

5 February 2016

To the Country of Origin Labelling Taskforce

**Re: Country of Origin Food Labelling Consultation**

Dear Sir or Madam,

WWF welcomes the opportunity to provide comments on potential improvements to Australia's country of origin labelling (CoOL) framework.

WWF strongly supports efforts to deliver more reliable information to business and consumers about the products they use. CoOL is an essential foundation for product traceability, which in turn is the basis of most product quality regulations, standards and certifications.

**Room for improvement in CoOL**

CoOL in Australia today is confusing at best. Anyone wishing to understand the origin of products is obliged to interpret a range of confusing and overlapping categories, such as:

- "Made in Australia from local & imported ingredients"
- "Packed in Australia from imported ingredients"
- "Processed and Packed in Australia from imported and local ingredients"

WWF therefore strongly supports proposals to simplify and clarify the information provided to consumers about the geographic origin of the products they buy. In doing so, it is important to learn the lessons from recent CoOL initiatives and legislation in other countries. A very brief comparison of CoOL in selected countries and regions (the EU) is included in documentation provided on the taskforce website (Item 1, Attachment C). However, WWF recommends that a deeper analysis of the experiences, strengths and weaknesses of CoOL in other countries is undertaken, to provide a sound basis for the reform of CoOL in Australia.

**CoOL is necessary but not sufficient**

Giving consumers information about *where* goods are produced doesn't tell them much about *how* they were produced. Production practices and processes are key determinants of social and environmental impact, hence the need for credible standards for responsible production, traceability and chain of custody, which WWF has supported for many years (e.g. the Forest Stewardship Council, Marine Stewardship Council, and Roundtable on Sustainable Palm Oil).

WWF understands that the links between country of origin and other product characteristics, such as quality, jobs, safety or sustainability, fall outside the scope of this consultation. However, we believe that improved CoOL is a pre-requisite for the development and implementation of effective measures to address such concerns. In the absence of reliable CoOL, it is more difficult and costly for business and consumers to inform themselves about the social, environmental and other qualities of the products and/or ingredients they buy.

In order for CoOL to be most useful, it is essential to identify the country of origin of every ingredient contained in a product. Moreover, because product characteristics often reflect specific geographic factors, it is desirable that more precise geographic indicators (including sub-national place of origin) are available to those who require additional detail.

While it may not be practical to include geo-referenced data for all ingredients on product labels, WWF recommends that government explore how such information could be made available via bar codes or other suitable product tags, linked to public digital platforms or subscriber 'apps'. Such an approach could also be used to provide other product information of interest to consumers, such as on jobs, safety, sustainability, etc.

## **Avoiding unintended consequences**

Australian consumers – like those in many other countries – express a strong preference for domestic or locally produced food. Their preference may be based on assumptions about quality, environmental performance, or a desire to support the local and/or national economy. The proposed new CoOL framework is clearly designed to promote food produced or grown in Australia, through the use of the green and gold kangaroo device and bar chart.

WWF supports efforts to strengthen the relationship between food producers and consumers, for example through farmers' markets in urban areas. At the same time, WWF also supports efforts to promote sustainable economic growth in developing countries, which may involve the production of food for both domestic markets and for export (including to Australia).

One potential result of the new CoOL framework is that Australian consumers may shift their purchases, at the margin, away from imports and towards domestic products. While this would presumably be good for Australian producers, it could undermine parallel efforts to promote responsible production and export-led growth in the developing world (notably the investments by the Australian government's international aid program). For this reason, WWF recommends that any eventual consumer education campaign should make clear that CoOL is *not* intended to foster discrimination against imported food products.

## **Extending CoOL to non-priority foods and food service companies**

The draft CoOL framework identifies 'non-priority foods' as 'those that have been identified as foods for which Australian consumers are least concerned about origin information.' These include 'seasonings, confectionary, biscuits and snack food, bottled water, soft drinks and sport drinks, and alcoholic beverages'.

WWF agrees that consumers' concerns and preferences should be factored into the design of Australia's CoOL framework. At the same time, WWF believes that consumers benefit most when they are provided with reliable information that informs and influences their preferences. Consumers may not currently express concern about certain categories of food, but it does not follow that they are uninterested in learning about the country of origin or other pertinent characteristics of those products. WWF therefore recommends that the CoOL framework expand gradually over time to encompass food categories that are currently exempted.

The draft CoOL framework also exempts most food service and catering establishments. WWF believes this exemption is unwarranted and recommends that the framework is amended to provide consumers with information about the country of origin of products supplied by the catering trade, at a minimum for seafood and meat products sold in restaurants.

## **Beyond CoOL**

While improved CoOL is a necessary foundation for better consumer information, WWF believes that all products imported to Australia should ultimately pass the test of legal and sustainable production, comparable to what is required of domestic producers. This may be beyond the scope of the current consultation, but it remains an important determinant of efficient and competitive markets.

Australia is an open economy and domestic producers must compete for customers and market share with imported goods and services. While foreign producers may sometimes enjoy real cost or quality advantages over their Australian competitors, in some cases these advantages may instead reflect relatively low social and environmental standards and/or weak enforcement of regulations in the exporting country.

For example, Australian wild-caught fisheries are currently obliged by law to demonstrate sustainable operations, consistent with domestic legislative requirements, in order to receive a permit to export their seafood products. Meanwhile, imported products may come from

jurisdictions that have no such requirement. CoOL cannot solve this problem by itself, but when combined with other measures such as voluntary certification, it can help business and consumers to assess and choose between more or less responsible sources. WWF therefore recommends that government consider how CoOL can reinforce voluntary standards and certifications used by business to different products on the basis of their social and/or environmental performance.

I hope these few observations are helpful in your deliberations. Needless to say, WWF would be happy to elaborate or respond to any further questions you may have.

Yours sincerely,

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