



**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 and Resources
CANBERRA ACT 2600

Dear Madam/Sir

Country of origin labelling for seafood in hospitality settings: consultation regulatory impact statement

The Consumers' Federation of Australia (CFA) welcomes the opportunity to provide a submission on the consultation regulatory impact statement (RIS).

As noted in our submission to the earlier discussion paper, CFA supports a country-of-origin labelling model whereby seafood would need to be labelled with the particular country of origin (option 3, country model). We are not supportive of the alternative 'AIM' model (option 2), whereby businesses would label seafood as either Australian (A); imported (I); or mixed origin (M).

CFA considers the benefit of option 3 compared to option 2 is significant, and the difference in costs associated with implementing and administering each model is likely to be small.

CFA submits that the RIS should consider the following benefits associated with option 2:

- Consistency between country-of-origin labelling in retail and hospitality settings is likely to improve consumer awareness, understanding and trust in the information. When country-of-origin labels are consistent in both retail and hospitality establishments, consumers can easily recognise and understand the information, regardless of where they are purchasing or consuming the food. Familiarity with the labelling format can lead to greater trust and confidence in the information provided.
- The fostering of consumer trust is likely to increase the use of country-of-origin information by consumers, which then supports market efficiency by enabling businesses to respond to the purchasing preferences of consumers. When consumers know where their food comes from, they can choose products based on their preferences, values, and trust in specific countries' food safety and quality standards.
- Consistent country-of-origin labelling approaches across retail and hospitality settings is likely to aid regulatory compliance. Consistency helps ensure compliance and avoid confusion, particularly for businesses operating across both retail and hospitality settings. It becomes simpler for businesses to adhere to labelling laws when the requirements are standardised across sectors.

- The country model for labelling promotes food traceability. Particularly in cases of food safety issues or recalls, knowing the origin of products can help identify the source of the problem and prevent its spread more efficiently. For consumers with food allergies or specific dietary restrictions, consistent labelling makes it easier to identify and avoid products from certain regions, leading to a safer and more pleasant dining experience.

In considering the different costs between option 2 and option 3, CFA submits the Department should consider the following:

- Both option 2 and option 3 is likely to involve transitional and implementation costs for hospitality businesses. One-off costs to change from current practice to a new labelling model is likely to involve very similar costs, whether the change is to the country model for labelling or the AIM model.
- Even if the proposed country model did necessitate more regular menu and information updates due to (as suggested by the consultation RIS) seasonal changes and supply chain disruptions or shortages, businesses can engage in a range of strategies to reduce costs so these should not be over-stated. For example, many hospitality venues are using electronic menus using QR codes so menus can be easily updated. Moreover, many hospitality businesses update menus seasonally or on a regular basis—so this may not be an additional cost for many businesses.
- There may be costs associated with combining all foreign countries of origin under the label 'imported'. This approach may reduce the incentive for producers and suppliers in particular countries from improving quality or advertising and promoting its products in Australia. It could even result in Australian consumers having less choice.

Finally, it's important to note that while compliance with labelling requirements may involve initial costs for businesses, it can also lead to long-term benefits, such as increased consumer trust, reduced risk of legal action, and improved brand reputation. Additionally, having a well-designed, consistent, and efficient country-of-origin labelling system can streamline operations and supply chain management, leading to potential industry cost savings in the long run.

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

Yours sincerely



Gerard Brody
Chair, Consumers Federation of Australia