

**Submission
No 12**

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

Organisation: Australian Food & Grocery Council

Date received: 20 August 2016



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

NSW LEGISLATIVE COUNCIL STANDING
COMMITTEE ON SOCIAL ISSUES
Inquiry into Childhood Overweight and Obesity

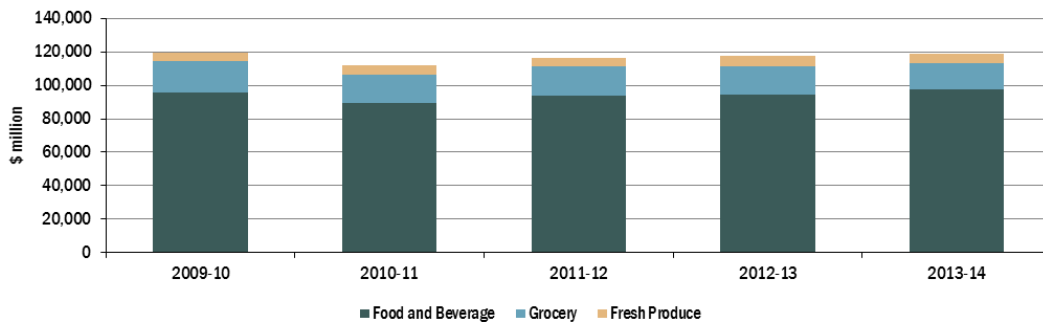
Sustaining Australia

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 178 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

Composition of the defined industry's turnover (\$2013-14)



With an annual turnover in the 2013-14 financial year of \$119 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector is Australia's largest manufacturing industry. Representing 30 per cent of total manufacturing turnover, the sector accounts for over one quarter of the total manufacturing industry in Australia.

The diverse and sustainable industry is made up of over 26,551 businesses and accounts for over \$61.7 billion of the nation's international trade in 2014-15. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry spends \$541.8 million in 2011-12 on research and development.

The food and grocery manufacturing sector employs more than 322,900 Australians, representing about 3 per cent of all employed people in Australia, paying around \$16.1 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

CONTENTS

Introduction	4
Terms of Reference of the Inquiry.....	4
The Australian Food Industry	4
The Food Industry and tackling obesity	7
Childhood obesity – the Food Industry’s response	11
Childhood obesity and the public policy debate	13
Collaboration and Partnerships – the way forward.....	15
Conclusions	15
APPENDIX 1 – How the food industry assists healthy eating	16
References.....	19

INTRODUCTION

The AFGC welcomes the opportunity to present this submission to the Legislative Council Standing Committee on Social Issues *Inquiry into Childhood Overweight and Obesity* ('the Inquiry'). The submission was developed in consultation with, and represents the collective view of, experts in nutrition, dietetics and food science within the AFGC membership. The submission addresses directly the food industry's role in the ongoing efforts to reduce levels of overweight and obesity in children, but places this in the context of the wider role of the food industry in providing wholesome food every day to consumers, assisting them to construct healthy diets.

TERMS OF REFERENCE OF THE INQUIRY

The AFGC notes the Terms of Reference of the Inquiry are broad. Indeed, they need to be broad as the aetiology of obesity in general, and childhood obesity in particular, is known to be multifactorial. Notwithstanding this, the AFGC will restrict this submission to commenting on the role of the food industry in assisting consumers, including children, to make healthier diet choices and how the AFGC and its members can contribute to collaborative activities with Government and other partners.

The submission also comments on some aspects of nutritional science relevant to childhood obesity, and some options which have been canvassed in the public health policy debate around the obesity issue.

THE AUSTRALIAN FOOD INDUSTRY

The Australian food industry takes the commodity crops, animal products and fresh products of farmers to produce the foods Australian consumers eat every day. For example, they make bread and cereal products from grains, cheese and dairy products from milk and, of course, many other products from the rich variety of animal, fruit and vegetables enjoyed by consumers.

The magnitude of this task should not be underestimated. The food value chain from agriculture, through food manufacturing and into retail is complex. It not only transforms agricultural raw materials into edible, and often still perishable products, but also protects them as they are transported from sites of harvest and manufacture to retail outlets around the nation. The net result is that Australia's multicultural consumers enjoy, year-round, a wide variety of affordable, safe, nutritious and convenient foods, that suit their lifestyles, and from which they can construct healthy diets.

Many more consumers enjoy the same products overseas. With a strong reputation for quality, safety and environmentally responsible production Australian processed food exports generate around \$17 billion of income each year. And future export growth is assured as the demand for quality food in Asian markets increases.

Many of those products are produced in NSW with almost \$5 billion of value-added food and beverages products exported each year¹.

HELPING PEOPLE TO MAKE HEALTHY CHOICES

The links between diet and health have been recognised for hundreds of years and in the modern era for over a century by the food industry.

The food industry has a role to play in helping consumers construct healthy diets, with appropriate portion sizes through innovation and bringing new products to market, in new product formats. Products with reduced total energy through fat and carbohydrate substitutes or with slow energy release (i.e. low GI) can assist consumers to eat healthily. Furthermore presenting products with portion control initiatives helps consumers select moderate portion sizes which suit their particular

needs. Examples of innovative food and beverage products which assist consumers with their dietary needs are in Appendix 1.

BETTER PRODUCTS

In the 1970s concerns about links between saturated fat and heart disease led to the development of polyunsaturated margarines. The 1980s saw the enrichment of breakfast cereals and other foods with dietary fibre to lower the risk of bowel cancer, and the 1990s witnessed the development of lower fat milks, which now hold over 50 per cent of the market. In almost every food category product types with low fat, low sugar, low salt, added fibre or high protein have been developed to provide choice to consumers. One area where Australia leads the world has been the removal of trans-fats from the food supply so that the dietary intake is now 40 per cent lower than World Health Organization Recommendations (see Case Study 1).

The food industry not only removes nutrients which are associated with disease risk, but it adds many essential nutrients to foods (e.g. vitamins and minerals) under strict regulatory oversight which ensures there no risk to health from overconsumption.

CASE STUDY 1. Trans-fats - an Australian success story

Background: The food industry introduced trans-fats into foods to replace saturated fats during the 1960s and 1970s. Trans-fats are produced when vegetable oils are processed to make them harder (less liquid) at room temperature. They found uses in margarines and products where hard animal fats had previously been used (e.g. shortening in pastry).

The Problem: In the early 1990s nutritional science indicated that some dietary trans-fats are a risk-factor for heart disease.

The Solution: The major oil producers in Australia agreed to change their processes to phase out trans-fats from all their fats and oil products. This carried across into the food manufacturing sector, significantly reducing the trans-fat levels in many processed foods where oil is an ingredient.

The Benefit: Dietary levels of trans-fats in Australia are now at very low levels. The 2012 Australian Health Survey confirmed that trans-fats represent only 0.6 per cent of dietary energy which is 40 per cent lower than the World Health Organization recommendations.

EMPOWERING CONSUMERS THROUGH INFORMATION

Providing product choice in the market is an important step to helping consumers choose foods as part of a healthy diet, but in addition it is important they have ready access to information. Again, the Australian industry stepped up ten years ago to provide a world-first Front of Pack (nutrition) Labelling (FoPL) scheme. This voluntary program called the *Daily Intake Guide* is run by the AFGC and in 2014 appeared on over 7200 products in all major food categories.

More recently the AFGC in conjunction with representatives of the public health sector, consumer organisations and government developed and agreed to a new FoPL *Health Star Rating* (HSR) System. The HSR which is based on the levels of nutrients in the food product assists consumers compare products within food categories to construct healthy diets. Finalised more than two years ago the HSR already appears on over 4000 every day food products, produced by almost 100 different companies. This is an example of how the food industry working closely with public health organisations such as the *National Heart Foundation* and with consumer organisations such as *Choice*, can develop new initiatives, helping Australians to adopt healthy lifestyles.

PARTNERSHIPS WITH GOVERNMENT

Another example of the food industry working closely with Government and the public health sector has been through the *Food and Health Dialogue*². This initiative commenced in 2009 bringing together food industry and public health organisations in a coordinated category-by-category food reformulation program aimed at reducing salt and saturated fat in food products.

More recently the *Healthy Food Partnership*,³ announced in late 2015, has become the vehicle for cross-sectoral collaboration. With all sectors of the food industry represented (primary industry,

manufacturers, quick service restaurants and retailers) as well as the public health sector,* work programs are being developed which will address portion size, reformulation, and consumer education. A particular focus will be on 'out of home' eating which will reach out to all forms of retail outlets providing ready to eat meals (including restaurants, canteens, kiosks and takeaways)

The value of cross-sectoral programs of this type is now widely recognised⁴ and encouraged as part of the WHO's *Global Action Plan for the Prevention and Control of Non-communicable diseases 2013-2020*⁵.

The AFGC also considers that collaborative approaches to addressing issues such as childhood obesity have demonstrated their value and effectiveness.

Recommendation

The AFGC recommends the NSW Government work within cross-sectoral collaborative partnerships to address the childhood obesity issue.

* Public Health Association of Australia, National Heart Foundation, Dietitians Association of Australia.

THE FOOD INDUSTRY AND TACKLING OBESITY

THE ROLE OF DIET AND OBESITY

In 2009 the National Preventive Health Taskforce completed the most comprehensive examination (before or since) of overweight and obesity in Australia⁶. No single factor or group of factors was identified as being strongly associated with, and therefore potentially driving, the increases in the weight of Australians. Of course, at a physiological level weight gain is caused by overeating (where energy consumed exceeds energy expended), but there remains doubt as to what leads many individuals to eat above their energy needs.

For Australia, the most up-to-date health and nutrition data is from the ABS Australian Health Survey⁷. The results show that the average daily energy (kilojoule) intake has decreased for both men and women between 1995 and 2011-12. The average daily intake of sugars and saturated fat also declined significantly during this time. This suggests that there are factors other than increased energy intake, contributing to higher levels of obesity across the nation.

In recent years, there has been a public health focus on sugar with suggestions that it is a unique, and particularly potent, sole driver of obesity. The science does not support this proposition. Indeed some studies⁸ suggest that sugar, or more particularly sucrose (which contains fructose) does not play a dominant role in being responsible for the rise in overweight and obesity in developed countries.

Almost all the energy in the diet comes from the macronutrients fat, protein, alcohol and carbohydrate (starch and sugar). A recent study⁹ from the UK, analysing biometric data from over 130,000 individuals, demonstrated that the dietary intakes of all macronutrients were positively associated with body mass index (BMI) and other measures of adiposity, but the correlation was highest with fat, followed by protein and starch. The correlation with sugar was the lowest, and when the data were corrected for total energy, sugar was negative. That is, in persons with equal energy intake, those with the highest sugar intakes had the lowest BMI. The authors of the study commented that in the UK:

...policy makers are being encouraged to specifically target sugar intake in order to combat obesity

and concluded:

Focusing public health interventions and messages on sugar may detract from the need to reduce overall energy consumption and could, paradoxically, increase fat consumption

There is a strong view that healthy eating relies on variety, moderation and balance of foods. To quote a recent review¹⁰

Nutritional nit-picking has been unsuccessful in improving public health. Nutrient based interventions are generally ineffective...Dietary pattern recommendations are more likely to show success in improving cardiovascular health.

With this in mind it is important to consider the multifactorial nature of obesity as opposed to a single initiative or program to address the issue.

PORTION SIZE MAY HOLD THE KEY

Whilst diets high in risk associated nutrients (energy, saturated fat, sodium) are associated with non-communicable diseases (including coronary vascular disease, type 2 diabetes) weight gain leading to obesity is most strongly associated with energy intake particularly when adjusted for physical activity. The challenge, therefore is to assist consumers to construct healthy diets that meet their energy needs.

To date, much of the focus of advice to consumers has been on achieving and maintaining a healthy weight and, or reducing risk associated nutrients in the Australian diet (saturated fat, sodium). An alternative approach is to specifically support consumers to avoid eating above their energy needs – and particularly to increase their consumption of core foods and beverages and reduce energy dense, nutrient poor foods – as this will not only moderate their energy intake but also increase positive nutrients and reduce risk associated nutrients, all at once. Overconsumption of energy, however, is not the only nutritional issue. For an appreciable number of Australians, under consumption leads to health problems. The challenge is to assist consumers to eat to their needs.

The amounts, or portion sizes, consumers chose to eat are subject to a range of factors, with many related to the way food is presented. For example, it has been shown that reducing plate size will lead to consumers eating smaller amounts under certain circumstances¹¹.

Many options exist for exploration to develop strategies to assist consumers to eat an appropriate quantity of different food types. These include:

1. Better integration and promotion, of practical advice on portion size selection with the serve size suggestions in the Australian Dietary Guidelines (ADG) and the Australian Guide to Healthy Eating. Consumer education is also important, so there is understanding that, while people's choice of portion size varies over the day and week, total intake from each of the core food groups and discretionary foods should end up being similar to the number of serves suggested in the ADG for individual energy needs.

Some people's portion sizes are smaller than the 'serve size' and some are larger, which means that some people may need to eat from the Five Food Groups more often than others.

http://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55g_adult_brochure.pdf

2. Clearer, practical guidance on appropriate serving sizes for many miscellaneous food products – for example lasagne, meat pies, pizza slices, confectionary, cake – based on energy content and how the food contributes to a healthy diet, consistent with established scientific evidence and Government recommendations.
3. Behaviour modification tips to assist consumers moderate their intake such as developing specific routines leading to better choices and better diets – for example using smaller plates for some meals, making half of meals coloured vegetables or salad first, and increasing awareness of hunger and satiety cues.
4. Exploring ways the packaged food industry can help consumers by using portion control devices to support a healthy diet. This may include:
 - suggested serving sizes that reflect the contribution of the food to a healthy diet
 - serving suggestion images that illustrate appropriate portion size and suggest other meal components to promote the intake of core foods
 - ensuring a range of pack sizes are available to consumers, including single or smaller portion packaging
 - imprinting 'cut here' lines on foods (e.g. cakes and tarts) to indicate portion divisions
 - including scoops or other household measuring tools in packaging (e.g. teaspoons), and
 - promoting convenient ways to increase intake of core foods as a way to increase variety and intake, as well as to reduce the overall energy density of a meal for example:
 - fresh, frozen and canned fruit, vegetables and legumes
 - ready-to-eat wholegrains and milk products

Appropriate serving sizes coupled with practical, convenient devices provides the portion control assistance to consumers which underpins healthy diet selection.

The *Healthy Food Partnership*³ has identified portion size and portion control as priority areas within its work program. Although this is a national initiative, consumers in NSW do stand to benefit from the

work. At the risk of pre-empting the outcomes of the program, the AFGC anticipates key deliverables will include:

- clearer advice to food companies, perhaps in the form of industry best practice guides, on appropriate serving sizes on labels, particularly for mixed food products based on energy content and other nutritional criteria
- promotion of product formats which direct, and assist, consumers to choose smaller portions, and
- consumer education materials supporting the ADGs with advice on serve sizes.

Portion size is also a critical element of health diet construction for children. Developing a clear framework to assist children, their parents and care givers to select appropriate amounts of food and beverages to consume in different settings can be part of addressing the childhood overweight and obesity issue.

SCHOOL CANTEEN GUIDELINES

Evidence from the 2012 *Australian Health Survey* indicates that the diets of large numbers of Australian children are still poor. There is the opportunity to help address this is by implementing school canteen guidelines. They are an effective way for the food choice of children to be influenced in the school setting, thereby assisting them to consume healthy diets.

In 2003, following the introduction of *Fresh Tastes @ School* in NSW school canteens, many food companies reformulated their products or introduced new product lines to provide options for healthier choices in school canteens.

The AFGC has been invited to participate in the consultation process on updating the NSW Healthy School Canteen Strategy by NSW Health. For guidelines to be effective, however, there must be:

- consistency in school canteen guidelines around the country to allow the food industry to cost-effectively develop and supply products to assist healthy diet construction
- better support by governments for schools to implement the guidelines, and
- periodic review of the guidelines to ensure they remain up to date reflecting the ADGs and other advances in nutritional science.

The AFGC congratulates NSW Health taking the initiative in reviewing the *Fresh Tastes @ School* and updating them to a format or approach which better supports the *Australian Dietary Guidelines*. The AFGC is of the strong view, however, that there must be uniformity in the guidelines across all Australia states and territories. There is no scientific or nutritional reason why they should be different, so assuring national consistency should be a priority for the development of the guidelines.

The AFGC welcomes the opportunity to participate in this consultation and looks forward to work with NSW Health on other initiatives which may be developed.

AWAY FROM HOME MEALS

In addition to supporting healthy food options within school canteens, the Australian Quick Service Restaurant (QSR) sector has been actively pursuing initiatives to support children's health. In 2012, following the introduction of mandatory kilojoule menu board labelling in NSW, leading QSR companies rolled out labelling nationally to ensure all Australians were able to quickly compare the energy content of their purchases and purchases for their children. In addition to kilojoule labelling, QSR companies provide nutrition information regarding the levels of saturated fat, sodium and sugar on company websites, smart phone apps and through in store brochures.

QSR companies have also engaged in significant reformulation activities across their portfolios to reduce the levels of saturated fat and sodium. All major QSR companies have switched the oil they use, resulting in more than a 75 per cent reduction of saturated fat levels and supported by the oil switch initiative of *The Health Foundation Australia*. These activities have impacted upon children's

offerings within these stores, with some companies reporting the following achievements in recent years (noting that these are company specific and have not been aggregated across the sector):

- 69 per cent reduction in saturated fat of chicken nuggets
- 15 per cent reduction in sodium across chicken range
- 21 per cent reduction in sodium in seasoned chip salt
- 58 per cent reduction in sugar in burger buns
- 30 per cent reduction in sodium in burger buns, and
- 20 per cent reduction in sodium in cheese

Children's meal offerings in QSRs have also evolved, with major QSR companies offering portion appropriate children's menu items and meal options that revolve around core foods including:

- Water, reduced fat milk and 100% fruit juice beverages
- Grilled meat and salad mains, and
- Sides of fruit and vegetables (including apple slices, cherry tomatoes, peas)

McDonald's Australia has reported that *'1 in 3 Happy Meals sold include either a Seared Chicken Snack Wrap, apple slices, low-fat flavoured milk, fruit juice or water'¹².*

CHILDHOOD OBESITY – THE FOOD INDUSTRY’S RESPONSE

The AFGC agrees that childhood overweight and obesity is a pressing problem. Apart from the concerns for the general welfare of this particularly vulnerable group, it is generally accepted that overweight and obese children are more likely to become overweight and obese adults with increased risk of chronic disease.

Providing general guidance on healthy eating for children is more challenging than with adults for a number reasons:

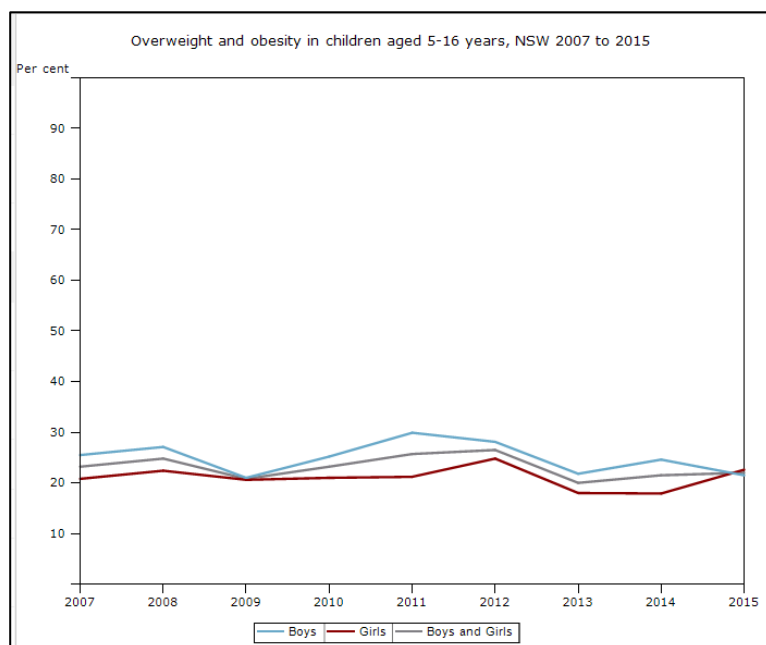
- there is much greater variability in their nutritional requirements with substantial increases in nutrients, as well as energy demands as they grow and develop. As with adults their nutrient requirements, particularly for energy, also change with levels of physical activity
- their knowledge and understanding of good nutrition is less than most adults, although many even at a young age can recite some of the simpler nutrition messages
- they are less able to analyse and assess information and changes in their environment in a way which is beneficial, or otherwise, to their wellbeing, and
- their ability to take responsibility and make appropriate choices (including food and beverage choices) is underdeveloped, requiring guidance from parents and carers.

The corollary to this is that society in general, including the food and beverage industry, must be mindful of the vulnerability of the children, and recognise its obligations to provide appropriate protections for interactions with them.

RIGOROUS DATA GATHERING

In addition to agreeing to collective action in the area of food reformulation and food labelling, the Australian food industry has led the world in responding to concerns about childhood obesity. Firstly, the AFGC provided \$1 million to help fund the *2007 Australian Children’s Nutrition and Physical Activity Survey*¹³ which provided up-to-date information on the levels of overweight and obesity across Australia. The data indicated that while the levels were no longer rising (later confirmed in further studies¹⁴), they remained too high, putting the health of children at risk.

More recent data suggests that childhood overweight and obesity levels are still stable. The Australian Health Survey reported that the prevalence of overweight and obesity in children aged 5-17 years increased between 1995 and 2007-08 (20.9 per cent and 24.7 per cent, respectively) and then remained stable to 2011-12 (25.7 per cent)¹⁵



Data from NSW also suggests that the levels of childhood obesity are relatively stable (see Figure)¹⁶. NSW Health comments:

The prevalence of overweight and obesity in children has been relatively stable in NSW since 2007, with a current prevalence of 22.0% in 5-16 year old children (2015). However, the prevalence remains high and is a cause for concern.

RESPONSIBLE ADVERTISING

The data from the *2007 Australian Children's Nutrition and Physical Activity Survey* was a call to action for the food industry and in 2009 the AFGC launched the *Responsible Children's Marketing Initiative* (RCMI) and the *Quick Service Restaurant Initiative for Responsible Advertising to Children* (QSRI), providing guidance to food companies on marketing of food (see Case Study 2).

The RCMI and QSRI are voluntary commitments to restrict the advertising of discretionary foods[†] to children. Advertisements for such foods will not be shown in children's television programs, be directed primarily to children, or appear in programs with a children audience of greater than 35 per cent.

The RCMI and QSRI represent a very successful self-regulatory approach. Extending beyond television, they include print media, radio, cinema, interactive games and the internet. Both initiatives include fully independent complaints handling through the *Advertising Standards Bureau*¹⁷ and an Arbiter at the University of South Australia. Compliance is monitored and reported annually¹⁸.

The overall effect of the two initiatives is that since their introduction there has been a substantial drop in advertising of discretionary foods within children's television programs and in programs where children make up a large portion of the audience. Also, companies take care when advertising these foods to ensure that the themes, visuals and language are directed to adults.

PRODUCT DEVELOPMENT AND REFORMULATION

As previously noted in this submission, the food industry has an established track record of offering product variants which are reformulated in response to advances in nutritional science and particular public health concerns. In the past companies acted individually, but more recently have joined collective actions, such as the current *Healthy Food Partnership*³. Some examples of the food industry's ongoing commitment and efforts to assist consumers to healthy diets through different product formats are shown in Appendix 1.

CASE STUDY 2. Marketing to Children

Background: Childhood overweight and obesity levels increased substantially during the 1970s, 80s and 90s although evidence is strong that they had plateaued by the early 2000s. The cause of the rise was (and still is) unknown but it led to calls for regulatory bans on advertising to children.

The Problem: The Australian Media and Communication Authority does not support regulatory action as there is little evidence linking advertising to obesity levels in children.

The Solution: Recognising on-going community concern, the AFGC launched the RCMI and QSRI in January 2009. Under the initiatives companies commit to restricting the advertising of discretionary food products such that the exposure of children to the adverts is limited.

The Benefit: Since the introduction of the RCMI and QSRI, in 2015 less than 0.6 per cent of all food and beverage advertisements were for discretionary foods in children's television programs across the three main channels.

[†] Companies determined non-core foods by using criteria set by organisations such as National Heart Foundation and the Healthy Kids School Canteen Guidelines

CHILDHOOD OBESITY AND THE PUBLIC POLICY DEBATE

The importance of tackling obesity, including childhood obesity cannot be underestimated. Apart from the loss of quality of life for individuals, the cost to the community is large. The AFGC and the wider food industry have responded to the public health challenge through a comprehensive suite of company level activities, collective actions and cross-sectoral collaborative initiatives. Despite showing a willingness, indeed a desire, to be part of the solution in addressing the obesity issue, other parties to the debate see the food industry being part of the problem, if not the sole cause of the problem¹⁹. This contention is more often than not accompanied by calls to regulate the food industry with a combination of prohibitions and taxes. The AFGC rejects both the contention and the proposed regulatory responses as they are supported neither by nutrition and health science, nor by the principles of good policy and best practice regulation.

There are five potential regulatory levers which can be used to influence consumers eating habits, and to some extent these have already been utilised in Australia:

1. **Applying taxes to discretionary foods or their components** – the GST applies to processed foods and not fresh foods. International examples of taxes on foods or food components have not impacted obesity levels.
2. **Restricting advertising, particularly to children** – the industry already successfully applies restrictions through the RCMI and QSRI as described earlier. International examples of advertising bans and restrictions have not impacted obesity levels.
3. **Restricting the sale of foods** – School canteen guidelines restrict the food choices of children recognising they are a particularly vulnerable population group. The AFGC supports the use of school canteen guidelines.
4. **Mandated nutrition labelling** – there are already regulatory requirements for a Nutrition Information Panel on packaged foods and the new voluntary, but widely adopted, Health Star Rating labelling described earlier to aids consumers to make informed choices. Developing specific nutrition labelling for children would be extremely problematic due the great variability in their nutrient requirements.
5. **Regulating the composition of foods** – the market already provides low energy, low fat, low sugar and low salt variants of many food products. Regulation would simply remove some, and possibly many, food products completely.

The experience of applying sugar or fat taxes in other countries has not been a success. In Denmark, a tax on foods based on their saturated fat levels was scrapped within a year because the tax was so unpopular that consumers were driving across the border to avoid it.

Health experts cannot agree on the potential effectiveness of food taxes²⁰. This is because it is difficult to predict the final impact the taxes may have on food prices and the effects on demand and substitution (consumers switching to alternative foods). There is agreement that effects are likely to be modest at most.

The most recent modelling on the effects of a tax on sugar-sweetened beverages (SSBs) in Australia was published in April 2016²¹. The overall effects, as reported, are very modest despite assumptions that are favourable to the proposal. The modelling predicts:

- a drop of energy from sugars in the population diet of 16kJ per day for men, 9kJ per day for women – this is less than 0.2 per cent of the average recommended daily intake (8700 kJ) and equivalent to about 1g of sugar, or one quarter of a teaspoon of sugar
- the average man (1.78m tall) will be 320g lighter, and the average woman (1.63m tall) 170g lighter (after 25 years)
- obesity rates would drop by 0.7 per cent in adult men and 0.3 per cent in adult women

- the early cost savings for the health budget are actually deferred costs. Costs increase later as deaths are pushed further down the timeline.

A recent review of the Mexican sugar tax implemented in January 2014 reported similar very modest effects on food, and therefore energy consumption (about 1.66 g per day decrease, or about 60kJ per day or 0.7 per cent of the daily energy requirement). The authors concluded ‘...*the impact of this tax on overall energy intake, dietary quality, and food purchase patterns, as well as how these changes relate to weight status, remains to be studied*²².

The Henry Tax review²³ examined the potential use of taxes to modify consumption behaviour and concluded it is:

...very difficult to estimate spillover costs, if any, of identifiable foods or food types. In addition, any quantifiable health benefits of imposing the tax would need to be weighed against the loss to those people who are at low risk

Thus taxes to change consumer behaviour are inefficient and regressive, disadvantaging lower income groups and those consumers already adhering to the desired behaviour.

REGULATING LIFESTYLE BEHAVIOURS

Food is already well regulated – foods must be safe and appropriately labelled for informed choice, and in Australia packaged foods meet both of these requirements. But obesity and associated illness are called *diet related disease* or *lifestyle related disease*. They are not called *food related disease*. In reality there is no single food, or food category which has been strongly linked to a disease. Nutrient levels in the diet are associated with health outcomes, but only as one of many factors contributing to that health outcome. Heart disease, for example, is linked to diet (particularly saturated fat levels), but also to physical activity, tobacco use, alcohol consumption and family history. The additional factors mean that regulating foods to reduce consumption and disease is unlikely to be successful.

Recommendation

The AFGC recommends any initiative to promote healthy eating by children be based on the whole of diet, whole food approach of the Australian Dietary Guidelines for children rather than seeking to limit consumption of particular product categories or nutrients.

COLLABORATION AND PARTNERSHIPS – THE WAY FORWARD

The AFGC strongly supports collaborative cross-sectional initiatives as the way forward in addressing the seemingly intractable problem of childhood obesity. At the national level this approach has had a number of successes which have already been described above (the 2007 *Australian Children's Nutrition and Physical Activity Survey*, reformulation activities under the *Food and Health Dialogue*).

The AFGC has also worked with the NSW Government in the health area as a participant on the *Premier's Council for Active Living* and *Fast Choices Reference Group*.

EDUCATION

Continued and strengthened education is fundamental to addressing concerns associated with childhood overweight and obesity. The AFGC supports programs within the NSW Health Kids Initiative that encourage the consumption of core foods, provide information and understanding around the ADG and promote physical activity and sport as both fun and a great way to stay healthy. Continued investment in educational programs such as these are essential in supporting the growth of healthy kids. *Live Life Well @ School* and *Crunch&Sip* are initiatives that encourage consumption of core foods and provide an opportunity to reinforce healthy eating and active living messages from the school curriculum.

There also needs to be a greater focus on promoting the ADG to parents. Education to parents should focus on promoting the role of core foods in children's diets and equip parents with the knowledge and skills to construct healthy diets, in appropriate portion size, for their children.

PHYSICAL ACTIVITY

The AFGC notes that within the Terms of Reference considerable reference is made to the need to encourage higher levels of physical activity in children. The AFGC has no expertise in this area, but nevertheless, physical activity, food, diet and health outcomes, are all interconnected by links to childhood obesity. Just as overweight and obese children are at high risk of being overweight and obese adults, so too good lifestyle habits such as healthy eating and playing sport carry through into adulthood to provide ongoing benefit.

Against this backdrop Government actions seeking to address childhood obesity must include substantial support for greater physical activity opportunities (i.e. sport and other outdoor activities for children).

CONCLUSIONS

The food industry alone cannot win the battle against obesity, but they are a strong ally of Government in this pursuit. The AFGC and its members are ready to work with the NSW Government and other stakeholders to develop initiatives aimed at protecting and promoting the good health of children.

For further information about the contents of this submission contact:

Geoffrey Annison PhD - Deputy CEO, Director Health, Nutrition & Scientific Affairs; or

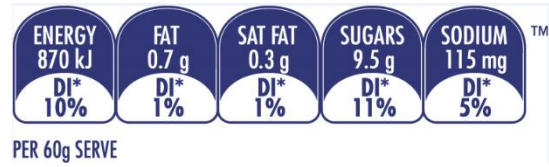
Michele Walton APD - Nutrition Communications Advisor

Phone: 02 6273 1466 Email: afgc@afgc.org.au

APPENDIX 1 – HOW THE FOOD INDUSTRY ASSISTS HEALTHY EATING

1. Front of Pack [nutrition] Labelling

Introduced in 2006, the AFGC's Daily Intake Guide was the first industry agreed front of pack nutrition labelling scheme introduced to assist consumer to select healthy diets. It is now on over 7200 products across all major categories



In 2014 industry adopted the newly developed *Health Star Rating* System which provides further interpretive advice to consumers to assist their dietary choices.



Of course the industry uses a range of other interpretive health marks and symbols to indicate how they can contribute to healthy lifestyles including those shown below.

The Australian Industry Group's *Be treatwise*



The *Glycaemic Index Foundation*



***Coeliac Australia* Endorsement Program**



2. *Uncle Toby's Oats* – portion control

Uncle Toby's Oats assists consumer to moderate their energy intake by presenting the product in single serve sachets. Moreover by providing a measure for the addition of water or milk to make up the porridge, further guidance on a serving is provided.



3. *Smarties* – portion advice

Portion advice is also being provided on some common confectionary packets.



4. *Flora pro-activ* – Cholesterol management

Flora pro-activ with plant sterols is clinically proven to lower cholesterol as part of a healthy diet and lifestyle. Just 25g (1 rounded tablespoon) a day of *Flora pro-activ*, which contains 2g of plant sterols, can lower cholesterol by 10 per cent in just three weeks.



5. *Heinz Baked Beans* – salt reduction

Iconic brands such as *Heinz Baked Beans* have offered reduced salt and no added salt product variants to assist consumers to construct healthy diets.



6. UP&GO – sugar reduction

UP&GO Reduced Sugar is an example of a product innovation to provide consumers with a lower sugar choice. UP&GO Reduced Sugar contains 1/3 less sugar than regular UP&GO, while still being low in saturated fat.



7. Daily Juice – portion control for children

Daily Juice for Kids is an example of a product developed for parents looking for a fruit juice with no added sugar, in an appropriate serving size for kids.



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