

**SUBMISSION TO THE SENATE ECONOMICS  
COMMITTEE**

**Inquiry into the Food Standards Amendment  
(Truth in Labeling Laws) Bill 2009**

**ON BEHALF OF  
THE AUSTRALIAN ORANGUTAN PROJECT**

**OCTOBER 2009**

## **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 Indonesia and Malaysia. 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 are pleased to make a submission on the *Food Standards Amendment (Truth in Labelling Laws) Bill 2009*.

## **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, 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, their rainforest habitat is continuously being destroyed by illegal logging, mining, farming, and palm oil plantations<sup>1</sup>.

As responsible citizens, in particular those in the Developed world, we need to recognize and address the massive amount of suffering being inflicted on a species that is 97% genetically identical to humans<sup>2</sup>.

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. Palms are usually planted on cleared forest as opposed to abandoned agricultural land and timber obtained in the deforestation process is usually

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

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

<sup>4</sup> <http://www.unep-wcmc.org/resources/publications/LastStand.htm>;

used to finance the 'start-up' phase of the plantation. Between 1967 and 2000, the area of oil palm in Indonesia grew from 2,000km<sup>2</sup> to 30,000km<sup>2</sup> and the demand for palm oil is expected to double this area by 2020<sup>4</sup>.

### **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 CO<sub>2</sub> per hectare. Currently, 1.5 million hectares of Indonesian peatland is under palm oil concession (25% of their palm oil plantations); hence causing the release of around 150 million tonnes of carbon dioxide a year. Malaysia has at least 8% of their 4.24 million hectares of palm oil plantations on peat; leading to emissions of 33 million tonnes CO<sub>2</sub> a year<sup>5</sup>.

In this context, Indonesia is planning to expand their palm oil plantations with another 6 million hectares in the coming 20 years of which 50% are currently planned on tropical peatlands<sup>6</sup>.

Drained peatland decomposes extremely rapidly, causing emissions of between 70 and 100 tonnes of carbon dioxide per year per hectare. This equates to around 10-30 tonnes of carbon dioxide per tonne of palm oil. The use of palm oil from peatlands hence leads to emissions 3 to 10 times higher than emissions from fossil fuels<sup>7</sup>.

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 higher<sup>8</sup>. Huge areas of peatland in Borneo have been drained by canals, built either to extract timber or to lower the water table for growing crops including palm oil. 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 resulting in a huge rise in respiratory illnesses. Of major concern are the huge amounts of carbon dioxide released into the atmosphere<sup>9</sup>.

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 CO<sub>2</sub> emissions from degraded peatlands are included, Indonesia is the world's third biggest emitter of greenhouse gases after the USA and China<sup>10</sup>.

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<sup>5</sup><http://ckpp.wetlands.org/Peatswampforest/ProblemsinSEAsianpeatlands/tabid/853/language/en-US/Default.aspx>;

<sup>6</sup> Ibid;

<sup>7</sup> Ibid;

<sup>8</sup> Ibid;

<sup>9</sup> <http://www.orangutanrop.com/research/researchsite/conservation.html>;

<sup>10</sup> <http://www.orangutanrop.com/research/researchsite/catchment.html>;

## **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 denying consumers the entitlement to make an informed decision as to the content of their food. Vegetable oil production around the world totals 95 million tonnes per year, of which over 28 million tonnes are produced by the oil palm, the world's second largest oil crop after soy oil<sup>11</sup>.

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*”.

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.

Failure on the part of the FSANZ Act to expressly and clearly provide for the identification of ‘Palm Oil’ in food products and to enable manufacturers of food to refer to this ingredient as vegetable oil contributes to climate change and the destruction of

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<sup>11</sup> [http://www.rspo.org/About\\_Sustainable\\_Palm\\_Oil.aspx](http://www.rspo.org/About_Sustainable_Palm_Oil.aspx);

the Orangutan and is seriously irresponsible. The current legislation must be amended to enable consumers to decide for themselves as to whether they wish to avoid making a contribution to these very serious international environmental problems.

Any such amendment 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).

### **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 NGOs<sup>12</sup>.

Although the AOP is not currently of the view that the RSPO can offer verifiable assurances of sustainability in its current format, it however appreciates that the reformation or creation of a similar organization could 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 in the future can distinguish between those manufacturers that source palm oil from certified sources 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 a credible organization . By doing so will enable consumers to choose between those products that contain palm oil which is certified and those products that do not.

### **Public Support for the Amendment**

Zoos Victoria in partnership with Perth Zoo have 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.

Since the campaign was launched on 16 August 2009, over 40,000 Australians have signed online or via postcard stating they support the mandatory labeling of palm oil on all food products which shows clearly that the Australian public are concerned about the issue and seek change.

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<sup>12</sup> [http://www.rspo.org/What\\_is\\_RSPO.aspx](http://www.rspo.org/What_is_RSPO.aspx);

## **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 a credible certifying body.
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 credible certified sources and those that do not.
3. 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 a credible organization.

## **The Australian Orangutan Project**