



25 September 2020

By E-mail: OriginLabelling@industry.gov.au

Dear Sir/Madam,

Restaurant and Catering Australia (R&CA) is pleased to provide a submission to the Country of Origin Labelling team within the Department of Industry, Science, Energy and Resources relating to the Evaluation of Country of Origin Labelling (CoOL) for Food.

R&CA is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

R&CA's position is clear. Due to the dramatic impact of COVID-19, industry operators continue to face ongoing challenges to their operating conditions. Given overwhelming majority of businesses in our sector are small business, these challenges associated COVID-19 pandemic are extensive and risk the very survival of thousands of businesses across the county. Now is not the time to consider or entertain new regulations, costs or rules on any food service business

It is clearly the case that COVID-19 pandemic will have significant adverse effects on the potential growth of an already struggling industry.

Further, in the current economic climate, and with the hospitality industry being one of the most significantly affected industries as a result of the pandemic, it is important that business operators, in particular, small business operators, receive maximum Government assistance and support to meet the current challenges and demands and thereafter and be given regulatory certainty in order to keep their businesses afloat.

But simply, while our strong opposition to mandatory seafood CoOL rules is historical and well known, we consider any move to bring new rules into place now damaging, counter-intuitive and unnecessary during the period of recovery.

As at 30 June 2019, there were, according to the most recent ABS count, 43,587 cafes and restaurants and 3,869 catering companies in Australia, contributing more than \$37 billion annually to Australian GDP and employing more than 450,000 people nationally.

Preliminary evidence has indicated that as many as 10% of those business have already closed their doors permanently, with more expected once government support schemes cease. Data from IBIS World already indicated that revenue across this sector has dropped by 25% on average across Australia, wiping more than \$8 billion from the sector more broadly.

In 2015, R&CA together with the Accommodation Association of Australia (AAoA), the Australian Hotels Association (AHA) and the Seafood Importers Association of Australasia (SIAA) produced a position paper titled Extending

Mandatory Country of Origin Labelling to Seafood: A perspective from the foodservice sector. The paper highlighted the key considerations for the introduction of mandatory country of origin labelling to the foodservice sector, including the potential cost and administrative burden the regulation would place on businesses.

R&CA's opposition to mandatory labelling is unchanged from our 2015 submission, as we believe that these issues are as pertinent now as ever before. We attach that paper as an addendum to this covering submission for the purposes of historical background and information. These objections include the cost of compliance, the limited ability for demand to meet supply, the confusion that would exist where supply chains are disrupted causing changes in product, seasonality and price sensitive as negatives of our local seafood market and the lack of consumer understanding of the sustainability of our local market compared to imported products.

However, as noted above, R&CA is firmly of the view that many of these issues are magnified by the impact of COVID– especially impacts on costs of complying and issues relating to supply chains, especially with the threat of further state and international border closures.

Central to R&CA's opposition however is the firm view that to place any new regulatory burden on the accommodation and food services industry, by governments at any level, is reckless and irresponsible. Agencies at every level, from local councils to state and federal governments are doing everything in their power to remove red tape and regulatory burden on the food service sector to assist this devastated industry survive – for any supplier, producer or stakeholder to even contemplate further burdening this industry frankly beggar's belief.

All proposed reform should be viewed through the lense of COVID, and should reasonably ask if now is the correct time to consider burdening businesses with further costs, red tape and complexity.

R&CA greatly appreciates the opportunity to provide its views on CoOL issues. R&CA's strong view is that the focus of government agencies and regulatory should be that focused on improving the current business operating conditions,

particularly when considering the current and post pandemic economic climate, equally with considerations for improving economic performance.

If you wish to discuss R&CA's views further, do not hesitate to contact Tom Green, R&CA's Manager – Police & Government by email at tom@rca.asn.au.

We thank you again for the opportunity to make this submission.

Regards,

A handwritten signature in black ink, appearing to be 'Wes Lambert', written in a cursive style.

Wes Lambert CPA FGIA MAICD
Chief Executive Officer
Restaurant and Catering Australia