

Additional Comments by Senator Nick Xenophon

1.1 At the outset, I strongly endorse the comments and recommendation in the committee report. I believe the committee has presented a thorough, considered argument supporting country of origin labelling (CoOL) for cooked or pre-prepared seafood sold by the food services sector, and that the Government should act on the committee's recommendation as a matter of urgency. It is absurd that uncooked fish sold in supermarkets or fish markets around the country must have CoOL, but similar rules do not apply for cooked food in takeaway shops or restaurants. This is, in a sense, allowing our laws to fail consumers at the last hurdle.

1.2 The economic benefits of improved labelling requirements are significant. As highlighted in the committee report, since the introduction of CoOL in supermarkets, the trawl fishery industry increased its turnover from \$4 million to over \$30 million¹, and sales for snapper have increased 400 per cent.² Further, during the 29 September hearing, Ms Helen Jenkins of the Australian Prawn Farmers Association estimated that over 4,000 jobs would be created in the farmed prawn sector alone if the CoOL requirements were extended.³ Mr Chris Calogeras of the Australian Barramundi Farmers Association also stated that hundreds of jobs could be created in the barramundi industry.⁴

1.3 I do believe, however, that there are some areas in which the committee's comments could have gone further. This is particularly true in relation to the voluntary status of the Australian Fish Names Standard (AFNS), where the committee acknowledged the importance of a universally applied standard but did not make a specific recommendation that this should occur.

1.4 I note the concerns of various submitters that the AFNS requires further work before it can be appropriately and consistently applied across Australia. I also note the views put forward in relation to sustainability and provenance labelling, similar to the requirements currently in place in the EU, and the significant work that would need to be done to make such a model feasible in Australia. As such, given the importance of these issues, it is my view that the Government should take immediate steps towards improving the existing AFNS and working towards a more comprehensive labelling model.

1 Mr Robert Fish, Northern Territory Seafood Council, Committee Hansard, 29 September 2014, p. 43.

2 Mr William Passey, Australia Bay Seafood, Committee Hansard, 13 November 2014, p. 17.

3 Ms Helen Jenkins, Australian Prawn Farmers Association, Committee Hansard, 29 September 2014, pp. 15-16

4 Mr Chris Calogeras, Australian Barramundi Farmers Association, Committee Hansard, 29 September 2014, p. 14.

Recommendation: That the Government, as a matter of urgency, establish an expert panel to consult with industry, consumers and other interested parties to create and establish a nationally-consistent mandatory standard for fish names, and a broader labelling framework based on the model currently operating in the European Union.

1.5 More broadly, it is unsurprising to see that many of the issues raised regarding seafood labelling also apply to food labelling as a whole. The push for improvements to Australia's food labelling regime has so far been resisted by the previous and current Federal Governments, despite the clear desire of consumers to have a clearer system. This report clearly outlines, using the example of the Northern Territory system, the benefits clearer labelling can have to local Australian producers. It is inconsistent at best and nonsensical at worse to deny that better labelling laws would benefit both Australian producers and Australian consumers as a whole.

1.6 The submission from FSANZ outlines the requirements under the Australia New Zealand Food Standards Code relating to the use of 'generic names' (in this instance, the use of the word 'fish') in ingredient lists.⁵ This use of generic terms applies across the board in terms of ingredient labels and allows, for example, the use of the term 'vegetable oil' to cover the use of potentially controversial ingredients such as palm oil. I note that a recommendation in the 2011 Blewett Review addressed this issue, but has not been implemented.

Recommendation: That the Government, as a matter of urgency, undertake a review of the implementation of recommendations from the 2011 Blewett Review, and expedite action on recommendations that have not yet been addressed.

1.7 The committee report also notes concerns raised by barramundi sector regarding the use of 'free riding', which occurs when products are advertised in such a way as to imply or give the impression they are Australian. The concern with this type of labelling is that importers are benefiting from Australia's image of sustainable, healthy and fresh products without having to incur any of the cost of creating and maintaining that reputation.⁶ 'Free riding' makes it very clear that, while the Government and regulators may not believe there is a significant benefit in being seen as 'Australian', importers disagree and will seek to use our weak labelling laws to obtain that benefit for themselves.

1.8 Concerns in this area have been raised across a number of sectors. One example raised with me by a constituent several years ago related to biscuits that were being sold under the name Ozdownunder and used images that are considered 'Australian' (including gum leaves and the Southern Cross) on the packaging, but were actually made overseas. In response to my complaint, Ms Rayne de Gruchy, then Acting CEO of the ACCC, stated:

5 Food Standards Australia New Zealand, Submission 5, p. 5.

6 Mr Robert Fish, Northern Territory Seafood Council, Committee Hansard, 29 September 2014, p. 42.

“The ACCC shared your view that the logo used on the packaging of the cookies could mislead consumers into believing that the cookies are a product of Australia. In forming our opinion we considered the location and prominence of the country of origin representation of the reverse of the packet and concluded that it was likely to be inadequate to correct any misleading impression.”

Recommendation: The Government and regulators should restrict the use of images, words and phrases on labelling where it may mislead consumers into believing a product is Australian.

1.9 Given the committee’s strong support for country of origin labelling for seafood, and the acknowledged benefit for both producers and consumers as outlined in the report, I hope this will lead to urgent action on Australia’s weak food labelling laws as a whole.

NICK XENOPHON

