



**Submission to the
Senate Economic References Committee
on the Inquiry into Third Party Certification of Food**

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This is a response to the invitation by the Australian Senate for submissions to the Economics References Committee about the following seven matters (A) to (G) listed in the Terms of Reference. These seven issues have been re-framed as questions below and then answered using the best information currently available.

A. What is the extent of food certification schemes and certifiers in Australia including, but not limited to, schemes related to organic, kosher, Halal and genetically-modified food and general food safety certification schemes?

This submission will concentrate specifically on the issue of the certification of Halal products.

The early history of Halal

In the Qur'an, Muslims are taught that there are certain things, including various types of food, which are 'Halal', which means 'permitted' in Arabic, e.g. Qur'an.2:168; 5:88; 8:69; 10:59; 16:114, 116. There is also other foods which are 'haram' (i.e. forbidden) e.g. Q.2:173; 5:3; 6:145. Halal food should contain no forbidden products (e.g. pork or alcohol) and any meat should be killed according to Islamic standards (i.e. the blood is fully drained out of the corpse).

In both Mecca and Medina, the prophet Muhammad (570-632) was part of a multi-religious society, where Muslims lived alongside Jews, Christians and idol-worshippers. The Muslims did not slaughter all their own food. The Qur'an states that the food, including slaughtered animals, of the 'People of the Book', that is Jews and Christians, is lawful for Muslims (Q.5:5). Muhammad himself ate meat from a sheep that had been prepared by a Jewish woman (Hadith al-Bukhari 3:786; 4:394). One day some Muslims said to Muhammad, 'People bring us meat and we do not know whether they have mentioned Allah's Name or not on slaughtering the animal.' He said, 'Mention Allah's Name on it and eat.' (Hadith al-Bukhari 7:415) Eating food slaughtered and prepared by non-Muslims was obviously acceptable to Muhammad, even if its provenance was unknown.

Dogs are considered unclean animals in Islam. Being licked by a dog requires a person to wash seven times (al-Bukhari 4:173). Muhammad was told by Gabriel that an angel will never enter a house which has a dog (al-Bukhari 54:450). Despite this, the Muslims used dogs to hunt food, and a Muslim could eat wild game killed by a hunting dog by saying 'Bismillah ar-Rahman ar-Rahim' (*In the name of Allah, the Merciful and Compassionate One*) over the dead animal. (al-Bukhari 4:175)

Nor does the blood need to be fully drained from the killed animal before it can be eaten. According to Muhammad, wild game that flees after being shot by a Muslim and found up to three days later can be eaten (Hadith Muslim Book 21, Number 4746). When a group of Muslims found a dead whale washed up on a shore, they ate it. Muhammad endorsed their action, even eating some its meat himself (Hadith Muslim Book 21, Number 4756)

Historically, there has always been much more flexibility about Halal food than is indicated by the practices of many modern Muslims, and the rigorous standards applied in recent years were not the norm with the earliest Muslim communities nor indeed most Muslim communities throughout history.

The modern Halal certification industry

For over 1400 years Muslims have happily consumed all kinds of food without any Halal certificates. The Halal certification industry is a recent innovation within the Muslim community. It started in Australia in the 1970's,¹ according to one Muslim spokesperson.

Only more recently has the industry has grown enormously. There are currently 21 Australian Halal certification bodies² recognised by the Federal government. But this is just a small portion of those involved in the whole international certification scheme. Some modern Muslim organisations have felt the need to provide Halal certificates for almost everything, including water,³ soft drinks⁴ and cat-food.⁵ It is claimed that even toilet paper⁶ has been Halal-certified. In some supermarkets in western Sydney, there are meat slicers used only for Halal meat, and a four star hotel in Malaysia has an elevator which only allows Halal food inside.⁷ Haram food must be carried up the stairs.

Halal certification has been criticised by some Islamic scholars. One sees it simply as an exploitative money-making scheme.⁸ He notes that it opposes the basic Muslim premise that everything created by Allah is Halal unless it has been declared 'haram' – the Halal certification reverses this key principle, stating that everything is haram unless it has a (paid) certificate declaring it Halal. It also places human law and categories above Allah's law, which should be supreme, according to Islamic theology. It creates division and injustice within the Muslim *umma*. Another Muslim scholar, Dr Taj Hargey, complains about the higher cost of Halal meat, even though identical meat is sold more cheaply in the supermarket next door. He calls the Halal certification industry 'a fundamentalist Trojan horse in our midst.'⁹

B. What are the issues surrounding the current labelling requirements of food certification schemes?

There are several issues of concern about current Halal labelling.

Lack of branding

Halal food may not always be branded as such. Cadbury's Easter products in Australia did not carry the Halal logo, yet they are presumably made from the same chocolate as Cadbury's Halal-certified products.¹⁰ The example of 'Coon Cheese' is a case in point. There is no Halal sign on the outside of the packaging, but when the sealed product is purchased and opened, the Halal logo is found on the inside.¹¹ Lack of proper labelling removes the possibility of informed consumer choice.

¹ <http://www.sunshinecoastdaily.com.au/news/sunshine-coast-dairy-says-no-10b-halal-industry/2444556/?ref=hs>

² <http://www.smh.com.au/national/why-halal-certification-is-in-turmoil-20141227-12cmd3.html>

³ <http://investvine.com/wp-content/uploads/Water-halal.jpg>

⁴ <https://sumatfeet.files.wordpress.com/2012/11/edited.jpg>

⁵ <http://www.purina.com.au/about-us/FAQ>

⁶ <http://www.hdsfoods.co.uk/product/toilet-tissue-andrex-2/>

⁷ <http://mrjam.typepad.com/.a/6a00d8341c00c753ef017d40039772970c-pi>

⁸ <http://www.jumuamosquect.com/khutbas/khutba/archive/2012/january/27/article/khutba-on-halal-certification-fiasco.html>

⁹ <http://www.dailymail.co.uk/debate/article-2623879/We-Muslims-appalled-sale-halal-meat-stealth.html>

¹⁰ <https://www.cadbury.com.au/Products/Halal-Products.aspx>

¹¹ <https://www.youtube.com/watch?v=LaWt2Y9tmuE>

Improper branding

Food branded as Halal may not, in fact, be so. Dutch chicken meat imported into Britain and certified as Halal was found to be injected with beef or pork.¹² In 2012, Indonesian beef meatballs were found to be laced with pork,¹³ which is cheaper. In 2014, Cadbury was forced recall some of its chocolates in Malaysia when they were found to contain traces of pig DNA.¹⁴ A guide put out by Muslims in Canberra notes about some foods: “Products listed here and containing Gelatine are approved. Other products containing gelatine even if marked “Halal” are not approved.” It also marks some food additives, such as E627 with “Halal - Should be avoided in Australia.”¹⁵

Clearly, attempts by Halal certifiers to provide a guaranteed product have not been successful.

C. Is there a need for labelling on products produced by companies that pay certification fees?

It is important that food that is classified as ‘Halal’ by the payment of a certification fee be clearly labelled. Some people do not want to buy or be involved with Halal food for a variety of reasons.

Halal as a ‘Muslim tax’

Some people consider Halal certification an added-on “Islamic religious tax”.¹⁶ The money paid to the certification authorities must necessarily increase the selling price of Halal-certified food. Dick Smith, for example, has refused to pay for Halal certification for his food products purely on commercial grounds, as it would increase costs.¹⁷ The Sunshine Coast’s Maleny Dairies has refused to Halal-certify its milk, stating that “[w]e do not wish to increase the costs of our products to cover the expense of Halal Certification.”¹⁸ Despite Nestle’s claim that they “do not pass on the cost”,¹⁹ (Purina foods made the same claim about their Halal-certified Fancy Feast Cat food),²⁰ it seems unlikely that any company will pay a fee to a certification organisation and not increase the price of the product to cover this fee. Why would any company allow Halal certification fees to reduce company profits? Would companies do this with any other fee or tax such as GST? What would the share-holders say? In any case, whether the cost has been passed on to the customer or not is immaterial: the company selling the product has paid an amount of money to the Muslim certifying agency, strengthening the financial position of that agency.

Melbourne University’s Professor Abdullah Saeed reported in 2003: “The certification of Halal meat “has added considerable financial strength to the organization [Australian Federation of Islamic Councils] ... the certificates are obtained on a fee basis, a substantial income is available from the

¹² <http://news.bbc.co.uk/2/hi/programmes/panorama/3047159.stm>

¹³ <http://www.abc.net.au/site-archive/rural/news/content/201212/s3659232.htm>

¹⁴ <http://www.theguardian.com/business/2014/may/28/pork-in-cadburys-malaysian-chocolate-recalled-after-dna-traces-found>

¹⁵ http://www.halalrc.org/images/Research%20Material/Literature/halal_guide.pdf

¹⁶ <http://halalchoices.com.au/>

¹⁷ <http://www.dicksmithfoods.com.au/media/news/halal-certification-our-food>

¹⁸ <http://www.sunshinecoastdaily.com.au/news/sunshine-coast-dairy-says-no-10b-halal-industry/2444556/?ref=hs>

¹⁹ <http://www.abc.net.au/news/2015-04-14/fact-check-does-halal-certification-fund-terrorism/6383238>

²⁰ <http://www.purina.com.au/about-us/FAQ>

activity... the decentralization of Halal meat certification has taken away the quasi-monopoly the AFIC once enjoyed in this area".²¹

Misleading association between being 'Halal' and being 'healthy'

When an early Muslim refused to eat chicken because they ate unclean 'haram' things, it was pointed out to him that the prophet Muhammad ate chicken meat, even though the local chickens ate faeces.²² Halal cleanliness is related to Islamic ritual requirements rather being inherently healthy or scientifically safer based on hygiene standards.

Halal food is sometimes promoted as "the healthy choice".²³ Muslim cleric Mustafa Ceric claimed that "Halal means pure and hygienic."²⁴ However there is no clear connection between food being Halal and being healthy. Although unpasteurised milk may be deemed Halal,²⁵ it would still be banned in Australia as unsafe under current laws.²⁶ Food that is produced and processed in Bangladesh,²⁷ for example, might be certified Halal, but it may not meet Australian food safety standards,²⁸ whereas Australian tinned ham produced under the highest health standards in the world is not deemed Halal.

Animal cruelty concerns

A Muslim website describes the requirements of Halal animal slaughter: "It is strongly advised that the neck of the animals should neither be cut off completely nor broken, thus avoiding the severance of the spinal cord. The animals are left on their sides to die completely, prior to further processing to avoid any further pain or suffering."²⁹ In other words, the animal whose throat has been cut is kept alive for as long as possible so that the heart completely pumps out all the blood. If the animal is electrically stunned prior to its throat being cut (the normal practice in abattoirs), this process does not take place.

The RSPCA opposes the Halal requirement of cutting an animal's throat without prior stunning.³⁰ Jordanian Princess Alia bint al-Hussein, a descendant of the prophet Muhammad, wrote to then Prime Minister Kevin Rudd asking Australia stop the Halal trade because of its cruelty to animals.³¹ She stated that killing without stunning is not necessary under Islamic principles. Video footage showing the brutal treatment of Australian cattle in Indonesia in 2011³² and 2012,³³ and Gaza in

²¹ Abdullah Saeed *Islam in Australia* (Sydney: Allen & Unwin, 2003), 139, 140

²² Hadith alBukhari 7:427, 429, 430, 431, 433, 434, 435.1, 436

²³ <https://www.facebook.com/pages/Healthy-and-Halal-Choice/262767233832787>

²⁴ <http://web.archive.org/web/20101215142014/http://dailymailnews.com/1210/11/Business/index.php?id=2>

²⁵ <http://myhalalkitchen.com/where-does-raw-milk-come-from/>

²⁶ <http://www.abc.net.au/news/2014-11-29/foodies-push-on-for-raw-milk-cheese-approval/5927656>

²⁷ <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1160&context=lhapapers>

²⁸ <http://www.foodstandards.gov.au/industry/safetystandards/pages/default.aspx>

²⁹ <http://www.halal-australia.com.au/consumers/>

³⁰ http://kb.rspca.org.au/What-is-Halal-slaughter-in-Australia_116.html

³¹ <http://www.smh.com.au/environment/mideast-princess-in-plea-to-rudd-on-animal-slaughter-20091101-hrnx.html>

³² <http://www.abc.net.au/news/2011-05-31/government-considers-live-export-bans/2738138>

³³ <http://www.abc.net.au/lateline/content/2012/s3441902.htm>

2013,³⁴ and Egypt in 2014,³⁵ and Australian sheep in Pakistan³⁶ have raised questions about the cruelty of Halal slaughter.

Social cohesion issues

A Muslim scholar has criticised the Halal industry for the way it divides Muslims from the rest of society: “we can cocoon ourselves from what is going on around us - so long as we have our Halal meat and our mosques we are okay. ... We must ... not spend all our time and effort cutting ourselves off from them and isolating ourselves in ghettos.”³⁷ Halal food has become a divisive issue. In 2003, Hume Council banned ham and pork from all council functions, so that the Muslim 12% of the population in the area would attend council functions.³⁸ However the same reasoning was not applied by banning all meat products to cater for vegetarian Buddhists who constitute a significant presence in Hume. Nor was it ruled that alcohol must necessarily be provided because beer and wine are enjoyed by the majority of the population. Who decides which social, religious or ethnic group’s needs should be catered for, and how big should the group be before such concessions are mandated? The Hume Residents Association objected to council policies being changed to suit a minority. When the Liverpool Council in Sydney tried the same pork ban in 2015,³⁹ the Hindu community called for a beef ban, as cows are sacred to Hindus. The Macedonian community then called for pork to be reinstated because it was an important symbol for their survival under Ottoman rule. The council ultimately backed down, offering pork, beef and chicken as options. Trying to dictate types of food consumption does not work in a multicultural society.

Workplace discrimination issues

Animals can only be slaughtered by Muslim slaughterman who recite the ‘bismillah’ while facing the animal towards Mecca. Slaughtermen can apply for registration only if they are “members of an Islamic Society” and “practicing Muslims of good character and faith and must be known by at least two prominent Australian Muslims who are prepared to write a reference about them.” They must “obtain a reference letter from the Imam of the Mosque where the Slaughter man is well known.”⁴⁰ This means that only observant Muslims can hold these jobs, and people from other religions such as Christianity or Hinduism are excluded from such employment. The more that Halal spreads, the greater this level of religious discrimination will be applied.

The connection between Halal food and Sharia law

Some people ask: “Isn’t Halal food just the same as Kosher food, to the Heart Foundation tick, or the ‘Made in Australia’ logo?”⁴¹ French journalist Alex Del Volle, whose life was threatened when he began investigating the Halal industry, outlines the difference: “Kosher people do not call for restricting democracy. Halal food is sharia, and we need to ban any sharia-related thing in our

³⁴ <http://www.abc.net.au/news/2013-12-12/call-for-halt-to-live-exports-to-gaza-based-on-video-footage/5152028>

³⁵ <http://www.banliveexport.com/egypt>

³⁶ <http://www.abc.net.au/4corners/stories/2012/11/02/3623727.htm>

³⁷ <http://www.jumuamosquect.com/khutbas/khutba/archive/2012/january/27/article/khutba-on-halal-certification-fiasco.html>

³⁸ <http://www.abc.net.au/news/2003-05-23/hume-council-bans-pork-from-functions/1858358>

³⁹ <http://www.smh.com.au/nsw/calls-for-beef-to-be-banished-along-with-pork-from-liverpool-councils-interfaith-lunch-20150726-gikoni.html>

⁴⁰ <http://www.iccv.com.au/slaughmanreg.htm>

⁴¹ <https://newmatilda.com/2015/05/21/watch-charlie-pickering-takes-cory-bernardi-and-halal-truthers>

society.”⁴² For some Muslims, Halal is a means to extend the impact of Islam on a society. In 2010, the mufti of Bosnia-Herzegovina Mustafa Ceric, a Muslim Brotherhood leader in Europe, made a connection between Halal food and Islamic expansionism when he appealed to attendees at the Global Halal Congress in Islamabad (Pakistan) to “conquer the world through the Halal movement”.⁴³

The correlation between Halal food and the establishment of Sharia law has already been made in Australia. When the Australian Federation of Islamic Councils (AFIC) called for the introduction of some aspects of Sharia law in Australia in 2011, they used the Australian government’s acceptance of Halal food as an example of this ‘legal pluralism’ of combining Sharia law with Australian law. They cited regulations governing Islamic finance and Halal certification in Australia as examples of how legal pluralism can work.⁴⁴ Those Australians who are uncomfortable with or opposed to Sharia law do not want to strengthen this connection.

Clearly Halal certification opens up a whole range of issues which may affect society at many levels.

D. Do current schemes provide enough information for Australian consumers to make informed purchasing decisions?

Lack of transparency about the costs of Halal certification

There is a lot of secrecy about the amount of Halal fees that are being paid, and many companies decline to answer this question. ABC TV’s ABC FactCheck⁴⁵ stated that it “contacted dozens of Australian food companies about Halal certification, many of whom didn't respond... Many refused to speak to Fact Check... Processed food companies, who generally pay a set yearly fee for Halal certification, were more willing to talk, but few would disclose exactly what this costs.” Some companies which paid small amounts disclosed the fees they paid, but larger companies refused to do. One wonders why this is so. Although honesty and transparency are key Australian values, they are being ignored when it comes to Halal costs.

Recommendation 1: All food for which a Halal certificate has been issued should be clearly marked as ‘Halal’ so that consumers know what they are buying. Those who have any hesitation or objection for whatever reason about buying Halal food can then purchase non-Halal food with a clear conscience.

E. Are there any details regarding certification fees paid by food producers and/or manufacturers, and the potential for these to impact on prices for consumers?

As mentioned above, the fees are often kept secret. One Queensland meat producer, which did not want to be identified, was quoted \$27,000 per month for Halal certification. This is one case where a firm was open about the cost. Other companies, like Cadbury and Kraft, refuse to give any details of the costs, although they must be clearly known by their internal financial auditors.

⁴² <http://www.cbn.com/tv/1397750218001>

⁴³ <http://web.archive.org/web/20101215142014/http://dailymailnews.com/1210/11/Business/index.php?id=2>

⁴⁴ <http://www.theaustralian.com.au/national-affairs/muslims-use-multiculturalism-to-push-for-sharia/story-fn59niix-1226057100331>

⁴⁵ <http://www.abc.net.au/news/2015-04-14/fact-check-does-halal-certification-fund-terrorism/6383238>

A newspaper report detailed how an Indonesian Halal certifier was, in effect, dictating meat prices in Australia. "The Indonesian Council of Ulama (MUI), the top Islamic body which orders fatwa religious rulings, has even banned a Brisbane business from operating - because it was not charging Queensland abattoirs enough to give the religious tick-off to export meat... The MUI has suspended Brisbane based Australian Halal Food Services (AHFS) for engaging in "unfair competition" that could "weaken (the) Halal certification movement"."⁴⁶

This identified one of the significant issues in the Halal certification industry – the lack of financial regulation. Halal certifiers are unencumbered agents, able to set their fees at whatever level they wish. It appears that they have a 'gentlemen's agreement' not to undercut each other, resulting in a lack of competitive pricing. The action of the MUI indicates that Halal certification fees are being kept artificially high in order to maximise the amount of money that is taken from the Australian economy. If a food producer wishes to do business with a particular country, they are forced to pay the often exorbitant fee that the Halal certifier has set. There appears to be no path of redress with a group like the ACCC. Clearly there is a need for more government regulation in this industry.

The vast majority of food for Australian consumption need not be certified. Since Muslims are only 2.2% of the Australian population, they constitute a niche market, much the same as 'organic' or 'gluten-free' food or 'free-range' eggs. Supermarkets are able to segment their customers, by stocking ordinary 'non-organic' foods and 'cage' eggs and 'plain label' products, and selling them at a lower price. Because of lower production costs due to fewer restrictions, economies of scale or lack of advertising, these products can be sold at a lower price. Those who desire niche products are willing to pay a higher price, due to higher production costs, for the food they want to consume. The Halal-certified market in Australia could be seen in the same light, as the Halal certification fee is an additional cost which must be passed on to the customer. Non-Muslims would not be required to pay the additional costs in Halal certification.

Recommendation 2: *The current Halal-certifying bodies should be discontinued, and all Halal certification should be brought under one government-regulated body, preferably administered by the Federal Government. This would ensure that the Australian food industry is getting the best price outcomes for Australian producers and consumers. This one body could negotiate with international markets to obtain the lowest possible pricing for Halal certification, thus keeping Australian production prices (which include Halal certification fees) low and making Australian food produce more competitive in the international market. The process would be revenue-neutral i.e. the proceeds would cover the cost of running the government regulating body and nothing more. Halal certification prices could be raised or lowered as needed. At present, Halal certifiers set their fees to make a profit for themselves. The removal of this profit would result in lower fees being paid by Australian producers.*

F. What is the importance of food certification schemes in relation to export market access and returns to producers?

It has been suggested that Australia's international export market may become unviable if food is not Halal-certified as it would impact the meat production industry,⁴⁷ losing valuable international

⁴⁶ <http://www.couriermail.com.au/news/queensland/religious-levy-costs-queensland-abattoirs-thousands-each-month/story-fnihsrf2-1226743106235>

⁴⁷

http://www.theaustralian.com.au/subscribe/news/1/index.html?sourceCode=TAWEB_WRE170_a&mode=pre

income and costing thousands of Australian jobs. This is most likely true. Consequently the call by Pauline Hanson for a total ban on Halal certification in Australia⁴⁸ is unwise.

There is no doubt that that any country has the right to set standards about the food that is imported into that country. If a Muslim country requires Halal certification in order to be able to sell its imported meat, as many do, then Australian Government-regulated certificates can be issued. A single regulatory body, as recommended above, would put Australia in a stronger position with respect to the international market, as purchasers would know that they have to deal with only one Halal-certifier in Australia.

However this is quite separate from the issue of the Australian domestic market, which will be discussed below.

G. What is the extent and adequacy of information available to the public about certifiers including, but not limited to, certification processes, fees and financial records; and any related matters?

The widespread secrecy about Halal certification has prompted concerns about how the money raised is being spent.

Connections between Halal finance and international terrorism

Halal is big business, with an international market estimated at \$US638 billion.⁴⁹

There are some connections between Halal fees and terrorist funding in Western countries.

(a) Canada: The Muslim Association of Canada (MAC), the main Muslim Brotherhood organization in Canada, is a significant Halal certifier in that country. For the last ten years, MAC has been an important contributor to IRFAN-Canada, the Hamas fund collector in the country. The Canada Revenue Agency revoked IRFAN-Canada's charity status in April 2011 after having concluded that it financed Hamas, which was classified as a terrorist organization. IRFAN was placed on Canada's list of banned terrorist organisations in 2014.⁵⁰ Hamas' Izz al-Din al-Qassam Brigades⁵¹ are in ASIO's list of 20 terrorist organisations banned in Australia⁵² and the UK. Hamas is also banned as a terrorist organisation in many countries, including the USA,⁵³ Egypt,⁵⁴ and Jordan.⁵⁵ One of the few countries

mium&dest=<http://www.theaustralian.com.au/national-affairs/halal-meat-sector-unviable-without-islamic-markets-barnaby-joyce-says/story-fn59niix-1227302037829&memtype=anonymous>

⁴⁸ <http://www.abc.net.au/news/2015-04-14/fact-check-does-halal-certification-fund-terrorism/6383238>

⁴⁹ http://www.gov.mb.ca/agriculture/market-prices-and-statistics/food-and-value-added-agriculture-statistics/pubs/halal_market_pathfinder_en.pdf

⁵⁰ <http://www.investigativeproject.org/4368/canada-raids-designates-hamas-tied-charity>

⁵¹ <http://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/HamassIzzal-Dinal-QassamBrigades.aspx>

⁵² <http://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>

⁵³ <http://www.state.gov/j/ct/rls/other/des/123085.htm>

⁵⁴ <http://www.voanews.com/content/egypt-court-bans-hamas/2662905.html>

⁵⁵ <http://www.gatestoneinstitute.org/3978/king-abdullah-hamas>

that continues to support Hamas is Qatar. During a recent visit by the UK PM David Cameron told the Emir of Qatar to restrict financial aid flowing from Qatar to ISIS.⁵⁶

(b) France: In France, 60% of Halal food is controlled by organisations which have strong links with the Muslim Brotherhood,⁵⁷ such as the Union of Islamic Organisations in France (UIOF). A Muslim Brotherhood motto is: 'Allah is our objective; the Prophet is our leader; the Quran is our law; Jihad is our way; dying in the way of Allah is our highest hope.'⁵⁸ The Muslim Brotherhood has been declared a terrorist group by Saudi Arabia,⁵⁹ the United Arab Emirates⁶⁰ and Egypt.⁶¹

(c) United States: In the USA, the Islamic Society of North America (ISNA) is a major Halal certification agency.⁶² ISNA was co-founded by Palestinian Islamic Jihad (PIJ) leader Sami al-Arian. PIJ is one of the 20 terrorist organisations listed by ASIO and banned in Australia.⁶³ In 2013, the Canadian Revenue Agency revoked ISNA's charitable status due to its funding for a terrorist organisation.⁶⁴ The Holy Land Foundation (HLF) is one of the biggest Islamic charities in the United States. In 2008, HLF was banned and its assets seized, after it was found that HLF provided approximately \$12.4 million in support to Hamas and its goal of creating an Islamic Palestinian state by eliminating the State of Israel through violent jihad.⁶⁵

Recommendation 3: *The link between halal funding and terrorism needs further investigation. The removal of profit-based organisations and their replacement with a government-regulated body will remove the means of this taking place.*

Conclusions and Recommendations

Every person has the right to choose what they will consume, within the law. Australian Muslims have a right to eat Halal food. Even though the Halal-certification industry is a modern invention, Halal food should be allowed in Australia to cater for the 2.2% of the population which is Muslim.

Every person also has the right to choose what they will not consume and to know what they are consuming. The 97.8% of Australians who are not Muslim may have legitimate concerns about Halal food on several fronts, and people may decide not to eat Halal food for a variety of social or religious reasons. So Halal food must be clearly labelled so any customer can decide whether or not to buy it.

Recommendation 1: *All food for which a Halal certificate has been issued should be clearly marked as 'Halal' so that consumers know what they are buying. Those who have any hesitation or objection for whatever reason about buying Halal food can then purchase non-Halal food with a clear conscience.*

⁵⁶ <http://www.dailymail.co.uk/news/article-2812782/Cameron-uses-Downing-Street-talks-challenge-Emir-Qatar-stop-flow-cash-ISIS.html>

⁵⁷ <http://www.cbn.com/tv/1397750218001>

⁵⁸ <http://www.wsj.com/articles/SB10001424052748704132204576136590964621006>

⁵⁹ <http://www.reuters.com/article/2014/03/07/us-saudi-security-idUSBREA260SM20140307>

⁶⁰ <http://www.reuters.com/article/2014/11/15/us-emirates-politics-brotherhood-idUSKCN0IZOOM20141115>

⁶¹ <http://www.theguardian.com/world/2013/dec/25/egypt-declares-muslim-brotherhood-terrorist-group>

⁶² <http://www.isnahalal.ca/>

⁶³ <http://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>

⁶⁴ <http://finance.yahoo.com/news/canada-revenue-agency-revokes-registration-190000102.html>

⁶⁵ <https://www.fbi.gov/news/stories/2008/november/hlf112508>

There are at least 21 recognised Halal-certification bodies in Australia, and as well as the overseas certifiers of Halal food. Those who try to undercut others by providing cheaper services are punished, as the MUI example showed.

Food destined for overseas Muslim markets should be Halal-certified, if that is required, and the fee for Halal-certification included in the cost of that food.

Recommendation 2: *The current Halal-certifying bodies should be discontinued, and all Halal certification should be brought under one government-regulated body, preferably administered by the Federal Government. This would ensure that the Australian food industry is getting the best price outcomes for Australian producers and consumers. This one body could negotiate with international markets to obtain the lowest possible pricing for Halal certification, thus keeping Australian production prices (which include Halal certification fees) low and making Australian food produce more competitive in the international market. The process would be revenue-neutral i.e. the proceeds would cover the cost of running the government regulating body and nothing more. Halal certification prices could be raised or lowered as needed. At present, Halal certifiers set their fees to make a profit for themselves. The removal of this profit would result in lower fees being paid by Australian producers.*

The financial transactions involved in Halal certification must be made more transparent. Their activities should be brought under government scrutiny to ensure that the monies collected do not end up supporting illegal activities.

Recommendation 3: *The link between halal funding and terrorism needs further investigation. The removal of profit-based organisations and their replacement with a government-regulated body will remove the means of this taking place.*

Yours Sincerely,

Lyle Shelton
Managing Director
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