



## **Northern Territory Seafood Council**

### **Submission to Senate Rural and Regional Affairs and Transport References Committee**

***Inquiry into the current requirements for labelling of seafood and  
seafood products***

**August 2014**

## EXECUTIVE SUMMARY

Northern Territory Seafood Council (NTSC) is the peak representative body for the wild catch, aquaculture and trader/processor seafood sectors in the Northern Territory, with the exception of the Northern Prawn Fishery. NTSC membership represents some \$60 million gross value product a year and over 220 seafood businesses.

NTSC's vision is for a profitable, sustainable seafood and aquaculture industry supporting the economic growth of the Northern Territory. The NT seafood industry provides:

- Regional employment
- Export income
- Cost effective monitoring of the marine environment
- Economic diversification and resilience for regional communities
- Healthy, high quality and sustainably sourced food
- Consumers with the pleasure of freshly harvested, premium quality and tasty seafood
- Contributes to the NT tourism industry through the provision of iconic species such as mud crab, barramundi and tropical snappers.
- Contribution's to Australia's future food security.

The NTSC supports the Australian government's policy that consumers should have sufficient information to enable them to make informed choices about the food they consume, including its origin. In this the NTSC is actively seeking mandatory Country of Origin Labelling (CoOL) for seafood to ensure the consumer is always able to make informed choices about their seafood.

The Australian Fish Names Standard (section 4) requires the Standard Fish Name to be used when fish are sold or traded to consumers (e.g., retail sales and restaurants). Fish sold or traded other than directly to consumers (e.g. wholesale, export, import) must be identified by their Standard Fish Name or scientific name. This labelling requirement of fish names is essential to ensure the consumer is both informed about their seafood choices and most importantly that they can be confident they get the fish they have paid for.

Since June 2006 it has been a legal requirement for packaged and certain unpackaged seafood sold to the Australian public must be clearly labelled with its Country of Origin. These regulations were introduced by the Federal Government to ensure the Australian consumer be accurately informed about the origin of their seafood. This mandatory requirement has received considerable community support.

As a result of this mandatory labelling requirement and demand from consumers for Australian produce, Australian produced Atlantic salmon and Red snapper species are now the largest selling fish in the two major supermarkets in a number of Australian states.

Unfortunately the Country of Origin requirement is not binding on seafood sold to the public by restaurants, canteens, schools, caterers or self-catering institutions or catering packs where the majority of seafood is sold to the Australian public.

The Northern Territory Government introduced regulations in November 2008 to make it a requirement for all venues to identify imported seafood at the point of sale to the consumer. With this improved level of labelling at the dining outlets, the reaction from the consumer was first one of shock to find out that the majority of iconic NT species barramundi sold around the Territory was not local and in fact imported product.

The improved labelling requirement has gained considerable public support and has already seen many restaurants moving to use local product based on the demands of the consumer.

The NTSC undertook an 18 month project<sup>1</sup> which commenced in early 2010 to monitor the impact of these new regulations and to identify any impacts of the labelling requirements on consumer choice. The immediate and overwhelming public support from the consumer has already demonstrated the need for mandatory CoOL for seafood through the entire supply chain.

Survey results have consistently demonstrated a high level of consumer support for seafood labelling laws that identify imported seafood. Findings of NTSC's research project in 2010 were that the labelling laws were generally supported by both the food service sector and consumers. This project and subsequent consumer survey's undertaken in the Northern Territory also showed that labelling laws influence consumer choice, and it was rated as a key decision factor - simple concise labelling would ensure the relevant information is provided.

As recently highlighted in a national review of food labelling law and policy, *Labelling Logic - the Final Report of the Review of Food Labelling Law and Policy* (Department of Health and Ageing, 2011), it was identified that food labels are an intensely complex area but are highly valued as a communication option for healthy choices and consumer value information. The report noted that food labelling has four areas of consideration, food safety, preventative health, new technologies and also consumer values. Consumer values relates to consumers' personal values and allows them to make decisions that take into account animal welfare issues, religious beliefs, environmental issues, human rights and Country of Origin.

In the remainder of Australia the loophole in the mandatory CoOL for seafood continues to allow for the systematic deception of the Australian consumer in relation to their choices in regards to seafood consumption. Mandatory labelling for country of origin for seafood throughout the supply chain will ensure that the consumer is not misled and to ensure the viability of Australia's seafood producers (both wild harvest and farmed).

Australian consumers both resident and visitors alike have shown a strong preference for Australian produced seafood. Furthermore, consumers assume that the seafood they are consuming at dining outlets and take away venues is Australian.

It is estimated that over 70% of the seafood consumed in Australia is imported<sup>2</sup> and that while the value of imports has remained consistent since 1999–2012, volume has increased by around 50 per cent<sup>3</sup>.

The broad perception that the majority of seafood sold and consumed in Australia is Australian has been used by venues not required to state the Country of Origin to mislead seafood consumers. The deception is demonstrated easily by the species being imported – barramundi, red emperor, whiting, flathead, Spanish mackerel, prawns, squid – this list goes on - all species produced within Australia and assumed by the consumer to be Australian product.

The NTSC believes it is incumbent on government to mandate compulsory CoOL for the entire seafood supply chain to ensure this deception is removed.

Voluntary labelling such as “local barramundi and chips” is seen no differently from another venue selling “barramundi and chips”. This is due to the perception of the consumer that most seafood is produced in Australia. Only a mandatory country of origin or imported label will identify imported or locally produced seafood to the consumer.

<sup>1</sup> Calogeras et al 2011. *Tracking the impacts on seafood consumption at dining venues arising from the Northern Territory's seafood labelling laws*. FRDC Project 2009/216. Available online [http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC\\_NTSeafoodLabellingLaws\\_Report\\_ONLINE1.pdf](http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC_NTSeafoodLabellingLaws_Report_ONLINE1.pdf)

<sup>2</sup> Ruello, 2011. *A Study Of The Composition, Value And Utilisation Of Imported Seafood In Australia*. FRDC Project 2010/222. Available online [http://frdc.com.au/research/Documents/Final\\_reports/2010-222-DLD.pdf](http://frdc.com.au/research/Documents/Final_reports/2010-222-DLD.pdf)

<sup>3</sup> Department of Agriculture, 2013. *Australia's seafood trade*. Available online [http://www.daff.gov.au/data/assets/pdf\\_file/0005/2359643/aus-seafood-trade.pdf](http://www.daff.gov.au/data/assets/pdf_file/0005/2359643/aus-seafood-trade.pdf)

There is considerable financial benefit and incentive for some venues to not inform the consumer their seafood is imported. For these reasons alone the consumer will continue to be misled without mandatory labelling requirements. There is no rationale to allow the consumer to be misled in this way and in addition to this the increasing level of imported seafood is negatively impacting the Australian industry.

This is a key priority for the seafood industry and is appropriately recognised and supported by the National Seafood Industry Alliance. NTSC fully supports both the National Seafood Industry Alliance's submission to the Standing Committee for Agriculture and Industry on *Country of origin food labelling* and confirms its support for the following recommendations:

## RECOMMENDATIONS

1. Create a specific section in the *Competition and Consumers Act* that deals solely with country of origin claims with regard to food.
2. Maintain the current requirement for Country of Origin labelling.
3. Extend the Country of Origin labelling requirements to seafood sold for immediate consumption (i.e. restaurants, canteens, schools, caterers or self-catering institutions or catering packs);
4. Require that fish names are used in accordance with the Fish Names Standard.

Rob Fish  
Chairman  
Northern Territory Seafood Council

*"It is vital for the industry that labelling be applied to all products the correct way to protect the consumer. Good seafood product labelling provides complete and accurate information about the origin of the product, allowing consumers and retailers to make informed choices about buying local or imported products. Failure to do so will question the integrity of local industry and may be damaging to tourism. In my opinion, putting in place a compulsory seafood labelling law will ultimately gain trust from consumers and prevent any negative impacts in our food industry."*

*Karl Ewald, Executive Chef, Skycity Casino*

Extracted from Calogeras *et al.* 2011. *Tracking the impacts on seafood consumption at dining venues arising from the Northern Territory's seafood labelling laws*. FRDC Project 2009/216.

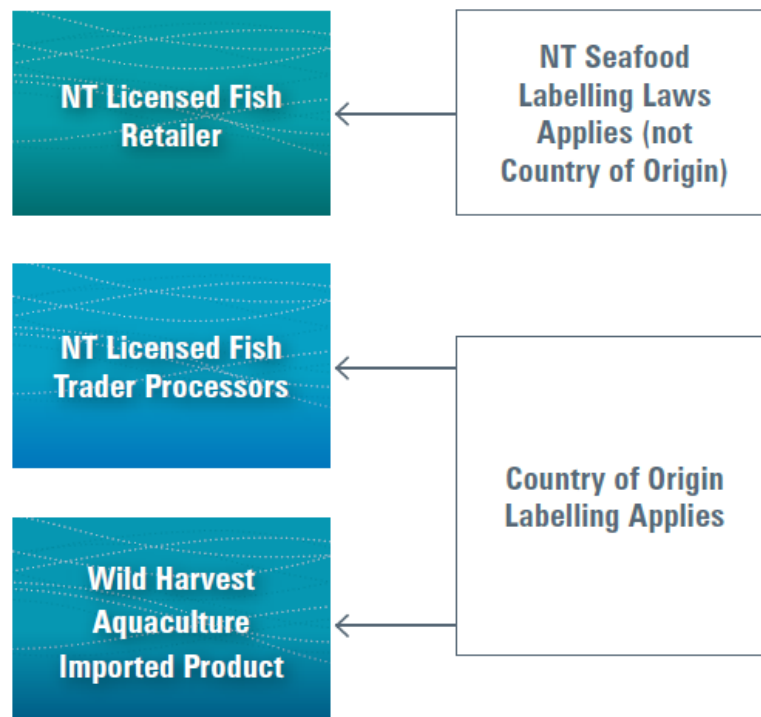
## COUNTRY OF ORIGIN LABELLING LEGISLATION (CoOL) – NATIONAL

The Australia New Zealand Food Standard (ANZFS) Code (the “Code”) contains standards to regulate food sold in Australia and New Zealand (NZ). The Standards in the Code are incorporated into State, Territory and NZ legislation. Standard 1.2.11 sets out the requirements for CoOL of packaged and certain unpackaged fish, fruit and vegetables and pork. It does not apply to food sold to the public by restaurants, canteens, schools, caterers or self-catering institutions or catering packs.

CoOL requirements apply to wholesale food establishments and NT Fish Trader/Processors fall into this category. However, CoOL does not apply to NT Fish Retailers (i.e. they are exempt in the CoOL standard). Figure 1 is a simplified NT supply chain diagram showing labelling requirements.

The ANZFS were developed to provide more effective and nationally uniform food safety legislation for Australia. Commonwealth, State and Territory Governments of Australia are currently implementing the Standards.

CoOL provides consumers with information as to where the food they are buying comes from, helps avoid misleading labelling for certain food products and can assist consumers to make informed decisions about what they buy.



**Figure 2:** A simplified NT supply chain diagram showing labelling requirements

## **COUNTRY OF ORIGIN LABELLING LEGISLATION (CoOL) – NT**

On 11 November 2008, the Northern Territory Government (NTG) put in place legal requirements for licensed fish retailers, advertising seafood for sale to the public for consumption, to label that the seafood is imported if it has not been harvested in Australia. These requirements applied to all venues selling seafood to the public for consumption. These laws were brought into effect as it was considered that they would assist consumers to make informed seafood choices.

The Northern Territory (NT) was the first Australian jurisdiction to implement such laws so far along the supply chain. In all other Australian jurisdictions seafood labelling laws cease at the back door of food outlets, leaving consumers unable, in many instances, to readily determine if the seafood in their meals is imported or harvested in Australia.

The NT fish retailer seafood labelling laws were in place for 16 months when a project<sup>4</sup> commenced and the project's aims were to formally measure the impact the labelling laws were having along the supply chain, and whether the labelling laws had led to changes in seafood purchasing behaviour at a food supply level, as well as with consumers. This survey and subsequent consumer surveys in both 2013 and 2014 demonstrated a high level of consumer support for seafood labelling laws that identify imported seafood. The research showed that the source of seafood has not changed dramatically as a result of the labelling laws, but there has been a drop in the use of imported product provided by seafood wholesale suppliers to fish retailers.

The laws are generally supported by both the food service sector and consumers although there is a degree of confusion as to what the labelling laws involved, and a general lack of awareness that the legislation was in place. This confusion is brought about when seafood is unlabelled, therefore resulting in consumers being unable to determine where the seafood comes from. This may have been an issue before the legislation came into force but the labelling laws do not stipulate that all seafood should be labelled, therefore leaving an avenue for this confusion to continue. Subsequently there is a greater reliance on ongoing education to explain the laws to the relatively transient population of the NT and the large number of tourists visiting the NT. A possible solution would be to legislate that all product is labelled as Australian or imported, thereby simplifying the education process for consumers (i.e. if everything was labelled this doubt would be removed).

The cost for the food service sector of implementing and complying with the legislation is generally not significant. Businesses appeared to adjust quickly, with the vast majority being in a position to comply with the legislation within a month of its implementation. Major concerns from this sector related to having to update and change menus/special boards due to supply issues with 'local' product, and the need for the ongoing training of staff. The food service sector in Darwin has a considerable staff turnover and consequently, knowledge of labelling laws tended to be frequently lost to the organisation, therefore necessitating ongoing and proactive education programs.

Establishments in the NT that sell seafood to the public for consumption (including fish retailers) must hold a licence issued in accordance with the NT *Fisheries Act (2008)*. The NTG Fish Retailer licensing system provided an extremely useful mechanism for making initial contact with the food sector participants in the project.

Research shows that labelling laws influence consumer choice, and it was rated as a key decision factor - simple concise labelling would ensure the relevant information is provided. Consumer surveys show that after freshness, country of origin is the second most influential factor for consumers when choosing seafood for a meal. Survey results also showed that

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<sup>4</sup> Calogeras et al 2011. *Tracking the impacts on seafood consumption at dining venues arising from the Northern Territory's seafood labelling laws*. FRDC Project 2009/216. Available online [http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC\\_NTSeafoodLabellingLaws\\_Report\\_ONLINE1.pdf](http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC_NTSeafoodLabellingLaws_Report_ONLINE1.pdf)

consumers are willing to pay a premium for seafood labelled 'local'. Although general awareness was low, on average 90% of respondents indicate that an understanding of the NT Seafood Labelling laws would significantly influence their choice of seafood purchase. This reiterates the value of having labelling laws clearly and consistently detailed at the point of sale.

## **GENERAL SEAFOOD LABELLING LEGISLATION - NT**

Establishments in the NT that sell seafood to the public for consumption (fish retailers) must hold a licence issued under the NT *Fisheries Act*. However, establishments that only sell processed fish imported into the NT, packaged for sale to a final consumer and marked with the State, Territory or country from which the fish originated (such as sandwich bars and major fast food outlets), are not required to hold a fish retailer licence. Examples of this are tinned tuna, crumbed or battered prawns, fish, or seafood nuggets.

Prior to the seafood labelling laws being introduced, there was no legislative requirement for Fish Retailers that sold imported seafood in the NT to label the origin of their seafood. The way the legislation was drafted meant that a number of establishments that sold imported seafood in the NT, specifically in respect to species such as barramundi and prawns, for which the NT is synonymous, were not required to hold a fish retailer licence or to state on menu boards or menus any information about the origin of the seafood.

The NTG introduced labelling laws in 2008 to enable consumers to make informed choices about whether the seafood they are buying was imported or Australian. These laws were introduced as a condition on fish retailer licences (see Appendix 1).

The effect of the seafood labelling laws for fish retailers is to extend the labelling requirements further along the supply chain all the way to the "plate" rather than just to the back door of a retail establishment.

## **AQUACULTURE LABELLING LEGISLATION - NT**

Aquaculture product in the NT is also subject to labelling requirements as all aquaculture licensees, fish/trader processors and fish retailers are required to label seafood accordingly. All seafood leaving an aquaculture facility must be accompanied with a statement that the product is from an aquaculture facility in the NT.

An aquaculture licensee may sell their product to a Fish Retailer licensee, an Aquarium Fishing/Display licensee, a Fish Broker, a Trader/Processor, another aquaculture licensee or a member of the public not intending to resell the product.

Fish retailers must ensure that all seafood offered for sale under their licence that has been sourced from an aquaculture facility, has a statement attached indicating the fish is a product of an aquaculture facility in the NT.

## **CONSUMER SURVEYS - NT**

Consumer surveys have been undertaken in 2010, 2013 and 2014 in the Northern Territory and have provided insight into a range of issues and knowledge surrounding seafood labelling, consumption drivers. An overview of these results are provided below.

### *Knowledge of the origin of seafood impacts on consumer choice*

The consumer survey indicates that after freshness, country of origin is the second most influential factor for consumers when choosing seafood in any type of venue.

This re-iterates the value of having labelling laws clearly and consistently detailed at the point of sale. Notably on average 90% of respondents surveyed indicated that an understanding of the

NT Seafood Labelling laws would influence their choice of seafood purchase (82% in 2010<sup>5</sup>; 92% 2013<sup>6</sup>; 95% 2014<sup>7</sup>).

### Confusion over unlabelled seafood that does not have its origin disclosed

The current NT labelling laws, which do not require Australian harvested product to be labelled, results in confusion for consumers. In the absence of labelling, there is a lack of confidence in the origin of seafood with numerous and varied assumptions being made. The absence of labelling clearly identifying Australian seafood is inhibiting the consumer's ability to choose confidently that they are purchasing Australian seafood. This may have been the case before the labelling laws were put in place but the laws appear to have done little to resolve this confusion.

Survey data shows that consumers indicated a preference for Australian seafood over imported seafood and there may be an advantage for businesses to clearly label Australian seafood as such.

There is also an advantage for venues to clearly label their seafood as Australian, rather than leaving its origin unlabelled. This is an important issue that needs to be further investigated, as under the current NT labelling laws only imported product must be labelled, and all other product is not labelled or labelled voluntarily.

### Importance of origin of seafood at for consumers

Consumer's values vary depending on the venue in which they are dining in a restaurant, cafe or a take away outlet. At all styles of venues country of origin ranked as the second most important factor, behind freshness. This was more important at restaurants/cafes.

### Consumers' current awareness and knowledge about the labelling laws

Consumer awareness of the labelling laws is generally low. Further education of the public or changes to legislation would assist in alleviating confusion over 'unlabelled' seafood.

Education to the food service sector over the value of including country of origin labelling on their menus for Australian product would also assist in this issue.

## **FOOD SERVICE SECTOR SURVEYS - NT**

NTSC has undertaken and published results<sup>5</sup> from research on the Darwin food service sector and key findings relevant to the current inquiry are included below.

### Menu Design

Food service sector venues were asked various questions relating to their menu control and design, in order to assess the ease with which the business could make changes to the menu.

Thirty five percent of venues surveyed did not change their menu during the year. This included all take-away outlets, but also a small number of the restaurants/cafe and clubs/ pubs. Twenty percent of surveyed venues changed their menu around four times per year and these were all restaurants.

<sup>5</sup> Calogeras et al 2011. *Tracking the impacts on seafood consumption at dining venues arising from the Northern Territory's seafood labelling laws*. FRDC Project 2009/216. Available online [http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC\\_NTSeafoodLabellingLaws\\_Report\\_ONLINE1.pdf](http://tree.birdbrain.com.au/new-ntsc/wp-content/uploads/NTSC_NTSeafoodLabellingLaws_Report_ONLINE1.pdf)

<sup>6</sup> Calogeras, C. & Sarneckis K 2013. *Consumer Survey 2013: Awareness of the Northern Territory seafood labelling laws and the commercial seafood industry*. Available online [http://www.ntsc.com.au/wp-content/uploads/NTSC\\_NTSeafoodLabelling\\_ConsumerAwareness\\_Report2013\\_ONLINE.pdf](http://www.ntsc.com.au/wp-content/uploads/NTSC_NTSeafoodLabelling_ConsumerAwareness_Report2013_ONLINE.pdf)

<sup>7</sup> Unpublished data. Northern Territory Seafood Council Consumer Survey 2014.



The NT's seafood labelling laws do not require Australian harvested seafood to be labelled as Australian, however, information received indicated that some venues saw a marketing opportunity in doing so.

The most common Australian seafood labelled 'local' was NT Barramundi, with 83% of venues doing so. Coffin Bay oysters (33%), Tasmanian salmon (16%) and NT prawns (16%) were also commonly labelled as Australian or 'local' seafood. It is likely that demand by consumers influenced labelling of the iconic NT Barramundi.

### Costs to implement

The cost to venues in implementing the labelling laws was highest initially following the legislation's introduction as large expenditure items such as menu boards were updated, and subsequently decreased over time. By wave 5 the majority (70%) of venues surveyed were no longer incurring costs in implementing the labelling laws. Venues advised they spent on average \$630 implementing requirements for the labelling laws. Several venues spent less than \$100 in total since the laws were introduced in November 2008, while one venue reported spending several thousand dollars implementing the labelling laws as a result of menu board changes.

### Ongoing costs

Ongoing expenditure through menu changes was evident in complying with the laws, even after venues indicated they had achieved full compliance. From wave 2 to wave 5 venues surveyed indicated expenditure ranging from less than \$100 to over \$500 (Table 1). However, by wave 5 all expenditure was less than \$500 per survey period. The major reason for ongoing expenditure was to accommodate menu changes.

Compliance Expenditure	Wave 1		Wave 2		Wave 3		Wave 4		Wave 5	
	No's	%	No's	%	No's	%	No's	%	No's	%
Nothing	N/A	-	9	45	9	45	7	35	14	70
< \$100	6	30	2	10	1	5	6	30	4	20
\$101–\$250	4	20	3	15	1	5	3	15	1	5
\$251–\$500	2	10	2	10	1	5	2	10	1	5
\$501 >	7	35	5	25	0	0	1	5	0	0
Not stated	1	5	1	5	8	40	1	5	0	0
<b>TOTAL</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>

**Table 1:** Expenditure by Venue to Comply With Labelling Laws

### Changes to menu due to the labelling laws

Thirty five percent of the venues indicated in the first wave of surveying that they had removed species from their menu due to the seafood labelling laws, but it is unclear what species. By wave 2, the proportion of seafood on the menu had recovered. Of the seven venues who had removed species in response to the new labelling requirements, none indicated that it was difficult to research new menu options or purchase new ingredients.

### Impacts of staff turnover

Staff turnover has a direct impact on the effectiveness of the implementation of labelling laws in the NT. It is evident that a clear understanding of the communication environment is required

when introducing new legislation. To put the food service sector in context in the NT, awareness issues can be considered in line with the broader tourism industry which caters to the demands of consumers both local and tourists.

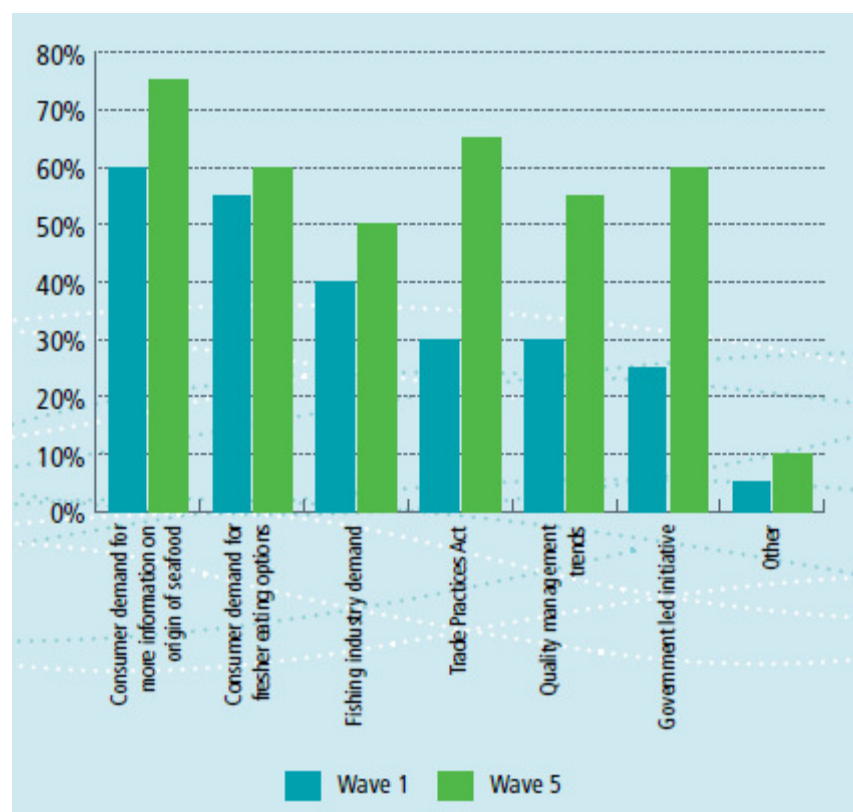
The National Long Term Tourism Strategy identifies tourism as a labour intensive industry, with many frontline staff casual or part time unskilled employees with poor retention. The NT Five Year Tourism Strategic Plan states that in such service based industry, the workforce is characterised by;

- relatively young workers
- more casual and part time workers
- minimal formal education or English language requirements
- large amounts of informal on the job training
- high staff turnover due to seasonal requirements.

The implications for labelling laws in this environment are clear, there must be simple, timely and ongoing training provided to all relevant staff. The NT Liquor Licences and the Responsible Service of Alcohol is a case in point. In this case signage is clearly present at the point of sale (as with the NT labelling laws) but in addition, all staff selling the product must have completed a formal training program on the laws and its consequences if compliance is not adhered to. Whilst this is extreme it does provide an example of an approach to education and awareness in an industry with high staff turnover.

#### Perceptions on labelling laws

The data showed that the food service sector believed that consumer demand was the driving reason for the new laws (Figure 2). In wave 1, 60% of venues believed the labelling laws were driven by consumer demand for more information on the origin of seafood and by wave 5 this had increased to 75%. This confirms findings from other sections of this report which suggests venues' have increasingly recognised the importance of consumer demand regarding origin of seafood over the five survey waves.



**Figure 2:** Perceived drivers for introduction of NT seafood labelling laws

Venues were queried about their perception of consumer understanding of the seafood labelling requirements, in order to assess the linkages with seafood usage and venue demand. It was expected that venue perception of consumer understanding of the laws would increase over time, particularly if consumer behavior changed at the same time. Over the survey period, venues' perception of consumer understanding of the laws increased slightly.

## **COMPLIANCE WITH SEAFOOD LABELLING LAWS - NT**

The National Fisheries Compliance Committee defines that compliance programs includes education, awareness, voluntary compliance and enforcement as aspects of effective compliance programs.

At the time the NT labelling laws were introduced in November 2008, a series of letters were sent to Fish Retailers regarding the development and implementation of the labelling requirements. In addition, the NTG undertook a targeted education campaign to increase consumer and fish retailer awareness of the seafood labelling laws. This campaign included site visits to over 350 fish retailer establishments throughout the NT, a local media campaign, fact sheets distributed at the NT's Show circuit and other predominant places as well as responses to reports of non compliance.

Fish retailers are also advised annually at the time of licence renewal of their obligations regarding seafood labelling. Information relating to seafood labelling is also located on the NTG and NTSC websites. At the conclusion of a three month education campaign, focus shifted to intelligence driven compliance visits. To date, there have not been any prosecutions in relation to seafood labelling although a number of cautions have been issued since the implementation of the laws.

Survey results show that 90% of licensed Fish Retailers had complied with the legislative requirements of the labelling laws within three months of their introduction. Of this, 55% reported that they had complied with the seafood labelling laws within one month of their introduction and another 35% of venues within three months. The one venue that had not complied by the commencement of the NTSC survey indicated that problems with achieving full compliance were compounded by staff turnover issues.

## **COMPETITION FOR DOMESTIC PRODUCERS**

The absence of CoOL in the food service sector does not permit the consumer to make a judgement on purchases based on origin. This is in contrast to the retail sector where the consumer is supplied with this information. In addition the absence of CoOL in the food service sector provides the opportunity for unscrupulous retailers to substitute lower value imported species with domestic product.

The price difference between domestic product and imported product can significantly vary. An example of this is detailed below in Table 2. The variance in price between the products is significant enough to influence a food service sectors decision regarding which product they purchase.

<b>Species</b>	<b>Cost difference (\$ saved) by purchasing imported product</b>	<b>Relative import to domestic price</b>
Wild-caught Barramundi	\$17.00 per kg	0.4
Spanish Mackerel	\$5.00 per kg	0.7
Oyster	\$1.00 per dozen	0.9
Prawn Cutlet 21/25	\$11 per kg	0.6
Baby squid	\$5.50 per kg	0.6

**Table 2:** Example of cost difference between imported and domestic product

In the case of iconic Barramundi, domestic Barramundi is more expensive for the food service sector to purchase than imported Barramundi which can be purchased \$17.00 per kilogram cheaper. Based on a 180g serve in restaurant and on the price difference outlined Table 1, a single serve of Barramundi would cost \$5.13 per serve for domestic product or \$2.07 per serve for imported.

### **BEST PRACTICE TRACEABILITY OF PRODUCT CHAIN-OF-CUSTODY**

Food sold at the food service level, outside of the Northern Territory is required neither to be labelled 'imported' nor with the country of origin.

Extending CoOL labelling will give the public further information on the seafood that they are offered. It will facilitate traceability should product pose a food safety risk. As all food businesses are required to have product traceability procedures this will not impose a higher level of scrutiny on seafood providers than should be in place now.

### **RECOMMENDATIONS**

1. Create a specific section in the *Competition and Consumers Act* that deals solely with country of origin claims with regard to food.
2. Maintain the current requirement for Country of Origin labelling.
3. Extend the Country of Origin labelling requirements to seafood sold for immediate consumption (i.e. restaurants, canteens, schools, caterers or self-catering institutions or catering packs).
4. Require that fish names are used in accordance with the Fish Names Standard.

## Appendix 1 – Conditions on NT Fish Retailer Licences

### *Fisheries Act 1988*

#### SPECIFIC

#### FISH RETAILER LICENCE CONDITIONS

##### **1. PURCHASE OF FISH**

- 1.1 The licensee shall not purchase fish or aquatic life for resale except –
- a) from a person who holds a commercial fishing licence permitting the taking of that fish or aquatic life;
  - b) from a person who holds an appropriate licence under a law of the Commonwealth, a State or another Territory of the Commonwealth;
  - c) from a person who holds a Fish Trader/Processor licensee or a person who holds a licence granted for the purposes of Part 10;
  - d) where the fish is live fish and the Territory was not the first landing point of the fish or aquatic life, pursuant to a permit granted under the Act; or
  - e) from an interstate or overseas supplier.

##### **2. SALE OF FISH**

- 2.1 The licensee may process fish but shall not sell fish, whether or not processed, except to a person not purchasing them for the purpose of resale.
- 2.2 The licensee shall not possess or sell commercially unsuitable mud crabs.
- 2.3 The licensee shall not sell fish or aquatic life obtained from an Aboriginal Coastal licensee.
- 2.4 The licensee shall not sell fish or aquatic life obtained from a Bait Net Fishery licensee unless it is labelled with the expression "Bait Only - not for human consumption".
- 2.5 The licensee shall not sell live fish to an Aquarium Fishing/Display licensee or an Aquarium Trader licensee purchasing fish for the purposes of that licence.
- 2.6 The licensee shall not sell whole fish that has been imported from overseas.
- 2.7 The licensee shall not knowingly sell imported green crustaceans as bait or fish food. (Also refer to 5.1 below)

##### **3. ADVERTISING FISH OR AQUATIC LIFE FOR SALE**

- 3.1 Any fish or aquatic life advertised for sale for the purpose of being consumed, and that fish or aquatic life has not been taken in Australia; it must be accompanied with a statement declaring that it is imported.
- 3.2 Where a mixed seafood product (i.e a product containing 1 or more seafood products) is advertised for sale for the purpose of being consumed, and the mixed seafood product contains seafood product not taken in Australia, it must be accompanied with a statement declaring that it contains imported products.
- 3.3 The statement must be no less than 65% of the height of the characters used in the title of the fish, aquatic life, or mixed seafood product advertised for sale.
- 3.4 For the purpose of these Licence conditions, "advertised for sale" means, but is not limited to, being included on a menu, display board or pamphlet.

##### **4. LABELLING OF FISH FROM AQUACULTURE FACILITY**

- 4.1 The licensee shall ensure that all fish for sale that the licensee purchases for sale from an aquaculture facility shall have attached to them or be accompanied by a statement indicating -
- a) the number of the licence under which the fish were bred or held;
  - b) that the fish is the product of an aquaculture facility situated in the Northern Territory; and
  - c) such other information as required by the Director, and shall not sell such fish, other than fish forming part of a meal or such fish sold for use as bait, unless the fish is labelled in accordance with this condition.

**5. PLACE OF PROCESSING/PREPARATION**

- 5.1 The licensee shall not process/prepare fish for sale except at a place specified on the licence.
- 5.2 The licensee shall display, in a prominent position at each of the places specified on the licence, the number and expiry date of the licence.
- 5.3 Fish at the place or places specified on this licence shall be deemed to be fish for sale.
- 5.4 Licensee is not to contravene any other laws or by-laws that may be in place.

**6. DISPOSAL OF FISH AND AQUATIC LIFE**

- 6.1 It is a condition of this licence that all fish or aquatic life deemed unfit for human consumption or bait is to be disposed of in an appropriate manner as described in any other laws or by-laws that may be in place.

**7. RECORDS**

- 7.1 The licensee shall keep such accounts and records in relation to any transaction relating to fish processed or traded by the licensee under the authority of the licence.

**8. APPLICATION**

- 8.1 Operations performed under this licence will conform with the above conditions as well as with existing Fisheries legislation.

## Appendix 2 – Northern Territory Seafood Council Policy Position – Seafood Labelling



**NORTHERN TERRITORY  
Seafood Council**

### **Policy Position Paper No. 7**

#### **PAPER No. 7: Seafood Labelling**

##### **Executive Summary**

The NTSC actively seeks mandatory labelling of seafood to ensure the consumer is able to make informed choices about their seafood. This includes supporting the mandatory labelling of seafood by country of origin and the differentiation between wild caught and farmed produce to the end user.

##### **NTSC Policy Position:**

- The primary reason for the accurate labelling of seafood is to allow the consumer to make an informed choice about the seafood they purchase.
- The omission of comprehensive labelling, for example country of origin for seafood to the consumer is misleading.
- Consumers are willing to pay more for quality Australian seafood.
- The general perception in the Australian community is that the seafood they buy is local.
- The NTSC believes cheap imports are damaging the high quality reputation of Australian seafood.
- Australian seafood is an important asset to the tourism industry.
- Accurate country of origin labelling is required to help the consumer identify seafood from;
  - Sustainably managed and regulated wild harvest fisheries and/or aquaculture operations; and
  - Fisheries and aquaculture operations with well regulated fish handling and hygiene procedures.
- Mandatory labelling is required because;
  - The majority of consumers expects and believes the seafood they buy is produced locally;
  - Currently there is no financial incentives for retail outlets to inform the public who already pay for what they perceive is local seafood; and
  - Cost savings from the use of cheaper imported products may not be passed on to the consumer.
- The Australian Seafood industry cannot price compete against cheap imports from fisheries overseas that operate without essential environmental and food safety regulations.
- The NTSC supports informing consumers as to whether seafood is wild caught or farmed.

##### **Issues**

Since June 2006 it has been a legal requirement that seafood sold to the Australian public must be clearly labelled with its Country of Origin. These regulations were introduced by the Federal Government to ensure the Australian consumer be accurately informed about the origin of their seafood.

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Unfortunately this requirement is only binding on retailers of fresh seafood. Venues selling fish for immediate consumption including restaurants, clubs, bars, and even fish and chip shops are exempt from this labelling requirement.

The Northern Territory Government introduced regulations in November 2008 to make it a requirement for all venues to identify imported seafood at the point of sale to the consumer. It remains the only jurisdiction in the country to have seafood labelling laws introduced in dining outlets.

There has been considerable community interest in the management of fisheries for a period of over fifteen years. This focus has expanded from concerns about specific fish species to broader issues regarding the use and quality of the marine environment. This has seen considerable changes to the way Australia manages its commercial fisheries. Whilst this has undoubtedly improved our commercial fisheries sustainability the industry has not seen any benefits in the market place from this investment. The management of Australian fisheries is well recognised as world leading. Many countries which are a major source of imported seafood are still failing to implement basic fisheries regulations in relation to sustainability.

The importance of food safety has become well understood. Australian wild catch operations and aquaculture ventures are heavily regulated and independently audited to ensure the safety of Australian Seafood.

Consumers are well aware of the health benefits from consuming seafood and understand that the oceans surrounding Australia are some of the cleanest in the world. The quality of our seafood is well accepted by the consumer and demand for seafood is known to be rising. Consumers can also be assured that Australian seafood either farmed or wild caught is sustainable.

Seafood is a much loved product in Australia and part of the Northern Territory seafood experience is undoubtedly our iconic seafood species such as barramundi and mud crab. Popular tourist destinations such as Darwin and Cairns have restaurants relying heavily on the lure of seafood. In our major cities seafood restaurants are still coveted by those seeking a fine dining experience.

What is common amongst all the consumers at these venues is that they perceive their seafood to be local or at least produced in Australia. The omission of country of origin labelling on menus has led to consumers being misled believing the seafood they purchase to be locally produced. Eating local product is a key aspect of the whole seafood experience and tourism industry.

We see demand for seafood rising yet the Australian industry is in decline. The NTSC believes consumers want Australian Seafood, they want seafood from sustainable and well managed fisheries and farms, and they want seafood from Australia where they know food safety is well regulated. Most of all consumers deserve to be informed about the origin of their seafood so they can make informed decision about what they eat.

## **Rationale**

The Australian seafood consumer demands seafood from sustainable fisheries and farms. There is a strong community perception that seafood sold in Australian venues for immediate consumption is sourced locally. There is an urgent need for mandatory comprehensive labelling to ensure the consumer is not misled.