



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Competition and Consumer Amendment
(Country of Origin) Bill 2016**

Second Reading

SPEECH

Wednesday, 4 May 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 4 May 2016
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Questioner
Speaker Pyne, Christopher, MP

Source House
Proof No
Responder
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Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (11:16): I move:

That this bill be now read a second time.

The Competition and Consumer Amendment (Country of Origin) Bill 2016 is designed to provide more clarity in terms of the safe harbour provisions within the Australian Consumer Law.

This bill forms part of the legislative reform package for country-of-origin labelling that this government has brought forward. Another integral element of this reform package is the Country of Origin Food Labelling Information Standard 2016, which is to be tabled separately—and I know the member for Adelaide, who is at the table, is keenly waiting for that tabling to occur!

Ms Kate Ellis interjecting—

Mr PYNE: Before I detail the specific amendments that this bill makes, I want to explain the objectives of the country-of-origin labelling reform package that the government is championing.

These reforms will provide consumers with clearer and easier to find country-of-origin information so that they can make informed purchasing decisions.

Inquiries and research conducted in recent years show that the current framework is largely ineffective in meeting its objectives, particularly for food. Some origin labels and rules are still unclear, confusing or unhelpful to consumers and business.

We have bipartisan support for this reform package because this is an issue that has vexed parliamentarians of all political persuasions for many years.

The government's reform package has had the benefit of extensive consultations and discussions with businesses, the community, and their representatives—as well as state and territory governments and our overseas trading partners. It is particularly important to note that, through this process, we have secured broad state and territory support for these reforms.

We take this opportunity to thank the thousands of people who took the time and trouble to contribute their views, and to work with us during the development of these reforms. Your participation has helped us achieve our goal of providing Australian consumers with the country-of-origin labelling information they value the most without imposing excessive costs on business. Today is the major breakthrough Australians have long been waiting for.

As part of our reforms, the mandatory country-of-origin labelling requirements for food will be enhanced, and moved from the Australia New Zealand Food Standards Code to an information standard under the Australian Consumer Law.

As Australians, we want to know whether the food we buy is from the country we live in or from somewhere else—and, if it was made or packaged here, how much of it was grown here by our farmers.

Under the new information standard, many foods found on Australian retail shelves will be required to include a kangaroo-in-a-triangle logo if they have been made, produced or grown in Australia.

The new labels for food will also include a bar chart and words to indicate the proportion of Australian ingredients in the food. Research has shown that this is the most important piece of origin information for consumers when it comes to food.

Through this package of reforms, consumers will be able to trust that claims such as 'made in' and 'product of' are applied consistently. Businesses will be able to use these terms with greater certainty, and will be less inclined to make meaningless origin claims like 'made in Australia from local and imported ingredients'.

These changes will give consumers a clearer understanding about where their food comes from, while ensuring Australian businesses receive the information and support they need as they transition to the new rules.

This reform also meets a key commitment of the agricultural competitiveness white paper, released last year.

The government will provide the Australian Competition and Consumer Commission with additional funding of \$4.2 million over five years to undertake compliance and enforcement activities in relation to the new requirements. The government has also agreed to fund a \$15.2 million information campaign to ensure consumers and businesses understand the revised framework.

The Australian Consumer Law prohibits false or misleading representations regarding the claims made of the origin of goods.

To provide certainty for businesses, the law provides 'safe harbour' defences for country-of-origin claims where goods meet certain criteria. If goods satisfy the relevant criteria, the business is deemed to not have engaged in misleading or deceptive conduct or made a false or misleading representation under consumer law.

This bill will:

make it clearer that minor processes such as packaging, slicing or canning would not be sufficient to justify origin claims like 'made in', consistent with consumer expectations and international norms;

remove unnecessary burdensome or redundant provisions; and

amend and align remaining provisions with the new information standard.

Inclusion of changes to these safe harbour defences in the package of reforms is broadly supported by all industry sectors. Businesses will find it easier to make reliable country-of-origin representations through a clarified substantial transformation test and the removal of the burdensome and capricious production cost test. Consumers will also welcome the changes with the safe harbour defences that make it clearer that goods cannot be claimed to be made here just because their form or appearance has changed and they have been packaged here.

I would like to acknowledge the detailed and exhaustive consultations undertaken by my department and the Department of Agriculture and Water Resources during the various stages of this reform process. I thank them for their hard work and effort. I also wish to thank once more the many businesses, peak industry groups and individuals who invested precious resources and time in responding to the questionnaires and participating in the detailed discussions during the consultation phase. Finally, I wish to acknowledge my colleague and friend the Deputy Prime Minister, Barnaby Joyce, for his long commitment to reform in this important area of public policy.

I commend the bill to the House.

Debate adjourned.