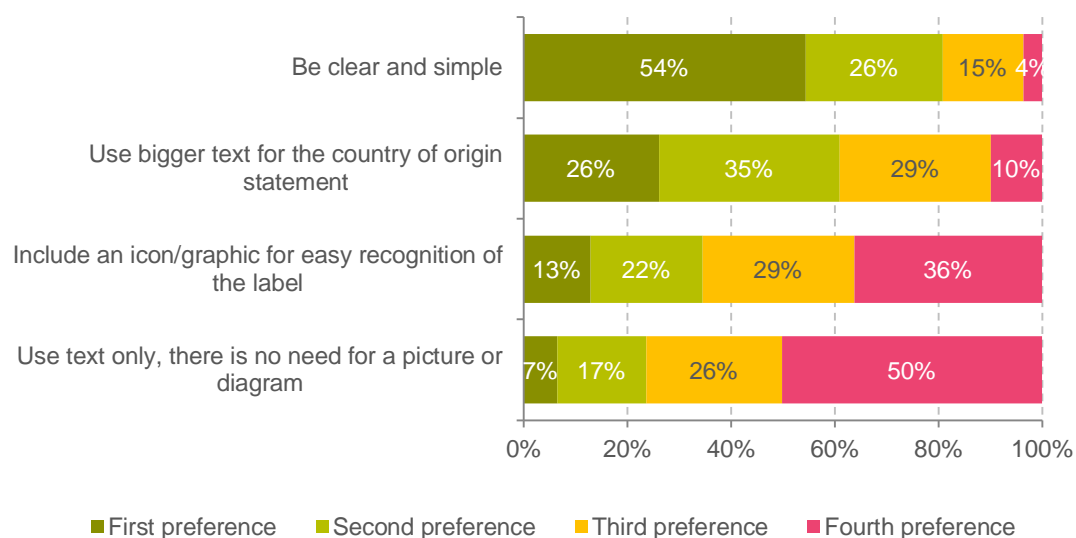
**Figure 20: Perceived necessity of changes to country of origin food labelling**



Q23: Do you think changes to country of origin food labelling are required? *SELECT ONE.*  
Base: All respondents (N=1,220)

Participants were presented with a range of considerations for future CoOL and asked to rank them. The largest proportion of participants indicated that clarity and simplicity is their first preference for any change to country of origin labelling (54%), followed by using bigger text for the country of origin statement (26%). Fifty percent of people reported that using text only is the least preferred option for changing the current country of origin labelling.

**Figure 21: Preferred options for improving country of origin labelling**

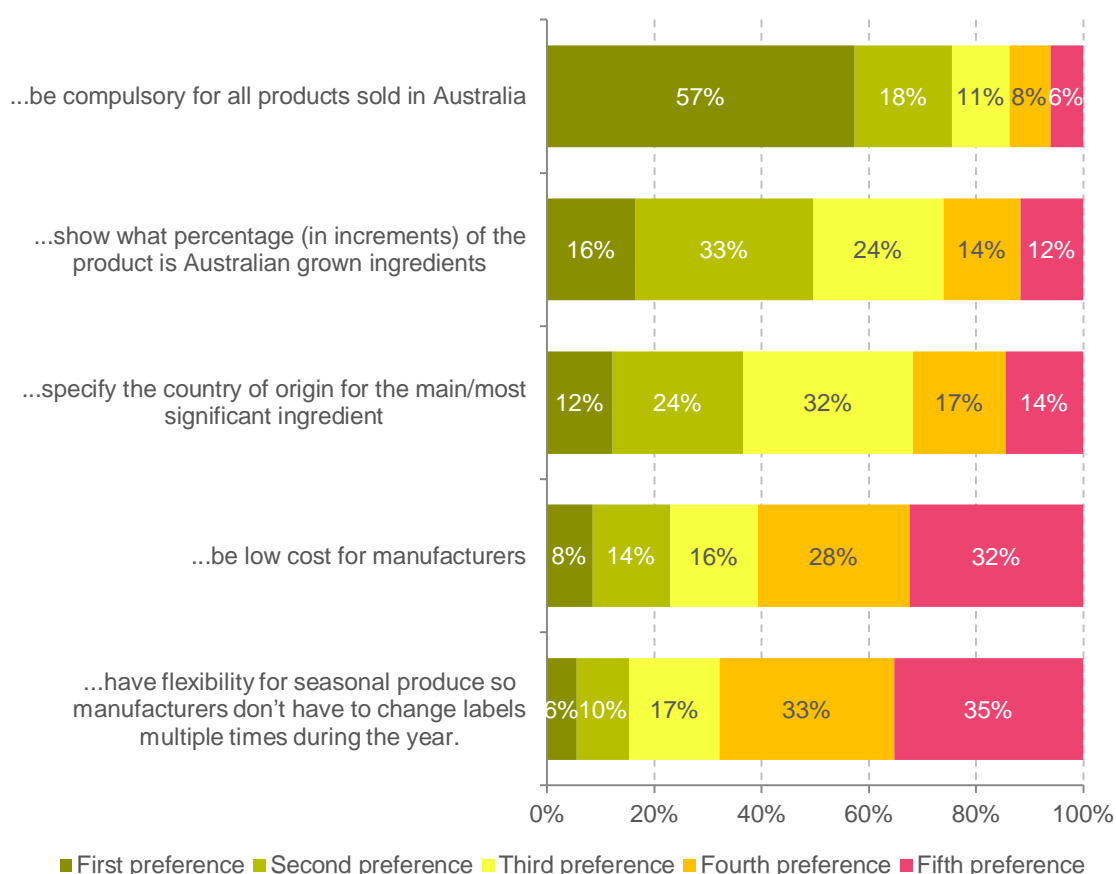


Q24A: IF YES AT Q23: Please take a moment to consider the various options for improving country of origin food labelling. Please rank the options below from 1 to 4, where 1 is your most preferred option and 4 is your least preferred option. *RANDOMIZE*  
Base: Respondents who feel that changes to country of origin labelling on food are necessary (n=890)

There was very strong support for the new label to be compulsory for all products sold in Australia (ranked first by 57%). A distant second priority was that the new label should show what percentage of the product are Australian grown ingredients (ranked first by 16%).

Suggestions that the country of origin label should be low cost or permit flexibility for manufacturers were not received well (least preferred option for 32% and 35% of people, respectively).

**Figure 22: Preferred options for improving country of origin labelling**



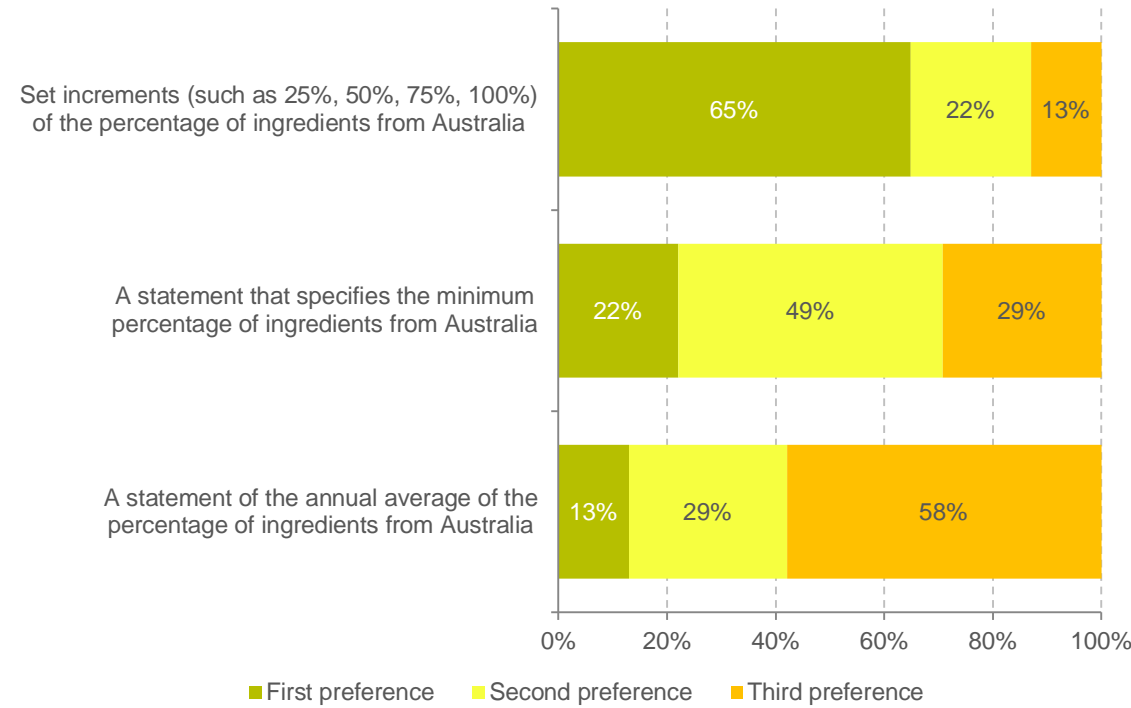
Q24B: IF YES AT Q23: Please take a moment to think about the following considerations for future country of origin food labelling. Please rank these considerations from 1 to 5, where 1 is the most important consideration and 5 is the least important consideration. RANDOMIZE

Base: Respondents who feel that changes to country of origin labelling on food are necessary (n=890)

An overwhelming majority (65%) indicated that their preference would be for percentages of ingredients to appear on product labels in increments such as 25%, 50%, 75%, 100%, compared to a statement that specifies the minimum percentage of ingredients from Australia (first preference of 22% and last preference of 29%).

A statement of the annual average of the percentage of ingredients from Australia was disliked and least preferred by 58%.

**Figure 23: Preferences for display of ingredient percentages**



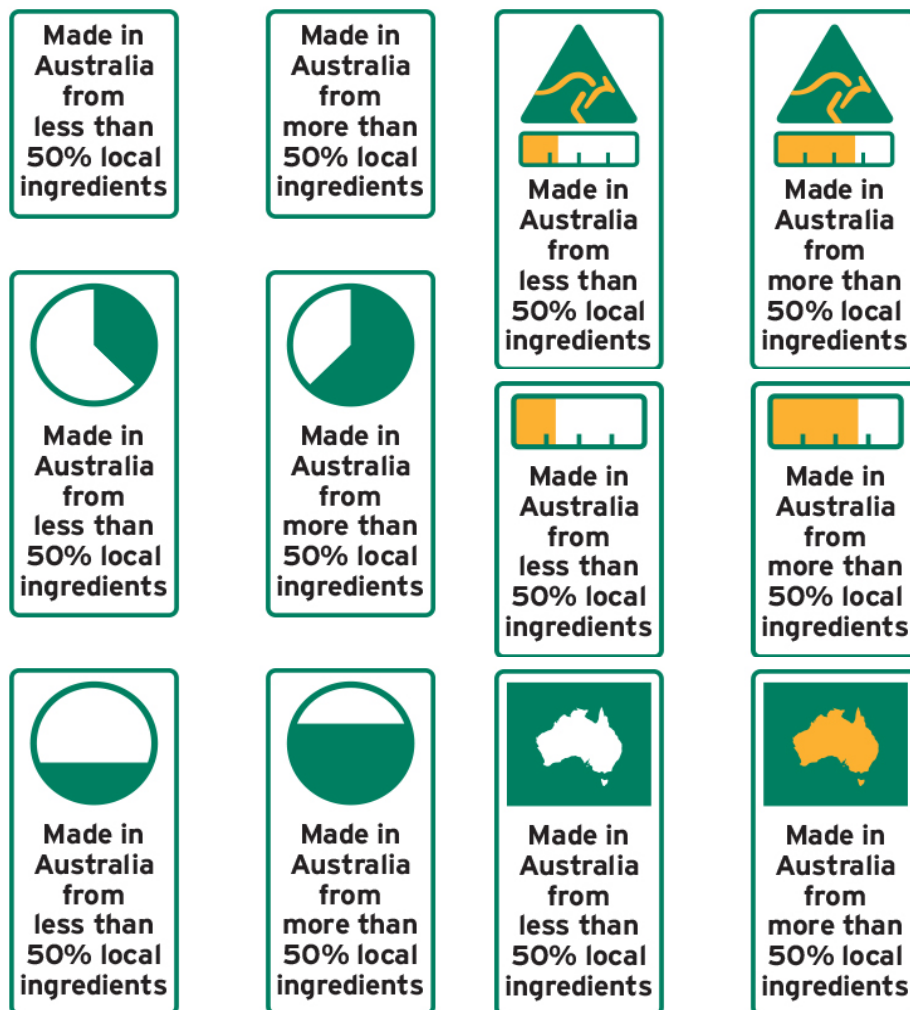
Q30: Please take a moment to consider how you would like the percentage of ingredients to appear on product labels. Please rank these options from 1 to 3, where 1 is your most preferred option and 5 is your least preferred option.  
RANDOMIZE  
Base: All respondents (N=1,220)

## 4.7. Evaluation of proposed concepts

Participants were asked to rank the 6 ideas (shown below) for country of origin based on two key criteria:

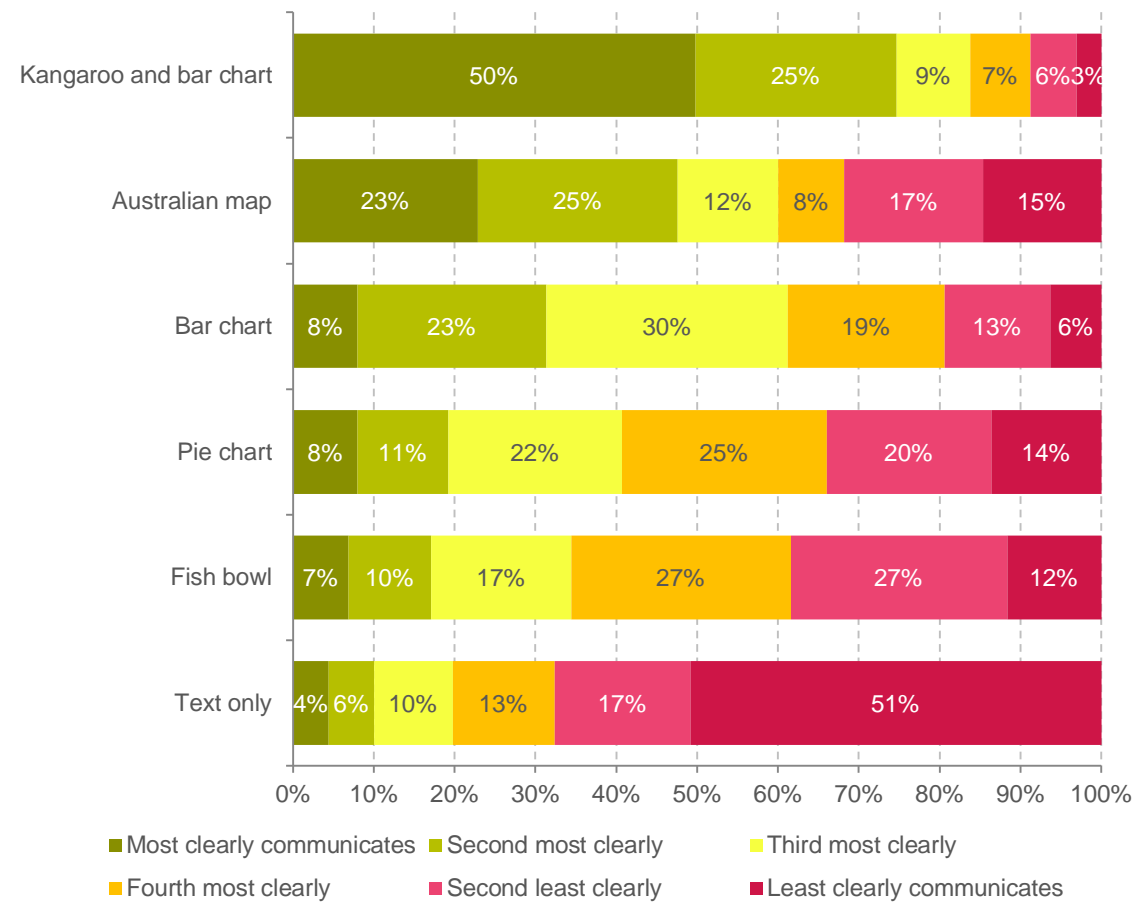
- Does it clearly communicate that the product was made, grown or manufactured in Australia?
- Which most clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown?

Figure 24: Proposed versions of country of origin labelling



In terms of the proposed coloured concepts, half of the Australian general public chose the concept that utilised the kangaroo combined with a bar chart. The Australian map (23%) was also fairly well received. The text only version was not well received at all, with over half of all people reporting that it communicates the least clearly (51%).

**Figure 25: Perceived clarity of proposed versions of country of origin labelling**



Q27: Below are 6 ideas that might be used on food and beverage labels. We're interested in your views on the extent to which the labels achieve two key aims: a) Clearly communicates that the product was made, grown or manufactured in Australia; and b) Clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.

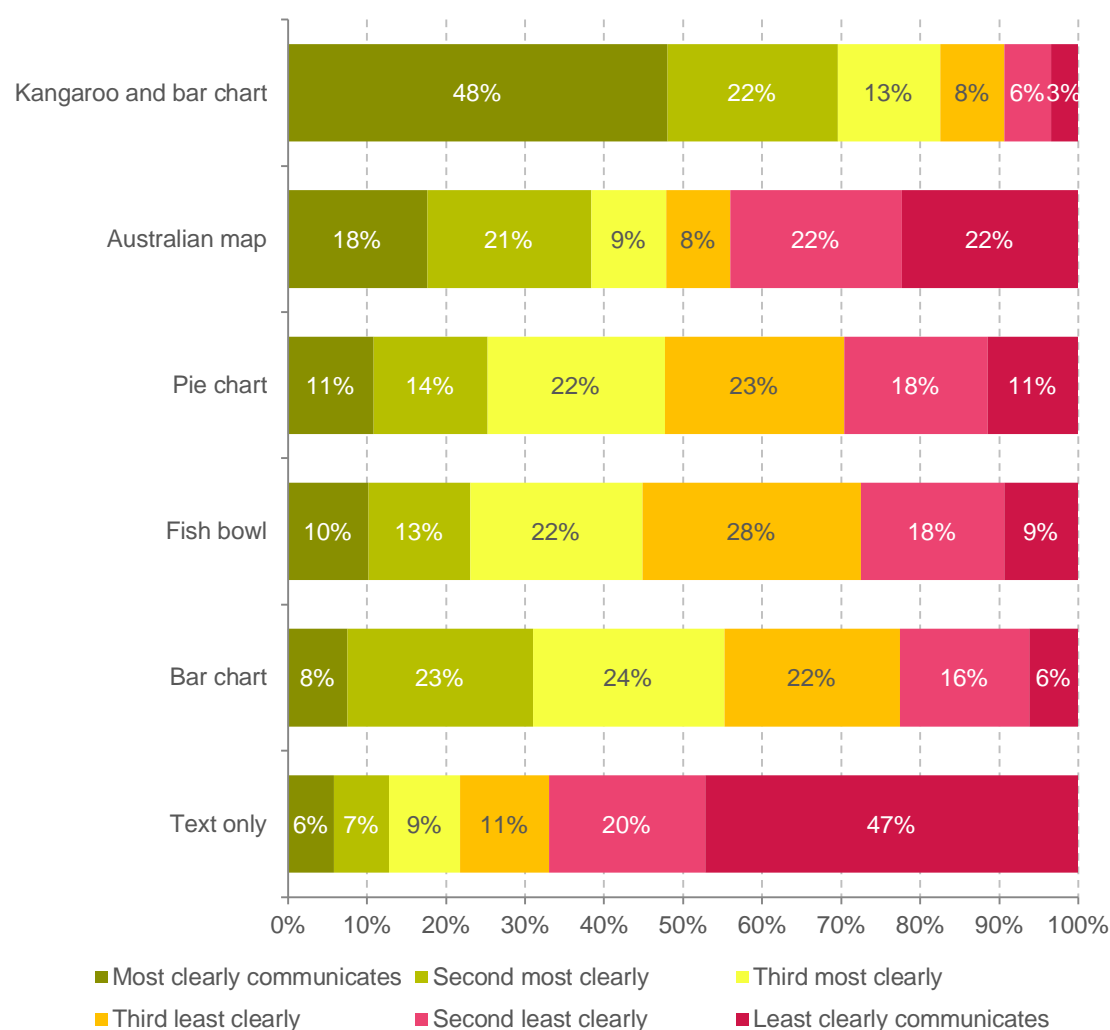
Thinking about the information above, please rank the labels from 1 to 6, where 1 = the label that most clearly communicates the two aims and 6 is the label that least clearly communicates the two aims. RANDOMISE.

Base: All respondents (N=1,220)

In terms of the proposed black and white concepts, almost half of the Australian general public again chose the concept that utilised the kangaroo combined with a bar chart (48%). The black and white Australian map (18%) was also well received.

Again, the text only version was not well received, with just under half of all people reporting that it communicates the least clearly (47%).

**Figure 26: Perceived clarity of proposed versions of country of origin labelling (black and white versions)**



Q28: Below are the same 6 ideas, but this time the black and white versions are displayed. We're interested in your views on the extent to which the black and white versions of the labels achieve two key aims: a) Clearly communicates that the product was made, grown or manufactured in Australia; and b) Clearly communicates what percentage (shown in increments) of the ingredients in the product are locally grown.

Thinking about the information above, please rank the labels from 1 to 6, where 1 = the label that most clearly communicates the two aims and 6 is the label that least clearly communicates the two aims. RANDOMISE.

Base: All respondents (N=1,220)

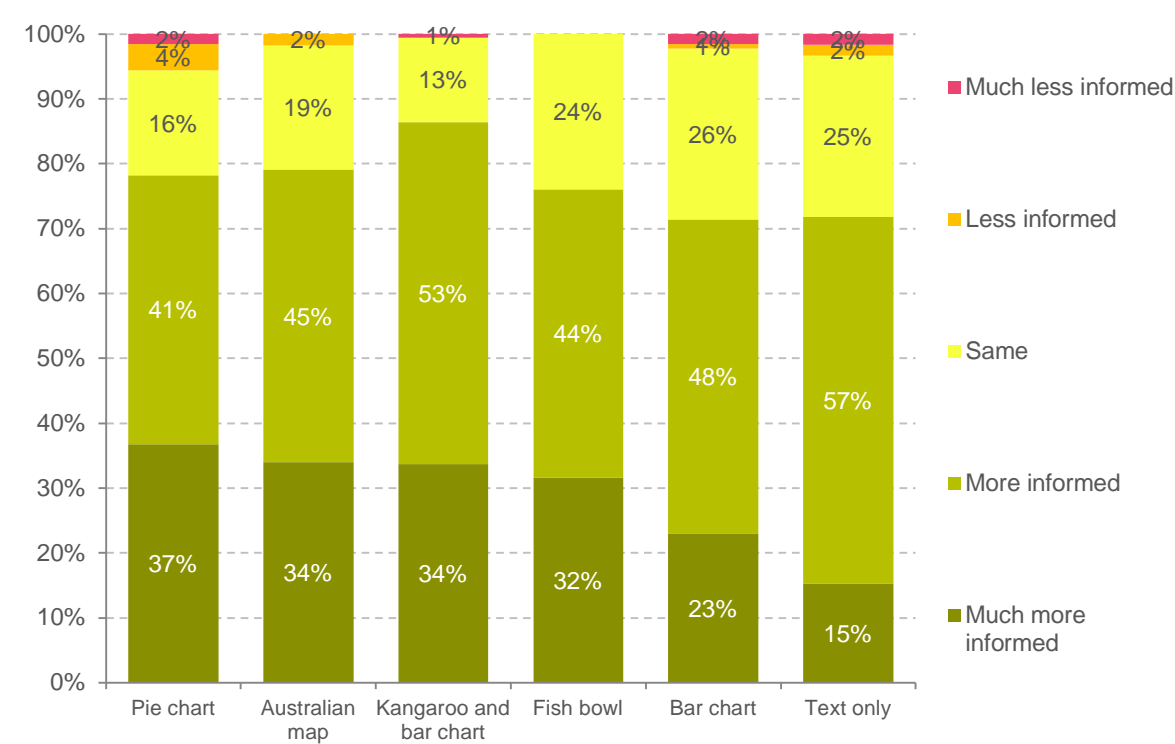


The figure below displays responses depending on people's first labelling preference. When looking at those who indicated they would feel much more informed if the new labelling was to take effect (compared to the country of origin labels), the largest proportion was for people who selected the pie chart as their first preference of label (37%), compared to other label options (ranged from 15% - 34% much more informed).

When looking at feeling informed overall (much more + more informed), the largest proportion was for people who selected the kangaroo and bar chart (87%), compared to other label options.

Only very small proportions (6% or under) felt that any of the concept variations would leave them feeling (much) less informed than the status quo.

**Figure 27: Feeling informed by preferred proposed label compared to status quo**



Q29: If one of your preferred options was introduced on food product labels in the future, would you feel more informed or less informed than you do from the food product labels that are used on products now?

Base: All respondents, depending on their first labelling preference (N=1,220; Kangaroo and bar chart: n=602; Australia map: n=272; Pie chart: n=101; Bar chart: n=97; Fish bowl: n=88; Text only: n=60)

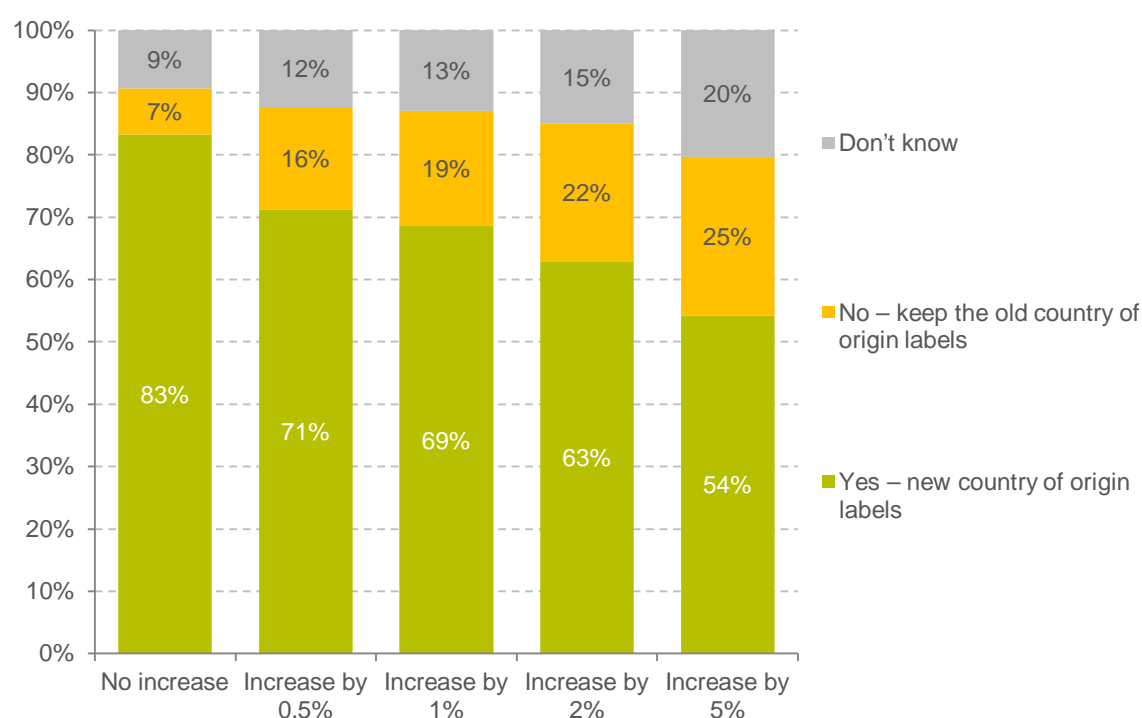
## 4.8. Willingness to pay for changes to country of origin labelling

Participants were asked about their willingness to pay for the introduction of any new country of origin labelling. A series of price percentage increases were presented. The largest majority of people indicated they would be happiest to see country of origin labelling changes and not have to pay anything additional on food products for this to happen (83%).

The most attractive increase was not surprisingly the lowest increase of 0.5%, with 71% of people indicating they would be willing to pay this in order to see new country of origin labels.

The largest proposed price increase of 5% was accepted by 54% of people.

**Figure 28: Willingness to pay for updated labels**



Q31: If new country of origin labels resulted in your weekly food budget increasing by 5% (e.g. a \$200 weekly food bill increased by \$10 to \$210 per week), would you prefer to see new country of origin labels like the ones we just showed you, instead of the current labels that are used? **SELECT ONE.**

Q32: If new country of origin labels resulted in your weekly food budget increasing by 2% (e.g. a \$200 weekly food bill increasing by \$4 to \$204 per week), would you prefer to see new country of origin labels like the ones we just showed you, instead of the current labels that are used? **SELECT ONE.**

Q33: If new country of origin labels resulted in your weekly food budget increasing by 1% (e.g. a \$200 weekly food bill increasing by \$2 to \$202 per week), would you prefer to see new country of origin labels like the ones we just showed you, instead of the current labels that are used? **SELECT ONE.**

Q34: If new country of origin labels resulted in your weekly food budget increasing by 0.5% (e.g. a \$200 weekly food bill increasing by \$1 to \$201 per week), would you prefer to see new country of origin labels like the ones we just showed you, instead of the labels that are currently used? **SELECT ONE.**

Q35: If your weekly food budget didn't change, would you prefer to see new country of origin labels like the ones we just showed you, instead of the labels that are currently used? **SELECT ONE.**

Base: All respondents (N=1,220)

## 4.9. Unweighted sample details

Table 2: Age and gender

	Male	Female
18-24	11%	18%
25-29	8%	9%
30-34	14%	12%
35-39	12%	10%
40-44	14%	12%
45-49	6%	8%
50-54	4%	7%
55-59	6%	7%
60-64	7%	7%
65-69	8%	6%
70 years or older	8%	5%
Column n	606	614

Table 3: Location

	%
Sydney	21%
Melbourne	19%
Brisbane	10%
Adelaide	5%
Perth	7%
Hobart	1%
ACT	2%
Rest NSW	11%
Rest VIC	7%
Rest QLD	10%
Rest SA	1%
Rest WA	3%
Rest TAS	1%
NT	0%

Table 4: Income

	%
<\$25,000	13%
\$25,001-50,000	21%
\$50,001-\$75,000	22%
\$75,001-\$100,000	18%
\$100,001-\$125,000	11%
\$125,001-\$150,000	7%
\$150,001 - \$175,000	4%
\$175,000+	5%

Table 5: Primary grocery buyer

	%
I do most of the grocery shopping for my household	68%
The grocery shopping in my household is evenly shared	25%
Someone else does most of the grocery shopping in my household	7%

Table 6: Household size

	People in household (including self) aged 15 years or over	People in household aged under 15 years
0 people	-	67%
1 person	17%	15%
2 people	51%	13%
3 people	16%	3%
4 people	11%	1%
5 people	3%	0%
6 people	1%	0%

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