



## Australia's Palm Oil Labelling Bill

The Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2010 was introduced to the Australian Parliament on 30 September 2010. The Bill has been passed through the Australian Senate, but the House of Representatives Standing Committee on Economics is pushing to reject the bill.

### Requirements of the Bill

The Bill requires more onerous labelling requirements for food containing palm oil. This requirement will be regardless of the amount of palm oil used in the food. This can be compared to current labelling laws, where manufacturers are able to label palm oil as "vegetable oil."

The Bill also provides that regulations are to be developed to set out criteria for the certification of the sustainability of palm oil. The international Roundtable on Sustainable Palm Oil (RSPO) has set out criteria to measure sustainable palm oil production. These criteria include transparency, compliance with local, national and international ratified laws and regulations, use of best practices by growers and millers, environmental responsibility, appropriate work labour laws and development of new plantings.

Manufacturers that meet the RSPO's criteria are able to label the ingredient as such to indicate its sustainable origins. In so doing, manufacturers are able to advise consumers that palm oil is an ingredient of the product, but that it has been produced with minimal impact to

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the environment and no impact on wildlife habitat.

Ultimately, the intent of the Bill is purported to provide consumers with accurate labelling information about palm oil to enable them to make an informed choice.

### **Impetus for the Bill**

The Bill was introduced by Independent Senator Nick Xenophon, backed by the Australian Greens political party (who have the balance of power). It was in response to environmental concerns about extensive deforestation resulting from palm oil production.

Proponents of the Bill argue that as the major producers are Malaysia and Indonesia, this has led to the removal of wildlife habitat and has placed many species, including the endangered orangutan, at risk.

### **Trade Implications**

Such a bill could clearly have serious trade implications, and might constitute a violation of the WTO Technical Barriers to Trade Agreement, as well as presenting economic burdens on global palm oil traders. [Squire Sanders' Global Market Access](#) group has deep experience solving these types of trade barrier issues, and can give you further advice on the trade implications of this bill. Squire Sanders has already announced the addition of a Perth office, starting 1 October 2011, and our Global Market Access team is proud to announce the addition of Australian trade ministry veteran and WTO expert, Nicole Matrai in the Perth office.

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