

Chapter 1

Introduction

Background

1.1 On 20 August 2009, the Food Standards Amendment (Truth in Labelling Laws) Bill 2009 was introduced into the parliament. The bill is co-sponsored by independent Senator Nick Xenophon, the Leader of the Nationals in the Senate, Senator Barnaby Joyce, and the Leader of the Australian Greens, Senator Bob Brown.

1.2 The bill is designed to require Food Standards Australia New Zealand to develop and approve certain food labelling standards to which producers, manufacturers and distributors would need to adhere. The standards would require greater detail about the content of food products including the use of imported ingredients. They would ensure, among other things, that the word "Australian" would only apply in relation to food that is 100 per cent produced in Australia from Australian products.

1.3 The Second Reading Speeches on the bill argued that 'current Australian labelling laws don't allow consumers the opportunity to know the origins of the food they are purchasing and consuming'¹. The current system was said to be 'deliberately obtuse':

... most Australians do not know what the terms "Made in Australia", "Product of Australia", or "Made in Australia from local and imported ingredients" even mean, let alone being able to comprehend the differentiation between those terms. There is real consumer and producer concern over this labelling confusion.²

1.4 Senator Brown stated that the Amendment would benefit both local consumers and Australian producers:

This Bill provides for a clear and accurate system of food labelling, specifically information on country of origin. Australian consumers need simple information to be able to make informed choices at the supermarket. The labelling regime facilitates the option for consumers, in the supermarket filling their trolley with products to support the Australian economy, Australian farmers, Australian manufacturers and producers. Under the current labelling regime consumers are being deceived by confusing laws and deprived of genuine choice.³

1 Senator Xenophon, Second Reading Speech, *Senate Hansard*, 20 August 2009, p 5496.

2 Senator Joyce, Second Reading Speech, *Senate Hansard*, 20 August 2009, p 5499.

3 Senator Brown, Second Reading Speech, *Senate Hansard*, 20 August 2009, p 5498.

Conduct of the inquiry

1.5 The Senate referred the bill to the Economics Legislation Committee on 10 September 2009 for inquiry and report by 26 November 2009.

1.6 The committee advertised the inquiry in the national press and contacted a number of organisations, inviting submissions to be lodged by 16 October 2009. The 34 submissions received are listed in Appendix 1.

1.7 Two public hearings were held: in Melbourne on 5 October 2009 and in Canberra on 30 October 2009. The witnesses who appeared before the committee are listed in Appendix 2.

1.8 The committee thanks all those who participated in the inquiry.

Structure of the report

1.9 This report is divided into five chapters. Chapter 2 outlines the requirements proposed in the bill, while chapter 3 provides background on the current requirements for country of origin food labelling, as well as the respective roles of Food Standards Australia New Zealand and the Australian Competition and Consumer Commission. Chapter 4 examines the range of broad views on merits of the bill, and Chapter 5 concludes with consideration of the specific clauses within the bill.