

Emily West

Committee Secretary  
Senate Standing Committees on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

Dear Committee Secretary,

Enclosed is my submission to the inquiry titled, 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010'. This submission has been prepared in relation to the first, second and fifth principle issues for consideration, which are:

1. *The rights of consumers to be provided with accurate and truthful information to enable them to make an informed choice about the products they are eating and purchasing;*
2. *That allowing palm oil to be listed a "vegetable oil" on food packaging is misleading to consumers; and,*
5. *That manufacturers should be encouraged to use sustainable palm oil in their production process and subsequently use the status of "Certified Sustainable Palm Oil" under this Bill.*

This submission provides information in relation to the above points by addressing the key areas of voluntary versus mandatory labelling, a global responsibility and ethically conscious consumers, the current labelling of food packaging, and how palm oil labelling is breaking new ground.

I feel that there is a need to focus on the rights of the consumer in an age where information should be so readily available.

If you have any questions and/or comments regarding this submission please feel free to contact me using the details provided at the top of this page.

Sincerely,

Emily West

# **Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010 Inquiry**

## **Submission**

*Prepared By*  
EMILY WEST

**Request to legislate the compulsory  
labelling of palm oil**

23.05.11

**Table of Contents**

1.0 Introduction.....	3
2.0 Background	
2.1 Benefits of Using Palm Oil.....	4
2.2 Certified Sustainable Palm Oil .....	4
3.0 Mandatory Labelling: A Positive Step	
3.1 Voluntary Versus Mandatory Labelling.....	5
3.2 Global Responsibility and Ethically Conscious Consumers .....	6
3.3 Current Food Labelling.....	7
3.4 Labelling Palm Oil is Breaking New Ground .....	7
4.0 Conclusion .....	8
5.0 Sources.....	10
6.0 Appendices.....	11

## 1.0 Introduction

Rather than going into detail on the problems related with using palm oil, this submission will focus on reasons why it should be labelled on food in relation to consumer choice. The principle issues for consideration of the inquiry in which this report focuses on include:

1. The rights of consumers to be provided with accurate and truthful information to enable them to make an informed choice about the products they are eating and purchasing;
2. That allowing palm oil to be listed as a “vegetable oil” on food packaging is misleading to consumers; and
5. That manufacturers should be encouraged to use sustainable palm oil in their production process and subsequently use the status of ‘Certified Sustainable Palm Oil’ under this Bill.

This submission therefore will deal less with the impacts palm oil has on deforestation, climate change and loss of habitats. Instead it is a more detailed look at whether consumers should be able to choose palm oil products or not, and the advantages of mandatory labelling for palm oil.

## 2.0 Background

### 2.1 Benefits of using palm oil

There are a multitude of benefits in using palm oil, including its fast production rate, plentiful supply and longer shelf life than other vegetable oils<sup>1</sup>. This report is not against the use of palm oil completely, but rather advocates the reasons for why palm oil should be mandatorily labelled, as part of the Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010.

### 2.2 Certified Sustainable Palm Oil

Certified Sustainable Palm Oil (or CS Palm Oil) is palm oil from a plantation that has been managed in accordance with an extensive list of principles and criteria from the Roundtable for Sustainable Palm Oil (RSPO P&C's)<sup>2</sup>, and is therefore certified. This means that the plantation is not on land that was deforested after 2005 and includes a good management system including environmental, social and economic standards. The RSPO's principle objective is, 'to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue between its stakeholders.' Currently, this statement does not hold RSPO members to only use CS palm oil, and the RSPO itself does not have measures to police palm oil usage of their members. This means the strength and authority of the RSPO lies only in the promotion and awareness of the issues surrounding palm oil.

Companies using RSPO membership as a claim to using CS Palm Oil when they aren't, shows that voluntary labelling has not succeeded. Mandatory labelling is the next step in not only creating awareness but also gaining consumer choice<sup>3</sup>.

Currently, there is no way for consumers to know if a food product contains palm oil, and therefore if this palm oil is Certified Sustainable or not. Currently palm oil is only required to be labelled as vegetable oil. Other oils that fall

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<sup>1</sup> World Wildlife Fund, 'What is Palm Oil?', <http://wwf.org.au/ourwork/land/land-clearing-and-palm-oil/> last accessed 23.5.11.

<sup>2</sup> RSPO P&C's available here: 2007: RSPO Principles and Criteria for Sustainable Palm Oil Production, [http://www.rspo.org/files/resource\\_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf](http://www.rspo.org/files/resource_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf) last accessed 23.5.11.

<sup>3</sup> Gilding, Tony 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p25, <http://www.apf.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

under the vegetable oil category include canola, soybean, coconut and sunflower oil.

The labelling of CS Palm Oil creates awareness for consumers that while not all palm oil is produced in a fair and sustainable way, they can support the companies that do use CS Palm Oil by buying these products over others. Tony Mahar from the Australian Food and Grocery council has said that 'sustainability really is a journey'<sup>4</sup>, in which mandatory labelling of palm oil should be a part of. While Australia only imports 0.3% of the world's palm oil<sup>5</sup>, this still amounts to 130,000 tonnes imported annually, which ends up in 50% of packaged foods on our shelves<sup>6</sup>.

### 3.0 Mandatory Labelling: A Positive Step

#### 3.1 Voluntary versus Mandatory Labelling

Whilst mandatory labelling of palm oil is not currently in place, food manufacturers and distributors still have a choice of whether they would like to voluntarily indicate the use of palm oil in their products. Many food manufacturers and distributors have already made changes toward CS Palm Oil, such as Woolworths, who have vowed to source CS Palm Oil by 2015 and to label all their products that contain palm oil. While supermarket chains such as Coles and Woolworths are aware of palm oil issues and are making changes towards CS Palm Oil, it is unreasonable to expect that this alone will solve the issue. Supermarket chains can only define so many expectations for their food manufacturers before it begins to hurt their business. Mandatory labelling of palm oil is the only way in which a fair outcome for everybody can result.

There is no doubt that mandatory labelling would encourage a rapid increase of sourcing CS Palm Oil by industries<sup>7</sup>. This suggests that as we do not have

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<sup>4</sup> Mahar, Tony 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p5, <http://www.aph.gov.au/hansard/senate/commttee/S13673.pdf> last accessed 23.5.11.

<sup>5</sup> Carnell, Anne Katherine 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p4, <http://www.aph.gov.au/hansard/senate/commttee/S13673.pdf> last accessed 23.5.11.

<sup>6</sup> World Wildlife Fund, 'What is Palm Oil?', <http://wwf.org.au/ourwork/land/land-clearing-and-palm-oil/> last accessed 23.5.11.

<sup>7</sup> Rouse, Andrew 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p14, <http://www.aph.gov.au/hansard/senate/commttee/S13673.pdf> last accessed 23.5.11.

mandatory labelling, some food industries may be trying to hide the fact that they do not use CS Palm Oil. If mandatory labelling would encourage industries to either cut palm oil out of their products or source CS Palm Oil at such a rate, then mandatory labelling would be a step in the right direction.

### 3.2 Global Responsibility and Ethically Conscious Consumers

With the promotion of ethical products in large chains such as ethically sourced coffee beans in chain cafes like Starbucks, there is no doubt our society is becoming more ethically conscious. Consumers want to know that they are supporting Fairtrade products, and its even better if they can show off the Fairtrade Mark label on their coffee. See *Appendix 1*, Starbucks Australia homepage, which has a link to their Fairtrade coffee as the main graphic on the page<sup>8</sup>. This reflects a society that is conscious of how their actions affect those in other countries, and if it's for better or worse. Promoting Fairtrade is not only a step in the right direction for global responsibility, but also attracts people to their business in a support of the business that does their part to keep things ethical. Starbucks say, 'it's using our size for good.'<sup>9</sup> Fairtrade and Starbucks say, 'For consumers, Fairtrade is a powerful way to reduce poverty through everyday shopping.'<sup>10</sup> Overall, it is a win-win situation for Starbucks, consumers and those producers in other nations who are being treated fairly in these agreements.

It is discouraging to realise that although agreements such as Fairtrade should be an industry standard in all food industries, it simply is not. It is sad to realise that not all industries are as fair and ethically conscious about their actions on others as some, like Starbucks, are.

Similarly to the Starbucks coffees example, as consumers become more aware of the issues surrounding palm oil, they are likely to want to support CS Palm Oil over other palm oil. If given a choice, people would choose the environmentally friendly product<sup>11</sup>. Currently consumers do not have this choice. Food industries needn't fear mandatory labelling of palm oil if they have nothing to hide. Mandatory labelling is about bringing to light the

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<sup>8</sup> Starbucks 2011: <http://www.starbucks.com.au/Home.php> last accessed 23.5.11.

<sup>9</sup> Starbucks 2011: 'Global Responsibility', <http://www.starbucks.com.au/Global-Responsibility.php> last accessed 23.5.11.

<sup>10</sup> Starbucks 2011: 'Global Responsibility', <http://www.starbucks.com.au/Global-Responsibility.php> last accessed 23.5.11. AND Fairtrade Labelling Organisations International 2011: 'What is Fairtrade?' <http://www.info.fairtrade.net/info-what-fairtrade.0.html> last accessed 23.5.11.

<sup>11</sup> Rouse, Andrew 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p11, <http://www.apf.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

standards of industries. If industries do not use CS Palm Oil, consumers have a right to know that this is what they are supporting.

### 3.3 Current Food Labelling

Currently the only labelling required on food packaging for ingredients are things relating to health and safety<sup>12</sup>. While this has been a great help to consumers in discerning what they are eating, as other issues come to the fore (such as the ones surrounding palm oil) they need to be addressed. The ACCC (Australian Competition and Consumer Commission) on misleading and deceptive conduct says, 'No matter how a business communicates with you—whether it is through packaging, advertising, logos, endorsements or sales pitch—you have the right to receive accurate and truthful messages about the goods and services that you buy.'<sup>13</sup>

I believe that covering palm oil in the label as 'vegetable oil' is inaccurate and deceiving. Consumers have a right to know if their product contains palm oil, and if it does, whether it is CS Palm Oil or not. With the exponential growth in the use of palm oil in recent years, the generalisation of 'vegetable oil' has become dishonest. While palm oil does come under the category of vegetable oil, consumers want to know if a product specifically contains palm oil. This information, which should be so readily available, should not be withheld.

### 3.4 Labelling Palm Oil is Breaking New Ground

FSANZ (Food Standards Australia and New Zealand) say research has been done which shows that, 'most shoppers regularly read food labels for a number of reasons.'<sup>14</sup> Further, they say that these reasons include health, allergies and personal reasons. So while labels only currently refer to health and safety requirements, shoppers have already taken a further step by reading labels for personal reasons. There is obviously more information wanted by consumers which food labels are not necessarily currently

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<sup>12</sup> Mahar, Tony 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p2, <http://www.apf.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

<sup>13</sup> Commonwealth of Australia 2011: ACCC, 'Misleading and Deceptive Conduct', <http://www.accc.gov.au/content/index.phtml/itemId/815335> last accessed 23.5.11.

<sup>14</sup> FSANZ 2011: 'Food Labelling', <http://www.foodstandards.gov.au/consumerinformation/labellingoffood/> last accessed 23.5.11.



covering. While labels are generally only read once, if you decide you like that product then you keep buying it, without reading the label every time<sup>15</sup>.

The labelling of palm oil on food products is an issue unlike any that has been come across before, hence why labelling laws regarding ingredients currently only refer to things that could affect health and safety. Consumers should be able to make an informed decision on an ingredient which is causing controversy, and which has had such a great impact environmentally and socially<sup>16</sup>.

FSANZ says there are no other specific requirements outside of vegetable oil in the labelling of palm oil<sup>17</sup>. Section (c) of the FSANZ Act says that FSANZ was established to 'give consumers information relating to food that enables them to make informed choices'<sup>18</sup>. While currently there are no other requirements relating to palm oil, it would be in the best interest of FSANZ to introduce mandatory palm oil labelling, according to section (c) of their Act. Consumers are uninformed when it comes to finding out if their food contains palm oil. FSANZ state their mission as, 'To develop effective food standards in collaboration with Australian and New Zealand governments.'<sup>19</sup> The word *develop* suggests an act in process. Rather than stifling new standards, FSANZ have the important role of facilitating growth in the food industries' standards, in keeping up with the ethically conscious consumer.

## 4.0 Conclusion

This submission has dealt with the reasons for mandatory labelling of palm oil in relation to the consumer. In summary, while some food industries have voluntarily labelled palm oil in their products, it is evident that RSPO membership has been used as a smokescreen for using uncertified palm oil.

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<sup>15</sup> Carnell, Anne Katherine 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p8, <http://www.aph.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

<sup>16</sup> Clark, Giles Jason 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p20, <http://www.aph.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

<sup>17</sup> McCutcheon, Steve 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p44, <http://www.aph.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

<sup>18</sup> McCutcheon, Steve 2011: SENATE Proof Committee Hansard, Community Affairs Legislation Committee, Reference: 'Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010', 18.4.11 p43, <http://www.aph.gov.au/hansard/senate/commtee/S13673.pdf> last accessed 23.5.11.

<sup>19</sup> FSANZ 2011: 'FSANZ Vision, Mission and Values,' <http://www.foodstandards.gov.au/scienceandeducation/aboutfsanz/fsanzvisionmissionan4360.cfm> last accessed 23.5.11.

A mandatory labelling law would level the playing field and initiate a greater use of CS Palm Oil. Today our society is ethically conscious of the choices they make and how this affects others. Like the Starbucks example, consumers want to know that they are supporting products that have been produced in a fair way and are environmentally friendly. The recent uptake on the use of palm oil means that the current food labelling laws regarding health and safety aren't enough information for consumers today. Mandatory labelling of palm oil is breaking new ground for food industries, by giving consumers the ability to choose for themselves, as well as encouraging food industries to use CS Palm Oil. Mandatory labelling is surely a step in the right direction.

## 5.0 Sources

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## 6.0 Appendices

Appendix 1: Starbucks Coffee Homepage, with large Fairtrade graphic.  
<http://www.starbucks.com.au> as of 23.5.11.

