

**INQUIRY INTO INQUIRY INTO CHILDHOOD
OVERWEIGHT AND OBESITY**

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Ai GROUP SUBMISSION

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Inquiry into Childhood Overweight
and Obesity

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About Australian Industry Group

The Australian Industry Group (Ai Group) is a peak industry association in Australia which, along with its affiliates, represents the interests of more than 60,000 businesses in an expanding range of sectors: manufacturing, engineering, construction, automotive, food, transport, information technology, telecommunications, call centres, labour hire, printing, defence, mining equipment and supplies, airlines, health and other industries. The businesses which we represent employ more than one million people. Ai Group members operate small, medium and large businesses across a range of industries. Ai Group is closely affiliated with many other employer groups and directly manages a number of those organisations.

The Ai Group represents the Australian and New Zealand confectionery industry through its Confectionery Sector, representing manufacturers of chocolate, sugar and gum confectionery; suppliers of ingredients, machinery, packaging materials and services to the industry, and wholesaler and distributor firms. The Ai Group has approximately 130 confectionery sector members. Major confectionery manufacturing plants are principally located in New South Wales, Tasmania and Victoria, including in a number of regional locations (eg Ballarat and Lithgow) and in South Australia, Western Australia, Queensland and New Zealand where SME businesses are based.

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Executive summary

The Australian Industry Group (Ai Group) representing the confectionery industry welcomes this opportunity to make this submission in response to the NSW Legislative Council Standing Committee on Social Issues inquiry into childhood overweight and obesity.

The incidence of overweight and obesity in the community is a complex global health issue that requires the efforts of all stakeholders working in collaboration to make the difference necessary to help improve the health and wellbeing of individuals. The confectionery industry is aware of the role it can and does play to help make a difference.

The Ai Group's focus in responding to the NSW Legislative Council inquiry into childhood overweight and obesity acknowledges our concerns in relation to this issue and discusses the industry's approach and individual company contributions toward:

- Providing consumers with clear information;
- Product innovation, reformulation and portion control;
- Voluntary self-regulatory marketing measures;
- Promoting the understanding of confectionery as a treat food, that may be consumed as part of a balanced diet; and the
- Promotion of increased physical activity and healthier lifestyles.

The confectionery industry is committed to playing its part to help improve the overall health and wellbeing of the entire Australian community and supports the Standing Committee's objective to raise awareness on this important issue and to consider strategies to support healthier food and beverage choices and in encouraging activity. We look forward to participating as the inquiry progresses, to its deliberations and continued activity to reduce overweight and obesity collaboratively in NSW and across Australia.

Submission : NSW Legislative Council Standing Committee on Social Issues inquiry into childhood overweight and obesity

Background

The confectionery industry is acutely aware of the need to reduce overweight and obesity in the community, particularly in children. We recognize the prevalence of overweight and obesity is global and extremely complex, multifaceted health issue that has developed over many years.

Simplified, obesity and overweight is generally caused by an imbalance between the energy consumed - eating too much and the energy used - moving too little.

The Australasian confectionery industry understands the efforts to help improve diet and health, not only reside in knowledge and self-responsibility, but require a collaborative approach with multiple stakeholders, including government, health organisations, educators and the food and beverage industries, in which the confectionery sector takes it part, to collectively address this public health challenge.

About the confectionery industry

In 2014-15, confectionery sales in Australia are estimated to be in around \$3.9 billion.

The major manufacturers in the Australian confectionery market are Mondelēz International, Nestlé Australia, Mars Chocolate Australia, The Wrigley Company, Ferrero Australia and Lindt & Sprungli (Australia). Private label represents approximately 4% of the market¹.

The majority of sales are through supermarket and grocery stores (61%) with 24.5% through wholesale, a further 9% by route distribution stores and 5% in other market channels including corner stores and milk bars².

The role of confectionery

Confectionery is a treat food. It is a discretionary food choice and as such should be consumed and enjoyed in moderation as part of a healthy balanced diet and active lifestyle.

Whilst we eat for our nutrition, we also eat for pleasure, but it is important to get the balance right by balancing energy intake with energy expenditure. Balanced eating means that treat foods may be enjoyed sometimes and in small amounts, while the foods from the five core food groups and drinking plenty of water are consumed on a daily basis as explained by the Australian Dietary Guidelines.

The Australian Health Survey 2011-12 found that just over one-third (35%) of total energy consumed was from discretionary foods with the 'confectionery and cereal/nut/fruit/seed bars' food group contributing 2.8% of total dietary energy. The contribution from chocolate and sugar confectionery

¹ Nielsen Scan Data, Year 2014

² IBISWorld – November 2014

amounted on average to 1.7% and 0.5% of total energy respectively (the remainder from cereal/nut/fruit/seed bars)³.

CSIRO scientist and food expert Professor Manny Noakes acknowledges that, *“A nutritious diet means eating a wide range of foods associated with a healthy lifestyle. However, too often people will focus on a single food component or nutrient when looking to improve their diet.”*⁴ This viewpoint is supported by the confectionery industry.

As an industry we play a role in educating consumers on making informed choices, encourage balance, portion control and moderation. We offer a wide variety of choice for the confectionery occasion with provision of clear nutritional information and commit to voluntary self-regulatory marketing measures.

Information for consumers

The provision of nutrition information forms an important cornerstone of the confectionery industry’s commitment to promote knowledge and awareness of confectionery, as a treat, and its place in the overall diet.

Through Australian food legislation, the confectionery industry’s products provide mandatory ingredient labelling and nutrition information. The nutrition panel on the back of confectionery products provides information on serving size and the nutrients in one serving of a product, as well as in each 100 grams. The nutrients listed include kilojoules, protein, fat, saturated fat, carbohydrates, sugars and sodium.

Members of the confectionery industry are currently implementing the government-led voluntary Health Star Rating (HSR) System. In many circumstances this will provide energy information on a per serve/pack basis on front of pack, as the relevant HSR consumer information element, in conjunction with the industry’s voluntary *Be treatwise*® initiative.

About *Be treatwise*®

Be treatwise®, originally launched in 2006, is a confectionery industry initiative designed to provide consumers with information to help explain the place confectionery has, as a treat food, in a healthy, balanced diet and active lifestyle.



With its logo and tagline, ‘Enjoy a balanced diet’, *Be treatwise*® provides consumers with a simple visual cue on front of pack, to remind them that confectionery is a treat, so they can make an informed choice and be mindful of the energy content in the treats they choose for themselves and their families.

³ Australian Bureau of Statistics, 4364.0.55.007 - Australian Health Survey : First Nutrition Results – Food and Nutrients, 2011-12, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4364.0.55.007Main+Features12011-12?OpenDocument>

⁴ CSIRO Healthy Diet Scores Results, August 2015 https://www.totalwellbeingdiet.com/diet-score/diet-score-results/?utm_source=newsletter&utm_medium=email-diet-score2&utm_campaign=150812-dietscore-email2

The *Be treatwise*® logo is found on the labels of more than 90% of major confectionery manufacturers branded product and increasingly on some small to medium enterprises' products in Australia.

It is also important that consumers understand information about nutrition and confectionery serve sizes, which is embedded in the *Be treatwise*® message, along with responsible advertising and marketing activities. Confectionery industry serving sizes are generally based on 25g, but can vary between 20 and 30g. The Australian Dietary Guidelines considers the role of discretionary items, including confectionery, and suggests typical serving sizes for treat/discretionary food choices provides about 600kJ of energy, for example half a small bar (25g) of chocolate.

In terms of understanding and awareness of the *Be treatwise*® message, recent independent research confirmed that 73% of the Australian population aged 18 years and over interpret/understand the *Be treatwise*® message as “a food that can be eaten occasionally” or “a food that can be eaten rarely”.⁵

Health Star Rating System

Members of the confectionery industry are currently implementing the front of pack HSR System developed to help people compare the healthiness of similar packaged foods making it easier for consumers to make informed food purchases and healthier eating choices at-a-glance.

The HSR System provides a flexible approach for the confectionery sector to either use the full range of the HSR System hierarchy, or to use the energy icon alone, to guide consumers.

During the HSR System development, the confectionery industry demonstrated the important role of the industry's *Be treatwise*® initiative in the on-going process of educating consumers.

Be treatwise® complements and co-exists with the HSR System to help address concerns about the nation's nutrition awareness.

Some confectionery companies will continue to use the alternate Daily Intake Guide (DIG) which may also be used with *Be treatwise*®.

As industry progressively implements the refreshed *Be treatwise*® logo in conjunction with HSR, and new packaging is introduced, where possible there will be more information about serve sizes which will explain the energy value of a treat in a simple and easy-to-understand way by using relevant serve size descriptors, ie 'per 25g' with the use of a descriptor such as 'per pack', 'per row' in a block of chocolate, 'per 2 snakes' or 'per x pieces' in a share bag of confectionery.

The front of pack information continues to be supported by extensive mandatory nutrition information provided on the back of pack in conjunction with optional percentage daily intake (%DI).

⁵ Source: Independent research conducted by Nielsen Australia, from 22-27 April 2016, among 1503 surveyed Australians aged 18 years plus, for the Confectionery Trust.

Bringing consumer information to life

Figure 1 : *Be treatwise*® in conjunction with HSR energy



Many of the major confectionery companies also provide nutrition and *Be treatwise*® information to consumers via websites. For example:

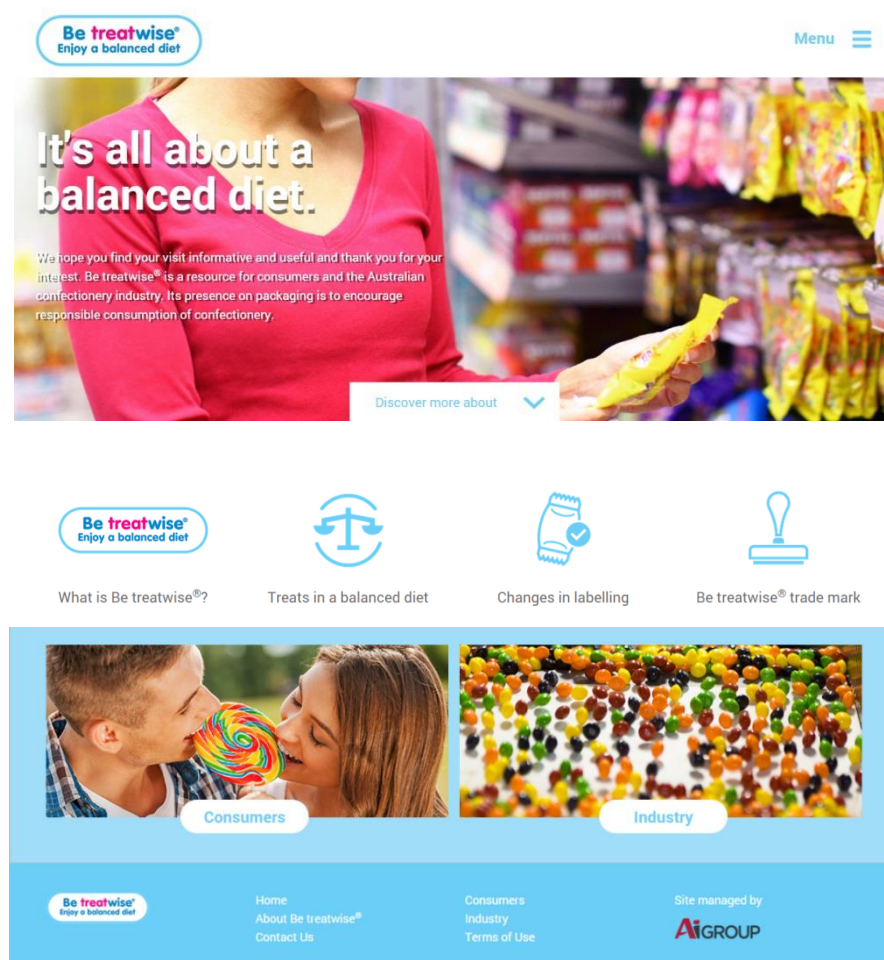
- Mondelez International offers practical consumer information on health and wellbeing and mindful snacking. See <http://au.mondelezinternational.com/>
- Nestlé Australia has a comprehensive health and wellness information website. The site provides nutrition information; it offers guidance to consumers on appropriate portion control, reading labels and much more. See: www.nestlechoosewellness.com.au/
- Mars Chocolate Australia has a stand-alone website, 'Making Chocolate Better' with more information on its products and corporate initiatives - www.marschocolate.com.au/

The confectionery industry will further enhance the *Be treatwise*® consumer messaging through off-pack communication channels, including digital applications, point-of-sale or television.

The industry's redeveloped website www.betreatwise.info supports the *Be treatwise*® consumer information initiative. It has an information hub both for consumers and industry. The consumer section provides material to explain *Be treatwise*®, how it works, the role of confectionery as a treat in a balanced diet and active lifestyle. It provides a conduit for consumers to other complementary information sites.

Consistent with global pledges, Australian based multinational companies and smaller operators are working toward improving consumer understanding of confectionery as a treat food and over the next few years aim to improve upon the current understanding.

Figure 2 : Industry's redeveloped *Be treatwise*® information website



Product formulation, innovation and portion control

The confectionery industry offers a wide variety of choice for all tastes and confectionery occasion – including chocolate, sugar and gum confectionery – in varying sizes and suitable for individual consumption, sharing and gifting occasions, so that consumers can enjoy the right product for the occasion.

Companies are investing in scientific research, innovation and new product development to bring to market new or reformulated products with improved nutritional profiles and resized products.

This includes oral health benefits of chewing sugarfree gum, removal of added trans-fats, reduced saturated fat, sugar and energy content, without compromising on taste.

The confectionery industry is especially mindful of the importance of communicating serve/portion size in treat consumption. Many confectionery products are reducing portion size or are already portion controlled.

To highlight a number of product improvements:

- In 2014 Nestlé introduced an on pack Portion Guidance device – a simple visual tool to help consumers know the recommended serve size of confectionery and responsible consumption.
- A range of approaches have been taken to resize Nestlé’s confectionery products. These include: the deletion of king size bars, replacement with a sharing option and reformulation to reduce the energy per portion; reshaped chocolate blocks in line with consumer expectations so now a row in a chocolate block – the amount typically eaten by a consumer in one sitting – is an appropriate portion size; Killer Pythons were reduced in size from 47g (630kj) to 24g (336kj) with commensurate price reduction and one piece one portion.
- In support of sensible confectionery consumption Nestlé has introduced re-sealable packs together with an on pack message encouraging responsible sharing. The re-sealable packaging keeps products fresh and reminds consumers that packs are multiserve.
- Ferrero’s products have portion sizes ranging from 12.5g to 22g.
- Mondelēz is increasing its portion controlled products by 25% over the next few years. This means more individually wrapped product in portions less than 840 kJ (200 cal).
- As part of the ‘Making Chocolate Better Program’, Mars Chocolate provides consumers with a range of reformulated, resized and re-sealable products. The program has reduced the portion size of most core products to less than 1046kJ (250 calories) as single portion packs, less than 420kJ (100 calories) per fun size serve, and the old king size formats have been divided in two to encourage responsible treating.
- Mars has reduced the saturated fat content in a number of bar products. For example the saturated fat content of Mars® Bars has been reduced by 22% (from 5.7g to 4.4g per 53g bar) by moving from a hard fat to a high oleic sunflower oil.
- The Wrigley Company produces both sugar and sugarfree gum and mints, giving consumers product choice. Sugarfree gum in particular, has been recognised by local and international dental associations and scientific institutions for the role it can play in decreasing plaque acids and improve overall oral health.

Marketing and advertising to children

Considerable attention has been focused on the issue of marketing and advertising to children. Australia's largest confectioners are actively involved in the promotion of responsible advertising, and these major manufacturers are signatories to the Responsible Children's Marketing Initiative (RCMI).

The RCMI encompasses products in retail outlets and is a proactive commitment not to advertise to children under 12, unless the advertising is promoting healthy dietary choices and lifestyles. This commitment applies to television, print, radio as it does to internet and cinemas.

In addition, the confectionery industry supports the Australian Association of National Advertisers (AANA) codes and its commitment to clear standards when advertising its products to children, in particular the Code of Ethics, Code for Advertising and Marketing Communications to Children and the Food and Beverages Advertising and Marketing Communications Code. The objective of which is to ensure that advertisers develop and maintain a high sense of social responsibility in advertising to children in Australia.

Promotion of physical activity and healthy lifestyles

The industry is committed to help raise consumer awareness on balanced diets and help to promote increased physical activity and healthier lifestyles.

Physical activity and healthy lifestyles are core to the *Be treatwise*[®] message – it is important to ensure a healthy lifestyle based on a balanced diet combined with regular activity so that consumers get the balance right.

Individual companies are engaged with a range of community stakeholders and seek to increase the understanding of the role of nutrition and eating habits, combined with physical activity, as promoting a healthy lifestyle. These programs include community, sporting and workplace based initiatives.

Some of the industry initiatives include:

- Partnering with the Australian Institute of Sport (AIS), Nestlé's Healthy Active Kids program aims to improve the nutrition and health knowledge and promote physical activity among school-aged children thereby helping families to have fun whilst being active and staying healthy. The Healthy Active Kids website www.healthyactivekids.com.au/ contains resources for teachers relating to healthy eating and exercise. As part of the program Nestlé has distributed 80,000 Kids Nutrition Plates, 50,000 Healthy Active Kids booklets and has communicated their responsible nutrition message to 5,000 teachers and 250,000 school children.
- Nestlé's Choose Wellness roadshows at shopping centres around Australia include healthy eating education from accredited dietitians, diabetes testing, cooking demonstration, healthy portion guidance and interactive education on reading labels. In 2016 events at 15 shopping centres are expected.

- Mondelēz is working with the Football Federation Australia and the Mondelez International Foundation to deliver a free active play program - [Play Project](http://www.playproject.com.au/) (<http://www.playproject.com.au/>) - which empowers primary school students to live an active, healthy life through better knowledge, attitudes and behaviours. Since the Play Project's inception in April 2014, nearly 50,000 students have participated in the program, and by 2017, over 86,500 students will understand the importance of daily activity.
- Mars Chocolate Australia's physical activity promotions span the workplace, local community, sporting and charity groups in Ballarat, as well as major sponsors of events that encourage healthy active lifestyles. In the workplace these range from staff health checks and flu vaccinations to fun runs to 'Ride to Work Day' and 'Walk around the Lake', to name a few.

Summary

The confectionery industry is committed to playing its part to improve the overall health and wellbeing of the Australian community.

The industry and the Ai Group, representing the Confectionery Sector, are working with many stakeholders, including individual confectionery companies, non-government and government organisations to promote the understanding of confectionery as a treat food within the context of dietary balance and healthy active lifestyles. The industry's *Be treatwise*® initiative and the many external partnerships create an educational process that will improve knowledge and understanding, helping to lead to behavioural change.

We therefore welcome the NSW Legislative Council Standing Committee on Social Issues inquiry into childhood overweight and obesity and the contribution it will make to raise awareness and develop new insights and strategies, programs, partnerships and resources that may help continue to address childhood overweight and obesity, particularly in NSW and across Australia.