



Australian Marine Fisheries and Aquaculture
Productivity Commission
GPO Box 1428
Canberra ACT 2601

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Dear Sir/Madam

Re: INQUIRY INTO MARINE FISHERIES AND AQUACULTURE

I would like to provide input on the Productivity Commission Draft Report – Marine Fisheries and Aquaculture, specifically in relation to the Country of Origin Labelling (CoOL) for seafood sold in the food service sector.

I believe that it is appropriate for the Productivity Commission to reconsider the report recommendations, to introduce an approach which can help provide consumers with informed choice on their seafood, while also helping to reduce scope for otherwise unethical sales behaviour (not illegal, given labelling laws on fish names are not mandatory) with replacement (cheaper) products being claimed to be something else, in an otherwise fraudulent manner.

We support the submission from the Northern Territory Seafood Industry Council (NTSIC) and specifically note that:

- 1. CoOL provides information on consumer values, not food safety.** The Blewitt Review (2011) identified that Country of Origin (CoO) is a consumer value, not a food safety issue, and that other legislation addresses food safety.
- 2. The Australian Government set a precedent when it mandated CoOL be provided for seafood sold at retail and in packaged format.** CoOL addressed consumer demand for information that the vendor did not provide voluntarily. As such, it is a necessary intervention that is required to ensure that customers are not deliberately being misled by unscrupulous operators. Given there is no mandatory fish names requirements, it is equally not possible for prosecutions to be used to deter unscrupulous operators from 'cheating' by deliberately mis-labelling seafood products, or selling them as domestic when they are indeed, imported.
- 3. The market has failed to pass on seafood origin information despite it being provided by the industry.** In 2011 the Blewitt Review did not find sufficient evidence to extend CoOL to the food service sector noting it would be an exception to the exemption for restaurants to provide CoO. However, the majority, if not all other unlabelled fresh centre plate protein on restaurant menus are Australian. Seafood is an exception.



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The Blewitt Review recommended that *"consumer values issues (such as CoO) should be self-regulatory but subject to more prescriptive forms of intervention in cases of market failure or the ineffectiveness of self-regulatory schemes"*. We understand that, in 2015, over 50% of consumers still assumed that the seafood they are buying is Australian even when the CoO was not identified on the menu. Self-regulated CoOL has not worked in the food service sector.

4. The market is conflicted and opts not to volunteer CoO for seafood. Margins are greater when cheaper imported product is sold un-labelled, where the operator can advantage from the public assumption (or deliberately misleading behaviour) that it is Australian. The Blewitt Review recognised that there are mutual benefits to buyer and seller when the CoO is positive but that government intervention is required when the benefits are non-reciprocal.

That is, when the CoO has negative connotations, and it is in the seller's interest to withhold the information, the Blewitt Review recommended intervention. There is clear evidence in many situations of incorrectly labelled products on menus, or for sale in fish and chip shops, and in many other instances which, because there is no legislation mandating accurate naming or CoO labelling, goes unpunished.

For the reasons that CoO is a consumer value that the market is currently failing to pass on voluntarily, but that is mandated elsewhere, we support the NTSIC recommendations which propose that the Productivity Commission recommendations be amended to read as follows:

REVISED RECOMMENDATION 9.1

Governments devise a mandatory system of Country of Origin information suitable for seafood for immediate consumption.

This should be done in consultation with the Australian seafood industry, seafood importers, supply chain and food service sectors; following a cost benefit analysis and be completed in line with the Australian Government's review of packaged seafood labelling changes scheduled for 2018.

REVISED RECOMMENDATION 9.2

The Australian Fish Names standard be mandated. Further development of the Standard by Fisheries Research and Development Corporation should continue to reflect the needs of industry and the preferences of consumers.

I would be willing to expand further on this if that can be useful.

Yours sincerely

David Carter
CEO