



# Food & Beverage Importers Association

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## Citrus Growing and Processing

### Productivity Commission Inquiry

#### Comments on Position Paper

- 1 These comments on the Commission's Position Paper are made by the Food & Beverage Importers Association. The Association made an earlier submission to this inquiry.
- 2 The FBIA wishes to confine its remarks to two issues in the position paper:
  - (i) labelling laws (country of origin and type of juice)
  - (ii) whether safeguard measures are needed.

#### Labelling Laws

- 3 The Commission has found that "existing institutions and regulatory arrangements, when taken together, should be sufficient to limit misleading labelling provisions" (Finding 7.1). We support this finding.
- 4 The Commission notes that claims made about citrus products are already subject to existing regulations and legislation; in particular, the consumer protection provisions of the Trade Practices Act the Australia New Zealand Food Standards Code.

As well there is voluntary code of practice.
- 5 We would like to point out that there are also provisions in the state food legislation that prohibit misleading conduct relating to the sale of food. For example, section 13 of the Victorian Food Act 1984 makes it an offence to "engage in conduct that is misleading or deceptive or is likely to mislead or deceive in relation to advertising, packaging or labelling of food intended for sale or the sale of food". That section also makes it an offence to "cause food to be advertised, packaged or labelled in a way that falsely describes the food". The penalty for each of these offences is \$40,000 in the case of an individual and \$200,000 in the case of a corporation.

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- 6 Without doubt, consumers need accurate and relevant product information to enable them to make appropriate purchasing decisions, and labels are an important source of this information. But the regulatory framework summarised above would seem to provide sufficient protection to consumers from misleading claims or statements on labels. Moreover, if a product characteristic is regarded as desirable to consumers, then it always open to marketers to provide information about that characteristic; indeed, there would seem to be a direct incentive for them to do so.
- 7 In our view, there are no grounds for introducing special additional rules for the labelling of citrus products.

**Is a formal safeguards investigation appropriate?**

- 8 We note that the Commission is of the view that a temporary increase in barriers against imports of frozen concentrate orange juice would be unlikely to alleviate the financial difficulty being experienced by some growers (Finding 8.1). Accordingly, the Commission has found that such an increase would not be an effective policy response to the challenges facing the citrus industry.
- 9 We support the position that there should not be a formal safeguards investigation.

15 March 2002