



**SUBMISSION RESPONSE TO QLD COOL BILL -  
FOOD (LABELLING OF SEAFOOD) AMENDMENT  
BILL 2021**

## About Us

The Food and Beverage Importers Association (FBIA) represents and promotes the interests of food importers with governments, authorities and key industry stakeholders. The association works to minimise the impact of regulations while achieving the government's public policy objectives.

The FBIA is an industry association supporting Australian importers of food and beverages in retail ready packs, food service and product as an ingredient for further processing. Members include companies operating in freight and logistics, expanding our coverage of the supply chain.

Members range from large multi-national companies to small specialist importers. Member imports include a wide range of commodities such as vegetables; fruits; nuts; dairy; seafood; confectionery; and oils. Products are imported in a range of formats, including frozen; fresh; roasted; prepared; processed; and retorted. The value of FBIA member food imports is approximately \$1.2B; making them a significant contributor to the Australian economy.

COVID-19 presented challenges for imported food such as supply chain issues, shipping and container access, managing ingredient supply and availability. The FBIA worked with members, the Department of Agriculture, Water and the Environment and FSANZ to manage these unprecedented impacts. Importers are fully informed to support continuation to manage import and supply, and to manage their business to meet COVID Safe requirements.

FBIA importer members are in a growing sector with the growth of imported food predicted to initially remain steady with increases year on year. Imported food accounts for a large share of the gourmet grocery items and international foods, catering to Australia's large number of ethnic communities. IBISWorld

The FBIA is represented on a range of industry related committees to ensure our members are fully aware of legislation, regulations and compliance that affects their businesses. FBIA representation ensures governments and other bodies can access credible industry feedback which supports the ongoing development of instruments which govern the importation of food and trade.

Further information on activities and management of the FBIA go to the Association's website: [www.fbiam.org.au](http://www.fbiam.org.au).

## Introduction

This submission is made on behalf of the members of the Food and Beverage Importers Association (Australia).

The FBIA welcomes the opportunity to provide comments in response to response to QLD CoOL Bill - – Food (Labelling of Seafood) Amendment Bill 2021.

We thank the Queensland Parliamentary Committee for their consideration of the comments, issues and views raised in this submission.

## FBIA Executive Summary

We do not support CoOL (Country of Origin Labelling) for Ready To Eat (RTE) seafood for the following reasons:

1. The CoOL exemption for RTE (sea)food has been subject to comprehensive, non-partisan economic analyses by numerous inquiries over the years, none of which have supported removing the exemption.
2. We are yet to see a business case that links mandated CoOL to improved profitability for domestic fishers.
- 3) We don't believe that this issue is driven either by consumer demand for information; or to meet the public good (as that is not at risk); or to rectify a major problem being articulated independently by consumers.
- 4) We dispute much of the earlier market research supporting CoOL, as propositions were often put to respondents in isolation from the full context.
- 5) We dispute that origin is the main concern of foodservice customers.
- 6) We don't believe one or two words on a menu will provide the level of information consumers need to make a fully informed decision about most matters that concern them. For instance, we don't believe the single word Vietnam, or the word Imported (or an I) is genuinely helpful - it simply leaves consumers prone to misinformation.
- 7) We note that consumer law already supports customers who seek further information on the origin of their food by requiring end-users to provide that information on request.
- 8) We are gravely concerned at;
  - a) the cost of implementation of any mandated labelling scheme,
  - b) the increased liability of end-users,
  - c) the inevitable subsequent uneven enforcement,and
  - d) the loss of outlets that will simply delete seafood from their menu's as a consequence of this.

# Response to the Scoping Paper's Proposed Reform Ideas

We do not support CoOL (Country of Origin Labelling) for Ready To Eat (RTE) seafood for the following reasons:

1. The CoOL exemption for RTE (sea)food has been subject to comprehensive, non-partisan economic analyses by numerous inquiries over the years, including:

- In 2011 the Blewett Review of food labelling (titled Labelling Logic), which specifically did not recommend it.
- in 2015, the Federal Senate rejected a CoOL exemption Bill, with both Coalition and ALP Senators voting against it.
- in 2016 the Productivity Commission recommended against it.
- in 2017 a federal Seafood Origin Working Group (chaired by the Hon Craig Laundy) did not progress this issue.

Based on the advice of these numerous credible inquiries, we believe there are other approaches to improving profitability for Australian fishers other than mandated CoOL, that will give a better return on investment without impacting on, and risking the viability of, thousands of foodservice businesses.

2. We are yet to see a business case that links mandated CoOL to improved profitability for domestic fishers. Proponents of mandatory CoOL have simply presented a generalisation that fishers will benefit if this one aspect of transparency at the final sale end is improved, with -

a) no evidence that it will automatically result in greater demand for Australian seafood; and without damaging demand for imported seafood - otherwise there is no net benefit to the Australian community;

b) no evidence that the perceived increased demand can be met with Australian products that are appropriately processed, packaged and priced for foodservice - and are consistently available;

c) no evidence that the cost of producing those products can be absorbed in the supply chain, and profit maintained. (In fact there is abundant contrary evidence);

d) no evidence that if any additional sale-price revenue was generated it would find its way back to producers and not be captured by the end-users. (This goes to the heart of the real matter: that producers are not getting sufficient share of the end-price - which is already hitting consumer price ceilings);

e) no evidence that mandated CoOL will be a better way for end-users to run their foodservice business (as is often claimed), rather than let them use their own business judgement based on the peculiarity of their circumstances;

f) no relevant evidence that it won't result in business losses or closures;

g) and no relevant evidence that it won't result in a shrinking of the entire seafood market, to the detriment of the Australian community.

3) We don't believe that this issue is driven either by consumer demand for information; or to meet the public good (as that is not at risk); or to rectify a major problem being articulated independently by consumers. To support this last contention -

- o The ACCC, and state and territory consumer regulators, which administer the ACL (Australian Consumer Law), advise they receive negligible complaints in relation to false or misleading claims about seafood origins in foodservice.
- o State and Territory compliance statistics indicate that there are low numbers of complaints in relation to seafood origin claims.

We believe the issue is driven by Australian seafood producers in an effort to use regulation to improve their competitiveness and profitability (at the expense of foodservice operators), rather than address chronic underlying issues in their sector, and/or make the required investment to rectify those (eg re-investment in infrastructure such as improved processing facilities, packaging innovations or in further vertical integration).

4) We dispute much of the earlier market research supporting CoOL, as propositions were often put to respondents in isolation from the full context. For instance, research shows many consumers think Australian-origin seafood has better food safety than imports. However, respondents are rarely (if ever) told that both Australian and imported seafood must comply with the same Food Standards Code, and that imports are far more robustly inspected (at the border) than local seafood is subject too.

5) We dispute that origin is the main concern of foodservice customers. An FRDC-funded review of the NT CoOL scheme found that 'fresh or frozen' was overwhelmingly their main concern. The Colmar Brunton / Australian Seafood CRC research, put origin in 5th place in factors influencing purchases - with freshness, how seafood is prepared (cooked), price and species found to be more important than origin information when purchasing seafood in restaurants, cafés or takeaways.

6) We don't believe one or two words on a menu will provide the level of information consumers need to make a fully informed decision about most matters that concern them. For instance, we don't believe the single word Vietnam, or the word Imported (or an I) is genuinely helpful - it simply leaves consumers prone to misinformation.

7) We note that consumer law already supports customers who seek further information on the origin of their food by requiring end-users to provide that information on request.

8) We are gravely concerned at;

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and

d) the loss of outlets that will simply delete seafood from their menu's as a consequence of this.

In a nation where the average adult consumes 40% less seafood than recommended by the NH&MRC, governments should be extremely concerned at any regulation that might further reduce seafood consumption.

We understand that when CoOL was first introduced for retail sales there was an increase in demand for domestic species, and values (revenue) increased. This is probably driving the support of many domestic producers for further extending CoOL. However, the expectation that this trend will be replicated by mandating CoOL in foodservice, fails to understand that products must be suitable for their markets. Unlike retail outlets, foodservice channels (other than specialised 'fresh seafood white tablecloth' restaurants) can rarely accept products that are not highly processed; and experience has shown that the Australian seafood industry, due to its small scale, cannot do that cost effectively enough, or with sufficient volume and consistency, to be suitable for this market segment. Or where it can do, it chooses to export that product to other global markets that are willing to pay a higher price than the Australian foodservice sector.

Australia imports about 220,000 tonnes of seafood annually, about half of which is retailed to consumers under CoOL rules. Hence, literally millions of consumers are regular buyers of imported seafood (or such sales would not exist). It is inconceivable that these millions of consumers are not aware of the possibility that seafood available in foodservice outlets might also be imported. 65% of seafood sold in Australia is imported. Since this figure is published in ABARES reports and this data appears regularly on national television, in national and regional print media, and in social media articles about imported seafood or CoOL, the assertion that Australians are largely unaware of this seeks to understate the knowledge of many consumers.

If you have any questions, please contact me.

Yours sincerely

*Mark Boulter*

Mark Boulter  
FBIA Seafood specialist