



**Submission to**

**State Development and Regional Industries Committee**

**Food (Labelling of Seafood) Amendment Bill 2021**

Email: [sdric@parliament.qld.gov.au](mailto:sdric@parliament.qld.gov.au)

February 2022

“As a consumer, I don’t stop caring about where my seafood comes from, just because I’m purchasing takeaway fish and chips, or dining out....”

## **Introduction**

The Queensland Seafood Marketers Association (QSMA) is a state-wide organisation which 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 principle objectives of building the reputation of Queensland seafood commodities (eg Queensland prawns, Spanish mackerel, Queensland scallops etc), 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 (eg Queensland Endeavour prawn campaign, Queensland prawns on Queensland Day campaign and more recently #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 (25% of seafood consumption in Queensland), as currently the consumer cannot tell where the product comes from. It is because of this food labelling anomaly that QSMA has been long championing amendments to be made to legislation, so as to correct the labelling exemption for the food service sector.

QSMA notes that the Food (Labelling of Seafood) Amendment Bill 2021 was introduced in the Qld Parliament on 17 November 2021 to amend the Food Act 2006 and that it will be reviewed by the Qld Parliament’s Development and Regional Industries Committee for reporting on 6 April 2022. QSMA acknowledges and commends Queensland in its leadership of addressing the seafood origin labelling issue, in the disappointing absence of that taken by the Australian Government.

It is also noted that:

1. The objective of the Bill is to require, by law, mandatory Country of Origin Labelling of seafood sold at dining outlets across Queensland (eg cafés, restaurants or takeaway shops) by amending the Food Act 2006.
2. The purpose of the Bill is to raise consumer awareness around the origins of seafood being purchased and consumed, and to subsequently support the Australian and Queensland seafood industry and the local jobs it supports.

QSMA supports the labelling of seafood with its origin to provide transparency to Australian/Queensland consumers which in turn builds trust. COVID19 has only served to reinforce Australian’s desire to seek out where their food comes from.

“As Australians we have a right to know where our seafood comes from, so we can make an informed choice on whether we order local or imported.”

## **Background**

In July 2018 it became mandatory for seafood sold in the retail sector to be labelled with its country of origin, however unfortunately, these regulations introduced by the Federal Government became only binding on retailers of seafood. Venues that sell seafood for immediate consumption including restaurants, clubs, bars and takeaway shops were exempt from this labelling requirement. The introduction of this legislation did not seek to vilify imported seafood products, but rather was driven by “public confusion” and “overwhelming calls from the public for improved country of origin labelling” (Agricultural Competitiveness White Paper, 2015). Further, research conducted by the Department of Industry, Innovation and Science in 2015 found that 74% of consumers believed that being able to identify country of origin is either important or very important to them. At the time the Bill (the Competition and Consumer Amendment (Country of Origin) Bill 2016) was debated, there was bipartisan and undisputed support for the right of consumers to have access to country of origin information. As stated earlier however, it was unfortunate that, at the time, these regulations only became binding on retailers and not on food service.

Over the ensuing years many seafood industry bodies (QSMA, Seafood Industry Australia, Professional Fisherman’s Association of NSW, Northern Territory Seafood Council and the Australian Barramundi Farmers Association) have attempted to have the country of origin exemption for the food service industry removed. To date all such attempts through the Federal Government have been unsuccessful. Only the Northern Territory Seafood Council has been successful in getting the Northern Territory Government to legislate that country of origin labelling also be mandatory for the food service sector, and this has been introduced with very minimal disruption, despite earlier predictions by this sector that there would be difficulties with its implementation.

The opponents to the removal of the food labelling exemption for food service in Government have often cited that the problem of obtaining country of origin information by the consumer is easily solved by the consumer simply asking the wait staff. However, a mystery shopper survey conducted by Seafood Industry Australia in 2018 revealed that in only one in three cases was the wait staff able to provide country of origin information, and in the situation where information was provided, in almost one in ten cases there was little confidence that the information was factual. In one case, when asked if the seafood was local, the waiter replied “Yes, it comes from just around the corner at Bidvest”. The worst results were found in clubs with more than 90% of staff being unable to answer the question of origin.

## **The Need**

It would appear that the self-regulatory approach to country of origin labelling in the food service sector does not work. There is evidence of perverse outcomes when labelling is voluntary, with over 50% of consumers assuming the seafood they purchase is Australian in origin if there is no stated country of origin (Lawley 2015). The omission of comprehensive labelling can, in some circumstances, be deliberately misleading to the point that some operators can exploit the fact that there is confusion and misunderstanding at the point of sale. For example, most consumers understandably think all barramundi is Australian given its Aboriginal name and longstanding position as a national dish. The truth of the matter is however, that approximately 60% of barramundi consumed in Australia is, in fact, imported from Asia.

Over two thirds of consumers have indicated that they would be prepared to pay a premium of up to 30% for Australian seafood. With consumers believing the absence of labelling indicates that the seafood is Australian, some participants in the supply chain have seized the opportunity to price imported product as if it was Australian. There is then the elevated risk of inappropriate pricing and potential reputational damage to Australian producers. The need, therefore, is to address the uninformed choice and confusion in the food service sector as this deception cheats both the consumer and Queensland seafood producers.

In this current world, COVID19 has only served to reinforce Australian's desire to seek out where their food comes from. More than ever before there is now a focus on the "Australianness" of what we eat, and within that the discerning consumer wants to know the provenance of their food within Australia, as generally it comes with a story.

## **Economic Benefits**

In Queensland we are presently in the midst of fisheries reform. Hopefully these changes will only go to further enhance our reputation of having well managed and sustainable fisheries within the State. Savvy consumers would prefer to choose their seafood from sustainably well managed and regulated fisheries and aquaculture operations. Therefore, there are economic benefits through added value to our seafood resource as a result of our fisheries management reputation compared to that of our global competitors, however this return on investment cannot be realised if the consumer is unable to be informed of the origin of their seafood before their choice is made. This currently applies to 25% of seafood sold in Queensland.

The Australian Barramundi Farmers Association estimates that the growth of the Australian farmed barramundi sector alone through the expansion of mandatory country of origin to the food service sector could potentially exceed \$100m per annum with an additional 250 direct and 1,000 indirect jobs.

Australian/Queensland seafood is an important asset to the Queensland tourism industry. Cairns, Port Douglas, the Gold and Sunshine coasts are all popular regions that Queenslanders, interstate and international visitors hold in high expectation of high quality, local sourced seafood. Dining out, and knowing that the seafood chosen is local quality product only enhances the experience and reputation with visitors. However, if a visitor cannot tell where the product is from, they cannot actively make an informed choice to buy locally sourced.

The other area where economic benefit could be realised as a result of removing the food service exemption is through the reputation that Australian/Queensland seafood holds as a high quality product particularly within Australia itself, gained through well regulated handling and hygiene procedures. Food safety regulators such as Safe Food Queensland mandate that traceability information is provided to food service operators and therefore, country of origin for seafood is already available. However, it is at the delivery door where this comes to a halt. Overall, consumers have trust in Australian and Queensland seafood from a food safety aspect. This reputation has value, which can only be realised if country of origin information is made available.

### **The How**

The primary reason accurate labelling of seafood was introduced in the first place was to allow the consumer to make an informed decision about the seafood they purchase. By giving consumers easy access to this information, informed decisions can then be made. The existing exemption for country of origin labelling for food service deprives the consumer of this information in approximately 25% of seafood sales in Queensland. To rectify this anomaly, quite simply, QSMA would like this exemption removed.

In the first instance, QSMA's policy is for Australian seafood to be identified on dining in or takeaway menus by either country, region or brand. (eg Mooloolaba King Prawns, Daintree Salt Water Barramundi, Hervey Bay Scallops etc). Focusing on the "Australianness" is aligned with the principles of country of origin labelling in retail.

Imported seafood can be similarly identified if so desired, but we suggest for ease of purpose that there be no requirement to identify any specific country of origin. This provides flexibility for businesses to manage variations in supply without the need to alter menus. For simplicity we suggest that a simple letter "i" be placed after the fish species or descriptor that links to a footnote indicating that "i" denotes "imported" or "imported seafood ingredients".

The removal of this exemption could be executed through an amendment to the *Food Act 2006* by amending s8 (Main Purpose) with an additional clause "to ensure seafood for sale at dining in or takeaway outlets is identified as either being Australian (by country, region or brand) or imported.

QSMA recommends that a compliance window of 12 months be established.

## Summary

Partially as a result of COVID19 entering the country, Australia's demand for Australian grown produce is on the rise domestically, however consumers cannot buy Australian or Queensland seafood if they cannot tell where it's 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 consumer is savvy, and Queenslanders and visitors alike deserve to be informed about the origin of their seafood so they can make an informed decision about what they eat. As previously stated, 74% of consumers believed 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 by making country of origin labelling mandatory, will provide these Queenslanders with truth in labelling so as make purchasing decisions free of confusion and in line with consumer detail preferences. This will then apply to an additional 25% of seafood sold in Queensland.

We wish to highlight the need that changes to country of origin labelling in food service become mandatory, as voluntary options do not address the consumer assumption of "Australian unless otherwise identified". Furthermore, QSMA intentions are not to vilify imported products. We understand there is a place for a variety of seafood products at different price points.

QSMA once again commends Queensland in its leadership of addressing the seafood origin labelling issue, and we hope support for the rights of consumers to have access to country of origin information will be bipartisan and not disputed.

QSMA welcomes the opportunity to discuss this submission with the Committee further, should there be a requirement for any additional detail.

Marshall Betzel



PRESIDENT

██████████