

**SUBMISSION TO THE AUSTRALIAN
SENATE COMMUNITY AFFAIRS
LEGISLATION COMMITTEE**

**INQUIRY INTO THE FOOD STANDARDS
AMENDMENT (TRUTH IN LABELLING -
PALM OIL) BILL 2009**

GOVERNMENT OF SOUTH AUSTRALIA

January 2010

Introduction and Background

The Government of South Australia welcomes the opportunity to make the following submission to the Inquiry into the Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2009.

Senator Xenophon (and on behalf of Senators Brown and Joyce) has introduced a Bill to amend the *Food Standards Australia New Zealand Act 1991* (FSANZ Act) to develop and approve labelling standards to be used by food producers, manufacturers and distributors of food containing palm oil.

Current Requirements and Issues

Legislative Labelling Requirements

Standard 1.2.4 of the Australia New Zealand Food Standards Code (the Code) requires a list of ingredients to be included on the label of packaged foods. Where fats and oils are listed their source, for example, animal or vegetable, must also be stated. More specific identification is required when the oil is derived from peanuts, soybean or sesame, as these are known allergens. Palm oil is not a known allergen, so is not required to be specifically identified.

Standard 1.2.8 of the Code requires food labels to include a nutrition information panel. This panel must, among other requirements, declare the amount of saturated fat contained in the product.

Food Standards Australia New Zealand (FSANZ) Application for Palm Oil Labelling

FSANZ recently considered an application seeking to amend the Code to include provisions for palm oil labelling. This application was raised due to concerns with the destruction of rainforests arising from development of new palm plantations and as a consequence, the extinction of animals, such as orang-utans in Borneo and Sumatra. FSANZ rejected the application as it was considered to be outside the scope of its legal capacity, as the application did not raise any considerations relating to the adequacy of supply, quality or safety of food, and its intent or purpose went well beyond anything envisaged by the FSANZ Act.

National Review of Food Labelling Law and Policy

The Australia New Zealand Food Regulation Ministerial Council (Ministerial Council) has agreed to undertake a comprehensive review of food labelling law and policy.

The Terms of Reference of the review include:

- examine the policy drivers impacting on demands for food labelling
- consider what should be the role for Government in the regulation of food labelling
- consider what policies and mechanisms are needed to ensure Government plays an optimum role
- consider principles and approaches to achieve compliance with labelling requirements, and appropriate and consistent enforcement
- evaluate the current system and make recommendations to improve the food labelling law and policy.

The review recently commenced and is expected to take 12 months. The review has been endorsed by the Council of Australian Governments (COAG).

Key Messages

The South Australian Government acknowledges the issues faced by consumers and the industry in relation to identifying the origin of a food product and its contents. The South Australian Government supports food labelling, that is truthful and does not mislead consumers. Consumers have a right to be provided with information about the content of food products.

The proposed Bill, however, bypasses the FSANZ standards development process, which is in place to ensure that all relevant parties are consulted. FSANZ has a rigorous process for developing standards that assesses the effects of any new standards on States and Territories, consumers and industry.

The Code is enforced by States and Territories under State law. The Bill will remove the right for States and Territories (through the Ministerial Council) to request a review of any FSANZ recommendation related to the new requirements, despite having to implement and enforce these new requirements.

The South Australian Government supports labelling that enables consumers to identify ingredients that are high in saturated fats. It is unclear whether introducing an amendment to the FSANZ Act, which undermines the current system by essentially bypassing it, is the most effective means to improve the legislation.

A process that will enable States and Territories, consumers and industry to contribute to the development of new standards is likely to result in an enforceable solution.

The review of food labelling law and policy, endorsed by COAG, is the appropriate forum to explore the issues raised. It is suggested that the Senate Inquiry feed its results into this review.