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Share Life

Country of Origin Labelling Taskforce  
Portfolio Strategic Policy Division  
Department of Industry, Innovation and Science  
GPO Box 9839  
Canberra ACT 2601  
AUSTRALIA

29<sup>th</sup> January 2016

## Country of Origin Labelling (CoOL) Consultation

### Comvita NZ Ltd Response

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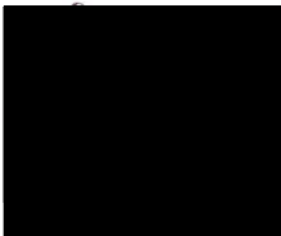
To whom it may concern

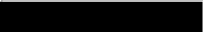
Thank you for the opportunity to respond to the Australian Government's consultation on Country of Origin Labelling proposal. Please find attached our response, which highlights our key concerns and recommendations.

Please feel free to contact me on [regulatory@comvita.com](mailto:regulatory@comvita.com) if you require any clarification or further information regarding any of these points.

With best wishes.

Yours sincerely



  
Global Regulatory Affairs Manager  
Comvita NZ Ltd

## About Comvita

- Comvita was founded in the Bay of Plenty, NZ, in 1974 by two beekeepers. More than 40 years later it has grown to become a globally recognised NZX listed company.
- Comvita is a world leader in natural health products such as Manuka honey and fresh-picked Olive Leaf Extract, which are core to the product range found in 18 different countries worldwide. Comvita has more than 500 staff across offices in New Zealand, Australia, Hong Kong, Japan, South Korea, the United Kingdom and the USA.
- Comvita is committed to providing consumers with high quality, safe products, supported by clear labelling and product information which is grounded in scientific evidence.

## Comvita concerns about the CoOL proposed new law:

- Food imported from New Zealand to Australia is already required to make a truthful country-of-origin statement on labels, so this information is already provided to consumers. The new legislation will **stipulate the addition of a box** for the CoOL, which is a **disproportionate measure** relative to the benefit over and above clear country of origin label information. Unless the desired effects on consumer purchasing behaviour are measured in a real world environment, qualitative research findings are merely suggestive.
- **Label redesign and printing costs** will be incurred, despite the fact that this information is already clearly provided by Comvita, for example, in a 'boxed off' section of the label for Comvita honeys.
- Food labels carry numerous items of importance and relevance to consumers, not just country of origin information. Whilst it is important to include the CoOL information, this **should not appear to be prioritised over other important consumer information** (by highlighting the information with a box), such as allergen or other warnings.
- Trans-Tasman provisions for CoOL across Australia and NZ are currently captured in the FSANZ Code. The introduction of the Australian Standard appears to be **a backward step in terms of international alignment** as it involves the removal of the relevant section from the Code. This could create a new **trade barrier between Australia and New Zealand**, as it appears to contravene the WTO Technical Barriers to Trade Agreement (whereby unnecessary barriers to trade are regarded as discriminatory), particularly if the NZ government changes its position that CoOL is a voluntary marketing tool and introduces mandatory CoOL at a later date.

## Comvita's recommendations:

- Like other areas of clear labelling, CoOL is an important tool to help inform consumer choice. However Comvita is concerned that implementing **a mandatory, prescriptive, national, legislative change is disproportionate relative to the cost and proven benefit**.
- **Any changes to CoOL should remain within the FSANZ Code** (or mutual recognition laws) to ensure trans-Tasman alignment and avoid the need for separate product SKUs for Australia and NZ. Not only is the proposed change going to have cost implications for the industry, it is also an active move away from international trade agreements and as such there should be a particularly high level of proof that the benefits will outweigh the cons.
- **CoOL particulars and format should be governed by clear and practical guidance rather than legislation** given that the totality of evidence is inconclusive as to its impact on consumers and international trade.

- If the requirement for CoOL information is going to be mandatory, then the **specific format should not be prescribed**. There should be a degree of flexibility, based on clear guidelines for presentation, minimum font and legibility that meet underlying principles for unambiguous labelling.
- It is fundamental that **any prescriptive legislative changes be grounded in empirical evidence** to demonstrate that the change will result in behaviour change in the real world and which justifies the cost impact to industry. Research findings related to consumer attitudes from focus group settings do not necessarily translate to actual behaviours in free-living individuals. There are numerous factors relating to purchase decisions and which influence overall choice, such as price and taste, which must be accounted for when testing for the attributable impact of mandatory label changes.
- **Further research is required to better understand the effect of ‘food nationalism’**, whereby consumers place their trust in national over international brands as a consequence of CoOL, to ensure that the principles of the WTO General Agreement on Tariffs and Trade (GATT, which aims to prevent any unfair advantage on domestically produced goods over imports) are not contravened.
- **Further research is required to better understand the importance of CoOL as an independent measure** and separate from food safety, quality and traceability issues. As food chain transparency and public assurances increase around these measures, CoOL may be of less interest to consumers (since it has been reported that CoOL is used to make judgements on these factors). Although food authenticity and safety is crucial for both consumers and a strong international trade, new legislative measures such as CoOL must be shown to directly impact on the areas consumers are most concerned about.
- The most recent review of all evidence relating to CoOL over the past twenty years has concluded that **‘the exact impact of mandatory (and voluntary) COO labeling initiatives still remains unclear and highly debatable’**: *‘The actual purchase behavior is the least researched dependent measure concerning the impact of COOL on consumers. Based on the reviewed literature, we conclude that little generalizable knowledge about COO food labeling effects exists. This can be largely contributed to insufficient theoretical application and development in the testing of COO effects across a variety of different contexts and disciplines. As a result, the exact impact of mandatory (and voluntary) COO labeling initiatives still remains unclear and highly debatable’.* (Newman, C.L. et al, 2014, *Twenty Years of Country-of-Origin Food Labeling Research: A Review of the Literature and Implications for Food Marketing Systems*)

## SOURCES OF INFORMATION

Sobal, J. Bisogni, C.A. Devine, C.M. and Jastran, M. (2006). *A conceptual model of the food choice process over the life course*. In: Shepherd, R. and Raats, M. eds. The psychology of food choice. CABI, Wallingford, pp 1-18.

Newman, C.L., Turri, A.M., Howlett, E. and Stokes, A. (2014). *Twenty Years of Country-of-Origin Food Labeling Research: A Review of the Literature and Implications for Food Marketing Systems*, Journal of Macromarketing, Vol. 34(4) 505-519

**Country of Origin Food Labelling Research (commissioned by the Australian Government, prepared by Colmar Brunton, July 2015)**

<http://www.industry.gov.au/industry/IndustrySectors/FoodManufacturingIndustry/Documents/Country-of-Origin-Labeling-Colmar-Brunton-Market-Research-2015.pdf>

**Country of Origin Labelling (CoOL) A Review of the Relevant Literature on Consumer Preferences, Understanding, Use and Willingness-to-Pay for CoOL of Food and Meat. FINAL REPORT, FOOD STANDARDS AUSTRALIA NEW ZEALAND. September 2010.** Wendy J. Umberger, Ph.D. Global Food and Agricultural Economics School of Agriculture, Food and Wine The University of Adelaide.

<http://www.foodstandards.govt.nz/code/proposals/documents/P1011%20CoOL%20AR%20SD2%20Lit%20Review.pdf>

**Evidence Review of Public Attitudes Towards, and Use of, General Food Labelling. Final Report. (January 2010).** Philip Davies, Kristen MacPherson, Emma Froud, Oxford Evidentia, Social Science Research Unit, Food Standards Agency (UK).

<http://tna.europarchive.org/20100929190231/http://www.food.gov.uk/multimedia/pdfs/revattitudeslabelling.pdf>

**WTO Technical Barriers to Trade Agreement** aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. At the same time, it recognises WTO members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment. The TBT Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.'

[https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm)

### **WTO General Agreement on Tariffs and Trade**

5.6 The GATT establishes two fundamental trade law principles. Under these principles, and as a party to the GATT, Australia must not create unnecessary obstacles to trade, or give domestically produced goods an unfair advantage over imports (known as the national treatment principle) or, give imports of one country an unfair advantage over imports of another country (the most favoured nation principle). [Chapter 5]

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Agriculture\\_and\\_Industry/Food\\_Labelling/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/House/Agriculture_and_Industry/Food_Labelling/Report)