

Australian Government

Department of Industry, Science and Resources

Country of origin labelling for seafood in hospitality settings

Discussion paper

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Note: Submissions in response to this discussion paper will be made public (either attributed or anonymous) unless requested otherwise.



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1 Introduction

The Australian Government has committed to "working with the seafood and hospitality sectors to implement mandatory country of origin labelling". This will improve consumers' ability to make informed choices when ordering seafood in hospitality settings, based on their preferences.

Country of origin is often a major factor for consumers when they are thinking about what seafood to buy.¹ The seafood industry has noted a common misconception that seafood sold in hospitality settings is Australian, when it is actually often imported.²

Under the *Country of Origin Food Labelling Information Standard 2016* (CoOL Information Standard), labelling is already needed for most food sold in Australian retail settings, such as supermarkets and grocery stores. The 2021 evaluation of the CoOL Information Standard found that many consumers use these labels as a part of their decision-making process.³ However, hospitality businesses such as restaurants, cafés and hotels do not currently have to label their food. Some hospitality businesses provide origin information by choice, especially in high-end businesses for premium seafood. Consumers can also ask for origin information at any time. However, there has not been significant voluntary uptake and origin information available to consumers is limited.

The government is considering how to implement mandatory Country of Origin Labelling for seafood in hospitality settings (seafood CoOL). This discussion paper outlines:

- objectives to guide the development of seafood CoOL
- a proposed model for seafood CoOL
- information on existing origin labelling schemes for hospitality.

The proposed model aims to be a simple, practical and low-cost approach for providing consumers with origin information to help them make decisions. We want your feedback on the model and the questions in this paper to inform future labelling rules.

For this paper, the term 'seafood' refers to both saltwater and freshwater fish, shellfish and roe (see section 3.2). The terms 'seafood' and 'fish' are used interchangeably.

Questions

For consumers/consumer organisations:

1) Do you think information about seafood origin will help you make decisions on what to buy in hospitality settings?

¹ Evaluation of Country of Origin Labelling reforms Final Report, July 2021.

² As above.

³ As above.

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2 Objectives

There are four key objectives that seafood CoOL will aim to meet. These objectives will inform government decisions on final seafood CoOL requirements.

2.1 Improve consumer information

There is currently limited information available to consumers on the origin of seafood in hospitality settings. Seafood CoOL will provide consumers with improved origin information, making it easier for them to buy seafood in line with their preferences.

2.2 Minimise costs and impact on affected businesses

The government recognises that seafood CoOL will impact a range of businesses in the hospitality sector and that there may be some practical challenges involved. For example, menus may need to be updated depending on seasonal availability and some items may contain seafood from multiple origins. Labelling requirements will be as simple as possible to minimise the impact on businesses.

2.3 Practical to enforce

Seafood CoOL will need to be enforced by regulatory bodies and have compliance monitoring to maintain consumer confidence. Requirements will be practical for regulatory bodies to monitor, assess and enforce. They will also take the overall costs to government into account.

2.4 Align with trade principles

Seafood CoOL will seek to provide factual and impartial origin information that does not place a greater burden on importers than domestic producers.



3 The proposed model

The government proposes a model which aims to be simple, practical and low cost. It strikes a balance between consumer information needs and the compliance burden for businesses. The model will be refined based on stakeholder feedback.

3.1 Labelling requirements

Under this model, businesses will need to indicate if their seafood is:

- Australian
- imported or international, or
- mixed origin (if food contains both Australian and imported seafood).

This is the minimum level of information that businesses will need to provide.

Information will need to be clear, legible and prominently displayed in writing. Other specific formatting requirements are not being proposed at this time.

Businesses can use abbreviations if abbreviations are easy to understand and the full meaning is provided on the menu. For example, businesses can use the letters (A) for Australian or (I) for international/imported, and (M) for mixed next to specific items on a menu, if there is a key that defines the full meanings.

Using this information, consumers could seek further origin information if it is of interest to them. Businesses also have the option to provide more detailed information, such as the specific origin country or location of the seafood or amount of Australian and imported ingredients. For example, businesses could label fish imported from Vietnam as 'imported', 'international' or 'Vietnamese'.

Questions

- 2) Do you think the terms 'Australian', 'imported' or 'international' and 'mixed origin' are easy to understand?
- 3) Do you think business should have some flexibility in how they provide origin information? Or, do you think more specific requirements should apply? For example, rules on the terms, format, and communication methods businesses need to use.

For businesses/business organisations:

- 4) Are you already providing seafood origin information to consumers? If so, how are you doing this?
- 5) How do you think the proposed model for seafood CoOL would impact your business? This includes benefits, impacts on processes, costs and customer experience.
- 6) What would be your preferred way to display seafood origin information?

For consumers/consumer organisations:

7) Do you have any preferences for how seafood origin information is displayed?

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3.2 Meaning of 'seafood' for seafood CoOL

The Australia New Zealand Food Standards Code defines 'fish' as a cold-blooded aquatic vertebrate or aquatic invertebrate including shellfish, but not including amphibians or reptiles. For example, marron, trout, yabbies, crabs, oysters, octopus, trout, Murray cod are all considered fish under the code.

Food that contains the edible portion of fish, shellfish and roe sold for immediate human consumption would need to be labelled under the seafood CoOL requirement.

This includes seafood that is:

- wild caught and farmed
- fresh, frozen or processed (for example, crumbed, battered, filleted, diced or smoked)
- used as an ingredient in a dish (for example, tinned tuna in Tuna Mornay, smoked salmon in a quiche, whole anchovies on a pizza).

Labelling would not be required for ingredients or by-products derived from seafood, for example, condiments, flavourings, sauces, oil, marinades, prawn crackers and stock.

Questions

8) Do you buy or serve any seafood products not covered by this description of 'seafood'? If so, do you think these products should be covered? Why?

3.3 What seafood can be labelled as 'Australian'

For seafood to be labelled as 'Australian', it will need to have been harvested in Australia's territorial seas, or Australian freshwater bodies, or farmed onshore. Australia's territorial seas extend to Australia's Exclusive Economic Zone at 200 nautical miles from the Australian coastline.⁴

Imported fingerlings or seafood harvested in Australia and processed overseas can be labelled as Australian. However, products processed in Australia using seafood harvested overseas cannot be labelled as Australian.

Questions

9) Does this description of 'Australian' make sense to you? If not, what do you think should be labelled as 'Australian'?

For businesses/business organisations:

- 10) Can you access accurate information to be able to apply this description of 'Australian' to seafood? For example, product ordering lists, invoices, supply documents.
- 11) Are there any issues accessing accurate seafood origin information? If so, what changes would help?

Agriculture, Fisheries and Forestry (accessed 21 Nov 2022). Country of origin labelling for seafood in hospitality settings



⁴ <u>https://www.agriculture.gov.au/agriculture-land/fisheries/domestic/zone</u> website of Department of

3.4 Businesses covered by seafood CoOL

Businesses that sell seafood for immediate or imminent consumption would need to be labelled under the seafood CoOL requirement. This includes seafood that is served, delivered, packaged and ready for people to eat.

While specific requirements and legal tests will need to be developed, the following list of business types from ANZSIC classifications are examples of where seafood CoOL is expected to apply:

- Class 4400: Accommodation where prepared food is not included in the accommodation costs and is sold separately, including camp grounds, caravan parks, hotels, motels, resorts, ski lodges and youth hostels
- Class 4511: Cafés and restaurants
- Class 4512: Takeaway services where prepared food is ready to be taken away for immediate consumption, such as fast foods, fish and chip outlets, lunch bars, mobile food vans, snack bars
- Group 452: Pubs, taverns and bars
- Group 453: Clubs where gambling, sporting or other social or entertainment facilities are provided.

Seafood CoOL would also apply to seafood sold at casinos, amusement parks, theatre restaurants and other recreation and entertainment facilities that are outside of these ANZSIC classifications.

Ready-made meals that need further cooking before they can be eaten will not be covered by the new seafood CoOL as these meals are already required to be labelled under the current CoOL Information Standard for retail.

Seafood CoOL will not apply to food served and/or sold by:

- prisons, hospitals or schools
- charities or for fundraising events
- local grassroots sporting or recreation clubs
- canteens.

Questions

- 12) Are there other types of hospitality businesses that should be covered by seafood CoOL? If so, please explain why. Provide supporting data if possible.
- 13) Are there any types of hospitality businesses that should be excluded from seafood CoOL? If so, please explain why. Provide supporting data if possible.



4 Scenarios for seafood CoOL implementation

The following scenarios set out how the proposed model would work in practice:

4.1 Tuna Mornay

Scenario: A café is offering Tuna Mornay made with canned tuna packed in Thailand from multiple imported origins. This is a lunch special for dine-in or takeaway.

Labelling needed: The café would need to label the dish as containing imported/international seafood on menus and other places where the dish is advertised. For example, the café could label the dish on menus and the specials board as 'Tuna Mornay – contains imported fish' or 'Tuna Mornay (I)' with an accompanying key.

4.2 Pizza Napoli

Scenario: An Italian restaurant is serving Pizza Napoli with whole/chopped Italian anchovies as a topping.

Labelling needed: The restaurant would need to label the dish as containing imported seafood on menus and other places where the dish is advertised. Or, the restaurant could choose to label the dish as containing seafood from Italy. For example, 'Pizza Napoli with Italian anchovies.'

4.3 Caesar salad

Scenario: A club bistro's salad of the day is Caesar salad. Anchovy paste is an ingredient in the salad dressing.

Labelling needed: None. In this dish, the anchovy paste is the by-product derived from the fish and is not the edible flesh.

4.4 Battered fish

Scenario: A seafood outlet is serving battered 'fish of the day' cooked for immediate/imminent consumption. The fish is from several imported sources. This seafood outlet also sells raw fish fillets for people to cook at home.

Labelling requirements: The cooked battered fish would need to be labelled as 'imported' or 'international' on menus and other places where the dish is advertised. The raw fish would need to comply with labelling requirements under the CoOL Information Standard like any other food products for retail sale.

4.5 Seafood marinara pasta

Scenario: A restaurant is serving seafood marinara pasta which contains a mix of different types of seafood from multiple imported and Australian sources.

Labelling needed: The restaurant would need to label the dish as containing Australian and imported seafood on menus and other places where the dish is advertised. For example, the restaurant could label the dish as 'seafood marinara pasta – contains seafood of mixed origins' or 'seafood marinara pasta (M)' with accompanying key.

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4.6 Sushi train

Scenario: A sushi train has plates of seafood dishes which customers help themselves to.

Labelling needed: Each plate would be required to have a text reference to the origin of the seafood. Or the origin could be communicated in another clear and prominent way. For example, through other signage or menus that list dishes that may be offered on the sushi train.

4.7 Sushi with Furikake

Scenario: The sushi train is selling a type of sushi that has Furikake mixed into the rice filling, but otherwise does not contain seafood. The Furikake contains dried salmon particles.

Labelling none: None. Furikake is a seasoning for the rice and is a by-product derived from fish.

4.8 Prawn crackers

Scenario: A Chinese takeaway shop is selling prawn crackers as a snack. Prawn crackers sometimes contain ground prawn or shrimp.

Labelling requirement: None. The ground prawns/shrimp is used to flavour the crackers. The prawn in the crackers is a by-product of the seafood.

4.9 Catered event

Scenario: A company is planning a catered office function which will offer a range of dishes, including dishes containing seafood, selected from the caterer's menu a month before the event.

Labelling needed: To assist the company with its ordering decisions, the caterer would need to provide information on whether seafood dishes are expected to be made with Australian, imported, or mixed seafood. The caterer should also notify the company if there are any changes to the origin of the seafood after ordering. Labelling would be optional at the event because the purchasing decision has already been made.

Questions

- 14) Do these scenarios match how you think seafood CoOL should work in practice? If not, why not?
- 15) Based on your experience, are there any other scenarios (for example, seafood dishes or business models) that you would not know how to label? If so, please explain.



5 Compliance and enforcement approach

Specific compliance requirements for seafood CoOL will need to be developed. We propose to take a similar approach to the CoOL Information Standard for retail. Under this approach, regulators usually give businesses genuinely trying to comply the chance to fix any issues before taking action. Businesses may also need to keep records of their seafood sources for a certain period of time (such as 12 months) to support compliance checks.

There will be a transition period when seafood CoOL is introduced to allow time for businesses to understand, adapt to and make the changes. During the transition period, enforcement action will not be taken against businesses who are not yet compliant.

Guidance material will be developed to help businesses understand new labelling rules. The government will make this information easily accessible, including by providing it in several languages and formats.

Questions

- 16) What kind of compliance or enforcement arrangements are needed to support seafood CoOL?
- 17) What should happen if businesses are not compliant?
- 18) How long should businesses have to introduce seafood CoOL and why?
- 19) How could the government help business and consumers understand and adapt to the new labelling rules?
- 20) Would an education campaign help introduce seafood CoOL to businesses and consumers? If so, what kinds of campaign would help?
- 21) Where would you look for information and guidance on labelling rules?



6 Other seafood CoOL schemes

The government will consider any existing origin labelling schemes for hospitality as part of developing seafood CoOL.

6.1 Northern Territory (NT) scheme

In November 2008, the NT Government introduced legislation that requires fish retailers (such as restaurants, food vans, supermarkets) to label seafood as imported if it was not harvested in Australia. This was in response to complaints from consumers and the seafood industry. Under this scheme, imported seafood must be labelled with an 'i' or an 'l' on packaging, menus, display boards and pamphlets. Dishes containing seafood of mixed origins must be labelled as 'contains imported seafood products.'

The Fisheries Research and Development Corporation (FRDC) reviewed the NT scheme in 2011.⁵ It found there was support from the food services sector and consumers.

Questions

22) Do you know of any other requirements that could inform development of seafood CoOL?

Further comments on seafood CoOL

- 23) Are there any further comments you would like to make or is there anything else we should consider?
- 24) Would you like to be involved in future consultations on seafood CoOL?

⁵FRDC Project No. 2009/216, Tracking the impacts on seafood consumption at dining venues arising from the Northern Territory's seafood labelling laws, Chris Calogeras, Suzanne Morgan, Katherine Sarneckis, Leonie Cooper and T. Y. Lee, June 2011.

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