Zoos Victoria, Perth Zoo and Taronga Conservation Society Australia Requested Additional Information from Senate Inquiry into Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2010

CA) 16: Senator Boyce asked if Mr Kerr could check whether the World Bank moratorium on lending to palm oil companies related to all countries or just Indonesia.

The World Bank Group instituted a world-wide moratorium on lending to the ventures in the palm oil sector after:

" … a 2009 report from IFC's Compliance Advisor/Ombudsman on the handling of IFC downstream investments and concerns raised by civil society organizations on environmental and social sustainability of the sector prompted the WBG to pause new investments and reassess that engagement."[1]

During that time they conducted a global stakeholder review:

"… stakeholder consultations reached over 2,500 stakeholders from 30 countries, and an interactive E-consultation, with participants from 51 countries, brought extensive practical expertise and additional analysis to the WBG's effort to assess the benefits and risks of the sector, and answer the question: could the WBG contribute to placing the sector on a more sustainable footing? The result is the World Bank Group's Framework and IFC Strategy for Engagement in the Palm Oil Sector."[2]

b) CA 17: Senator Xenophon asked Ms Gray if the Zoos could respond to the Ministry of Plantation Industries and Commodities, Malaysia.

Ministry Claim: Human settlement and poverty are the main drivers of deforestation, not development of oil palm plantations.

Response: Zoos Victoria maintains that conversion of land for agriculture (i.e. for oil palm growth) is one of the key drivers of deforestation in Malaysia.

Dr Marc Ancrenaz, co-director of Hutan, a French grassroots NGO working on orang-utan and elephant conservation in Sabah, Malaysia for the past 12 years maintains that loss of forest for agriculture is one of the main drivers to deforestation. The following is a quote from Dr Ancrenaz;

"Studies in Sabah show that orang-utan population has declined by 50-90% over the past few decades. This severe decline in due to several causes such as hunting and pet trade, but the foremost reason is forest losses. The forest is cut down and converted to agriculture. In Borneo and Sumatra where wild orang-utans live, forest is primarily converted to palm oil and industrial tree plantations"[3]

Please note Dr Ancrenaz works closely with the palm oil industry in Sabah to protect forest corridors for native wildlife.

See attached interview with Dr Ancrenaz – 'Orangutans vs palm oil in Malaysia setting the record straight' The Committee are also encouraged to contact Marc Ancrenaz for further information or comment:

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[1] The World Bank Group Framework and IFC Strategy for Engagement in the Palm Oil Sector March 31, 2011, p. 5.
[2] IBID
[3] Mongabay.com. 2010, 'Orangutans vs palm oil in Malaysia: setting the record straight', Interview by HUTAN's Dr. Marc Ancrenaz. January 16, 2010

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According to the UN report 'The Last Stand of the Orang-utan'[4].
"Today, the rapid increase in plantation acreage is one of the greatest threats to orangutans and the forests on which they depend. In Malaysia and Indonesia, it is now the primary cause of permanent rainforest loss".
Please note this report can be found at http://www.unep.org/grasp/docs/2007Jan-LastStand-of-Orangutan-report.pdf

Additionally, the World Bank states;[5]

- "The Sarawak State government has recently announced that it is opening large tracts of land for oil palm cultivation. This will increase the national land area under oil palm from 4.67 million ha to 5.4 million ha" (pp.10)
- "The largest threats to the future of the orangutan are illegal logging, forest conversion to agriculture, and forest fires"(pp.37)
- "Increased habitat fragmentation and access leads to increased conflicts between humans and these species. A case in point is the elephant-human conflict along the floodplains of the Kinabatangan River in Sabah, Malaysia where the natural forest corridor of the pygmy elephants has been fragmented by development of oil palm plantations" (pp.28)

Ministry Claim: Orang-utans like to foray into the agricultural areas looking for food which implies that the oil palm not only provides food for the world population but also for the orang-utans and many other animal species.

Response: Zoos Victoria would like to direct the Committee to the attached paper titled 'How will oil palm expansion affect biodiversity?' The paper states;

"Oil palm plantations support far fewer native species than natural habitat, and cannot be considered a replacement by any means. Habitat loss and fragmentation due to palm oil plantations result in a severe reduction in biodiversity".[6]

According to Dr Ancrenaz;
"Forest lost results is an extreme loss of biodiversity and the destruction of species like the orang-utans. There is no doubt about this."[7]

"Orang-utans have not adapted to the palm oil landscape and cannot survive within the palm oil landscape in its present condition today. It is equivalent to asking a human to survive on eating potatoes alone. Just as humans need a variety of food sources for survival and health, so do the orang-utans. In the course of our research in the Kinabatangan we have identified more than 300 different species of plant-life being consumed by the orang-utans in the forest which is their natural habitat."

According to the to the World Bank report - 'Key Sustainability Issues in the Palm Oil Sector':[8]

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[4] 'The Last Stand of the Orang-uan' 2007. United Nations Environment Programme, 6 February, 2007.
[5] World Bank. 2010, 'Key Sustainability Issues in the Palm Oil Sector'. 16 August, 2010.
[6] How will oil palm expansion affect biodiversity?', Trends in Ecology and Evolution Vol.23 No.10, 2008.
[7] Mongabay.com. 2010, 'Orangutans vs palm oil in Malaysia: setting the record straight', Interview by HUTAN's Dr. Marc Ancrenaz. January 16, 2010.
[8] World Bank. 2010, 'Key Sustainability Issues in the Palm Oil Sector'. 16 August, 2010.

“It is well established that biodiversity in oil palm plantations is very much lower than in natural forests, essentially due to the reduced structural complexity in such plantations. The reduced habitat structure provides fewer niches for flora and fauna”(pp.27)

Ministry Claim: The Malaysian palm oil industry has responded proactively to certification of sustainable palm oil. It has long been regulated. It is indeed one of the most highly regulated industries of modern agricultural systems.

Response: Mandatory labelling of palm oil will assist Malaysia in the regulation of the palm oil industry through driving a market for certified sustainable palm oil in Australia. This increased market will increase the demand and incentive for producers to change palm oil farming practices.

Zoos Victoria believes that although certification is a key component of alleviating the threat to biodiversity in Malaysia, support from international government and key stakeholders is required for it to gain the momentum needed for it to be truly effective i.e through mandatory labelling. The World Bank supports this view:

“Whatever approach is considered, it is important to not lose perspective: voluntary certification is not the sole solution to all problems. Even the best designed and managed roundtable cannot do everything and solve every issue—it needs to work effectively within a complex and constantly evolving framework of market and technology needs, and international, national and local laws and regulations and industry practices in order to achieve sustainability in the sector.” (pp.24)[9]

Please find attached the following documents which describe recent developments regarding Malaysian Palm Oil Council’s relationship to Malaysian conglomerate IOI and breaches RSPO mandates:

- ‘A strange absence in the palm oil labelling controversy’ – An article from Crikey
- ‘Announcement on IOI by RSPO Grievance Panel’ – RSPO breach announcement

Ministry Claims: This proposal reflects that the Australian Parliament is going against their own policy by restricting economic development in Malaysia.

The Malaysian Government encourages the Australian Senate to support measures that provide a balance between the protection of the orang-utan as well as the capacity of the Malaysian Government to raise living standards in the country.

Response: Zoos Victoria, Perth Zoo and Taronga Conservation Society would like to re-iterate that this Bill is in no way seeking to create prejudice towards products produced in developing nations nor to restrict economic development in Malaysia. The Bill is about the rights of the Australian consumer.

Consumers have the right to know exactly which ingredients are included in the products they are purchasing. They have the right to choose products that they deem to be more ethical and beneficial to their health. Unclear labelling currently means they do not have this choice.

Clear labelling of oils will create an increased consumer driven market for certified sustainable palm oil, including that produced in Malaysia. We strongly believe it is the best answer to provide a balance between the protection of orang-utan habitat as well as the ability of the Malaysian Government to raise living standards within their country.

[9] IBID

Please refer to the attached documents for more information-
'Key Sustainability Issues in the Palm Oil Sector' – World Bank report.
'The Last Stand of the Orangutan' – WWF report.
'Orangutans vs palm oil in Malaysia: setting the record straight' – Interview with Marc Ancrenaz co-director of Hutan
'How will oil palm expansion affect biodiversity?''A strange absence in the palm oil labelling controversy' – An article from Crikey
'Announcement on IOI by RSPO Grievance Panel' – RSPO breach announcement.

c) CA 17: Mr Kerr undertook to provide the Committee with the World Bank report.

The Report 'The World Bank Group Framework and IFC Strategy for Engagement in the Palm Oil Sector, March 31, 2011' is here:
http://www.ifc.org/ifcext/agriconsultation.nsf/AttachmentsByTitle/Final_PO+paper_Mar2011/$FILE/WBG+Framework+and+IFC+Strategy_FINAL_FOR+WEB.pdf
Additionally, a summary of how the World Bank Group responded in the final strategy to stakeholder issues raised during the review is here.
http://www.ifc.org/ifcext/agriconsultation.nsf/AttachmentsByTitle/Final_Stakeholder+Comments/$FILE/Stakeholders+comments_Final+Document.pdf

Report attached: 'Key Sustainability Issues in the Palm Oil Sector'

d) CA 19: Ms Hunt undertook to provide the Committee with published papers she has given to the World Zoo Association.

Document attached: 'Bukit Tigapuluh WAZA text'

e) CA 20: Senator Xenophon asked for the Melbourne Business School document that Ms Gray had referred to (or in draft form, as available).

Document attached: 'MBS one page summary'
For further information on the study, the Committee is welcome to contact Melbourne Business School researcher, Peter Manasantivongs on mobile number 0424 094 341 or by email p.manasantivongs@mbs.edu

f) CA 26: Senator Colbeck asked about the cost premium on the RSPO.

This is a question best answered by food manufacturers and the RSPO.
Please see 'WWF's Palm Oil Scorecard' for more information on key manufacturers.
Also refer to the RSPO website for more information http://www.rspo.org/

g) CA 27: The Chair requested an annual report and Senator Siewert requested a London biodiversity paper (both already supplied).