

Submission No. 88

(Inq into Obesity)

HE 18106108

**Standing Committee on Health and Ageing**

**A submission to the inquiry into obesity in Australia**

**from**

**McDonald's Restaurants Australia Ltd**

**June 2008**

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McDonald's Australia commends the Standing Committee on Health and Ageing for making an inquiry into obesity in Australia and welcomes the opportunity to make a submission.

McDonald's Australia is a quick service restaurant company. As of 29 May 2008 we have 767 McDonald's restaurants across the country and employ approximately 75,000 people in both restaurants and management offices.

We are a franchise operation with around two-thirds of the restaurants owned and operated by Australian business men and women.

We understand that we have an important role to play in tackling the issue of obesity in society. We are proud of the leading role we have played in the food sector's response to this challenge so far and are committed to continuing our support.

We have matched words with actions in the food choices and information we offer our customers, and the improvements we have made to the ingredients in our food. We are also working hard to promote education about nutrition and encourage more physical exercise.

Finally, we are committed to working with government and regulators to ensure that the legislative framework finds a balance between protecting the consumer and avoiding unnecessary regulation that fails to achieve the intended results and stifles innovation and industry competition.

This submission sets out our contribution towards tackling this issue and demonstrates our commitment to being part of the solution. We would welcome the opportunity to present in person to the Committee at a public hearing.

## **1.0 Key recommendation:**

McDonald's Australia calls for the Federal Government to introduce mandatory nutrition labelling for quick service restaurants. By nutrition labelling, we are referring to the Nutrition Information Panel.

### **Rationale to key recommendation:**

Currently it is not mandatory for quick service restaurants to provide Nutrition Information Panels on their products. As a result consumers are not able to compare products from different quick service restaurants.

The information contained in Nutrition Information Panels allows Australians to have access to accurate nutrition information and make informed choices about the food and drinks they buy for themselves and their families that best meet their nutrition and activity needs<sup>1</sup>.

The results of a consumer survey conducted by Food Standards Australia New Zealand (FSANZ) in September 2003 showed that one of the most widely used food label elements was the Nutrition Information Panel, with over two thirds or more consumers reporting using this information<sup>2</sup>.

The introduction of mandatory Nutrition Information Panels on the food and drinks available in quick service restaurants is a positive and practical way that food industry can support national dietary guidelines by providing sufficient information so consumers know exactly how much energy, protein, fat, saturated fat, carbohydrate, sugar and sodium is in the food they are choosing<sup>3</sup>.

McDonald's Australia was the first McDonald's in the world and the first in the quick service restaurant industry to introduce nutrition labelling on our products. We encourage other quick service restaurants to follow our lead and together this sector of the food industry can make it easier for consumers to find out the nutrition breakdown of their food and make informed choices that fit within a well-balanced diet.

Mandatory Nutrition Information Panels would also provide an incentive for other quick service restaurants to follow McDonald's lead to introduce healthier menu options, change recipes and adopt healthier cooking practices. An outline of the developments

<sup>1</sup> Australian Food and Grocery Council. Consumer Issues – Labelling, 2008.  
<http://www.afgc.org.au/index.cfm?id=134>

<sup>2</sup> Food Standards Australia New Zealand. Media Release – Research confirms consumers are using food labels to make healthy food choices. 5 September 2003.

<sup>3</sup> Department of Health and Ageing. Media Release – Launch of two new videos on food labelling and healthy eating. 27 March 2002.

McDonald's Australia has made in this area and the impact to the food supply is provided in 3.0.

## **2.0 Considerations for nutrition labelling schemes:**

Nutrition Information Panels and food labels are increasingly being used as a vehicle for providing consumers not only with nutrition information, but also healthy eating messages and advice about the potential health benefits of particular foods.

Following international developments in simplified nutrition labelling, some of the food industry in Australia have introduced percentage daily intake (%DI) labelling.

When considering simplified nutrition labelling schemes for front-of-pack, McDonald's Australia calls for the Federal Government to introduce %DI labelling within the quick service restaurant sector.

### **Background to considerations for nutrition labelling schemes:**

Percentage DI nutrition labelling is a standard tool used by the food industry in Australia to represent the recommended daily intake of energy, protein, fat, saturated fat, carbohydrate, sugar and sodium for an average adult, depending on their lifestyle needs.

Percentage DI is intended as a simple tool to help consumers make informed choices about the food they eat. It is also useful to compare different products and help consumers choose the food or drink most suited to their Daily Intake needs. This is important as it can help consumers to select a wide variety of foods to achieve a balanced and varied diet.

Percentage DI nutrient information is provided per serve, therefore %DI it is applicable in a quick service restaurant setting.

Support of the %DI nutrition labelling scheme is evident in the UK and Europe. In January 2008, the European Commission announced a proposal to overhaul EU food labelling rules. The proposal is in line with the %DI nutrition labelling scheme and requires the proportion of energy, fat, saturated fat, carbohydrates, sugar and salt be displayed clearly on front-of pack along with the proportion of these elements to the Recommended Daily Allowance<sup>4</sup>.

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<sup>4</sup> Europa. Press Release – Commission to overhaul EU food labelling rules. 30 January 2008

In line with industry recommendations and the international research, we introduced %DI nutrition labelling on our packaging in August 2006. We encourage other quick service restaurants to follow our lead and together this sector of the food industry can make it easier for consumers to make informed food choices.

**%DI is now at McDonald's®**

**What is %DI?**  
Percentage Daily Intake (%DI) represents the daily intake of energy, protein, fat, saturated fat, carbohydrates, fibre and sodium for an average adult. It is intended as a guide to help you make informed choices about the food you eat.

**How to read a %DI table**  
Energy and nutrients are listed across the top of the table. To see amounts, look at the %DI table.

**Big Mac**  
% DI: 23.1% Daily Protein, 50.2% Daily Fat, 36.4% Daily Carbs, 40.0% Daily Fiber, 11.9% Daily Sugar, 16.8% Daily Sodium

For more information visit the nutrition page on our website [mcdonalds.com.au](http://mcdonalds.com.au)

### 3.0 McDonald's Australia's contribution

We are concerned about the health of Australians and, as the country's largest and best known name in the quick service restaurant industry, we believe we have a responsibility to take a leadership position on this issue and provide incentive for other quick service restaurants to follow.

Some of the initiatives we have introduced and the impact these have had on the food supply and the broader Australian community include:

- **The introduction of a new cooking oil** – In 2004, we changed from using a tallow oil to a blend of Australian grown canola and high oleic sunflower oil. This oil blend is virtually trans fatty acid free, cholesterol free and 75 percent lower in saturated fat than our previous blend. The change has removed more than 415 tonnes of trans fat from the Australian food supply.
- **Low sugar buns** – In 2004, we reduced the sugar in our buns by 40 percent. Our burger buns now have no more than 5 percent sugar.
- **Heart Foundation Tick approved meals** – In 2007, nine McDonald's meals and three multigrain Deli Choices Rolls earned the Heart Foundation Tick indicating that these menu options are considered to be healthier choices.

Recipes were modified to meet the Tick's strict standards for saturated fat, trans fat, sodium, vegetables/fibre content and serve size. Our Tick meal combinations all provide at least one serving of vegetables and no more than 28% of the average person's energy needs. We reduced the sodium in our white Deli Choices bread rolls by 43 percent

- **Healthier menu options** – including:
  - Salads Plus in 2004, a range of products each with less than nine grams of fat per serving;
  - Deli Choices in 2005 – freshly toasted deli-style rolls, which are now available also available on multigrain rolls;
  - Pasta Zoo Happy Meal in 2007 – a nutritious meal option for children that is high in protein and calcium, low in fat, contains less than 5 grams saturated fat per serving and contains no artificial colours or flavours;
  - Happy Meal Choices in 2007 – the new menu includes a Fruit Bag and two new drink choices – apple juice and water.

Further information regarding the McDonald's Australia journey is outlined in the appendix.

#### **Working with the Health Community**

We are committed to working with other parties to tackle the issue of obesity head on and are leading the debate by bringing health professionals together to discuss how to improve the country's diet and the role McDonald's can play in this process. This has included:

- Exhibiting at the Dietitians Association of Australia (DAA) Conference
- Running a series of nutrition forums to educate dieticians about the changes at McDonald's
- Exhibiting at the General Practitioners Conference and Exhibition in Sydney and Melbourne in order to engage and foster relationships with GPs and generate awareness about McDonald's healthy initiatives and resources for nutrition information for GP's to provide to patients
- Developing the 'Have your Say' state roadshow programme - nutrition forums for the Dietitians Association of Australia in 2005 in Brisbane, Melbourne and Sydney
- Consulting with Accredited Practicing Dietitians from The Food Group Australia to help guide us in food development and improvements

#### **4.0 Conclusion**

We understand that we have an important role to play in tackling the issue of obesity in society. This is why we have matched words with actions in the food choices and information we offer our customers, and the improvements we have made to the recipes of our menu products. We are also working hard with communities across Australia to promote education about nutrition and to encourage more physical exercise.

We believe an important step in tackling the issue of obesity is the introduction of Nutrition Information Panels. Such labeling will enable Australians to have access to accurate nutrition information and make informed choices about the food and drinks they buy for themselves and their families that best meet their nutrition and activity needs.

We therefore call on the government to demonstrate its commitment to fighting obesity by supporting the introduction of mandatory nutrition labeling for quick service restaurants.

We commend our submission to the Standing Committee on Health and Ageing.

A handwritten signature in black ink, appearing to read 'Peter Bush', with a stylized flourish at the end.

**Peter Bush**  
**Managing Director/ Chief Executive Office**  
**McDonald's Australia**

**APPENDIX**  
**MCDONALD'S AUSTRALIA – THE JOURNEY OVERVIEW AND OBESITY ISSUES**  
As at March 2008

Over the past five years we have introduced a series of landmark initiatives to our menu and our food. We have expanded and changed our menu, we have revised our recipes and cooking practices and we have encouraged our customers to think carefully about their food choices,

On many occasions we have led McDonald's globally in innovation for menu options and restaurant design.

**2002** – Former McDonald's CEO Guy Russo starts attending obesity forums and meeting with key organisations including Diabetes Australia and the Obesity Taskforce

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**February 2003** – Alternative Happy Meal is introduced. This consists of a toasted cheese and tomato sandwich, sultanas and orange juice with less than 6 grams of fat per serve

**July 2003** – McDonald's invited people across Australia to visit their local McDonald's and take a tour of the restaurant from the dining room through to the kitchen as part of McDonald's Open Doors day.

**September 2003** – Salads Plus menu is introduced and includes 8 products with less than 10 grams of fat per serve

**September 2003** – McDonald's Australia begins to consult with Accredited Practising Dieticians at The Food Group Australia

**November 2003** – Quickstart breakfast menu is introduced and includes breakfast cereals, yoghurts, juices and fruit cups

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**March 2004** – First stage of nutrition labelling on packaging is introduced - a first for the quick service restaurant industry

**May 2004** – Recipe for buns is changed - they now contain no more than 5 per cent sugar

**May 2004** McDonald's takes a stand at the annual national conference of the Dieticians Association of Australia and sampled the Salads Plus menu



**July 2004** – SaladsPlus menu is revised and the Real Fruit Smoothie and Lean Beef Burger are added and improved recipes include reduced sugar Berrynice Yoghurt Crunch and smaller sizes for muffins following consultation with The Food Group Australia

**September 2004** – A new liquid canola oil blend is introduced which contains no cholesterol and is 75 per cent lower in saturated fat than the previous blend

**November 2004** – Eight new concept restaurants located in the city of Sydney are launched. By the end of 2006 around 590 restaurants are re-imaged across the country

**November 2004** – ‘Never Stop Playing’ Ronald McDonald advertisements are launched to encourage children to keep active

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**May 2005** – New Deli Choices menu available nationally and includes seven toasted rolls with premium fillings made to order. Three out of seven products contain less than 10 grams of fat

**May 2005** – McDonald’s has a stand at the annual national conference of the Dieticians Association of Australia and sampled Deli Choices Rolls

**May 2005** – McDonald’s exhibits at the General Practitioners Conference and Exhibition in Sydney

**October 2005** – Espresso Pronto is added to the menu making espresso coffee available at front counter and in drive-thru

**November 2005** – New Warm Chicken Salads are launched offering customers a better choice of salad product

**November 2005** - McDonald’s exhibits at the General Practitioners Conference and Exhibition in Melbourne

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**May 2006** - McDonald’s sampled Tandoori Chicken Multigrain Deli Choices Rolls at the annual national conference of the Dieticians Association of Australia

**May 2006** – McDonald’s exhibits at the General Practitioners Conference and Exhibition in Sydney

**August 2006** – Enhanced nutrition labelling is introduced which includes percentage daily intake (%DI) figures on packaging to demonstrate how food choices contribute to recommended daily requirements

**October 2006** – Next generation oil that is virtually free of trans fatty acids is introduced

**November 2006** – McDonald's exhibits at the General Practitioners Conference and Exhibition in Melbourne

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**January 2007** – Pasta Zoo Happy Meal is launched nationally providing an alternative meal choice for children

**February 2007** – Tick Approved Meals are launched nationally providing an easily identifiable healthier option for customers

**May 2007** – Multigrain Deli Choices Rolls with the Heart Foundation Tick are introduced to the menu

**May 2007** – For the first time McDonald's hosts a breakfast session at the Dieticians Association of Australia national conference – more than 250 people attended

**July 2007** – For the first time, McDonald's Australia involved its customers in its marketing – asking them to come up with a name for a new home-style burger in an online competition. The winning name was Backyard Burger.

**September 2007** - Happy Meal Choices is introduced giving customers the opportunity to choose their Happy Meal combination. New additions to the Happy Meal Choices menu included the fruit bag, pop top 100 per cent apple juice and pop top water

**November 2007** – A new chicken menu consisting of a range of premium quality 100 per cent chicken breast fillet in strips, wraps and burgers is added to the menu

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**February 2008** – McDonald's launches new cooking platform Made To Order which allows food to be prepared after a customer has placed their order

**March 2008** – McCafe launches new and improved coffee blend