



**SUBMISSION TO THE SENATE COMMUNITY AFFAIRS
COMMITTEE**

**Inquiry into the Food Standards Amendment
(Truth in Labeling – Palm Oil) Bill 2009**

**ON BEHALF OF
THE AUSTRALIAN ORANGUTAN PROJECT**

APRIL 2010

The Australian Orangutan Project – Australia’s Leading Orangutan Conservation Organisation

The Australian Orangutan Project (‘AOP’) was formed by Curator of Exotic Mammals at the Perth Zoo, Mr Leif Cocks over 11 years ago and has been tireless in its efforts to meet the Aims and Objectives of the organisation.

Under its Constitution, the Aim of the AOP is to ‘*ensure the survival of both species of Orangutan in their natural habitat and to promote the welfare of Orangutans*’.

The Objectives of the organization are:

3(b)(i) to raise funds and other support to assist in situ Orangutan projects in their conservation and welfare work; and

3(b)(ii) to raise awareness of the need to preserve Orangutan populations in their natural habitat and the intrinsic values of individual Orangutans.

The AOP has thousands of Members, participants in an orangutan infant adoption program, friends and volunteers and is currently injecting in excess of \$600,000 per annum into Orangutan Conservation projects in Sumatra and Borneo. It is a highly regarded Conservation organization amongst International Environmental Groups and Government Departments in both Australia and Indonesia and contributes significantly to the employment of local people in Indonesia.

The AOP and its dedicated team of volunteers have eagerly awaited this overdue change to the Law in Australia and is pleased to make a submission on the *Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2009*.

The AOP recognizes that the principal issues for consideration by the Committee are:

1. The rights of consumers to be provided with accurate and truthful information to enable them to make an informed choice about the food products they are eating and purchasing;
2. That allowing palm oil to be listed as "vegetable oil" on food packaging is misleading to consumers;
3. That palm oil is considered high in saturated fats and consumers should be made aware if it is used in foods they are eating for health reasons;
4. That the impact of palm oil production on wildlife, specifically Orang-utan's in South East Asia is significant unless it is done sustainably;
5. That sustainable palm oil can be produced with low impact on the environment and wildlife and with better labour laws on plantations; and
6. That manufacturers should be encouraged to use sustainable palm oil in their production process and can subsequently use the status of "Certified Sustainable Palm Oil" as a business benefit.

The Orangutan – A Species of Global Importance on the Edge of Extinction

Along with the bonobo, the chimpanzee, and the gorilla, the orangutan is remarkably similar to humans, in terms of anatomy, physiology, and behavior. Like the other great apes, orangutans are highly intelligent sentient beings, as seen in their advanced tool

use and distinct cultural patterns. Their native intelligence is often used to solve problems related to arboreal travel and food processing.

However, the natural forest habitat of the world's last remaining Orangutans is continuously being destroyed in Sumatra and Borneo by continued logging to make way for palm oil plantations¹. Palms are usually planted on cleared forest as opposed to abandoned agricultural land and timber obtained in the deforestation process is usually used to finance the 'start-up' phase of the plantation. The orangutans' habitat is disappearing at an overwhelming rate. Extinction in the wild is rapidly approaching for the Critically Endangered Sumatran Orangutans and also for the Orangutans on Borneo.

As responsible citizens, in particular those in the developed world, we need to recognize and address in whatever way possible, the massive amount of suffering being inflicted on a species that is 97% genetically identical to humans². Labeling food products in Australia to enable consumers to identify products containing palm oil is merely one positive step that can be taken to assist the survival of this important and beautiful primate.

The United Nations Environment Programme (UNEP) has found that palm oil is the major driver of deforestation in Borneo and Sumatra, and one of the greatest threats to the survival of the Orangutan. In Malaysia and Indonesia, it is the primary cause of permanent rainforest loss. Between 1967 and 2000, the area of oil palm in Indonesia grew from 2,000km² to 30,000km² and the demand for palm oil is expected to double this area by 2020³, especially having regard to the increasing demand for biofuels.

Carbon Emissions from Peatlands – An Environmental Catastrophe Contributing to Climate Change

South East Asian peatlands are currently being logged and drained extensively to make palm oil production possible leading to significant emissions of carbon dioxide that were stored in the peat: roughly 100 tonnes CO₂ per hectare. Currently, 1.5 million hectares of Indonesian peatland is under palm oil concession (25% of their palm oil plantations) and Malaysia has at least 8% of their 4.24 million hectares of palm oil plantations on peatlands⁴.

Palm oil plantations also contribute to the dehydration of the surrounding landscape leading to long-lasting fires that cover hundred thousands or even millions of hectares of peatland, and result in further increases in carbon dioxide emissions, potentially up to three times higher⁵.

Huge areas of peatland in Borneo have been drained by canals, built either to extract timber or to deliberately lower the water table for growing palm oil plantations. The end result has been many massive forest fires that have decimated huge areas of peatland throughout southern Borneo, and produced huge palls of smoke that have spread across the whole of south-east Asia, reducing visibility, causing airports to be closed and

¹ <http://www.orangutan.org/orangutanfacts.php>;

² <http://www.orangutan.org.au/issue.html>;

³ <http://www.unep-wcmc.org/resources/publications/LastStand.htm>;

⁴ <http://ckpp.wetlands.org/Peatswampforest/ProblemsinSEAsianpeatlands/tabid/853/language/en-US/Default.aspx>;

⁵ Ibid;

resulting in a huge rise in respiratory illnesses. Of major concern are the huge amounts of carbon dioxide released into the atmosphere⁶.

Logging, peat-drainage and fire all disturb the ecosystem's natural balance, and these all occur when peat-swamp forests are converted to oil palm plantation and other forms of agriculture.

When CO₂ emissions from degraded peatlands are included, Indonesia is the world's third highest emitter of greenhouse gases after the USA and China⁷.

The Current Legislation – Contributing to the Extinction of the Orangutan & Climate Change

Section 2A of the current *Food Standards Australia New Zealand Act 1991* (FSANZ Act) provides:

“2A Object of Act

The object of this Act is to ensure a high standard of public health protection throughout Australia and New Zealand by means of the establishment and operation of a joint body to be known as Food Standards Australia New Zealand to achieve the following goals:

- (a) a high degree of consumer confidence in the quality and safety of food produced, processed, sold or exported from Australia and New Zealand;*
- (b) an effective, transparent and accountable regulatory framework within which the food industry can work efficiently;*
- (c) the provision of adequate information relating to food to enable consumers to make informed choices;”*

In October 2006, an Application was made to Food Standards, Australia New Zealand (FSANZ) seeking an amendment to the current Standards to facilitate the labeling of palm oil on food products. The relevant Standards, namely 1.2.4 and 2.4.1 enable Food Manufacturers to label ‘Palm Oil’ under ‘Vegetable Oil’ thereby misleading and denying consumers the entitlement to make an informed decision as to the content of their food.

This Application was refused by FSANZ on the basis that acceptance of the application would be *ultra vires* the FSANZ Act and that the application

“goes well beyond anything envisaged by the FSANZ Act and its objectives the informed consumer choice reasons raised by the applications do not extend to the support, quality and safety of food and the objective of the FSANZ Act do not extend to choices about international environmental issues”.

Vegetable oil production around the world totals 95 million tonnes per year, of which over 28 million tonnes are produced by the oil palm. Palm oil is the world's second

⁶ <http://www.orangutanrop.com/research/researchsite/conservation.html>;

⁷ <http://www.orangutanrop.com/research/researchsite/catchment.html>;

largest oil crop after soyoil⁸ and the extent to which palm oil is relied upon in food production ought justify specific reference to this product. It is inappropriate to continue to include palm oil as a mere vegetable oil.

The provision of adequate information relating to food to enable consumers to make informed choices must include issues concerning the sustainable production of food. It is simply impossible to properly regulate Food Standards without given due consideration to matters relating to the sustainability or otherwise of the food's production. Informed consumer choice cannot possibly be only limited to matters relating to health and safety, and is clearly relevant to matters relating to the impact of that production on the environment, in particular in circumstances whereby the production of a common ingredient is significantly contributing to the extinction of species of the importance of Orangutans.

Certified Sustainable Palm Oil

Mandatory labeling of palm oil on all food products will also help to drive consumer demand for palm oil from sustainable certified sources and hence make a significant contribution to the survival of Orangutans and assist with global efforts to achieve GHG reductions.

The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of *"promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders"*. The RSPO is a not-for-profit association made up of oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs⁹.

Although **the AOP are of the view that the methods and criteria adopted by the RSPO can be and should be improved**, it appreciates that the organization does provide for a system of certification of food products to enable identification of a certified sustainable method of production of palm oil.

The necessary amendments to the FSANZ Act should ensure that FSANZ develop and approve labeling standards that ensure food manufacturers and producers distinguish between those manufacturers that source palm oil from certified sources such as the RSPO and those that do not.

A system must be designed whereby after the words "Palm Oil" it is clear that the ingredient has been sourced from a sustainable source and certified by an organization such as the RSPO. By doing so will enable consumers to be properly informed and choose between those products that contain palm oil which is certified and those products that do not.

Public Support for the Amendment

Zoos Victoria recently launched their *Don't Palm us Off* campaign in order to focus public attention on the issue of palm oil, its prevalence in most food products, and the right of the public to be able to make an informed decision when buying food products.

⁸ http://www.rspo.org/About_Sustainable_Palm_Oil.aspx;

⁹ http://www.rspo.org/What_is_RSPO@.aspx;

Since the campaign was launched on 16 August 2009, tens of thousands of Australians have signed online or via postcard stating they support the mandatory labeling of palm oil on all food products.

It is clear that the Australian public are concerned about the issue and seek the change proposed by this important and long overdue legislative amendment.

Recommendations

The Australian Orangutan Project hereby recommends:

1. Any amendment to the FSANZ Act should mandate that FSANZ develop a standard that ensures the use of the words "Palm Oil" in the ingredients list of all packaged foods, which contain **any** quantity of palm oil and palm oil derivatives regardless of whether or not the palm oil has been certified by the Roundtable on Sustainable Palm Oil (RSPO).
2. The necessary amendments to the FSANZ Act should ensure that FSANZ develop and approve labeling standards that ensure food manufacturers and producers distinguish between those manufacturers that source palm oil from certified sources such as the RSPO and those that do not.
3. A system must be designed whereby after the words "Palm Oil" it is clear on the label that the ingredient has been sourced from a sustainable source and certified by an organization such as the RSPO.

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