



Australian Government

Department of Agriculture, Fisheries and Forestry

SECRETARY

22 October 2009

Mr John Hawkins
The Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Hawkins

Thank you for your email of 24 September 2009 inviting the Department of Agriculture, Fisheries and Forestry to make a submission to the Senate Inquiry into the Food Standards Amendment (Truth in Labelling Laws) Bill 2009. Please accept this letter as the department's submission. I regret it is submitted after the preferred date.

The department has responsibility for industries that span the food supply chain, from agriculture to food processing. The department jointly shares responsibility with the Department of Health and Ageing for food regulatory policy within the Australian Government.

The *Food Standards Australia New Zealand Act 1991* (FSANZ Act) details the functions, processes and responsibilities of Food Standards Australia New Zealand, including the process for developing and amending food standards contained in the Australia New Zealand Food Standards Code (the code). The Bill as currently drafted does not appear to align with the provisions of the FSANZ Act for developing and amending food standards.

Draft food standards developed or amended by FSANZ must be assessed against the objectives contained in section 18 of the FSANZ Act, subject to a cost-benefit analysis in the form of a regulatory impact statement and notified for public consultation. They must also take into consideration any matters relevant to stakeholders. Once the assessment and consultation process is complete and a draft food standard is approved by the FSANZ Board, it is reviewed by the Australia and New Zealand Food Regulation Ministerial Council.

Once the ministerial council process is finalised, the variations to the standards are gazetted and then automatically adopted by reference under the food legislation of the Commonwealth, the Australian states and territories and New Zealand.

The code already contains requirements for country of origin labelling of food sold in Australia, in Standard 1.2.11. This standard requires all packaged food and fresh and processed unpackaged fruit, vegetables, fish and pork to bear a label identifying its country of origin. The label must be on, or in connection with the display of, the food. If the food originates from more than one country, the countries of origin, or a statement indicating that the foods are a mix of local and imported foods, must appear on the label.

The code also refers to the safe harbour defences for declaration of the origin of goods in the *Trade Practices Act 1974* (the TPA). Overall, the TPA prohibits false or misleading representations, including about the origin of goods. The code indicates that, in complying with Standard 1.2.11, manufacturers and retailers should be consistent with trade practices law, including conditions for the safe use of 'product of' representations and other statements as to the country of origin, such as 'made in' or 'manufactured in'.

All food sold in Australia, including imported food, must comply with all the code's provisions, which prohibit the sale of unsafe food. Under the *Australian Imported Food Control Act 1992*, the Australian Quarantine and Inspection Service enforces the code as food enters Australia. The states and territories are responsible for enforcing the code for food at the point of retail sale.

In addition to the requirements of the code, Australian Made Campaign Limited (AMCL) has developed an Australian Made/Australian Grown Code of Practice. This code of practice is a voluntary labelling initiative to help shoppers identify Australian produce. Under the code of practice the stylised kangaroo logo and words 'Australian Grown' can be used where all significant ingredients are Australian grown and all the production processes have occurred in Australia.

In June 2007 the government contributed \$1.69 million to AMCL to establish the Australian Grown brand. This seed funding enabled the successful launch of the brand and supported an extensive consumer awareness campaign. As of March 2009, 66 business, including Coles, Woolworths and ALDI, were registered to use the Australian Grown logo.

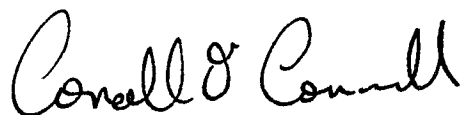
The government is committed to simplifying and strengthening food labelling laws, including country of origin labelling. I would draw your attention to the following government actions that may have implications for food labelling laws, including those for country of origin labelling and the legal requirements for imported foods.

- Under its National Partnership Agreement to Deliver a Seamless National Economy, the Council of Australian Governments (COAG) has embarked on a program of regulatory reforms, including for food, to improve the overall effectiveness of the food regulatory system.
- COAG has agreed to the Australia New Zealand Food Regulation Ministerial Council undertaking an independent, comprehensive review of food labelling law and policy. The review is likely to consider origin labelling of food. This review is expected to commence in late 2009 and a report provided within 12 months.
- The department is implementing the recommendations of the Beale review into Australia's quarantine and biosecurity services, including amendments to the *Imported Food Control Act 1992* requiring importers to provide certification by the exporting country's competent authority that Australian food safety standards have been met.

As you will note, there is a significant overlap between the intent of the Bill and government work already in train. The committee may wish to await the outcomes of the above initiatives before considering further detailed assessment of the Bill.

Thank you again for the opportunity to make a submission.

Yours sincerely



Connall O'Connell