

NEWSFEED

Australian Pork Limited chief executive Andrew Spencer said the ‘Made in’ claim should be removed from smallgoods.

“Our anecdotal evidence is that every time a consumer sees ‘Made in Australia’ on a packet of bacon or ham, they believed the pig was grown here and that of course is not the case,” he said.

“Today’s country-of-origin labelling laws make consumer choice almost impossible, which helps perpetuate 70 per cent of Australia’s ham and bacon consumption being made from imported pork, a fact of which most consumers remain unaware.”

However the Food and Grocery Council said its research shows that while origin is important to consumers, price, brand and quality are the main drivers.

While chief executive Gary Dawson said the terms ‘Grown in’, ‘Product of’ and ‘Made in’ could be better aligned with consumer expectation, this could be done within the existing framework.

“We would note that there are market mechanisms that are probably more effective than regulation in this area,” he said.

The Department of Industry’s Lyndall Milward-Bason said while the system is confusing, it is actually working because there is minimal evidence of a failure by industry to comply with the rules.

“The fundamental issue is not about the framework, it is about the understanding of the claims by consumers,” she said.

“That is why the processes we are going through are not about changing regulation, new regulation, or additional regulation, it is about education of the consumers through the new guidance material and if necessary an education campaign.” ■

Review to focus on foreign investment facts

A public inquiry into foreign investment in Australian homes will examine whether the current system is causing supply and affordability problems for local buyers.

Conducted by the House of Representatives Economics Committee, the review will investigate the economic benefits of foreign investment in residential property and whether it is increasing the supply of new housing.

It will also look at how Australia’s foreign investment framework compares internationally and whether any improvements can be made.

Committee chair Kelly O’Dwyer (Higgins, Vic) said the inquiry will look at whether or not our foreign investment framework is working and whether it’s appropriate for the current times.

“We think rather than debate anecdote and emotion, it’s much better to deal in fact,” she said.

Overseas buyers are currently able to seek approval to buy new dwellings and vacant land for residential development, and invest in new developments.

The policy aim is to boost the supply of new housing, thereby benefiting the local industry.

“It recognises that there are great social and economic benefits from that, but there are restrictions currently under the existing framework for established properties,” she said.

Foreign buyers cannot generally buy older homes, unless they are seeking to use it as a residence while in Australia.

Ms O’Dwyer said a key focus for the committee will be whether or not Australia’s policy framework is appropriate.

“If it is, whether it is being applied correctly and if it’s not being applied correctly, what are the barriers to its application and whether any enhancements ought to be considered,” she said.



Ms O’Dwyer said the committee would review substantial data to assess the impact of foreign investment on the housing market.

“If you take a cursory look at previous annual reports released by the Foreign Investment Review Board (FIRB), you will note that the quantum of foreign investment into residential real estate has been declining, not increasing,” she said.

“There has been some discussion about whether or not there is any impact on housing prices, if foreign investors are able to purchase property here, does that have an impact on inflating the price for Australian citizens who are looking to purchase property in Australia?”

Apartment developers Meriton said in 2012-13 FIRB approved the purchase of 11,668 dwellings by temporary residents and non-residents, which it said was around 2.5 per cent of the total residential real estate market in 2013. Total annual sales in that year were 468,354 dwellings.

“Foreign investors are an important contributor to the stock of new housing in Australia. However, their investment is not a significant driver of increased housing prices, playing a minor role in the overall housing market,” it said. ■

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