



AUSTRALIAN OLIVE
ASSOCIATION^{LTD}

Your guide to completing the Code of Practice Checklist

Second Edition



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Note to all Signatories to The Code

Please ensure that you have thoroughly read this document before completing the Checklist. It is the responsibility of signatories to fully understand the information below. If you have any questions please contact the Australian Olive Association Ltd on (08) 8573 6545 or email ceo@australianolives.com.au

1. PRODUCT STANDARDS & FAIR TRADING

Each signatory shall take all reasonable steps to ensure that the olive products it produces, purchases or trades comply with Australian Standard AS5264-2011, and the Voluntary Industry Standard for Table Olives in Australia, The Australia New Zealand Food Standards Code, and with State and Territory food, fair trading and health laws.

1.1. Australian Standard AS5264-2011 Olive Oils & Olive Pomace-Oils

This Standard was approved in July 2011 and applies to all olive oils and olive-pomace oils that are traded in Australia. It is important that all olive growers understand the requirements of this Standard.

In summary, this Standard:

- defines grades of olive oils and olive-pomace oils;
- specifies chemical composition and quality parameters for these grades;
- establishes requirements for labelling and packing; and
- lists acceptable methods of analysis.

The purpose of this Standard is to provide all those involved in the olive oil and olive pomace oil trade, from producers to consumers, with a modern reference document which establishes an objective basis for the trade of these products.

AOA members can view a copy of AS5264-2011 on the AOA website (www.australianolives.com.au) or alternatively a copy of the Australian Standard can be downloaded for \$71.00 from SAI Global at <https://infostore.saiglobal.com/store2/Details.aspx?ProductID=1478754>

1.2. Voluntary Industry Standard for Table Olives in Australia

The Voluntary Industry Standard for Table Olives in Australia aims to guarantee the authenticity and quality of *Australian Table Olives*[™] and distinguish these from imported products by providing consumers with a recognisable quality seal, similar to certification arrangements already in place for *Australian Extra Virgin*[™] olive oil.

The Standard applies to olive fruit which has been suitably treated or processed and which is offered for trade and for final consumption as table olives or table olive products.

The Standard draws on the following technical sources:

- Australia New Zealand Food Standards Code
- IOC Trade Standard Applying to Table Olives COI/OT/NC No. 1 Dec 2004
- Proposed Draft Codex Standard for Table Olives CODEX STAN 66-1981 (No 2-2009)
- Federation of French Condiments Industries - Code of fair practice for table olives Dec 2000

The Standard is also supported by two new industry publications:

1. **A HACCP style food safety plan** template to assist small and medium table olive producers who do not have an audited food safety plan in place, but who wish to become signatories to the *Code of Practice*.
2. **A Table Olive Production Manual - a practical guide for all Table Olive producers**, prepared by Jim Smyth published in 2012 by the Rural Industries Research & Development Corporation (RIRDC).

The key objective of the Standard is to 'lift the bar' for Australian table olive producers, in terms of improved product quality and food safety and to deliver associated benefits to Australian consumers.

1.3. State and Territory food, fair trading and health laws.

In November 2010 the Australian Consumer Law (ACL) introduced a new nationally consistent system to regulate the safety of consumer goods and product related services. The information provided below is a brief guide to the product safety provisions of the Australian Consumer Law (ACL).

Further information on the ACL can also be found on the Consumer Law website <http://www.consumerlaw.gov.au>.

(a) The Product Safety Provisions

The ACL's product safety provisions set out how the Australian and state/territory Governments can regulate consumer goods and product related services to ensure they are safe.

They also regulate what a supplier (you) have to do, including:

- your responsibilities if a Government Minister bans a product or imposes a safety or information standard on a good or service;
- when you need to recall a good and how to do this;

- what to do if a Government Minister issues a compulsory recall notice;
- when to report an incident associated with a good to the Government Minister; and
- when a manufacturer may be liable for loss or damage caused by a good with a safety defect.

(b) Mandatory safety standards or information standards

Under the ACL, only the Commonwealth Minister has the power to make or declare a mandatory safety or information standard for a good or product related service. These apply nationally. A full list of safety standards currently in force is available at www.productsafety.gov.au/content/index.phtml/itemId/982086.

(c) Interim and permanent bans

Under the ACL, only the Commonwealth Minister has the power to declare a permanent ban on a good or product related service. Commonwealth bans apply nationally. A full list of bans currently in force is available at www.productsafety.gov.au/content/index.phtml/itemId/970715.

Compulsory recall notice

Either a state/territory Minister or the Commonwealth Minister can issue a compulsory recall notice for consumer goods. This can require the supplier (or, if the supplier cannot be found, the Australian Competition and Consumer Commission (ACCC) or State/Territory regulator) to take certain action.

Voluntary recall notice

Under the ACL, when a supplier voluntarily undertakes a recall because of concerns about the safety of its products, the supplier must notify the responsible Commonwealth Minister with details of the voluntary recall. For more information on recalls, visit the Recalls Australia website <http://www.recalls.gov.au/content/index.phtml/itemId/952401>.

Mandatory reporting

Another important legal change is the introduction of a mandatory reporting requirement. Under the new legislation, suppliers are required to advise the Commonwealth Minister when they become aware that a good they supply has caused, or may have caused, death or serious injury or illness to any person.

The ACCC has developed guidance material to assist suppliers to meet their mandatory reporting requirements. The guidance material is available at www.productsafety.gov.au/content/index.phtml/itemId/982086

Public warning powers

Under the ACL a public warning power allows the Commonwealth or a state/territory Minister to issue a safety warning (s. 129). The warning may advise that certain goods or product related services are under investigation to determine whether the goods, or their reasonably foreseeable use, will or may, cause injury to any person. Alternatively the warning may advise of possible risks involved in the use of consumer goods or may provide a warning in both these areas.

Infringement notices

Under the new law, the ACCC can issue an infringement notice for breaches of consumer protection provisions. Infringement notices provide an opportunity for a person to pay a penalty and resolve a matter with the ACCC.

Civil pecuniary penalties

The ACL provides the ACCC with the ability to institute a proceeding in a court for the recovery on behalf of the Commonwealth of a civil pecuniary penalty (CPP) for consumer protection matters.

A court may order a civil pecuniary penalty for contraventions of the following product safety provisions of the ACL:

- a. Supplying goods that do not comply with safety standards (s. 106)
- b. Supplying product related services that do not comply with safety standards (s. 107)
- c. Supplying consumer goods covered by a ban (s. 118)
- d. Supplying product related services covered by a ban (s. 119)
- e. Notification by persons who supply consumer goods outside Australia if there is compulsory recall (s. 125)
- f. Compliance with recall notices (s. 127)
- g. Notification of voluntary recall of consumer goods (s. 128)
- h. Suppliers to report consumer goods associated with death or serious injury (s. 131)
- i. Suppliers to report product related services associated with death or serious injury (s. 132)
- j. Supplying goods that do not comply with information standards (s. 136)
- k. Supplying services that do not comply with information standards (s. 137)

I. Compliance with substantiation notice (s. 221)

The maximum CPP for false or misleading (not s. 52) and unconscionable conduct, pyramid selling and breaches of certain product safety provisions is \$1.1m for corporations and \$220,000 for individuals. Lesser CPP apply to other contraventions.

Substantiation power to check claims

The ACL provides the ACCC with a new investigative power: the substantiation notice. The notices can be used in a variety of circumstances, including in relation to product safety claims – such as requiring suppliers to provide information and/or produce documents to confirm that products comply with standards where a claim of compliance to a particular standard has been made by the supplier.

2. PRODUCTION & MARKETING

Signatories shall observe good production and marketing practices for olive products and not engage in conduct that breaches any relevant fair trading and food laws. Such conduct would include, but is not limited to the following examples:

- adulteration – *blending other oils such as canola, hazelnut, etc with olive oil and passing the product off as a different or better grade of olive oil.*
- misrepresentation about source of products, composition, grade, contents or the like – *implying or stating that your product comes from a particular region when it doesn't or saying that it is 100% Australian when it is not.*
- misleading or deceptive labelling – *implying or stating something on your label that is not true or placing award decals on bottles that contain oil or table olives that did not win that particular award.*
- meaningless descriptions or labelling– *descriptors that are not otherwise defined in a recognised standard provide no meaning to a consumer are not permitted on a label. All labels must comply with AS5264-2011 Olive Oils and Olive Pomace Oils and the Voluntary Industry Standard for Table Olives in Australia.*
- misleading or deceptive packaging – *making your package look like it contains more than it does; using 2 colours to show a 80/20 blend of EVOO and Canola when in fact it's a 50/50 mix; using pictures or words that could possibly confuse a consumer into thinking that your brand is aligned with a similar more popular brand; or packing your oil or table olives to closely resemble some other product so as to cause confusion. Anything that tricks*

a consumer into buying your product because they believe it is something it is not is misleading and deceptive.

- misleading or deceptive promotion or advertising – *as above, but in advertising form; saying something or advertising your product as something it is not in an attempt to trick a consumer into believing they are getting something they are not.*
- any other labelling breaches – *using the Code symbol or other insignias when you are suspended or terminated from the Code; or applying the Code symbol prior to being accepted into the code; downloading the symbol from a website and using it for your products.*

3. COMPLIANCE

Signatories shall develop and maintain a compliance program in relation to all aspects of this Code consistent with Australian Standard AS 3806-2006, as amended from time to time;

3.1. What is a Compliance Program?

A compliance program is a series of activities that when combined are intended to achieve compliance. Compliance means adhering to the requirements of laws, industry and organisational standards and codes, principles of good governance and accepted community and ethical standards. The most you can realistically expect of a Compliance function is to mitigate and manage the risk of breaching legal and regulatory requirements, not to eliminate that risk.

Australian Standard (AS 3806-2006) provides guidance on the principles of effective management of an organization's compliance with its legal obligations, as well as any other relevant obligations such as industry and organizational standards, principles of good governance and accepted community and ethical norms.

The Standard is broken down into four high level tenets of compliance and twelve principles of compliance. These are outlined below.

Commitment:

1. Commitment to effective compliance
2. Compliance aligned to business strategy
3. Appropriate resources allocated
4. Compliance objectives endorsed by senior management
5. Obligations identified and assessed

Implementation

6. Responsibility for outcomes assigned
7. Employees appropriately trained
8. Compliance behaviours advanced
9. Controls

Monitoring & Measuring

10. Compliance program monitored
11. Compliance with the program can be evidence

Continual Improvement

12. Compliance program is reviewed and improved

If you wish to read more about compliance, you can buy a copy from <https://infostore.saiglobal.com/store/Details.aspx?productid=304437>

4. CUSTOMER SATISFACTION

Signatories shall adopt complaints handling programs consistent with Australian Standard AS ISO 10002-2006, as amended from time to time.

4.1. What is a Complaints Handling programme

Australian Standard AS ISO 10002-2006 is an International Standard that provides guidance for the design and implementation of an effective and efficient complaints-handling process for all types of commercial or non-commercial activities.

The ACCC does not expect small businesses to develop complicated systems for managing complaints. Instead, it recommends that small businesses tailor complaints-handling systems to their needs. In doing so, they should remember to ensure that the final system is capable of recording, storing and responding to customer complaints.

Recording and storing complaints can be as simple as keeping a book or an excel spreadsheet and ensuring that a record of the complaint is kept whenever a complaint is received.

The information that should be recorded might include the complainant's contact details, the good or service that they are complaining about, details of their specific complaint and the action that the business (compliance officer if applicable) took in response to the complaint — including when the action was taken.

Below is a very simple sample complaints-handling spreadsheet suitable for small businesses. There is no requirement that your complaints recording

system be exactly like the one below, as long as it is capable of recording all necessary information.

Complainant	Contact Details	Date	Product	Complaint details	Category	Action taken to resolve complaint

Supporting documentation should also be kept. This might include copies of receipts, copies of letters and copies of purchase orders. Effective record-keeping practices are essential to demonstrate that the complaints-handling system and the compliance program are working. If a compliance failure should occur, effective record-keeping practices may serve to protect the business and make it quicker and easier to provide evidence of a satisfactory resolution.

A copy of Australian Standard AS ISO 10002-2006 can be purchased from this website:

www.infostore.saiglobal.com/store/details.aspx?ProductID=341668

5. FOOD SAFETY

All food businesses are required to operate in accordance with relevant sections of the Australia New Zealand Food Standards Code, including:

- Chapter 1: General Food Standards
- Chapter 2: Food Product Standards
- Chapter 3: Food Safety Standards (Note 3.1 only applies where a state jurisdiction requires this – eg Victoria)
- Chapter 4: Primary Production Standards (Does NOT yet apply to olive products)

Under this Code of Practice the signatory shall, adopt a food safety program consistent with HACCP principles.

5.1. What is HACCP?

Hazard Analysis Critical Control Points (HACCP) is a production control system for the food industry. It is a process that identifies where potential contamination can occur (the critical control points or CCPs) and strictly manages and monitors these points as a way of ensuring the process is in control and that the safest product possible is being produced.

5.2. What are the 7 HACCP Principles?

1. **Conduct a hazard analysis.** Identify hazards and assess the risks associated with them at each step. Describe possible control measures.
2. **Determine the Critical Control Points (CCPs).** A critical control point is a step at which control can be applied and is essential to prevent or eliminate a food safety hazard, or reduce it to an acceptable level.
3. **Establish critical limits.** Each control measure associated with a CCP must have an associated critical limit which separates the acceptable from the unacceptable control parameter.
4. **Establish a monitoring system.** Monitoring is the scheduled measurement or observation at a CCP to assess whether the step is under control, i.e. within the critical limit(s) specified in Principle 3.
5. **Establish a procedure for corrective action,** when monitoring at a CCP indicates a deviation from an established critical limit.
6. **Establish procedures for verification** to confirm the effectiveness of the HACCP plan. Such procedures include auditing of the HACCP plan to review deviations and product dispositions, and random sampling and checking to validate the whole plan.
7. **Establish documentation** concerning all procedures and records appropriate to these principles and their application.

HACCP style food safety plan templates are available to assist code signatories to implement a food safety plan for the production of olive oil, table olives and other olive products.

6. TRACEABILITY

Signatories shall adopt a product traceability system consistent with the following Guidelines.

6.1. What does traceability mean?

Traceability refers to the completeness of the information about every step in a process chain.

Traceability is defined as the ability to trace the history, application or location of an entity by means of recorded identifications. Normally this requires the recording of all suppliers and delivery destinations at least *one up and one down* in the supply chain, and to record related activities within the business. The latter is particularly important within the olive industry as the vertical integration common in it means that an individual business may control or carry out several activities in a typical product supply chain.

Such a system will include:

- unique identification of products or batches and of inputs from outside the business, and
- supporting data capture and record keeping systems. For example, the supplier would need to develop and maintain appropriate procedures and systems to ensure:
 - identification through a code marking on the product that can be linked to the source of any out-sourced ingredient or service, and
 - record of purchaser or recipient and delivery destinations of all products supplied.

It is necessary to determine exact product specifications and, where relevant, batch or lot sizes. Batch sizes can be based on any relevant factor, eg, production run time, volume, product best by or expiry dates. Individual businesses need to consider the best approach for them, taking into account risk and cost factors. Usually the cost will be less with large batch sizes, but the risk is greater as a recall will involve a larger loss. One advantage of smaller batch sizes is the greater control it can give of processes, and of identifying and linking steps in the processes that contribute to higher or lower quality, eg, any differences in olive oils or table olives produced from different fruit batches.

The reason why this is important is in an unlikely instance where an issue of contamination arises, and a recall is required. Traceability within the food processing industry can also be used to identify key high production & quality areas of a business, versus those of low return, and where points in the production process may be improved.

It is in the best interests of suppliers and consumers to make sure that unsafe consumer products are removed from the marketplace quickly and competently. Consumers may suffer serious injury from unsafe products and suppliers can be liable for any injuries caused by a product that fails to meet a mandatory product safety/information standard.

In the event that a traceability system is not in place and an anomaly in a product is identified then the producer may be required to recall that entire product. Such a broad based recall will prove extremely expensive to any producer. A good traceability system will also enable identification of the point in the process or the activity that led to the anomaly. The information generated by a traceability system can be used to trace back to find the source and cause of a problem, to stop the problem or prevent its recurrence.

7. QUALITY AND LABELLING

Signatories shall abide by any applicable Quality and Labelling Requirements and Guidelines including those listed below in respect of extra virgin olive oil and table olives and other olive products;

7.1. EVOO Quality Guidelines

In accordance with the Australian Standard for Olive Oils and Olive Pomace Oils (AS5264-2011) the Australian Olive Association Ltd has developed an easy label reference guide. Please refer to **Appendix 2 – Product Labelling**.

By way of a summary, Australian extra virgin olive oil must have the following characteristics as defined in AS5264-2011:

1. Be produced only from olives grown in Australia
2. Free fatty acid contents, expressed as free oleic acid, of not more than 0.8 grams per 100 grams, a median of defects equal to 0, and the other characteristics of which correspond to those fixed for this grade in AS5265-2011
3. A peroxide value less than 20 (mEq. peroxide oxygen per kg of oil)
4. Not exceed the following extinction coefficients for ultra-violet absorbency tests:
 - (a) K_{270nm} no greater than 0.22
 - (b) ΔK (Delta K) no greater than 0.01
 - (c) K_{232nm} no greater than 2.5
5. Moisture and volatile matter (MOI) (% m/m) less than 0.2
6. Insoluble impurities (INI) (% m/m) less than 0.1
7. Pyropheophytin a (PPP's) (%) less than 17
8. 1,2 – Diacylglycerols (DAG's) (%) greater than 35
9. have been assessed organoleptically by a person or persons accredited by the Australian Olive Association Ltd in accordance with **Appendix 8-Organoleptic Assessment** as having fruitiness characteristics, and not having any fusty, muddy, musty, rancid or winey characteristics, Median of defects (MeD) = 0.0 and Median of fruitiness (MeF) greater than 0.

The chemical analyses shall be undertaken by a person or organisation accredited by the Australian Olive Association Ltd in accordance with **Appendix 6 – Approved Testing Bodies**.

A sample from each batch identified on labels needs to meet the above tests before the claim that oil is Australian extra virgin olive oil can legitimately be made.

A batch that is a blend of oils may be described as Australian extra virgin if either a sample of the blend or samples of ALL constituent oils have met the above tests.

7.2. EVOO Labelling Guidelines

The labelling requirements are as follows, subject to confirmation by the signatory by investigation, research and expert advice.

Inclusion of a 'Best before' date on a label is mandatory. Certified Olive Oils shall not display a best-before date greater than two years from the date of packaging. Harvest date may also be included on the label. The best-before date shall be supported by technical evidence. Methods used to determine oil durability may include (a) Oil oxidative stability index (b) Fatty acid profile and antioxidant content.

If you are not certain of your product life, the AOA strongly advises that a Rancimat® test be conducted. A best before date shall not be more than the equivalent of 30 days for every hour of the oil in Rancimat® at 110°C. Where the oil is a blend and the constituent oils have been tested separately the best before date shall be that for the lowest scoring constituent.

Ideally the best before date is determined as the lowest scoring value based on Rancimat®, 1,2 Diacylglycerols (DAG's), and Pyropheophytin a (PPP's) testing.

Where a Rancimat® test has not been performed on a current season's oil the longest best before date that can be put on a bottle is a maximum of 2 years from date of bottling.

*Producers should understand that they are **guaranteeing their product for the period up to the best before date**. Random market testing may also be undertaken to validate any label claims.*

The Certified Australian Extra Virgin™ symbol is to be used only by Signatories, and in conjunction with AS 5264-2011® symbol.

7.3. Australian Table Olive and Other Olive Products

The National Table Olive Committee has developed a labelling guide for Australian Table Olive Producers. Please refer to **Appendix 2 – Product Labelling** – Section 2.3

Grower signatories to the AOA *Code of Practice for olive oil, table olives and other olive products*, are required to undertake specified physical, chemical, microbiological and organoleptic testing of a sample taken from each batch identified on table olive product labels to establish eligibility to apply the new *Certified Australian Table Olives™* Certification Trademark.

Certified Australian Table Olives must be produced only from olives grown, processed and packed in Australia, and must satisfy the specified testing requirements:

A batch that is a blend of table olives may be described as Certified Australian Table Olives if either a sample of the blend or samples of ALL constituent olives have met the specified tests.

In addition the AOA will undertake random testing against the proposed Standard for both CoP accredited and non-accredited table olive products, including imported table olive products.

Physical Testing Requirements:

Whole, stoned or stuffed olives shall conform to the maximum tolerances for appearance and physical defects (including the presence of stems, stones and stone fragments, broken fruit, defective stuffing, blemished, mutilated or shrivelled fruit, abnormal texture or colour), as specified in Part 5 of the Voluntary Industry Standard for Table Olives in Australia. The tolerances shall be assessed in a minimum sample of 200 olives taken in accordance with the Codex Sampling Plans for Pre-packaged Foods (AQL 6.5) (CODEX STAN 233-1969).

Chemical Testing Requirements:

Essential composition and quality factors including minimum Sodium Chloride (NaCl) content %, minimum lactic acidity %, and maximum pH, as specified in Part 3 (Table 2) of the *Voluntary Industry Standard for Table Olives in Australia*. Specified food additives and processing aids (including acidity regulators, antioxidants, firming agents, flavour enhancers, flavouring agents, preservatives, stabilisers, thickeners and agglutinants), are allowable up to the maximum levels as stipulated in Part 6 of the *Voluntary Industry Standard for Table Olives in Australia*, and consistent with the *Australia New Zealand Food Standards Code*.

Microbiological Testing Requirements:

Table olives / olive products shall not contain harmful or contaminant microorganisms or toxins above the allowable testing limits consistent with

FSANZ *Guidelines for the microbiological examination of ready - to - eat foods* as set out in Part 9 (Table 6) of the *Voluntary Industry Standard for Table Olives in Australia*.

Organoleptic Testing Requirements:

Table olives must be edible and shall have the characteristic taste, smell, colour and texture of the variety and trade preparation. The olives and brine shall be devoid of any microbiological deterioration caused in particular by putrid, butyric or “zapatera” fermentation, or other critical visual, aroma, taste or textural faults.

Table olives scoring greater than 7.5 points for negative defects are considered to be unsuitable for consumption, (Ref pp 263-273 of *Producing Table Olives* by Stan Kailis and David Harris (Landlinks Press 2007).

Accredited Testing Panels

For physical and organoleptic assessment an accredited panel of table olive experts must be used to perform the above testing.

For chemical and microbiological testing a NATA accredited laboratory must be used (**refer to The Code - Appendix 6 – Approved Testing Bodies**).