



Submission on

**The Senate Inquiry into *Competition and Consumer Amendment (Australian Food Labelling) Bill 2012***

**26 October 2012**

## **About Growcom**

Growcom is the peak representative body for the fruit and vegetable growing industry in Queensland, providing a range of advocacy, research and industry development services. We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout the state and works alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has about 30 staff located in Brisbane, Bundaberg, Townsville, Toowoomba and Tully. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Growcom welcomes the opportunity to make a submission into the Inquiry of the Senate Standing Committees on Rural and Regional Affairs and Transport into the *Competition and Consumer Amendment (Australian Food Labelling) Bill 2012 (No. 2)*.

Growcom strongly supports Country of Origin Labelling for fruit and vegetable products which provides customers with the maximum possible information on the food they buy. As a result, Growcom fully supports the intention of the proposed amendments to the Bill. However, we believe that some sections of the proposed amendments require additional clarification and/or modification to successfully meet those intentions while avoiding undesirable consequences.

The current labelling scheme is too vague, and many consumers easily misunderstand the intended meaning of the labels. As a result, it is failing to provide adequate information on which consumers can base their purchasing decision. It has been argued that the meaning of current labels can be better communicated to consumers, removing the need for changes to the labelling scheme. However, the vague messages and risk of misinterpretation would remain, and this communication program would need to continue indefinitely to ensure that misinterpretation of the key messages does not reoccur in the future. Growcom argues that some simple modifications of the labelling scheme would provide a more elegant and enduring solution.

For consumers, the priority issue is to provide an easy-to-understand labelling scheme that clearly identifies products that are grown in Australia, processed in Australia from imported ingredients, or an imported product.

Within the proposed amendments, section 137A described the suggested changes to the labelling requirements that apply to the fruit and vegetable industry. We have commented on each of the numbered items of this section below.

1. Growcom suggests that this section should include some flexibility to allow products that may not have been grown in Australia but that have been processed, packaged or substantially transformed in Australia to be identified as an Australian product. Growcom suggests that products for which at least 50% of the wholesale cost is attributable to processing, packaging or transformation that has occurred in Australia (not including simple price mark-ups) may be identified as "Processed in Australia" or "Packaged in Australia". This simple label informs the consumer that the product consists of mostly imported ingredients, but that their purchase will support Australian manufacturing jobs. An optional qualifier which states "from imported ingredients" or "from imported or Australian ingredients" may further clarify the nature of the product for consumers.
2. Growcom agrees with the goal of this item and the definition of what is meant by Australian ingredients. However, Growcom suggests an alternative wording for the labelling requirements that provides more flexibility for Australian producers and are more easily interpreted by consumers:

“(a) there *may* be a statement on the package that the food is “*Australian grown*” or “*Grown in Australia*”.

3. (a). The suggested wording leaves an opportunity for other statements to appear which may imply an Australian origin. To remedy this situation, a clause should be added:

“... or any other wording or symbols which would lead consumers to think this product was Australian.”

This would cover things such as “Australian Made”, “Product of Australia,” or the use of an Australian flag, map, coat of arms, or fauna.

4. (a) The requirement that the label must be on or in connection with the display, rather than individual items, certainly provides retailers with a degree of flexibility. However, we argue that “in connection with” is open to interpretation and must be explicitly defined.

b(ii). Growcom has always maintained in the case of fruit and vegetables that “a mix of local and imported” is not sufficient information to be provided to the consumer, as this could mean 1% domestic and 99% imported, or vice-versa. We would support it being mandated that domestic and imported fruit or vegetables be displayed and labelled separately.

5. Growcom fully agrees with this statement. As detailed at item 3 above, the labelling requirements should include more detail to explicitly rule out wording or symbols that may imply that the product was Australian