

*This 'Ideas Piece' was originally one chapter of 'A Blueprint to Advance Australia Collectively' originally written in 1999 to 2000 and released publicly in January 2001. It has not been adapted or updated from the original. The 'Ideas Piece' format is designed to help generate discussion around areas of social interest.*

## Labelling Laws

This is a straight forward position that is difficult for any company to debate with any realistic ethical or emotional argument.

Most people like to know what they are buying especially when we consider what we are eating. The reason we have menus in restaurants is so the consumer can make an active choice about what they want to eat.

The difference between our expectations of the food we select at a restaurant and what we buy off the shelf is that we expect freshly prepared meals at a restaurant.

Because we cannot do this when supermarket shopping, we do then next best thing - we read the labels to discover the ingredients and then decide whether or not to purchase the product based on the information contained on that label.

Just as you'll meet the occasional person who 'doesn't care' what meal comes at the restaurant, so too do you have people who rarely if ever read the labels on the food they purchase when shopping. Fat or no fat, salt or no salt, sugar or no sugar, they aren't overly concerned about the health implications.

But the argument put forward by a number of companies that the consumer doesn't care about the information on a label is false and misleading. If these companies truly believed their own arguments, I would ask them why they spend so much time, effort and money, designing an eye catching, attractive packet or box, in the first place?

The labels form part of the contract that consumers enter into with the manufacturer prior to the purchase. Labels are our opportunity to read the 'fine print'. And like any good lawyer will tell you, you have to read the fine print.

Any argument put forward that the information required on labels is 'unproductive' or 'of little relevance' is highly deceptive. Claims of increased costs are blatantly false. Failing to provide me adequate information about the product I am possibly about to purchase is deceptive conduct and is designed to limit my choice as a consumer.

I'd like to know what is in the food I eat.

I'd like to know the ingredients and whether they have been organically grown in a chemical free field, naturally grown with the assistance of chemicals or genetically modified to assist their rate of growth or resistance to pests.

I'd also like to know what percentage of overseas goods are combined in my 'made from local and imported oranges' orange juice. That goes for all other foods and products too.

I'd also like to know if the product I buy is Australian or foreign and if the balance of ingredients change, I'd like to see the change accurately reflected on the label. I'd like to be able to know what impact their ingredients will have on my kid's health, on my coronary artery and on the jobs of my family and friends.

It is all about choice. Any labelling of goods that does not provide this information is reducing the number of choices I have and is removing my right to know.

All labels should contain a basic level of information along with the dietary breakdown. Consumers DO want to know and we also want labels that clearly define our selection criteria. This criteria would be fairly easy to implement and can be applied to food products as well as other consumer goods.

| Label Mark | Means                 | Standard Criteria  |
|------------|-----------------------|--|
| AA         | All Australian        | Fully Australian owned company<br>Product made entirely in Australia<br>Ingredients totally Australian.          |
| AP         | Australian Product    | Should mean that the ingredients are Australian owned, even if they have been assembled or combined elsewhere.   |
| AM         | Australian Made       | Whilst ingredients or components may have come from anywhere, they have been assembled or combined in Australia. |
| ARP        | Australian repackaged | Goods have been repackaged in Australia. This caters to bulk shipped goods that are merely 'boxed' here.         |
| AO         | Australian owned      | The company that owns this product is Australian   |
| OO         | Overseas Owned        | The company that owns this product is from overseas.   |
| OM         | Overseas Made         | Made overseas  |
| OP         | Overseas Products     | The components or ingredients are from overseas.   |

So what we end up with are labels which read the following -

Breakfast Cereal - OO, AM, OP. The company that owns this breakfast cereal is foreign owned/controlled; the ingredients are from overseas and have been combined here in Australia to reach its final state.

Breakfast Cereal - AA. The company is Australian, the ingredients are Australian, and the product in its current form was made in Australia.

Breakfast Cereal - AO, OP, AM. The company that owns this product is Australian owned, the ingredients have come from overseas, the ingredients were combined together in Australia.

I'm sure you get the idea. It is VERY simple, easy for consumers to understand and provides a greater level of choice for the consumer.

A question can be asked about the combining of overseas ingredients with home grown product, or part owned companies. That would provide a marginal increase in label construction and is still straightforward -

AA - 100% Australian owned, made, product.

AO - 100% Australian owned

OO - 100% foreign owned company.

A label could read, 'AO 20%'. In other words, 20% of this company is Australian Owned. No need to say anything else because the obvious statement is that the other 80% is Foreign owned.

And the same applied for ingredients or components - 'AP 19%' 'AM 41%'.

Effective labelling laws are about providing consumers with information they have a right to know. It doesn't need to end there. Any 'misleading' label can be targeted.

Companies that use labels to promote competitions as a way of enticing a consumer to try the product, or to increase sales of the product, are also very good at hiding the facts about the competition. The end date of the competition should be CLEARLY marked to give consumers greater choice.

If consumers have purchased products under the belief that they are happy to do for a chance to win a prize, and subsequently discover in the fine print that the competition expired 3 weeks ago, they've been deceived into making a purchase.

Things like expiry dates should be in large print, clearly identifiable to the consumer. Another alternative is to place the onus on the manufacturer to remove from sale, any product with a label that does not accurately reflect the status of the promotion.

Consumers can then make open decisions about whether to buy the product based on the label promotion or not.

Promotional labels also negate the food companies' claims of increased costs. They seem very eager to use their boxes and labels to help run promotions at increased expense, so why the weak argument regarding effective and honest labelling laws being an added impost on production?

Penalties.

What happens if a company does not comply with the labelling laws? Again one solution could be that the product is removed from public sale (supermarket shelves) for a period of 6 months. That still allows the consumer to make a choice by contacting the company direct, if they wish to make a purchase.

Should a similar incidence occur again, the company would have their entire category range, removed from public sale. So if the soft drink company misleads the consumer about where their cola product is made, they face the prospect of having their cola removed from public sale and so too would their lemonade, orange drink, and so on.

These labelling laws can be applied to TV, print and radio advertising just as readily. It is not hard to combine a 'pull through' on a TV commercial identifying the information readily found on a product label, nor is it difficult to incorporate the information into the body copy of an ad.

Let's have more honesty and less deception.