

# Chapter 2

## Objects of the bill

2.1 The bill's intent is to limit the use of the word "Australian" on food labels to foods which are 100 per cent produced in Australia. Also, a food product which contains one or more imported ingredient would have to display this fact on its front label ensuring that consumers are well-informed of the imported ingredients of the product.<sup>1</sup>

2.2 New provisions for fruit juices and drinks are also contained in the bill. A juice product with one or more imported ingredient would have to display a front label showing the percentage amount of imported ingredients and/or the inclusion of concentrate. The bill also requires that a product containing juice wholly or partly derived from orange skins cannot be labelled as "orange juice".

2.3 The bill inserts a new subsection 16A into Section 16 of the *Food Standards Australia New Zealand Act 1991*. Section 16A requires Food Standards Australia New Zealand (FSANZ), the independent statutory agency which sets food standards, to develop and approve labelling standards that oblige producers, manufacturers and distributors of food to implement more accurate labelling with regard to the use of the word "Australian".<sup>2</sup>

2.4 Section 16A states that the standards to be prescribed by FSANZ:

- a) may only use the word "Australian" on or in relation to the relevant food if it is 100% produced in Australia;
- b) in the case of food containing one or more imported ingredients – subject to paragraph (c), must display the inclusion in the food of imported ingredients in letters of at least 15 mm on the front label of the relevant food;
- c) in the case of juice, juice drink or any other drink product containing juice – must display:
  - i) in the case of the relevant product containing one or more imported ingredients – the percentage amount of imported ingredients included in the product; and
  - ii) in the case of the relevant product containing juice concentrate – the inclusion in the product of juice concentrate;

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1 Food Standards Amendment (Truth in Labelling Laws) Bill 2009, Explanatory Memorandum, p 2.

2 Food Standards Amendment (Truth in Labelling Laws) Bill 2009, Explanatory Memorandum, p 1.

in figures and/or letters of least 25 mm on the front label of the product container;

- d) in the case of any drink product partly or wholly containing juice derived from orange skins – must not describe the juice so derived as orange juice;
- e) must not include the product container and the product label in any calculation of the percentage of Australian content in the product.<sup>3</sup>

2.5 The above paragraph (e) addresses the concern that under current food labelling laws, a product can be described as 'Made in Australia' when as little as 50 per cent of the product (including its packaging) is from Australia. This can result in cases where only a minority of the consumable content of a packaged food item labelled 'Made in Australia' is actually an Australian product. An example was given at a public hearing:

Particularly with liquid product such as soft drinks and the like, the biggest single component is the packaging. You could see a scenario where the contents could be entirely sourced overseas but the can is produced in another market, so the result could be that the majority of the value of the product is in fact local and consumers would think that that meant they were consuming locally-sourced product.<sup>4</sup>

2.6 Current labelling requirements are discussed in further detail in chapter 3.

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3 Food Standards Amendment (Truth in Labelling Laws) Bill 2009.

4 Mr Richard Mulcahy, AUSVEG, *Proof Committee Hansard*, 30 October 2009, p 61.