

Media release

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Meaning of 'Made in Australia' unclear to most Australians

Three in four Australians are confused about the meaning of the term 'Made in Australia', despite a new advertising campaign to encourage people to buy locally-produced goods.

Survey results released by The Australia Institute show that people's desire to buy Australian made is often not matched by their understanding of how to do so.

"Most Australian consumers try to purchase products that are domestically made. Unfortunately, there is widespread confusion about what the 'Made in Australia' label actually means," said The Australia Institute's Deputy Director Josh Fear.

According to the *Trade Practices Act*, in order to claim that a product is 'Made in Australia' or 'Australian made' the product must pass two tests: it must be 'substantially transformed in Australia' during the manufacturing process and at least 50 per cent of the costs of production must be incurred in Australia.

Only a quarter (27%) of respondents answered the question correctly by indicating that a product must be produced or manufactured *mostly* in Australia in order to be labelled 'Made in Australia'.

A higher proportion (34%) said that something must be produced or manufactured *entirely* in Australia, which is not the case.

Other respondents thought that a product must be either made from Australian ingredients or components (13%) or produced by an Australian-owned company (20%). Neither of these factors is relevant in determining which products can be labelled 'Made in Australia'.

Three in four survey respondents said that they either sometimes (44%) or always (30%) try to buy products that are made in Australia. A majority (55%) also said that they would be willing to pay more for a product if it were made in Australia.

"The current *Australian Made, Australian Grown* ad campaign is tapping into the goodwill that many Australians have towards local manufacturers, producers and farmers. However, the existing labelling rules under the *Trade Practices Act* sometimes allow foreign content to masquerade as local content, effectively fooling customers who want to buy genuinely Australian made products," said Mr Fear.

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“We should allow consumers to choose products that are genuinely made in Australia, not sort-of made here,” concluded Mr Fear.

Notes for editors

- The Australia Institute conducted an online survey of 1,294 adult Australians in October 2010. Survey respondents were sourced through a reputable independent online panel provider. To ensure a representative sample of the broader Australian population, quotas were applied by gender, age and state/territory and results weighted by age and gender.

Q. If a product is labelled ‘Made in Australia’ what do you think this means?

It was produced or manufactured mostly in Australia	27%
It was produced or manufactured entirely in Australia	34%
It was made by a company that is mostly Australian-owned	9%
It was made by a company that is entirely Australian-owned	11%
It was made mostly from Australian ingredients/components	7%
It is made entirely from Australian ingredients/components	6%
Not sure	6%
Total	100%
