

## **Dairy Australia's Submission to Productivity Commission Study on Impacts and Benefits of COAG Reforms: Business deregulation**

### **Review of food labelling law and policy**

The *Review of food labelling law and policy* was one of the important milestones for the Food Regulation area of the *National Partnership to Deliver a Seamless National Economy*.

Governments have yet to respond to *Labelling Logic – The Final Report of the Review of Food Labelling Law and Policy*. Dairy Australia shares the concerns many have raised that the recommendations made in the report do not fulfil the terms of reference of the review, and in particular do not meet the spirit or objectives of *Delivering a Seamless National Economy*. As stated in the Productivity Commission's circular regarding deregulation priorities:

The reforms are intended to lower compliance costs to business and administrative costs to governments, encourage more efficient investment decisions, including through establishing new or expanded operations across State borders, and raise productivity.

The *Labelling Logic* report makes a number of specific regulatory recommendations that add to rather than decrease regulatory burden, go against appropriate processes for regulation making (for example as contained in the *COAG Guide for Best Practice Regulation*), and fail to reduce duplication and make roles and responsibilities clearer.

For example:

- Increased burden in areas such as new technologies and GM, which will discourage investment in innovation.
- Use of labelling provisions as a medium for public health campaigns without sufficient evidence that these will be effective in achieving the desired outcomes (for example traffic light labelling).
- Failure to consider international harmonisation particularly given Australia's active participation in international forums such as Codex Alimentarius arguing for consistency and good regulatory practice.
- Failure to address duplicated roles between the ACCC/consumer law and FSANZ/food regulation, particularly where overarching 'truth in labelling' provisions render specific requirements in food regulation redundant.

While we recognise governments will not accept all recommendations made in the report, we take this opportunity to reiterate the genesis of the labelling review and its role in contributing to *Delivering a Seamless National Economy*.

**As part of examining the impacts and benefits of COAG reforms on business regulation, the Productivity Commission should look at the *Review of food labelling law and policy*, and the extent to which this review has contributed and will contribute to deregulation objectives.**