



Submission by

BusinessNZ, Buy New Zealand Made and ExportNZ

to the

Primary Production Select Committee

on the

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

May 2017

CONSUMERS' RIGHT TO KNOW (COUNTRY OF ORIGIN OF FOOD) BILL SUBMISSION BY BUSINESSNZ, BUY NEW ZEALAND MADE AND EXPORTNZ¹

1. Introduction

- 1.1 This is a joint submission from BusinessNZ, Buy New Zealand Made and ExportNZ. We welcome the opportunity to make a submission to the Primary Production Select Committee on the Private Member's Bill, Consumers' Right to Know (Country of Origin of Food) Bill.
- 1.2 We support voluntary country of origin labelling for all food products and would emphasise that this is something many producers, retailers and suppliers are doing already in response to consumer demand. However, we have concerns about the difficulties that will arise where any other element apart from the fresh produce itself is introduced into the production process, as the Bill allows.
- 1.3 We do not, therefore, support the Bill for reasons set out under the 'Discussion' heading.

2. Recommendation

- 2.1 That the Bill not proceed.

3. Discussion

- 3.1 We can understand there are consumers who might be concerned about the source of the food they buy but would point out that this Bill goes beyond single component fresh food - meat, fish fruit, vegetables, eggs and so on – to encompass food that has been processed in some way, as by canning or coating with another food (clause 8(e)).
- 3.2 There will always be occasions when some element of the production process – for example sugar, in the case of canned fruit – will, for reasons such as crop failure, need to be sourced from a country other than that from which it is usually imported. Should this happen compliance with a labelling requirement would not only be difficult (leading inadvertently to the

Background information on BusinessNZ, Buy New Zealand Made, and ExportNZ is included as Appendix 1

commission of an offence) but would also involve cost beyond the initial outlay.

- 3.3 However, were the Bill to be amended to recognise the problem inherent in the need to list the country of origin of added ingredients and the labelling requirement *excluded* single component fresh food processed in some way, that would also exclude from the legislation's coverage processed fresh food without additives. The exclusion of fresh food provided in processed form but with no additional ingredients - olive oil might be an example – would not be covered under this Bill. That, in turn, could encourage time-consuming and costly definitional arguments (how processed is processed?). Neither approach will do anything to promote the cause of food safety.
- 3.4 And the Bill's explanatory note considers point of sale labelling or signage to be *'cheap and easy to supply'* but overlooks the considerable difference between food production and the provision of footwear and clothing to which food labelling is compared (where, presumably, what is required is the name of the country of manufacture only, not the names of the countries that supply component parts).
- 3.5 Further, as previously stated, the complexity of compulsory country of origin labelling would inevitably mean cost increases likely to deter consumers from buying the very single component produce, fruit and vegetables in particular, they are increasingly urged to purchase. It goes without saying that imposed cost increases of this kind would hit those least able to pay the hardest.
- 3.6 New Zealand already has high food standards and producers, retailers and suppliers have nothing to gain from not complying with those standards.
- 3.7 We note that unlike Government Bills, Private Members' Bills are not required to go through any kind of cost/benefit analysis and are not subject to any consideration of possible unintended consequences. Before indulging in the urge to regulate, it would be better first to establish whether there is any significant problem.

APPENDIX 1

BUSINESSNZ

[BusinessNZ](#) is New Zealand's largest business advocacy body, representing:

- Regional business groups [EMA](#), [Business Central](#), [Canterbury Employers' Chamber of Commerce](#), and [Employers Otago Southland](#)
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) representing producers, retailers and consumers of New Zealand-made goods

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and the Business and Industry Advisory Council ([BIAC](#)) to the Organisation for Economic Cooperation and Development ([OECD](#)).

BUY NZ MADE

The Buy NZ Made Campaign is owned by Business NZ and is a not-for-profit membership organisation which companies join to obtain the use of the iconic kiwi trademark to label products as New Zealand Made.

The campaign has been operating since 1988 and has 1150 members ranging from the small retail store to supermarkets, manufacturers, service providers and small business.

In addition to providing a trademark for use on goods and services that meet the requirements of the Fair Trading Act for Country of Origin labelling, the campaign helps to promote members through various channels such as social media, magazines, newsletters and the web.

EXPORTNZ

ExportNZ is New Zealand's peak industry association representing exporters' through-out New Zealand. There are around 2,500 export members through our regional partners (EMA, Business Central, Canterbury Employers Chamber of Commerce, and Otago Southland Employers Association). We have seven regional offices through-out New Zealand and the membership is from emerging exporters to our largest exporters. All sectors are represented.