



Royal Zoological Society of South Australia (RZSSA)

Trading as Zoos South Australia (Zoos SA)

Submission to the

Senate Economics Committee Inquiry

Into the

Food Standards Amendment

(Truth in Labelling Laws) Bill 2009

October 2009

Zoos SA is a not-for-profit, non-government, non-party-political conservation organisation established in 1858. Zoos SA exists to save animals from extinction, achieving this through education, research, participation in national and international breeding programs and the support of the wild habitat of endangered animals.

Zoos SA appreciates the opportunity to provide this submission to the Senate Economics Committee into Food Standards Amendment (Truth in Labelling Laws) Bill 2009.

This submission will focus on the request that the Truth in Labelling amendment be broadened to include the mandatory labelling of palm oil on environmental and health grounds.

A summary of the submission is presented below and supporting information provided in the latter part of the document.

### **Summary of submission**

Currently Food Standards Australia and New Zealand (FSANZ) only require food processors and manufacturers to identify palm oil as vegetable oil in ingredient lists on packaging.

Vegetable oil/fat is a generic term that includes a variety of different oils such as coconut, sunflower, canola, olive, peanut, soy bean, sesame. However, the standard does currently state that the specific name must be declared if the source of the vegetable oil is peanut, soybean or sesame.

The primary objectives of food regulation set out in section 18 of the FSANZ Act are:

1. Protection of public health and safety
2. The provision of adequate information relating to food to enable consumers to make an informed choice
3. The prevention of misleading interpretation

Omitting to identify palm oil on food packaging prevents these primary objectives from being achieved.

#### **1. Protection of Health and Safety**

Despite being a vegetable oil, Palm Oil is a saturated fat (as are coconut oil and full fat dairy products). It is found in between 4 and 7 out of 10 packaged foods in every supermarket. In fact it is difficult to buy packaged foods that do not contain palm oil. In the face of the obesity epidemic in children and adults in Australia, many guidance documents produced by health providers/organisations are encouraging the public to avoid saturated fats in their food. Public awareness campaigns are suggesting that saturated fats are replaced with polyunsaturated and monounsaturated oils that will help to reduce cholesterol levels. Consumers are asking to be able to choose healthy products by reading food labels. Palm oil labelling would support health campaigns and allow responsible consumers to choose healthy products.

#### **2. The provision of adequate information relating to food to enable consumers to make an informed choice.**

Conservation organisations such as Zoos SA are aware that the global rising demand for palm oil is leading to the clearing of pristine rainforest, particularly in Borneo and

Sumatra. Deforestation occurs at a rate of 300 football pitches per hour, significantly reducing the habitat for endangered species such as the Borneo and Sumatran orang-utans, the Asian elephant, the Sumatran rhinoceros and the clouded leopard. Each week 50 orang-utans die because of the deforestation to make way for oil palm plantations. Current estimates suggest that, with the current rate of deforestation, orang-utans will be extinct in the wild within 10 years.

A public awareness campaign via interpretation signage, education of children and adults and website information has been in place for many years at Zoos SA. Recently Zoos SA joined the national *Don't Palm Us Off* campaign initiated by Zoos Victoria (a campaign aiming to encourage labelling of palm oil). Zoos SA members and the general public have supported the public awareness campaign and many signatures and comments have been collected and collated (a sample included later). These all demonstrate that consumers would like the right to make an informed choice when spending their hard earned money. Every dollar spent is a vote and they would like to be able to choose NOT to buy products containing palm oil from an unsustainable source. The labelling of palm oil in ingredients would allow consumers to make an informed choice.

### 3. The prevention of misleading information

Many people associate vegetables with health and this belief extends to vegetable oils. For most vegetable oils, this is the case (such as the mono- and poly-unsaturated oils) but not so for palm oil, a saturated fat. The labelling of palm oil as a vegetable oil is thus misleading, either intentionally or inadvertently.

Many food manufacturers are reassuring the public that the palm oil included in their products comes from a sustainable source. Further questioning usually reveals that the palm oil is sourced from a member of an organisation called the Round Table on Sustainable Palm Oil (RSPO). Sadly being a member does not guarantee that the palm oil is from a sustainable source (see below). This leads to further misleading information for the general public. Mandatory labelling of palm oil should extend to include the RSPO approved claims of *Contains only RSPO Certified Palm Oil* (so that consumers can buy such products in the knowledge that the palm oil has come from a sustainable source).

## Supporting Information

### The Round Table on Sustainable Palm Oil (RSPO) and Certified Sustainable Palm Oil

The RSPO was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products and has been working towards this goal for the past 5 years. All the major food companies and palm oil suppliers have joined the RSPO and can therefore make the claim that they support the production of sustainable palm oil. However there are **clear differences between just supporting the production and the use of actual RSPO certified palm oil.**

The RSPO has developed a set of standards that defines the practices for sustainable palm oil production ([www.rspo.org](http://www.rspo.org)) and has defined a RSPO Certification System. The

latter verifies any claims of using or supporting RSPO certified palm oil made by end product manufacturers or processors are genuine.

The current system is that producers of palm oil have to conduct a self-assessment to demonstrate that they adhere to the requirements of the RSPO and then enter their results into the RSPO Supply Chain database. Naturally there is some concern that the self-assessment process introduces the possibility of non-compliance without some form of independent audit.

The producers can make one of three types of claim about their palm oil depending on how the palm oil is traced and traded in the supply chain:

1. Identity Preserved and Segregation models: palm oil from certified plantations is identified from the mill and isolated from other palm oil sources throughout the supply chain. End products using this more expensive but traceable palm oil can claim *"This product contains RSPO certified palm oil"*.
2. Controlled mixing/Mass balance: This system allows for mixing of certified and non-certified sustainable palm oil at any stage in the supply chain. End products using this supply chain can only claim *"This product supports the production of RSPO Certified Sustainable Palm Oil"*
3. Book and Claim: This system provides tradable certificates for RSPO certified palm oil so that the delivered palm oil is NOT linked to the certified sustainable certificate. End product users can still claim that their products *"support the production of RSPO Certified Sustainable Palm Oil"*.

In late 2008, the first consignment of certified sustainable palm oil was produced and sent to Europe. It has recently been reported that over 1.3 million tonnes of certified sustainable palm oil has been produced but that only 1 per cent of this certified palm oil has been sold, in part because food manufacturers do not perceive there to be a demand from consumers. The demand is not there because consumers do not know that products contain any palm oil. Consumer comments that we have received indicate that consumers would choose to avoid products that contain non-sustainable palm oil but purchase those containing certified sustainable palm oil.

If so little certified palm oil has been sold, despite being available for sale, then more than 99 per cent of palm oil in current use is from non-certified sources. This can mean that it is sourced from newly created plantations grown on land cleared of pristine rainforest in order to grow oil palm.

Current yield per hectare figures for palm oil are 5 to 10 tonnes per year and a total of 48 million tonnes of palm oil were produced in 2008. This would equate to 960 million hectares of land at the lower yield figures. It is important to emphasise that over 85 percent of the world's palm comes from Malaysia and Indonesia, the last habitat of the orang-utan.

More worrying is the fact that the demand for palm oil is predicted to continue to increase greatly by 2020 and this will be achieved by the destruction of pristine rainforest. Although the RSPO are working towards the production of certified sustainable palm oil, it has been a slow process since 2004 and now that supplies are available, it is not being purchased. Orang-utans may become extinct in the wild long before food manufacturers and processors become aware of the issues and change to purchasing certified sustainable palm oil or change their recipes to avoid its use.

It would be unrealistic to think that a significant reduction in the use of palm oil can be achieved in the near future, but Zoos SA consider that raising public awareness and the mandatory labelling of palm oil is a vital first step. It will lead to an emphasis on increasing yield on existing plantations rather than the further depletion of pristine rain forest.

**Some comments collected from the general public on the Zoos SA website**  
**[www.zoossa.com.au](http://www.zoossa.com.au), as part of the *Don't Palm Us Off* Campaign**

*It's a tragic fact that every year an estimated 1,000 orang-utans die because of what I eat. If I knew that what I was buying was killing any wildlife, I simply wouldn't buy it, they have as much right to be here as we do.*

*Palm oil is significantly higher in saturated fat than other vegetable oils; consumers should be able to choose a healthy and more ethical product by reading food labels.*

*I would like to be able to know when I am consuming palm oil so that I can stop consuming it.*

*I am learning about this at school and lots of people aren't eating anything with palm oil because they [orang-utans] are one of my favourite animals.*

*I don't want to be accidentally buying food which is supporting an industry needlessly destroying wildlife.*

## **Recommendations**

Zoos SA recommends that the Bill be amended to require FSANZ to mandate food manufacturers to label palm oil and palm oil derivatives, whatever the percentage of inclusion and not as "vegetable oil". Furthermore Zoos SA recommends a further amendment mandating the labelling of RSPO certified palm oil.

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