



# ***STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE***

**Members present:**

Mr CG Whiting MP—Chair  
Mr MJ Hart MP  
Mr RI Katter MP (virtual)  
Mr JR Martin MP  
Mr JJ McDonald MP  
Mr L P Power MP  
Mr TJ Smith MP

**Staff present:**

Ms S Galbraith—Committee Secretary  
Mr B Smith—Assistant Committee Secretary

## **PUBLIC HEARING—INQUIRY INTO THE FOOD (LABELLING OF SEAFOOD) AMENDMENT BILL 2021**

### **TRANSCRIPT OF PROCEEDINGS**

**TUESDAY, 22 MARCH 2022**

**Brisbane**

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### **The committee met at 11.30 am.**

**CHAIR:** I declare open this public hearing for the committee's inquiry into the Food (Labelling of Seafood) Amendment Bill 2021. My name is Chris Whiting. I am the member for Bancroft and the chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past, present and future. We are fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and water we all share. With me today are committee members: Mr Jim McDonald, deputy chair and member for Lockyer; Mr Michael Hart, the member for Burleigh; Mr Tom Smith, the member for Bundaberg; Mr James Martin, the member for Stretton, who is substituting for Jim Madden, the member for Ipswich West, and will be later replaced by Mr Linus Power, the member for Logan, for the rest of the hearing; and Mr Robbie Katter, the member for Traeger, who is joining us via videoconference.

This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious matter. These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. Could you please turn mobile phones off or to silent mode.

### **BETZEL, Mr Marshall, President, Queensland Seafood Marketing Association**

**KING, Ms Rachel, Executive Officer, Australian Council of Prawn Fisheries (via videoconference)**

**PEREZ, Mr Eric, Chief Executive Officer, Queensland Seafood Industry Association (via videoconference)**

**CHAIR:** I invite you to make an opening statement and after that we may have questions.

**Mr Betzel:** The Queensland Seafood Marketing Association, QSMA, is a statewide organisation that represents the interests of seafood wholesalers and retailers from Cairns in the Far North to Coolangatta in the south-east. We are a post-harvest representative organisation which has the principal objectives of building the reputation of Queensland's seafood commodities such as Queensland prawns, Spanish mackerel, Queensland scallops et cetera, stimulating demand for Queensland seafood and addressing relevant industry issues.

QSMA has spent considerable funds in promoting Queensland seafood through a number of marketing initiatives such as the Queensland Endeavour prawn campaign, Queensland Prawns on Queensland Day, and more recently the #eatqld campaign, all of which have been specifically designed with one objective: to drive consumers to target Queensland seafood. While our campaigns have been largely successful at the retail level, we have difficulties in achieving the same success at the dining-out level, which represents approximately 25 per cent of seafood consumes in Queensland, as currently the consumer cannot tell where the product comes from. It is because of this food labelling anomaly that QSMA has long championed for amendments to be made to the legislation so as to correct the labelling exemption in the food service sector.

QSMA notes that the Food (Labelling of Seafood) Amendment Bill 2021 was introduced into the Queensland parliament on 17 November 2021 to amend the Food Act 2006 and that it will be reviewed by the State Development and Regional Industries Committee for reporting on 6 April. QSMA acknowledges and commends Queensland in its leadership of addressing this issue and notes the disappointing absence of action taken by the Australian government. QSMA supports the labelling of seafood with its origin to provide transparency to Queensland consumers which in turn breeds trust.

COVID-19 has only served to reinforce Australia's desire to seek out where their food comes from. Australia's demand for Australian seafood produce is on the rise domestically; however, consumers cannot buy Australian or Queensland seafood if they cannot tell where it comes from. What was once considered acceptable in terms of lack of information about the origin and provenance of the food we consume is, in today's world, no longer acceptable. Today's seafood consumers are savvy, and Queenslanders and visitors alike deserve to be informed about the origin of their seafood so they can make informed decisions about what they eat.

Seventy-four per cent of consumers believe that being able to identify country of origin is either important or very important to them, which constitutes 2.6 million consumers of the 3.6 million eligible voters in Queensland. The removal of the exemption in the food service sector in Queensland makes the country-of-origin label mandatory. This will provide these Queenslanders with truth in labelling so as to make purchasing decisions free of confusion and in line with consumer detail preferences. This will then apply to an additional 25 per cent of seafood sold in Queensland. QSMA wants to commend Queensland for its leadership in addressing the seafood origin labelling issue. We hope it supports the rights of consumers to have access to country-of-origin information and that it will be bipartisan and not disputed.

**Ms King:** The Australian Council of Prawn Fisheries represents Australia's prawn fisheries around the country and supply chain members. In terms of maths, the Queensland wild-catch prawn industry is valued at around \$70 million at the beach. That is around a quarter of the Queensland seafood sector's value. The Australian Council of Prawn Fisheries supports this bill and this amendment because it represents an opportunity not only for the prawn industry but also primarily for consumers. With the anomaly in the approach to transparency to origin in food service compared to other labelling laws, consumers are the losers in Australian legislation. We know from statistics that only about 50 per cent of consumers realise their unlabelled seafood is not Australian when they attend a food service outlet. Unfortunately, the approach has been that it is considered appropriate for a consumer to simply ask the food service outlet where their seafood is from. That is very different to what we have come to expect for our labelling on packaging and at retail.

The consequence of that was shown in Seafood Industry Australia's survey results when they sent mystery shoppers into food services. They were able to demonstrate that about 60 per cent of those shoppers were met with a lack of information. They were unable to provide the information as to where that seafood was from. We can see clearly that the consumer is losing out in this scenario from lack of transparency. The seafood industry is also losing out. I offer the suggestion that the food service sector is losing out in this scenario from a lack of transparency. I commend the Queensland parliament for considering this change. It shows leadership—leadership that we have not seen at the federal level.

**Mr Perez:** The QSIA is the peak industry body representing the Queensland seafood industry. Our members include professional fishers, seafood processors, marketers, retailers and other businesses associated with this industry. Our representation of members in the community at large is to promote the consumption of wild-caught seafood and to deal with industry-level issues. I have to support the comments made by both QSMA and the Australian Council of Prawn Fisheries. In addition, the association supports the key policy objectives outlined in the Food (Labelling of Seafood) Amendment Bill 2021 and the introduction of country-of-origin labelling.

The introduction of country-of-origin labelling is the first step in providing our Queensland seafood consumers with the right to make an informed choice. Potential resistance to this bill makes no sense to us, as Queensland and Australian consumers deserve to know the origin of their seafood. Specifically from a wild-caught perspective, knowing where your seafood comes from is a point of differentiation for us and is critical longer term. We do not have any public position that you cannot enjoy seafood wherever it comes from. Our strong preference is that you buy wild-caught seafood and then, when you finish that, go and buy some more. It is a point of information for us and truth in labelling, I guess.

There is some evidence why this is important. The committee should note that the Northern Territory Seafood Council identified a key argument for the implementation of country-of-origin labelling, with the organisation's CEO, Ms Katherine Winchester, noting—

A fourth Have your Say on NT Seafood survey report released today has reported labelling laws in the NT are a success and consumers have a preference to buy NT seafood. A strong message to restaurants and dining venues is that 95 per cent of Territorians reported they would choose NT labelled seafood over seafood from elsewhere in Australia.

From that perspective, we hope that the parliament supports the amendment. More to the point, one issue I would like to mention in my introduction is that, as bad as it has been, the COVID-19 pandemic has opened up what in my estimation is a support for locally-caught seafood. People want to know where their seafood comes from, and if they get a choice they want that local choice.

**Mr KATTER:** You cancelled out my first question about whether anyone has a comment or not on the success of the NT scheme. You have just answered that. There may be suggestions or attempts to water down this legislation and try and do a sort of half-hearted attempt at labelling—I am just probably speaking hypothetically here—with exemptions in some cases. What would you say to that? I guess I am just asking for general comment around that.

**Mr Betzel:** I think the half-hearted attempt was already made in 2018 when legislation was passed that only covered the retail sector and we failed to cover the food service sector. Already we are guilty of doing a half-hearted attempt at this legislation. Perhaps you are suggesting some sort of self-regulating process. SIA has already investigated the attempts of possibly looking at having marketing campaigns and fish finders and things of that nature and asking the waiter. I have read quite a lot of the documentation from your previous hearings, and you are no doubt well aware that asking the waiter or asking is not successful. We need to fix this problem. As I said, we have already had a half-hearted attempt at bringing the legislation in. This is the opportunity to rectify that half-hearted attempt and make it across the board for all food outlet sectors.

**Mr KATTER:** On behalf of your membership and your industry, can you say whether there is a feeling that you are being short-changed? You and your members spend money on compliance in terms of environment and sustainability but you are not necessarily given the opportunity to have that recognised and showcased for ill-informed consumers like myself when we are at the fish and chip shop or the restaurant and we are not given full information and, therefore, not necessarily supporting all that money that is invested by the industry—not by the government but by the industry participants—in maintaining compliance with environmental and sustainability standards.

**Mr Betzel:** Eric will certainly want to jump in and give a fully detailed answer to this, but I will chime in by saying that we are in the midst of fisheries reform in Queensland. There is considerable investment in those reforms. I would like to see the output of those reforms being that, in the end, the Queensland seafood industry is seen as a well-managed and sustainable fishery. It is very hard to get the return on investment in achieving that reputation if the consumer is unable to differentiate between Queensland seafood and other seafood. In answer to your question, yes, economic benefits would be lost, particularly with the level of investment that we are about to look at in Queensland fisheries reform.

**Ms King:** I agree with what Marshall has said. It is about having a level playing field. If you have a consumer base that is unaware of where their seafood is from, they cannot differentiate that product or know anything about the investment that has been made or the regulations that have been adhered to provide that product. Consumers are really in the dark. It is not just a return on investment; it is a level playing field and transparency issue.

Adding to a comment that Marshall made earlier in response to a question about whether or not we might see a watering down of approaches, we need to refer back to the Blewett review that advised the federal government back in 2011. It very clearly made a recommendation to say that, when you have market failure, the inability for the market to provide transparent information—and we have seen that time and again—means that we do need to step in with regulation. That does not mean to say that it needs to be bad or we cannot implement it across the board, because there is a sensible solution on the table.

**Mr Perez:** I support the statements made by the previous speakers but I will deviate a little, if I can. One of the things that has been quite apparent to industry is that the so-called reform process of our fisheries has led to a lot of stress across each of the fisheries and has done nothing to help build the wild-catch part of the industry, and down the track that will go down the supply chain. In terms of how to help develop an industry perspective—we are talking about market structures and interference in markets—the reform in a lot of ways has undermined elements of our market. The one thing this bill will do if it is passed in its entirety, without any watering down, is help industry in a way that this reform has not to date.

There is one thing I am sceptical about. I have read the nine submissions that were given to the committee. Two in particular were against the proposition—the Food and Beverage Importers Association and Restaurant & Catering Australia. If you are running a business and you are relying on seafood, where it comes from should not be an issue. You should be able to label quite clearly what is a product of Queensland and what is not. If you are proud of your business, you should be saying, ‘This is what I support’ and, by proxy, ‘This is what I don’t support.’ I have never understood the resistance to labelling. We as industry will back Queensland seafood as much as we can, through things like Queensland Catch. I know that the Queensland government is running its own promotion for Queensland seafood. We need to let people know—the average punter out there who wants to buy seafood—that we want them to be able to choose, as much as humanly possible, Queensland wild-caught seafood, if possible.

There is something I would like to table if I can. We have an industry that is under a lot of pressure at the moment. This would be a simple way to give something back to industry at relatively low cost, because the cost implications outlined by submissions 2 and 7 by the Food and Beverage Importers Association and Restaurant & Catering Australia do not seem to cut the mustard. I think the NT is proof of that.

**CHAIR:** If you could email that document to us, we will examine it.

**Mr Perez:** I will.

**CHAIR:** Marshall and Rachel, you both mentioned federal efforts in this sphere. I think Marshall described it as 'disappointing'. Could you give us some more information? We do not have a great deal of information about what has happened at the federal level.

**Mr Betzel:** There was a working group formed in 2017 that reviewed this part of the legislation—taking it through to food service, restaurants and catering. The working group was chaired by the then assistant minister for industry, innovation and science, Hon. Craig Laundy, who I believe owns 30 hotels in New South Wales. I do not know, but I would have thought him being chair of that group would be a conflict of interest. That is my comment.

The findings of that group mention statistics such as that food service in Australia represents \$25 billion of revenue; the fishing industry represents only \$1.5 billion of revenue. Food service consists of 77,000 businesses; the fishing industry consists of 8,000 businesses. Food service employs 700,000 people; the fishing industry employs 21,000 people. The findings of that report were really number crunching. We are talking about a population of 26 million people. We know from studies that 74 per cent of the population find it important to know a product's country of origin. That report never addressed that 19 million Australians, out of all those statistics, thought that being able to identify country of origin was important. It never addressed that; it only covered the economics of the industry. I was reading one of the transcripts, which said, 'Could this bill be about protecting the premium catch?? No. This bill is completely about giving your constituents—the seafood consumers of Queensland—the ability to make an informed choice.

**CHAIR:** Thank you. Rachel, did you want to add anything about the issue of federal efforts in this area?

**Ms King:** No, I think Marshall has covered it very well, thank you. At the end of the day, this is about the consumer. From looking at the sides of the debate over a number of years, I would say that often the consumer is forgotten.

**Mr McDONALD:** Many who are opposed to this bill talk about the costs associated with it. Could you enlighten the committee with your views on that?

**Mr Betzel:** It has been thrown around for donkey's years. I read the transcripts from Townsville. Shawn McAtamney said—and I totally agree with him—it is a lot of rot. It is a convenient argument. Maybe 10 or 20 years ago that argument may have stood up, when the cost of printing was quite high et cetera. In this day and age, we know that restaurants produce a lot of their menus on site. They have colour printers and laminators. Predominantly, that was their highest explanation of cost. Then they talked about the potential loss of jobs through places shutting down because people would not go to their places. I think it is a convenient argument; I do not think it has substance.

**Mr McDONALD:** Would it be fair to say, in summary, that a lot of people who are promoting Queensland or Australian seafood are doing the right thing and that this bill is going to attempt to stop those doing the wrong thing?

**Mr Betzel:** As I said previously, this bill is about giving the consumer the information to make a choice. The only way people will be deemed to be doing the wrong thing is if the legislation comes in and they do not adhere to it. I will not say it is deceit, but by not saying on a menu where it is from—the statistics are there—50 per cent of consumers automatically assume that the product they are eating in restaurants and takeaways is Australian. By not saying where it comes from, a lot of operators rely on that assumption. I will leave it to others to say whether or not that could be interpreted as deceit. My original point is: if the legislation is brought through and operators do not comply then, clearly, we have to bring people like that to task.

**Mr McDONALD:** In Townsville, I think it was, we heard from a witness that a business could be selling Mekong Delta catfish as cod. If they did that now, would they be caught for doing something wrong?

**Mr Betzel:** If it is mislabelled and they are using the wrong term—now there are correct terms for the labelling—then yes. If they are calling it cod and it should not be cod, they are deemed in conflict with the legislation and the regulations.

**Mr HART:** Marshall, can you repeat those figures for the numbers of retailers and restaurants?

**Mr Betzel:** This is national. In the figures that came out of the report, there were 77,000 food service businesses.

**Mr HART:** Do you know what the figures are in Queensland?

**Mr Betzel:** I do not have those figures with me.

**Mr HART:** Would you have access to those figures?

**Mr Betzel:** It would not be hard to obtain, no.

**Mr HART:** Maybe you could obtain those for us. That would be interesting. My feeling is that I agree with this legislation—I just put that out there—but I have concerns about implementing it in a fashion that will be meaningful. What compliance checks is your industry subject to under the existing legislation that applies to retailers? Are you being checked often?

**Mr Betzel:** From what I can understand, not being a retailer myself, there are health department checks that go through all of those facilities. We have Safe Food Queensland, as you are probably well aware, as well as local council checks. The same question was posed when retail differentiation was made and people said, 'How is this going to be policed and how are people going to adhere to it?' Anecdotal evidence suggests that once the legislation came in most operators adhered to it. They are checked annually or biannually anyway. From what I can understand, and particularly in New South Wales, in the first year there was a relatively reasonable degree of noncompliance, but they gave them a period to become compliant. Thereafter, from what I hear also anecdotally, the majority of operators are onside because they have a reputation to adhere to. This is not about scaremongering and playing good cop, bad cop. This is about bringing information to the consumer. One would think that, by and large, most operators would also want to keep their reputation.

**Mr HART:** If the industry has a concern that restaurateurs are not doing the right thing now and if there are no compliance checks being done in the retail area—it does not sound like there are too many of them, and the committee has heard from other retailers that they are not being checked that regularly—how can you expect the restaurants to comply if no-one is actually checking them?

**Mr Betzel:** They are checked. Most local health departments do a check—

**Mr HART:** Sorry, are they checking that retailers are complying with this particular piece of legislation as part of that check?

**Mr Betzel:** I will not speak on behalf of retailers. I will speak on behalf of restaurants and food services where, by and large, that is handled under local government legislation. They are checked once or twice a year. There is quite a long checklist. They will say, 'Bring a carton of prawns out of your freezer. Let's have a look at the labelling of it' et cetera. As to what extent the retail sector is checked, I cannot speak on behalf of the retailer.

**Mr HART:** Does anybody else have a comment on that?

**Ms King:** No, I do not.

**Mr MARTIN:** The restaurant and catering industry group are questioning your claims that this legislation will increase demand. Could you expand on what the flow-on effects on demand will be?

**Mr Betzel:** If we go off the figures that were quoted by the barramundi farmers, they were stating in one of the reports that I read that when retail came in they went from 150 tonne per annum to 4,000 tonne, when the consumer was confident of knowing that they were purchasing Australian barramundi. That is one statistic and one commodity that has had a huge increase in demand once the consumer was confident that what they were purchasing was Australian. I am of the opinion that, once the consumer is confident in knowing at a food service and restaurant level where their product comes from, they will make a choice hopefully to buy Australian. One of the reports I read said that, naturally enough, if you go to a Philippine restaurant you may not necessarily expect to buy Australian prawns, but if you go to a high-end, high-class, five-star restaurant you would expect, I would hope, that the barramundi that was served there would be premium and Australian.

**Mr MARTIN:** I am the member for Stretton and we have a lot of excellent Chinese restaurants in my local area. These restaurants have very large menus. When you go in there, you will get a book put in front of you that you can select from. You are saying that the consumer will make the choice. Are you at all concerned that, if a restaurant owner with fewer than 10 employees is faced with the prospect of having to relabel an entire booklet if they cannot get a certain type of prawn in, they might

**Mr Betzel:** I think at the end of the day the consumer is the one who drives the demand. If the demand from the consumer is for Australian product, as an operator I would find it foolhardy to not provide what the market is looking for. If you are going to start dictating to your market what they are going to get, you face the consequences of people saying, 'I'll go down the street to the next restaurant and find what I want.' This all comes back to the consumer. Restaurants can try to drive the narrative any way they like, but at the end of the day it will be the consumer who will make the choice and the consumer will be the one who makes their business either successful or not successful.

**CHAIR:** Rachel or Eric, do you want to add anything to that?

**Mr Perez:** I have one observation. If a person in the restaurant game was going to lose their business or lose employees by changing a menu, I would hazard to say that maybe they are in the wrong business. If changing a menu and spending a dollar on printing costs to update a menu is going to put at risk a full-time or part-time job, you are in the wrong game. I think it is a furphy to argue that what we are asking for is going to be of such monumental cost. To say that the industry being up-front about where their seafood comes from will mean they are going to lose people is a joke. I cannot see how anyone could support that logic.

**Mr SMITH:** I have a very quick anecdotal question. Do you think it is the legislation that will drive the demand or the campaign around it?

**Mr Betzel:** I think the outcome of the legislation, which will be information on menus, will drive demand. The actions that will be taken as a result of the legislation—where the consumer will find that they have the ability to make an informed choice—will naturally, I believe, increase demand.

**CHAIR:** Rachel, do you want to add to that?

**Ms King:** Just related to that and the discussion we were having earlier about the solution, I think it is important to consider the solution that has been recommended by Seafood Industry Australia, and I think it would be shared by ACPF, Marshall and QSIA. We are not looking for restaurants to suddenly announce that they need to single out prawns that are the product of China. That is a really massive gear change. What we proposed a few years ago—and that was in consultation with the food service sector—was that Australian and additional provenance be highlighted if that is what the food service outlet chooses to do. It could be a simple 'I'—similar to what we see with 'GF' or 'V' for vegan—or a simple annotation to highlight the fact that their seafood is imported. That gives the food service sector a fair amount of room to move to change supply, to change source. It just indicates that it is not Australian. Hopefully, that helps consideration of the impact on food service.

**CHAIR:** The time for this session has expired.

**Mr Betzel:** Could I make a closing statement?

**CHAIR:** Of course.

**Mr Betzel:** It is more a question than a statement—that is, why are we here? We are here to rectify an anomaly in 2018 when the legislation was brought through that only covered the retail sector and never covered food service. You represent constituents, you represent seafood consumers and you are also elected I would hope to be reformists. This was a mistake made in 2018. Generations down the track will probably say, 'You made a mistake in 2018, and then in 2022 you had an opportunity to rectify the mistake that was made in 2018 and you still did not fix it.'

**CHAIR:** We appreciate your point. Thank you.

**ROBINSON, Mr Hugo, Manager for Policy and Government, Restaurant & Catering Australia (via videoconference)**

**CHAIR:** Welcome. Thank you for appearing before us today. I invite you to make an opening statement and then we will have some questions for you.

**Mr Robinson:** I apologise on behalf of Mr Wes Lambert, our CEO, for not attending today. Unfortunately, he has to attend to an urgent matter so I will be taking this up as manager for policy and government.

From our perspective in terms of looking through our submission that we put in, this bill presents an unnecessary cost and burden to hospitality venues, especially in the wake of COVID-19 and the resulting shortfall of revenue for a lot of industries. About 9,000 restaurants and cafes are situated in Queensland. This accounts for the third highest percentage of restaurants and cafes across Australia in any state or territory. We are talking about a large number of businesses here that would be subject to this unnecessary bill.

Our issue with it is that, despite the desired impact that a mandatory country of origin labelling scheme presents, what this actually does is make a massive administrative burden, especially for restaurants and cafes which are seafood heavy. They cannot get past the fact that basically in Australia it is a fact of life that you must use imported seafood as part of your business practices, simply because of the fact that local produce cannot make up the shortfall.

Secondly, if you are a restaurant that produces a fish stew, a seafood pasta or a seafood pizza, that is a multiple amount of seafood. If you are constantly having to change the menu to indicate where exactly this seafood was caught, it is going to be an absolute administrative nightmare. You will be printing menus constantly, especially due to the fact that the seafood industry can be pretty volatile. What you get one morning might not be in the catch that you get the next day, and you will have to substitute that for another item. If you have local prawns one day and then all of a sudden there is a shortfall in the catch the next day and you have to use imported prawns, you are printing off a whole bunch of new menus. That cost is going to be astronomical for venues.

I point to the fact that the federal department of industry said in February that there was no need for a mandatory country of origin labelling scheme. I also point to the Deloitte report that was released last year that said there was no need for this. Quite frankly, as we know, any smart business would already start advertising that they are using locally grown and caught seafood. You are much more likely to walk into a restaurant where they advertise that they are using Queensland barramundi over barramundi caught overseas. We know where the customers are going to go. This has really massive impacts for businesses, especially coming out of COVID. I do not think it is necessary. There is no evidence in the Northern Territory, where they do have a mandatory scheme, that this works. Quite frankly, the supply issues that local growers have simply cannot make up for the fact that they cannot meet demand in Australia.

I am happy to take questions. As I said, there is an administrative burden here. Quite frankly, any smart business operator would already be advertising that they are selling local produce, and they do. I am sure all of you have walked into a restaurant—or a seafood restaurant if you do eat seafood; I know it can be an acquired taste for some people—and if you are presented with a locally caught piece of fish you are more likely to go for that. There is really nothing here that says this is going to be increasing the amount of locally caught seafood purchased. What it does present for our businesses is an absolute administrative nightmare of having to constantly print and reprint items.

As I said before, with a fish stew or a fish gumbo or a meal that has multiple items in it, you will have to list where every single item in that meal is from or at least indicate whether it was locally caught or caught overseas. That is an absolute pain, especially if you are constantly having to change the menu if the catch is volatile that morning and you have to source it elsewhere.

I also point to that Deloitte paper that I spoke about earlier. They put the projected costs of the mandatory labelling scheme and the compliance issues that your government will have to pay at \$13.5 million. That is the federal government. If you scale that down to Queensland, it still is in the high millions. As I said, this is a completely unnecessary burden on businesses. I get where it is coming from, but I think the unintended consequences are too great, especially coming out of COVID.

**Mr KATTER:** Hugo, we heard someone say earlier that the report from the Northern Territory is that the legislation has been successful—that it has seen a concentration of demand and has enhanced education and awareness for the consumers. You have just contradicted that. Do you have a basis for that? Is there evidence for that?



**Mr Robinson:** The Deloitte report says that, due to the size of the Northern Territory, it is less than one per cent of all venues across Australia. I would find it negligible compared to 9,000 venues in Queensland. The educative aspect is important. As I said, if you walk into any restaurant or cafe you will most likely see a smart businessperson advertise locally caught, regardless of the mandatory aspect of it. That is the way it should be. That is the way we can measure success here. As the report says—and I am happy to share it—there is no tangible proof that the Northern Territory legislation has worked.

**Mr KATTER:** I am unaware of that Deloitte report. Who commissioned it?

**Mr Robinson:** The federal department of industry. They also released a ministerial statement.

**Mr KATTER:** What would be your advice, then, on how to address what I would describe as unscrupulous operators who price their imported seafood the same as an Australian standard fish? Effectively they are cheating the consumers into paying full price for an imported product and I think most would consider an inferior product. How would you address that other than the passive 'buy Australian made' campaign promoting local seafood?

**Mr Robinson:** Again, it is about better education on buying Australian made. Ultimately, I have not seen any evidence that anyone is boosting their menu prices for imported fish or seafood to try to rip off the customer, so I cannot really speak to that.

**Mr KATTER:** In my experience, when I go to a restaurant the menu is usually one printed A4 page. I am questioning where the big cost burden is on changing the menu to include the 'I' or to replace an 'I'. I think you could leave the 'I' on there. If this bill is not needed, there is probably no harm in leaving the 'I' on the menu just to make sure you are compliant and to cover yourself if you do have a mixed seafood dish. Where is the big cost burden? I do not really understand that.

**Mr Robinson:** The cost burden comes into it in the nature of the seafood industry. If the produce that you need that morning is typically Australian and you are listing it on the menu as Australian but then the next morning you realise you do not have enough supply, you will have to start reprinting menus to put the 'I' on. As you said, you could just leave the 'I' on the menu, but then what is the point of the scheme?

**Mr KATTER:** So the cost is in the reprinting of the menus then?

**Mr Robinson:** It is, yes. If you are a larger restaurant, you have to keep reprinting hundreds of menus for that night depending on how many customers are coming through. It does not just affect us; it affects the pubs and clubs up your way too. Those are huge enterprises that will have to print off menus.

**Mr KATTER:** I am well aware of that.

**Mr Robinson:** If you are using Australian produce for that day and the next day you have to use internationally caught seafood, you then have to change your menu for that entire day, and God knows when you would have to change it back again.

**Mr KATTER:** Do you have evidence that that happens in the pubs and clubs—that they have to change regularly?

**Mr Robinson:** No, because there is no mandatory scheme at the moment. They would have to change their menus under this law.

**Mr KATTER:** No, that they have to change where they get their fish from.

**Mr Robinson:** Sure. I could speak to any venue operator and they would say that.

**Mr KATTER:** That is the same as me saying there are unscrupulous operators out there who are charging full price.

**Mr Robinson:** I get it. I am not trying to argue the point there. I am sure that there might be some. We speak to our members all the time and they have basically said, 'This is a problem for us,' and that is why we are here representing them.

**Mr HART:** Hugo, you speak to your members all the time. What are the members in the Northern Territory telling you about their increasing costs? Is it an issue for them to do it up there?

**Mr Robinson:** The few I have spoken to basically bring up the menu reprinting issue. Again, if they have lobster caught locally and then the next morning they have to change it because the catch did not come in, they have to reprint the entire set of menus.

**Mr HART:** What about those restaurants that sell Murray River cod or whatever is on the menu? If they cannot buy Murray River cod that morning, they would have to change their menu anyway, wouldn't they? It must cost them money. I am agreeing with the member for Traeger. Hitting 'print' on an A4 one-page menu does not seem to be a lot of money to me.

**Mr Robinson:** Again, it is when you have a larger venue and you have to print to scale. Again, if you are selling your centrepiece as Murray cod, you will just tell your customers, 'We don't have Murray cod today.' You are not going to replace it with another inferior cod and say that that is Murray cod. It becomes an issue where you have a dish with multiple seafood items in it, like a marinara or a seafood pizza or a fish gumbo. When your locally produced seafood is not available, you would then have to reprint the entire menu rather than just say, 'We don't have the dish.'

**Mr HART:** If the committee was mindful of that and said that there should be percentages of local seafood—in something like fish gumbo—would that satisfy the issue or is it still a problem?

**Mr Robinson:** Not really. I do not want to get a whole bunch of venue operators having to sit down and do measurements of how many local, imported or overseas fish came through. I still think that is an administrative burden.

**Mr MARTIN:** I want to follow up on a point the member for Traeger made that some restaurants will just leave the 'l' on the menu. I think he might be right about that. I think it might come back to differences between high-end restaurants, where you go in and they have an A4 one-page menu of whatever the chef has come up with that day or that week, and outer suburban Chinese restaurants—and I have a lot in my electorate—that have very extensive menus. You get a book put on your table when you sit down to eat. Can you explain to us the difference between members that you represent in those categories and how it might affect someone who has to print out one A4 page versus someone who has to print out a whole booklet? Could you expand on that?

**Mr Robinson:** That is a great point you raised. For a lot of those venues that do have larger menus, like a Chinese restaurant, again, if anything changes in their supply they will have to reprint everything. If they are trying to advertise Australian seafood and they cannot do that that day but they still need it for a dish and the seafood is the centrepiece of the dish, they will have to reprint to comply. For your more high-end restaurants, if they do not have that supply for that day and the dish is a centrepiece, like Murray cod, then they will just tell their customers that they do not have it.

Our point is that if they do leave the 'l' on the menu and it is not internationally caught—they change it to Australian caught because it is cheaper on the day—then what is the point of the whole scheme? Why just leave it? There is no compliance there. As I said, when you go to any high-end restaurant or any mid-tier restaurant they will openly advertise to you voluntarily that they have caught the seafood locally. They are happy to do that because that is a big selling point. Any smart businessperson would do that. I just do not think there is any need for this. I do not think it is going to increase the demand for locally caught seafood, simply because we know that locally caught seafood cannot meet the demand that Australia has for seafood so imported seafood still will play a massive part.

**Mr SMITH:** Does this have the possibility of almost alienating smaller restaurants in town if they cannot purchase into the catch because larger restaurants have come in and taken the bulk of that catch?

**Mr Robinson:** Are you talking about Australian catch?

**Mr SMITH:** Australian catch, yes.

**Mr Robinson:** Sure. As I said, ABARE puts it at about 65 per cent of seafood in Australia is already imported. That is a necessity. The remaining percentage gets bought by the larger companies anyway. It really depends on market forces of what the cost is that day.

**Mr SMITH:** Start-up restaurants or smaller restaurants are already at a competitive disadvantage in terms of not being able to get local seafood to the amount that a larger restaurant can and this would drive that home, potentially?

**Mr Robinson:** Potentially, yes. Imported seafood on average is a bit cheaper. It is a fact of life for many restaurants that they have to use it for two reasons. One is cost and the second is the abundance of imported seafood versus Australian caught. I do foresee the potential that having to change the menu if you have to revert from Australian to international seafood will just mean that Australians do not buy Australian seafood and they will use the imported seafood instead, just to keep the 'l' on the menu, as the member for Traeger said.

**Mr SMITH:** In regard to soups, marinaras and so forth, if push comes to shove and the bill becomes an act, would restaurants be open to the idea of putting a symbol of 'MO', meaning 'mixed origin'? If push came to shove, would that be a better option than having to list every single item of seafood as an 'I'?

**Mr Robinson:** Possibly. I think if that enables them to be consistent then I agree, but I think that would defeat the purpose of Mr Katter's bill, which is to promote Australian seafood. I do not think the industry would be too up in arms about things that promote consistency when it comes to the printing and reprinting of menus.

**Mr McDONALD:** Hugo, in regard to this issue of multiple seafood items, wouldn't it simply be a matter of doing what the retail sector does now in identifying local and imported ingredients? Wouldn't that resolve it?

**Mr Robinson:** I am not quite sure what you mean, sorry.

**Mr McDONALD:** For example, if you go to Coles or Woolies or one of the other retail shops and there is a marinara mix, it may be labelled 'local and imported'. Wouldn't that resolve it?

**Mr Robinson:** Yes, that is what the previous member asked about mixed origin. As I said, I do not think that is too bad because it does promote consistency in terms of not having to reprint the menu. However, it probably does go against the spirit of Mr Katter's bill.

**Mr McDONALD:** In regard to reprinting menus, in your submission I think you assume that people would throw out the menus. If somebody printed a hundred menus with 'imported' on it and a hundred menus with 'Australian' on it, surely you would keep the first menus.

**Mr Robinson:** A lot of restaurants change menus quite frequently in terms of adding and taking off items. It can only be used for so long. I think you can go to your favourite restaurant and they change the menu every two or three months. I do get your point, but I do not think that is feasible for a lot of venue operators who do change their menus depending on whether they get a new chef or new kitchen staff who cook something else. I do not think that is a viable solution.

**CHAIR:** The time for this public hearing has expired. Thank you, Hugo, for appearing before us today. We do not have any questions on notice. We will get a copy of that Deloitte report, which I think we already have, and we will chase up the federal department of industry report. If you have the link for that Deloitte report, could you send that through to us? That would be wonderful.

**Mr Robinson:** Yes, of course.

**CHAIR:** Thank you to our Hansard reporters. Thank you to the secretariat. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this hearing closed.

**The committee adjourned at 12.32 pm.**