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Report

SPEECH

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Questioner
Speaker Laming, Andrew, MP

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Mr LAMING (Bowman) (17:21): This is an opportunity again to support what I think is a very positive report that has been submitted to this place and a lot of work by the committee members concerned. I want to highlight four areas in this report, *A clearer message for consumers: report on the inquiry into country of origin labelling for food*, which I think are promising and one area that needs to go a little further. I am very impressed with recommendation 1 and the clarification around 'Made in'. Up until now, 'Made in Australia from imported and local ingredients' has been incredibly vague and poorly understood by the general community, and it did need to be improved. This recommendation 1 to provide 'Made in Australia' only for 90 per cent content or above is very positive, and then to use the 50 per cent cut-off for mostly foreign or mostly domestic is absolutely common sense.

There is also obviously a lot of misleading advertising and food labelling. I do not think any of us would disagree that that is an area that we really have to focus on continuously and vigilantly via the statutory authorities that are concerned.

As an eye surgeon, I will support any increase in size of labelling, but in reality packages are self-limited for space. I understand that many food manufacturers are very concerned about that recommendation because already, they would argue, there is a huge amount of information on packaging, and increasing size presents them with certain difficulties. They would point out, I accept, that increasingly technology will play a role here.

My main reason for rising today was first of all to point out that there is still a possibility to generate virtuous positive cycles around country-of-origin labelling. By that I mean having some kind of competition to increase local content, to make the wavering food manufacturer consider putting more local ingredients in because there is a business return on that investment. Currently there is not. Currently, if you can save a buck and use some foreign products, I do not blame food manufacturers for doing just that to maximise their profit.

We have a role here in identifying the most Australian product in its class of foodstuffs that are on the shelf. This is a possibility amongst packaged food, canned food and reconstituted and shelf-stable juices. There is a possibility there to identify the most Australian juice in its class according to the content of what they use. This would simply be—as we currently do nutrient analysis on every food through FSANZ anyway—an option for food manufacturers to list what they intend to stick to as a minimum over the next 12 months. Of course, that can change. But, where they win that competition to have the most Australian ingredients in their product, they deserve some form of recommendation. This would be not a cost for a supermarket to bear but an industry supported, self-regulating ability to identify the most Australian food product in its class. You can do it with technology, but you can also do it by simply highlighting the label with a transparency that makes the price tag yellow instead of white.

When people shop and walk down those two aisles, really, that have Australian product battling to remain on the shelves, it is mostly packaged mixed goods; it is mostly reconstituted shelf-stable juice; and it is canned food. That is where the battle is. The battle is not down in the domestic cleaning products. It is not down in fresh fruit and veg. That is all clearly labelled. In that very small area of the supermarket, we should be able to identify that it is the Heinz baked beans as opposed to someone else's baked beans that are the most Australian baked beans. You do not need to write anything on a label. You just need to have a little flyer or a dangly hanging from the shelf front. Who on earth is going to do that? Heinz will because they have a one to two per cent market advantage for doing it.

It is an \$80 billion sector, so what does a one per cent change to Australian consumption of products do in that sector? It makes a big difference—hundreds of millions of dollars for Australian food manufacturers. That is a one per cent change. Plenty of studies have been done on how many people will change their purchasing habits if they know what is Australian, and the jury tells us that it is between three and five per cent. That is a multibillion-dollar dividend if we can make it simple.

Not quite so simple is the IT component. This was recommendation 6, where we talked about bar code technology being optional. I think we have to be tougher than that. I think the least that food and grocery manufacturers can do is be part of a bar code system that Australians are able to use with their smartphones. All of us under the age 70 have got smartphones. Everyone is using them. Many people have two of them. It is time for food and grocery manufacturers to stump up. I am sick and tired of the Food and Grocery Council representing, predominantly, foreign food and grocery arrangements. They put 'Australian' in front, but the AFGC are mostly representing foreign food producers and are probably the greatest stumbling block in getting progress in this area. I know Australians keep asking for more progress, but in reality they go into shopping centres and supermarkets and they do not buy Australian products, because of a combination of brand loyalty and price. We know that. But, as a state, we can make it easier for them to make that shift if they choose to.

Government is not going to do it, but I will tell you who will. It will be the loyalty programs. Coles and Woolies have eight million and seven million customers respectively. I have got their cards in my wallet. Most of us carry those cards. I am not going to fall into the trap of being pulled up for using props, Deputy Speaker, but I carry six cards and two of them are supermarket loyalty cards. I do that to get the fuel discounts. These guys collect an enormous amount of data on my shopping preferences. There are enormous opportunities for me to opt in, with these profiles, and tell Coles or Woolworths that I have an interest in low-fructose foods, high-energy foods, low-cholesterol foods or Australian-country-of-origin products. It should be a relatively simple matter for me then to be able to walk with my phone and scan what I am buying or wirelessly download from my loyalty program customer profile everything that I have bought over the last five years. They could tell me what my preferences are, and then I should be receiving SMSs every time constituent analysis changes, country of origin of a product changes or price changes. If there is a special on, I should be able to get it as an SMS on my phone as I enter the store.

This is probably five years away, but, if that is where we are heading, as a state we need to provision for that. We need to provision for that possibility. If I care about Australian-produced goods, all that data is already collected, because already the supermarket loyalty programs know the constituent analysis of every food. They have done that already for FSANZ. They know the star labelling of every food, because we have now got that agreed through the states and territories. It would be a relatively simple matter for them to connect the star ratings with the foods and then allow customers to talk about what they want to know about what is on the shelves. In the end, the state may have to do very little but facilitate these programs to occur. I am excited about those potentials and, if it can help Australians buy a few more country-of-origin labelled products, we may be able to get around some of the more complex areas of labelling and mandating of printing of information on scarce label space and have people empowered, through smartphone devices, to do it.