

FINANCIAL REVIEW

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HD **Do we care if it's Australian made?**
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Discount supermarket chain Aldi, headquartered in Essen in Germany and owned by the secretive Albrecht family with a net worth of \$26 **billion**, is an enthusiastic user of the Australian Made logo on some of the product lines sold in its Australian stores.

Aldi has been hugely successful in building its business in Australia and this week jumped into the No.3 position in supermarkets behind Woolworths and Coles, and now commands 10 per cent of grocery sales in Australia, according to Roy Morgan Research.

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Woolworths, Coles and fourth-placed IGA all use the Australian Made logo for products that qualify.

The Australian Made organisation, which charges large companies up to \$25,000 a year for using its logos on big-selling products, will revamp its fee structure from July 1 this year as it seeks to beef up its user base from the current 1900 companies.

Australian Made chief executive Ian Harrison says the fees for most companies will drop after the changes.

He expects the economic spotlight will shine on local jobs as Toyota and GM Holden cease manufacturing and will deliver a renewed spike in the number of companies using the green and **gold** logos.

"The huge concern around our economy and around jobs will feed into the decisions that businesses are making when it comes to promoting things that are Australian made," he said.

The number of companies using the Australian Made logo has climbed from 990 in 2005, with a large spike in 2009 when there was a furore over Pacific Brands shutting local factories and shifting the production of **Bonds**, King Gee and Holeproof to **China**.

Woolworths' managing director of supermarkets and petrol, Tjeerd Jurgen, says fresh food shoppers are very conscious about the origins of produce and it forms a major part of their buying decisions.

"Our customers really appreciate Australian-grown products. That's why last year we shifted all our tinned own-brand fruit to SPC Ardmona in a \$10 **million** deal," he said. This replaced canned fruit previously sourced from South Africa and Thailand.

But do Australians really care about where items are made, in a global economy where high-quality imports are generally embraced by increasingly worldly local consumers?

The Australian public have already made their choice when it comes to cars. The Toyota Camry, made at Toyota's factory at Altona in Melbourne's west, notched sales of 24,860 vehicles in 2013, while its imported models of the HiLux ute, with sales of 39,931, and Corolla, with sales of 43,498, were much more popular in Australia.

BHP Billiton chairman Jac Nasser, a former chief executive of Ford Motor **Company** in the United States and in Australia, said last year that he thought Australians were "not patriotic around their automotive industry", unlike most other countries. Ford is also exiting local car making.

Australian Made, a non-profit organisation backed by 10 state and territory chambers of industry and commerce plus the National Farmers' Federation, has a sliding scale of fees for use of the Australian Made and Australian Grown logos, with companies generally paying 0.1 per cent of the sales of a specific product using the logo.

The minimum fee is \$300 plus GST for a product generating \$300,000 of annual sales, with large companies being charged a maximum of \$25,000 plus GST for a big-selling product.

CO roymrs : Roy Morgan Research | colsgj : Coles Group Ltd | wsfrm : Wesfarmers Ltd

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