



**CONSUMERS'
FEDERATION
OF AUSTRALIA**

Developing and promoting
the consumer interest

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By email: OriginLabelling@industry.gov.au

Country of Origin Labelling Team
Department of Industry, Science & Resources
CANBERRA ACT 2600

Dear Madam/Sir

Country of origin labelling for seafood in hospitality settings

The Consumers' Federation of Australia (CFA) welcomes the opportunity to provide a submission on the *Country of origin labelling for seafood in hospitality settings discussion paper* (the **Discussion Paper**).

CFA is the peak body for consumer organisations in Australia, advocating in the interests of Australian consumers. It promotes and supports its members' campaigns and events, nominates and supports consumer representatives to industry and government processes, develops policy on important consumer issues. CFA is a full member of Consumer International.

This submission responds to various questions in the consultation paper.

Introduction

1. *Do you think that information about seafood origin will help you make decisions about what to buy in hospitality settings?*

CFA considers that information about seafood origin will help consumers make more informed food choices in hospitality settings. Clearly, given a choice, some consumers may change their menu option if they are aware of the country of origin. Consumer choices could be based on a range of reasons, including a preference for seafood from a country because they have an affinity with that country or other concerns about the sustainability of fishing in a particular country or region.

Proposed model

2. *Do you think the terms 'Australian', 'imported' or 'international', and 'mixed origin' are easy to understand?*
3. *Do you think businesses should have some flexibility in how they provide origin information? Or, do you think more specific requirements should apply? For example, rules on the terms, format, and communication methods business use.*
7. *Do you have any preferences about how seafood origin information is displayed?*

CFA is concerned about an approach that only requires 'imported' or 'international' rather than labelling the actual country of origin. We note that the Country-of-Origin Labelling Information Standard 2016 requires a statement of country of origin, not merely 'imported' or 'international'. We strongly consider there needs to be consistency in this regard, so that consumers can know the actual country of origin. As noted above, this information is likely to influence menu choices and meet the community expectation of consistency in approach between retail and hospitality settings.

CFA also considers there is merit in some consistency in how hospitality businesses display country of origin information, i.e., so there is similar display of information among different hospitality businesses. This is likely to aid consumer familiarity with the information and thus enhance its use. Moreover, the country-of-origin information needs to be displayed wherever information about the meal is displayed, i.e., just displaying it on a table menu but not also on a menu at the entrance or on the website of the hospitality business is not acceptable.

CFA is very wary about relying on a requirement that information will need to be 'clear, legible and prominent', without other specific formatting requirements and/or guidelines. In relation to supermarket unit pricing, we have observed that similar requirements have been interpreted differently by retailers and the regulator, resulting in inconsistency and poor-quality unit pricing.¹ Furthermore, there is much inconsistency in the display of much mandatory information on food labels required by the Australia New Zealand Food Standards Code's general legibility requirements that the information only be legible and prominent. In contrast, many of the display rules in the Country-of-Origin Labelling Information Standard 2016 are specific and precise and there are comprehensive guidelines, which have aided consumer use and understanding—the evaluation of the scheme found that it is an improvement on the previous scheme.²

As just one example, CFA considers that there is benefit in specific requirements for seafood CoOL on online and web menus for hospitality businesses. More and more people are using online information (including third-party platforms) for takeaway food, and even dine-in hospitality venues are offering online menus. The ACCC has found that consumer choices can be manipulated, and information hidden, in online settings,³ so it is important that there be specific requirements to avoid this likelihood. Specific requirements are also likely to make it simpler for business to comply, as they know what they are required to do.

¹ See CFA Submission to Review of Grocery Unity Pricing Code, February 2019, <http://consumersfederation.org.au/wp-content/uploads/2019/02/190227-CFA-Submission-Unit-Pricing-Review.pdf>.

² See <https://www.industry.gov.au/news/country-origin-labelling-evaluation-report-released>

³ See ACCC digital platforms inquiry reports: <https://www.accc.gov.au/focus-areas/inquiries-ongoing/digital-platform-services-inquiry-2020-25>

Finally, CFA considers that the Department should undertake consumer testing about any consumer-facing labelling to determine whether the approach is easy to understand. Consumer testing is strongly recommended for any public-facing consumer information, recognising the consumer audience is diverse. There are many people with limited literacy, as well as groups of people from non-English speaking background. It is important that consumer testing covers such groups so that the terms are more likely to be understood by a wide audience. The Department could partner with the Behavioural Economics Team of the Australian Government.⁴

Meaning of 'seafood' for seafood CoOL

8. *Do you buy any seafood products not covered by the proposed description of 'seafood'? If so, do you think these products should be covered? Why?*

CFA considers that the country of origin labelling should be applied to the widest array of seafood and seafood-derived products. This is likely to aid its use by consumers. We understand that it is proposed that labelling is not required for by-products derived from seafood, for example, condiments, flavourings, sauces, oil, marinades, prawn crackers and stock. The discussion paper is silent on the reasons for this exclusion. CFA considers that any policy decision to exclude by-products needs to be based on a transparent policy reason that can be tested, and that the starting point should be that all seafood by-products are covered by the regime.

What seafood can be labelled as 'Australian'

9. *Does the proposed description of 'Australian' make sense to you? If not, what do you think should be labelled as 'Australian'?*

CFA generally supports the proposal that for seafood to be labelled as 'Australian', it will need to have been harvested in Australia's territorial seas, or Australian freshwater bodies, or farmed onshore. Australia's territorial seas extend to Australia's Exclusive Economic Zone at 200 nautical miles from the Australian coastline. However, we consider that it should be clear whether this also includes seafood that is caught outside Australia's exclusive economic zone by Australian fishing trawlers and also processed in Australia.

In addition, we consider that seafood harvested in Australia that is processed overseas should be labelled as such. This is consistent with the requirements under the Country-of-Origin Labelling Standard 2016 which has specific requirements for imported products with Australian ingredients.⁵

Businesses covered by seafood CoOL

12. *Are there other types of hospitality businesses that should be covered by seafood CoOL? If so, explain why?*
13. *Are there any types of hospitality businesses that should be excluded from seafood CoOL? If so, please explain why?*

CFA supports seafood country of origin labelling to apply to the widest possibility of hospitality businesses, including takeaway services. This will provide an even playing field in the market, and aid consumer use of the information if there are limited exclusions.

⁴ <https://behaviouraleconomics.pmc.gov.au/>

⁵ Section 26.

Compliance and enforcement approach

16. What kind of compliance or enforcement arrangements are needed to support seafood CoOL?

17. What should happen if businesses are not compliant?

CFA considers that there should be a wide range of compliance and enforcement tools available to a regulator to support seafood CoOL as well as resources to conduct compliance work.

Compliance and enforcement tools should include:

- Clear and practical guidance on how to comply with the requirements;
- Proactive, ongoing monitoring and enforcement of compliance, and public reporting of the results of compliance activities (e.g. annual audits);
- Administrative penalties such as warnings and infringements to address non-compliance;
- Court-based enforcement tools as that which apply under the Competition & Consumer Act 2010, including civil penalties.

Compliance strategies should also emphasise the needs of consumers experiencing vulnerability, i.e., those that face barriers to accessing, reading, and interpreting CoOL information. Efforts should be focused at ensuring information is accessible and useful to those experiencing vulnerability.

18. How long should businesses have to introduce seafood CoOL and why?

19. How could the government help business and consumers understand and adapt to the new labelling rules?

20. Would an education campaign help introduce seafood CoOL to businesses and consumers? If so, what kinds of campaign would help?

21. Where would you look for information and guidance on labelling rules?

CFA understands that a transition period may be required to support businesses introduce seafood CoOL. However, we consider that this should be as short as possible and that there should be incentives for businesses to comply early.

CFA strongly considers that the Government should produce comprehensive information and consumer education to facilitate consumer awareness and use of seafood CoOL. Information and education campaigns need to consider the diversity of consumers and take steps to assist those that face barriers to accessing, reading, and interpreting information. These might include people with disabilities, older people, and people from non-English speaking backgrounds.

Information and education campaigns should not solely be on a government website but make use of a diverse range of platforms to reach the community. In particular, requirements should be imposed on hospitality businesses so that they inform and educate their customers about seafood CoOL.

Should you have any questions about this submission, please contact info@consumersfederation.org.au.

Yours sincerely

CONSUMERS' FEDERATION OF AUSTRALIA

A handwritten signature in black ink that reads "Gerard Brody". The signature is written in a cursive style with a large, prominent 'G' and 'B'.

Gerard Brody
Chair