

30 July 2018

Committee Secretariat
Primary Production Committee
Parliament Buildings
Wellington

By: Online submission

**SUBMISSION on
Consumers' Right to Know (Country of Origin of Food) Bill**

1. Introduction

Thank you for the opportunity to make a further submission on the Consumers' Right to Know (Country of Origin of Food) Bill (CoOL Bill). This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

Contact: Aneleise Gawn
Consumer NZ
Private Bag 6996
Wellington 6141
Phone: 04 384 7963
Email: aneleise@consumer.org.nz

We wish to appear before the committee to speak to our submission.

2. Summary

Consumer NZ has previously submitted in support of the CoOL Bill. However, we do not support the changes proposed in the committee's interim report. We consider the changes significantly weaken the original bill and fail to recognise the strong consumer support for mandatory country of origin labelling.

If passed in its current form, the bill will result in consumers only being able to determine the country of origin of fresh or frozen fruit, vegetables, meat and seafood. We urge the committee to reconsider its proposals. At a minimum, the bill's scope should be extended to cover all single ingredient foods.

3. Consumers want mandatory labelling

Consumers want mandatory CoOL labelling of their food, not just fruit, vegetables, meat and seafood. Restricting the scope of the bill to these products will mean consumers can only make informed choices about a limited range of the foods they purchase.

4. Voluntary approach not working

Our 2017 survey with Horticulture New Zealand confirmed the existing voluntary approach to labelling is failing to provide consumers with the facts they need to make informed choices.

The survey found, where labelling information was available, it could be vague or incorrect:

- 65 percent of shoppers said they looked for labelling information when they bought fresh fruit, but just 32 percent always found it,
- only 29 percent always found the information when they bought fresh vegetables.¹

In our last submission, we provided evidence of incorrectly labelled produce. This evidence is reproduced in Appendix 1.

5. Most other countries have mandatory labelling

Country of origin labelling is already mandatory in many other countries. At least 50 countries, including Australia, Canada, the United Kingdom and the United States, have mandatory labelling requirements.

In Australia, labelling rules have been strengthened to require locally-manufactured foods to show the percentage of local ingredients they contain. Imported foods also have to specify a country of origin. These requirements do not just apply to fruit, vegetables, meat and seafood.

Consumer NZ supports the introduction of a similar system here. Consumers have the right to know where their food comes from, whether it is a single ingredient food item or a food item with more than one ingredient.

6. Compliance costs

We consider there are unlikely to be significant compliance costs associated with the introduction of CoOL labels for single ingredient foods.

To meet food safety requirements, manufacturers must already have information about where ingredients are sourced. They can readily put this information on the product label and some do so. Mandating labelling would ensure shoppers have access to the information wherever they shop and ensure a level playing field.

In 2016, the Australian government carried out an extensive cost-benefit analysis of proposed CoOL reforms and concluded the benefits to consumers would outweigh the cost to industry of providing the information.²

¹ Nationally representative survey of 1066 New Zealanders, aged 18 years and older, carried out in February 2017.

² Country of origin labelling, Decision Regulation Impact Statement, Consumer Affairs Australia New Zealand, March 2016, retrieved on 27/7/18 from <https://ris.pmc.gov.au/2016/04/22/country-origin-labelling-food>

In New Zealand, consumers currently bear the costs of a lack of labelling. These costs arise from:

- uncertainty about the origin of a product purchased and the lost utility the information would have provided
- increased time spent trying to find and understand information on product origin
- shoppers not purchasing their most preferred product due to a lack of origin information.

7. Consumer information standard

We support mandatory labelling requirements being introduced as a consumer information standard under section 27 of the Fair Trading Act. The Commerce Commission is the appropriate authority to enforce labelling requirements.

Thank you for the opportunity to make a further submission on the CoOL Bill. If you require any further information, please do not hesitate to contact me.

Yours sincerely



Sue Chetwin
Chief Executive

Appendix 1: Examples of incorrectly labelled products



New Zealand capsicums labelled "product of Aust/Holland"



USA mandarins labelled "product of Australia"



Australians pears labelled "Fresh from NZ"



Sliced pineapple "Country of Origin New Zealand"?



Chilean grapes labelled from New Zealand



USA asparagus labelled "Fresh from NZ"



Italian kiwifruit labelled "Fresh from NZ"



Sliced rockmelon labelled "made from local and imported ingredients"