

A role for industry

- 4.1 The private sector has a role to play in addressing the obesity problem in Australia. While a number of submissions to the inquiry were critical of industry, the Committee recognises the positive steps that some industries are already taking to combat obesity. However, there is much more to be done.
- 4.2 This chapter seeks to broaden the debate to include a number of industries, not just the food industry, but also the diet industry; the fitness industry; the insurance industry; the urban planning and design industries; and employers across Australia. Each of these can make a positive contribution to mitigating the high levels of overweight and obesity in Australia.

Work with industry

- 4.3 If some of the blame for the levels of obesity in Australia is attributed to industry, then industry must be part of the solution to obesity in Australia. The National Preventative Health Taskforce (the Taskforce) states that a 'partnership approach' is required:¹

...successfully reducing the incidence of overweight and obesity requires a broad cross-sectoral approach involving a partnership between several government portfolios, the food industry (manufacturing and retailing) and non-government organisations.²

1 Dr L Roberts, National Preventative Health Taskforce, Official Transcript of Evidence, 12 November 2008, p 2.

2 Australian Food and Grocery Council, Submission No. 54, p 9.

- 4.4 An encouraging example of the role that the food industry is playing in reducing the levels of obesity in Australia was brought to the attention of the Committee by the Commonwealth Science and Industrial Research Organisation (CSIRO). Researchers involved in developing the *CSIRO Total Wellbeing Diet* indicated that they collaborate with a number of food companies to help make their products healthier.

We liaise a lot with them to get them to change the kinds of food they make so that they have a lower energy value per 100 grams and make people feel fuller.³

- 4.5 Internationally, the North Karelia Project from Finland is often cited as another positive example that industry can play in encouraging healthier lifestyles. This project was a response to alarmingly high rates of heart disease in the region, and involved a range of interventions across the community. The Taskforce explained that key to the success of the work in the North Karelia project was getting industry to change levels of saturated fat in the food supply and improve labelling, and that this cooperative work has resulted in a reduction in heart disease in Finland over the past 40 years.⁴

The Heart Foundation 'tick'

- 4.6 Established 20 years ago, the Heart Foundation's Tick Program has played a significant role in the Australian food industry's reformulation of products. The program sets a target for components like serving size, calorie content, type of fat and the amount of fibre in a given product. Industry works towards achieving these targets in order to obtain the tick.⁵ The Heart Foundation told the Committee:

The tick on a food means that it is a healthier choice compared to similar foods in that category, so what we have literally done through that program is set some benchmarks for industry.⁶

- 4.7 In other words, the tick indicates the healthiness of a product relative to other foods, rather than its absolute healthiness.

3 Professor P Clifton, CSIRO, Official Transcript of Evidence, 13 June 2008, p 41.

4 Dr L Roberts, National Preventative Health Taskforce, Official Transcript of Evidence, 12 November 2008, p 6.

5 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 56.

6 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 56.

Figure 4.1 The Heart Foundation Tick



Source The Heart Foundation, Heart Foundation Tick Program, Heart Foundation website⁷

4.8 The Heart Foundation told the Committee that its tick program covers a broad spectrum of food (some 52 categories), but does not include confectionary or salty snack foods.⁸

4.9 There are criticisms of the Heart Foundation tick, around the public's perception of the tick as an endorsement of the food item as a healthy choice per se, and the fact that companies pay a fee to the Heart Foundation in order to receive the tick. The Committee asked the Heart Foundation:

Do you think that there is an understanding that this is not actually saying to you 'look, this is healthy', but it is saying, 'this is healthier than its competitor next door?'⁹

4.10 The Heart Foundation responded that they tracked Australians' understanding of the tick annually and so far the research demonstrated that Australians had a good understanding of the meaning of the tick.¹⁰ The Heart Foundation used the example of ice-cream that had the tick:

We have not seen ice-cream sales go through the roof because the Heart Foundation has put a tick on a healthier option in that category.¹¹

4.11 The Heart Foundation recommended that multiple strategies be used to educate consumers, and noted that the tick is but one of these strategies. They argue for consistent healthy eating messages and social marketing campaigns to complement the tick program.¹²

7 The Heart Foundation, Heart Foundation Tick Program, <http://www.heartfoundation.org.au/Professional_Information/Tick/Pages/default.aspx> accessed 17 April 2009.

8 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 57.

9 Mr J Briggs MP, Member for Mayo, Official Transcript of Evidence, 24 October 2008, p 57.

10 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 57.

11 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 57.

12 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 57.

4.12 The Committee questioned other organisations about what they thought of the Heart Foundation tick program. The CSIRO was supportive of the fact that the program encourages industry to reformulate products:

...the tick represents one of the most sophisticated systems of assessing the food supply. Fundamentally though, it is a system that is designed not only for the consumer but rather for food manufacturers to benchmark. We have seen many examples of how food manufacturers have changed formulations to achieve those benchmarks. Those benchmarks continue to improve, depending on the prevailing changes in the food supply.¹³

4.13 The Committee acknowledges that the Heart Foundation Tick Program plays a useful role in encouraging manufacturers to make healthier products for consumers.

More work to be done

4.14 This section will consider areas where industry could do more including:

- food industry;
 - ⇒ self-regulation of marketing;
 - ⇒ reformulation of products;
 - ⇒ portion sizes; and
 - ⇒ affordability and availability of healthier foods.
- weight loss industry;
- urban planning industry; and
- employers.

Food industry

Self-regulation of marketing

4.15 The issues surrounding government regulation of advertising to children have already been canvassed in Chapter 3. However, it is useful to consider the issue again here in order to see if industry might do more on a voluntary basis to counter the popular public perception that junk food is marketed to children 'open slather'.

13 Associate Professor M Noakes, Commonwealth Science and Industrial Research Organisation (CSIRO), Official Transcript of Evidence, 13 June 2008, p 46.

- 4.16 Several submissions to the inquiry voiced their concerns. The Coalition on Food Advertising to Children (CFAC) describes the marketing of 'junk' food to children as an 'unfair tactic'.¹⁴ A 2007 poll of Parents Jury members indicated that 97 percent of parents would like to see a ban on the advertising of unhealthy food during television programs in which children comprise a significant proportion of the audience.¹⁵ Their submission called for bans on the advertising of unhealthy food and beverages to children, restrictions of other types of marketing of unhealthy food to children and bans on the sponsorship of sports clubs and children's sport by unhealthy food companies.¹⁶
- 4.17 Submissions to the inquiry from industry groups, including Free TV Australia and the Australian Association of National Advertisers (AANA) reject calls for greater governmental regulation and state that the link between obesity and television viewing has not been scientifically proven.¹⁷ Advertisers add that there are already regulations, in the form of codes of practice, which apply to advertising. The regulations currently in existence include:
- The AANA Code of Ethics;
 - The Advertising to Children Code;
 - The Alcohol Beverages Advertising Code; and
 - The Weight Management Code of Practice.¹⁸
- 4.18 The Free TV Australia submission claimed that these codes, although voluntary, are followed by advertisers.¹⁹
- 4.19 There has been significant criticism of the self-regulation of marketing to children. Submitters state that is an inherent conflict in that premise because the reason for advertising is to:
- ...market vigorously and make profits.²⁰
- 4.20 Advocates like Professor Swinburn have argued that self-regulation does not limit the number of unhealthy food advertisements that are on television. He explained to the Committee:

14 Coalition on Food Advertising to Children, Submission No. 41, p 2.

15 The Parents Jury, Submission No. 7, p 2.

16 The Parents Jury, Submission No. 7, pp 2 - 4.

17 Australian Association of National Advertisers, Submission No. 20, p 2.

18 Free TV Australia, Submission No. 83, p 4.

19 Free TV Australia, Submission No. 83, p 5.

20 Ms K Mehta, Flinders University, Official Transcript of Evidence, 13 June 2008, p 31.

Self-regulation, which is what the industry is pushing for at the moment, is quite a different beast to statutory regulations. At the moment, the self-regulation is aimed at ensuring that individual advertisements are not illegal, indecent, misleading et cetera. That is for individual advertisements. It does not stop our kids being bombarded by a huge volume of totally legal, decent, not misleading advertisements that get them to pester their parents et cetera. So I do not think self-regulation is an appropriate response.²¹

- 4.21 The Committee notes that a further self-regulatory standard was announced by the Australian Food and Grocery Council (AFGC) in October 2008. The *Responsible Children's Marketing Initiative* addresses many of the issues raised in evidence to the inquiry including the use of popular personalities and licensed characters, product placement, use of products in interactive games, advertising in schools and use of premium offers. The initiative requires that individual companies develop and sign an action plan committing the company to only advertise products to children under 12 that promote healthy dietary choices and healthy lifestyles.²²
- 4.22 The current self-regulatory environment clearly has limitations though, which are illustrated in two recent Australian Competition and Consumer Commission (ACCC) rulings.
- 4.23 In April 2009, the ACCC ordered Coca Cola South Pacific to run a national corrective ad for earlier ads that had misled consumers with campaigns fronted by the Australian actress Kerry Armstrong claiming that Coca Cola does not contribute to obesity or dental decay.²³ The Committee was pleased to see the corrective ads ordered by the ACCC.
- 4.24 Yet, in another ruling, the ACCC permitted the same company to continue advertising their 'fruit flavoured' Vitaminwater drink products. Consumer advocate group Choice had complained to the ACCC that advertising of this product was misleading regarding actual fruit content and nutritional value, expressing concern at the high levels of sugar in the drinks, comparable to Coca Cola products. The ACCC ruled that while Vitaminwaters kiwi and strawberry drink contained neither fruit, there

21 Professor BA Swinburn, WHO Collaborating Centre for Obesity Prevention, Official Transcript of Evidence, 20 June 2008, p 22.

22 Australian Food and Grocery Council, *The Responsible Children's Marketing Initiative*, <<http://www.afgc.org.au/index.cfm?id=726>> accessed 17 April 2009.

23 Canning, S, 'ACCC slams Coca Cola ads featuring Kerry Armstrong as misleading', *The Australian*, 2 April 2009, <<http://www.theaustralian.news.com.au/story/0,25197,25279622-601,00.html>> accessed 17 April 2009.

were no claims on the bottle that it was 'made with' or 'contains' a specified juice.²⁴

- 4.25 The Committee appreciates that the Vitaminwater labels do not contravene the law and are therefore permissible, and that the claims examined by the ACCC have a different focus. However, the Committee is concerned that the two ACCC rulings may be viewed as sending out mixed messages.

Reformulate products

- 4.26 As discussed in Chapter 3, there have been encouraging moves made by the food industry to reformulate products over the past decade or so. The AFGC told the Committee that over the past five years there has been a significant increase in the number of low-kilojoule, low-fat, low-sugar, low-salt products on supermarket shelves.²⁵ Increasingly consumers are seeking organic options with the Organic Federation of Australia claiming a 50 percent increase in buyers over the last 5 years.²⁶ Ms Carnell from the AFGC stressed that efforts to reformulate products to make them healthier and match consumer demand would continue.²⁷
- 4.27 However, throughout the course of the inquiry, the Committee heard from witnesses that considerable levels of sugar and salt remain in our processed food products.
- 4.28 The Australian author of a book on the ill-effects of sugar, *Sweet Poison: why sugar makes us fat*, Mr David Gillespie provided compelling evidence to the Committee at its public hearing on the Gold Coast regarding the increased levels of sugar in our diet. In his book, Mr Gillespie equates the increase in sugar consumption of the modern western diet (which he claims has gone from a diet of no added sugar to consuming a kilo of sugar a week over the last 150 years) with excess calorie consumption and the rise of obesity. The author points out that it is not just added sugar one need worry about. Sugar is 'hidden' in food products which one might assume were not sweetened ones. For instance, mayonnaise contains

24 Russell, M, 'Let them drink sugar: watchdog', *The Sunday Age*, 5 April 2009, p 12, <<http://www.theage.com.au/national/let-them-drink-sugar-watchdog-20090404-9sk2.html>> accessed 17 April 2009.

25 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 71.

26 Organic Federation of Australia, *Survey Shows that 61% of Consumers buy Organic Products*, media release, <http://www.ofa.org.au/media//sixty_percent_of_consumers_buy_organic.pdf> accessed 17 April 2009.

27 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 71.

approximately 15 to 20 percent sugar and tomato sauce is approximately 20 to 25 percent sugar. Bread can also contain between 5 and 10 percent sugar.²⁸

- 4.29 Salt levels in food are similarly too high. The Australian Division of World Action on Salt and Health (AWASH) estimates that Australians consume approximately 9 grams of salt per day, which is well above the recommended 6 grams and that 75 percent of salt intake comes from processed foods.²⁹ Excess salt consumption has been linked with obesity, high blood pressure and cardiovascular disease.³⁰
- 4.30 The Committee took anecdotal evidence about how confusing it can be for consumers doing the family shopping to negotiate which product is actually healthier for them overall. For instance, yoghurt or muesli bars which often claim to be 97 or 99 percent fat-free might instead have very high levels of sugar added ostensibly 'for flavour.' A staple item like a tin of canned tomatoes or cheese can have vastly different amounts of salt in it 'for flavour', with some brands containing up to 10 times the amount of salt than others. Similarly, different brands of tomato sauce can have significantly different amounts of sugar and salt in them. Often the organic brand (which one might well assume to be the healthier option) of tomato sauce contains more sugar and salt than the regular versions. The Committee thinks that consumers should not be forced to trade low fat for high sugar, low sugar for high salt, or high sugar for low salt.
- 4.31 Reformulation of products can help Australians improve their diets. If industry is on board, significant reductions in the levels of salt, sugar and fat in the Australian diet can be achieved. The Heart Foundation referred to the example of the United Kingdom saying that their reformulation efforts have achieved marked benefits in a variety of foods including breakfast cereals, potato chips and tinned products like soups.
- The UK has also looked into this, and they are seeing some fantastic results. They have seen levels of salt come down from 9.5 to 8.6 grams within three years. That is quite a large achievement from a population level in a very short period of time...³¹
- 4.32 AWASH is running a campaign titled *Drop the Salt* which aims to decrease the levels of salt in processed foods by 25 percent over the next five years in Australia. Coordinated by the George Institute of International Health

28 Mr D Gillespie, Private Capacity, Official Transcript of Evidence, 8 December 2008, p 4.

29 Australian Division of World Action on Salt and Health, <<http://www.awash.org.au/index.html>> accessed 17 April 2009.

30 Australian Division of World Action on Salt and Health, Submission No. 123, p 3.

31 Ms S Anderson, Heart Foundation, Official Transcript of Evidence, 24 October 2008, p 53.

in Sydney, AWASH is working with government, industry and consumer organisations to educate the public and bring about change in the industry. AWASH states that their campaign has had support from key food industry members, including Coles and Smiths Snackfood Company, who have committed to reduce salt in their products by 25 percent over the next 5 years in line with the AWASH food industry strategy.³²

- 4.33 The Committee commends companies that reduce excessive salt in their processed products and urges others to consider signing up to the campaign.
- 4.34 Similarly, the Committee would like to see campaigns introduced and supported in Australia that reduce excessive sugar and fat in processed food products.
- 4.35 The Committee wonders too about the potential for consumers to be more vociferous about what they want and do not want in other manufactured food products. A couple of recent examples in the media suggest areas ripe for debate and dialogue between consumers and food manufacturers and suppliers.
- 4.36 The Australian Consumer Association Choice recently tested 97 cakes sold in supermarkets and discovered several types of cake that had between 25 and 40 ingredients per cake, mostly additives, including some food colourings which are known to cause hyperactivity in children.³³ The questions begs whether these baked goods constitute cakes as we know them and whether this is indeed what Australian consumers think they are purchasing and/or want to purchase?
- 4.37 Also recently, the Heart Foundation reported on its study that found that cheaper in-house brands of generic food products often contain significantly more salt, saturated and trans-fats and more calories than branded products. Woolworths has challenged the findings, claiming that branded and unbranded products are often identical.³⁴ The subject matter suggests scope for a wider debate that perhaps Australian consumers need to have with food manufacturers and suppliers about the ingredients of the everyday products that they are purchasing.

32 Australian Division of World Action on Salt and Health, Strategic Review 2007-08, p 3, <http://www.awash.org.au/documents/AWASH-Strategic-Review-2007_08.pdf> accessed 17 April 2009.

33 The Sunday Telegraph, "Coles and Woolworths cakes send kids hyper", 29 March 2009, <http://www.news.com.au/story/0,23599,25254917-421,00.html?from=public_rss> accessed 17 April 2009.

34 The Sydney Morning Herald, "Generic brands could cost health", 16 April 2009, <<http://www.smh.com.au/lifestyle/wellbeing/generic-brands-could-cost-health-20090415-a7jq.html>> accessed 17 April 2009.

Recommendation 15

The Committee recommends that the Minister for Health and Ageing adopt a phased approach regarding regulations on the reformulation of food products. Industry should be encouraged to make changes through self-regulation but if industry fails to make concrete changes within a reasonable timeframe the Federal Government should consider regulations.

Portion sizes

4.38 The issue of portion size is another area where industry can contribute to Australians eating more healthily. Increased portion size has been identified as a contributor to obesity.³⁵ VicHealth's submission stated that 'upsizing' of food at fast food restaurants provided a 50 percent increase in calories for a 15 percent increase in price.³⁶ Their submission added that a standard packet of chips in the 1970's weighed 30g whereas today they weigh 50g, and international studies confirm that portion sizes have increased in the last two decades. The AFGC acknowledges the role that portion size plays in causing overweight and obesity stating:

That is why we believe it is really important to encourage manufacturers, my members, to have portion control packs – to have packs for one serving and where there are multi-serving packs, to ensure that this is a four serving pack, not something where someone eats four times what they should be eating.³⁷

4.39 The Committee is also concerned about the lack of standardisation of serving sizes. In accordance with Australian food standards set by the Food Standards Australia New Zealand (FSANZ), food labels are required to provide nutrient information per 100 grams of a product, nutrient information per serving size and the number of servings in a container.³⁸ However, the serving size is determined by food manufacturers, not FSANZ, and can vary from product to product within the same food group, for example cereals. This is confusing for consumers trying to compare nutrient value and energy content of similar foods.

35 CSIRO, Submission No. 113.

36 VicHealth, Submission No. 59, p 5.

37 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 73.

38 Food Standards Australia New Zealand, *Nutrition Information Requirements: User Guide*, pp 10-14, <http://www.foodstandards.gov.au/_srcfiles/revised_NIP_User_guide_july02.pdf> accessed 17 April 2009.

Figure 4.2 Nutrition education at the diabetes unit of Dubbo Base Hospital, NSW



Affordability and availability of healthier foods

4.40 The Committee heard evidence about the high prices of fresh, healthy food, and the impact this has on people's food choices. Witnesses have argued that healthy food should be made cheaper to allow greater and more equitable access. A general practitioner from Mackay gave the example of low fat milk being more expensive than full fat milk, saying that this acted as a disincentive for people to consume low fat products.³⁹ Queensland Health informed the Committee that basket surveys have indicated that the cost of healthy food has gone up faster than the consumer price index.⁴⁰ Witnesses from Walgett Aboriginal Medical Service (WAMS) reiterated these concerns stating:

Often for some families, especially families that may be on a low income, it is often cheaper for them to buy \$2 worth of chips and gravy to feed the whole family as opposed to buying a piece of meat or some mince and making spaghetti.⁴¹

39 Dr RJ Bidgood, Private Capacity, Official Transcript of Evidence, 18 August 2008, p 33.

40 Dr LA Selvey, Queensland Health, Official Transcript of Evidence, 1 October 2008, p 2.

41 Ms K Gilmore, Walgett Aboriginal Medical Service, Official Transcript of Evidence, 10 September 2008, p 7.

4.41 The issue of the higher costs of groceries in rural and remote areas was raised with the Committee on a number of occasions. The regional director of the Maari Ma Aboriginal Health Corporation told Committee Members at a public hearing that while prices and availability of fresh food were adequate in Broken Hill, the further away from Broken Hill the higher the price and the lower the availability of fresh food items.⁴² This sentiment was echoed by a government official from the Western Australian Department of Health who observed that:

I find it intriguing that we can pay the same price for a packet of cigarettes across the nation – it does not matter where we are – or a can of coke, but when it comes to lettuce or a can of tomatoes, the differential rates, ranging from \$1.89 in a capital city to \$4.80 just for a can of tomatoes I saw recently in [a remote area store]...⁴³

4.42 At a hearing, the Committee questioned Woolworths about the pricing of products and perceived regional disparities in their stores. Woolworths replied that it operates seven Australian price groups, largely following state lines, where prices are standardised. They added that there were also 13 remote stores which had different costs, in particular transport and freight, which were not part of the seven price groups. According to Woolworths, the only factor that affects price variations is local area competition, which forces them to lower prices to match or beat the competition's prices. They added that an independent study had found that major supermarket chains in rural and remote areas contributed to prices in those areas being similar to prices in metropolitan areas.⁴⁴

4.43 The fact remains that prices are generally higher in regional and remote areas than cities in Australia. The Committee was particularly concerned about stories of exorbitant prices in more remote and community stores and visited one such store in Wilcannia. The Committee was surprised to see that some staple foods were significantly more expensive, for example milk and baked beans, whilst others were similar to city prices.

4.44 For years, community leaders in some remote and indigenous areas have called for government to subsidise freight charges for healthier food. The Committee did not receive detailed advice on this topic in the course of this inquiry but believes that it is an idea worthy of further consideration,

42 Mr R Weston, Maari Ma Aboriginal Health Corporation, Official Transcript of Evidence, 9 December 2008, p 9.

43 Professor KG Wyatt, Western Australian Department of Health, Official Transcript of Evidence, 6 November 2008, p 5.

44 Mr A Hall and Ms N Samia, Woolworths Ltd, Official Transcript of Evidence, 11 September 2008, pp 18 - 19.

perhaps by a body like the soon-to-be established Preventive Health Agency.

- 4.45 The Committee also notes that the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs is currently conducting an inquiry into community stores, and that several of the submissions to that inquiry raise the freight subsidy issue.⁴⁵

A partnership model

- 4.46 The Committee endorses moves to develop a partnership between government, industry and relevant stakeholders to address the issues raised regarding the food industry. In its written submission to the inquiry, the AFGC indicated the willingness of the food industry to participate in such a partnership.⁴⁶ Dr Roberts from the Taskforce told the Committee that the food industry was an integral part of any solution to the issue of obesity in Australia:

We see the food industry as being a part of the solution. I think there is a lot that they can do in terms of helping to contribute to the work in Australia for people to be able to make healthier food choices.⁴⁷

- 4.47 The Committee notes the steps taken by the UK Government to work with the food industry to establish a Healthy Food Code of Good Practice following the findings of the Foresight Report and recommends that a similar process be implemented in Australia. In the UK the process has been led by the Department of Health and the Food Standards Agency and has engaged industry leaders and other relevant stakeholders. The Code is based on work already done by industry on a voluntary basis and expects companies to make seven commitments:

- A single, simple and effective approach to food labelling, based on principles that will be recommended by the Food Standards Agency in light of the research currently being undertaken;
- Smaller portion sizes for energy-dense and salty foods;
- Rebalance marketing, promotion, advertising and point-of-sale placement, in order to reduce the exposure of children to the promotion of foods that are high in fat, salt or sugar, and to increase their exposure to the promotion of healthy options;

45 Standing Committee on Aboriginal and Torres Strait Islander Affairs, <<http://www.aph.gov.au/house/committee/atsia/index.htm>> accessed 17 April 2009.

46 Australian Food and Grocery Council, Submission No. 54, p 4.

47 Dr L Roberts, National Preventative Health Taskforce, Official Transcript of Evidence, 12 November 2008, p 3.

- Help reduce the consumption of and levels of saturated fat and sugar in food – in particular the consumption of drinks with added sugar, along the lines of the continuing action on salt;
- Increase consumption of healthy foods, particularly fruit and vegetables;
- Work with the Food Standards Agency, the Department of Health and other stakeholders to deliver a single set of key healthy eating messages; and
- Provide information on the nutritional content of food in a wide range of settings (for example, theme parks, visitor attractions, restaurants, takeaway foods) that is clear, effective and simple to understand.⁴⁸

4.48 In the UK the policy was published in January 2008 and in July the Department of Health and the Food Standards Agency sent a comprehensive letter to food manufacturers, retailers, health professionals, consumer groups, food service and catering groups, detailing the implementation process.⁴⁹ In that letter the UK Government recognised the good work already being undertaken by the various sectors of the food industry and clearly set out which government departments would be responsible for overseeing the implementation of the seven elements of the Code. A round of meetings, discussions and seminars were planned for 2008 to engage the food industry and make them aware of their responsibilities under the Code. A monitoring and evaluation program has been put in place and an annual report will be compiled ‘that clearly sets out where progress has been made, highlighting particular examples of good practice and setting out areas where further effort is needed’.⁵⁰ The Committee recommends that the Department of Health adopt a similar process in Australia to develop a code of good practice, a detailed implementation plan and a monitoring and reporting mechanism with identified milestones and outcomes.

48 UK Cabinet Office, *Food Matters: towards a strategy for the 21st Century*, p 78, <http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx> accessed 17 April 2009.

49 UK Food Standards Agency, ‘Taking forward the healthy Food Code of Good Practice’, <<http://www.food.gov.uk/news/newsarchive/2008/jul/healthyfoodcode>> accessed 17 April 2009.

50 Food Standards Agency, Department of Health, Consultation Letter, 15 July 2008, <<http://www.food.gov.uk/multimedia/pdfs/dhfcgp.pdf>> accessed 17 April 2009.

Recommendation 16

- 4.49 **The Committee recommends that the Minister for Health and Ageing engage with peak bodies such as the Australian Food and Grocery Council, the Dietitians Association of Australia, and the Heart Foundation, to develop and implement a *Healthy Food Code of Good Practice* tailored to Australian conditions.**

Weight loss industry

- 4.50 Another sector which can make significant improvements is in the weight loss industry. The Committee has heard disturbing evidence about the effects of substandard diet programs. One witness referred to the recently popular Lemon Detox Diet which only provides half to a third of the minimum recommended kilojoule intake for someone on a diet.⁵¹ A researcher at the Telethon Institute for Child Health explained how extreme diets such as this one can alter a person's metabolism and can, in the long-term, actually hinder their weight loss efforts.⁵²

- 4.51 Mr O'Neill from Smart Shape reinforced concerns regarding the proliferation and ramifications of quick-fix diets:

So, in terms of linking health with the damage that these quick-fix diets do, it is a compromise of metabolic rate, and that means that somebody could end up fatter as a result of that, and we grow the obesity problem if we continue to let programs which are substandard – and the proposition is that these programs are substandard – operate in the marketplace.⁵³

- 4.52 Mr O'Neill is particularly concerned about the legitimacy or otherwise of products which appear to be endorsed by medical practitioners or pharmacists, and product advertisements that claim their diet and exercise methods use 'trained professionals' or 'qualified consultants', who may or may not have undergone proper training or certification.⁵⁴ He mentioned one particular product which was advertised by a member of the Royal Australian College of General Practitioners and said:

... in Australia we have got to a point where a weight loss program which is seriously deficient nutrient-wise is being promoted in advertisements by a medical practitioner. I would

51 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 3.

52 Dr DM Lawrence, Telethon Institute for Child Health Research, Official Transcript of Evidence, 6 November 2008, p 27.

53 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 3.

54 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 5.

propose that the public has no chance of distinguishing whether this program is suitable.⁵⁵

- 4.53 Mr O'Neill's concerns are shared by the Dietitians Association of Australia (DAA) who state that there is a need to protect consumers from unproven weight loss products that are often harmful, and that these products require a proof of 'safety and efficacy'.⁵⁶
- 4.54 The Committee recognises that many of these weight loss products are regulated by the Therapeutic Goods Administration (TGA) but is concerned that some products evade scrutiny by that body. The Committee also recognises that the ACCC may have the power to investigate some weight loss programs but, again, some programs evade the system. There appears to be a grey area where some products and programs escape scrutiny by any regulating body, and Australian consumers are left vulnerable to deception.
- 4.55 The Committee was told that a *Weight Management Code of Practice* was developed by the Weight Management Council of Australia in 1994 but that the Code is voluntary and to-date only five companies have signed up to the Code.⁵⁷ The Committee thinks that the voluntary Code of Practice should be adopted by more companies and promoted more widely as a benchmark measure.

Recommendation 17

- 4.56 **The Committee recommends that the Minister for Health and Ageing review the adequacy of regulations governing weight loss products and programs with the intention of ensuring that they can only be sold and promoted if nutritionally sound and efficacious.**

The review should also examine ways to improve industry compliance with the Weight Management Council of Australia's Weight Management Code of Practice.

Urban planning industry

- 4.57 The provision of healthy food choices within urban environments can and should be improved in Australia. Planners and developers should ensure

55 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 4.

56 Ms KR Matterson, Dietitians Association of Australia, Official Transcript of Evidence, 12 September 2008, p 19.

57 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 6.

that healthy choices are made available in public places like shopping centres and airports.

4.58 The lack of healthy food options at large shopping centres was raised repeatedly in public hearings.⁵⁸

4.59 Witnesses to the inquiry repeatedly spoke of cities across Australia that are not especially pedestrian-friendly,⁵⁹ and that urban planning has engineered incidental activity out of everyday life. The Committee Chair agreed:

We now have huge shopping centres that have been plonked in satellite cities and everyone has to drive to them ... if you are opening a restaurant or shop, you need X-number of car spaces, which means we all expect to drive and park right out the front of these particular premises, meaning that we do not do any physical exercise whatsoever.⁶⁰

4.60 Our approach to urban design needs to shift and focus on providing environments where people can easily be active and make healthy eating choices. As Professor Baur stated at a public hearing:

...having walkable neighbourhoods and easy public transport and with healthy food options being available, it makes it much easier for individuals to make healthy choices.⁶¹

Employers

4.61 One of the biggest gaps in the overall response to obesity that has confronted the Committee is the lack of support given by employers to workers to be active and healthy. Throughout the inquiry, the Committee made a concerted effort to find examples of employers that were doing more to encourage their employees to make healthy lifestyle choices. The Committee found very few employers who went beyond providing rebates for gym and sporting memberships.

4.62 The UK Government's strategy *Healthy Weight, Healthy Lives: a Cross-Government Strategy for England*, which was developed as a response to the Foresight Report and is discussed in Chapters 2 and 3 of this report,

58 Associate Professor K Samaras, Australian Healthcare and Hospitals Association, Official Transcript of Evidence, 12 May 2008, p 43.

59 See for example, Mr A Phillips, National Rural Health Alliance, Official Transcript of Evidence, 10 September 2008, p 23.

60 Mr S Georganas MP, Member for Hindmarsh and Chair of the Health and Ageing Committee, Official Transcript of Evidence, 12 May 2008, p 42.

61 Professor LA Baur, Westmead Children's Hospital, Official Transcript of Evidence, 11 September 2008, p 74.

specifically identifies the role that employers can play in supporting working adults to make healthy choices. In fact, employers are identified as one of the five ways to achieve a reduction in obesity levels in the UK. The strategy calls for cultural change in order to maximise the workplace as an arena to support health and fitness. Some of the issues that the strategy identifies to encourage greater health and fitness are:

- healthy canteens and food choices;
- provision of and investment in fitness facilities; and
- providing adequate facilities for cyclists.⁶²

4.63 While the Committee appreciates that these benefits create additional costs for employers, it is an indisputable fact that healthy employees are more productive ones. The benefits of investing in an active and healthy workforce can exceed the costs of providing the facilities and support. As the Committee heard from the Australian and New Zealand Obesity Society (ANZOS):

The workplace is a difficult one. It comes down, of course, to profit generally. One of the positives about having physically active workers is that they work better. They have fewer sick days and they are able to attend to the tasks for a greater period of time before needing breaks. However, I imagine putting movement into a work model is going to be difficult.⁶³

62 Department of Health, *Healthy Weight, Healthy Lives: A cross-government strategy for England*, pp 22-23, <http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_082378> accessed 17 April 2009.

63 Associate Professor NM Byrne, Australian and New Zealand Obesity Society, Official Transcript of Evidence, 1 October 2008, p 33.

Recommendation 18

The Committee recommends that the Minister for Health and Ageing encourage private and public employers to adopt programs and incentives that will promote active and healthy lifestyle choices by all Australians within the workplace.

Industry leading improvements

4.64 Throughout the inquiry a range of interesting initiatives were presented to the Committee which demonstrate that industry groups can lead change for the better. Some of these are described below:

- food industry;
 - ⇒ McDonald's Australia;
 - ⇒ Woolworths;
 - ⇒ the Australian Food and Grocery Council; and
 - ⇒ Nestlé.
- diet industry;
 - ⇒ Weight Watchers.
- urban planning and design;
 - ⇒ Delfin Lend Lease.
- employers;
 - ⇒ mining companies;
 - ⇒ Greenslopes Private Hospital; and
- the insurance industry.

Food industry

McDonald's Australia: a step in the right direction

4.65 There is significant criticism of the role of fast food in exacerbating the overweight and obesity problem around the world. Much of this criticism is directed at McDonald's Australia (McDonald's) but applies equally to other fast food companies like KFC and Hungry Jack's. The Committee was pleased that McDonald's Australia submitted to the inquiry and appeared at a public hearing to respond to criticisms.

- 4.66 McDonald's has made positive changes to their menus. At the public hearing in Sydney, they outlined the changes made to their products to the Committee. These include:
- 50 percent reduction in the sugar content of the buns;
 - use of canola oil for cooking;
 - trans-fatty acid free oil used in all cooking;
 - introduction of ready to eat salads to the menu;
 - nutritional labelling, the first fast food company in the world to do so; and
 - introduction of %DI (percentage daily intake) labelling on all products.⁶⁴
- 4.67 Further, McDonald's has worked with the Heart Foundation over a period of three years to reformulate products, in order to achieve the Heart Foundation tick on some products. Customers can at least now choose healthier options when they go to a McDonald's restaurant.
- 4.68 One dietitian praised McDonald's for being proactive:
- I think it is a great initiative and it is strong leadership for any fast food company to make moves to reduce those levels of fat, salt and sugar and to increase fibre in line with our public health guidelines.⁶⁵

Woolworths Limited

- 4.69 The Committee also had the opportunity to hear from Woolworths Limited (Woolworths) about the initiatives it is undertaking to combat obesity in Australia. The Committee was particularly pleased to learn that Woolworths is reformulating some of its home brand products to lower the levels of fat, salt and sugar:
- ...Woolworths labels ... looking at having lower fat, lower sugar and fewer additives, and you are to be commended for that.⁶⁶
- 4.70 Woolworths informed the Committee that they are also looking to emphasise their range of fresh products. One of the mechanisms to achieve this is changing their store layouts.⁶⁷ This will ensure that the first

64 Mr P Bush, McDonald's Australia, Official Transcript of Evidence, 11 September 2008, p 48.

65 Ms KR Matterson, Dietitians Association of Australia, Official Transcript of Evidence, 12 September 2008, p 24.

66 Ms J Hall MP, Member for Shortland, Official Transcript of Evidence, 11 September 2008, p 21.

67 Mr A Hall, Woolworths Ltd, Official Transcript of Evidence, 11 September 2008, pp 17-18.

area a customer encounters in a Woolworths store is the fresh fruit and vegetable section, thereby giving these food items prominence.

- 4.71 The Committee is very supportive of the Woolworths *Fresh Food Kids* campaign. This campaign is aimed at making fresh food fun for kids and includes television advertisements where children use fruit and vegetables to create fun figures and objects like rockets. The goal of the campaign is to:

...promote fresh food in the same way as some confectionary products are promoted.⁶⁸

- 4.72 Woolworths added that one of their most successful product lines now were the pre-cut fruit in bags promoted via the *Fresh Food Kids* campaign.⁶⁹

The Australian Food and Grocery Council

- 4.73 The AFGC *Responsible Children's Marketing Initiative*, mentioned earlier in this chapter, is an industry response to concerns about excess junk food advertising to primary school-aged children. Ms Carnell explained how the initiative will work:

Taking that concern seriously, we have put on the table today an initiative that will mean that people who sign up, or companies that sign up, to this initiative – which at the moment we have no reason to believe will not be all of the major advertisers – will not advertise food that do not represent healthy choices to primary school aged children on the sorts of shows that they watch.⁷⁰

- 4.74 The AFGC noted that their initiative covered the use of licensed characters and personalities only allowing them to be used in promoting a healthy message.⁷¹

- 4.75 The Committee questioned the AFGC about how a 'healthy choice' food would be defined. The AFGC responded that companies would place on the public record how they determined which foods were healthy and which were not, adding that they could use Australian standards or perhaps overseas scientific work.⁷²

68 Ms N Samia, Woolworths Ltd, Official Transcript of Evidence, 11 September 2008, p 24.

69 Mr A Hall, Woolworths Ltd, Official Transcript of Evidence, 11 September 2008, p 22.

70 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 73.

71 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 74.

72 Ms AK Carnell, Australian Food and Grocery Council, Official Transcript of Evidence, 24 October 2008, p 74.

Nestlé Australia

- 4.76 The Committee was pleased to read media reports towards the end of 2008 which indicated that Nestlé has moved to restrict the marketing of unhealthy food products to children. In response to growing international concerns, Nestlé has implemented a set of 'global marketing to children principles' based on World Health Organisation (2003) and US Institute of Medicine (2006) recommendations. In Australia these principles have been incorporated into their company action plan in response to the AFGC initiative.⁷³ Implementation includes a nutritional profiling system to define which foods can be marketed to children and which need to be reformulated to meet marketing guidelines.⁷⁴
- 4.77 The Committee applauds the AFGC initiative and notes that a number of well known Australian companies including Kraft Food Australia/New Zealand, Coca Cola, Cadbury and Unilever have signed action plans in accordance with the initiative. However, it remains to be seen whether or not self-regulation is sufficient in and of itself to have the desired effect across the board.

Weight loss industry

Weight Watchers Australasia: a positive story

- 4.78 Weight Watchers Australasia (Weight Watchers) are signatories of the Weight Management Code of Practice, one of only 5 companies to be signatories of the code.⁷⁵ The Committee heard from Matt O'Neill that this code restricted the types of weight loss claims that organisations could make and strengthened refund policies and guarantees.⁷⁶
- 4.79 The Committee was pleased to take evidence from Weight Watchers who have been operating in Australia for 40 years.⁷⁷ At the hearing in Sydney, Weight Watchers told the Committee that it views its program as a lifestyle change program rather than a diet.⁷⁸

73 Nestlé Australia, *The Responsible Children's Marketing Initiative Company Action Plan*, <<http://www.afgc.org.au/cmsDocuments/Nestle%20CAP.pdf>> accessed 17 April 2009.

74 Canning, S, 'Food giant Nestle takes sugar hit to sweeten image', *Australian*, 19 November 2008, <<http://www.theaustralian.news.com.au/story/0,25197,24673501-601,00.html>> accessed 17 April 2009.

75 Weight Management Council Australia Ltd., <<http://www.weightcouncil.org/>> accessed 17 April 2009.

76 Mr M O'Neill, Smart Shape, Official Transcript of Evidence, 24 October 2008, p 6.

77 Mr J Saad, Weight Watchers Australasia, Official Transcript of Evidence, 11 September 2008, p 26.

78 Ms EJ Stirling, Weight Watchers Australasia, Official Transcript of Evidence, 11 September 2008, p 31.

4.80 Weight Watchers submitted that it is a scientifically developed program that is modified and updated to reflect emerging evidence about weight management. Weight Watchers utilises expertise from international experts as well as a scientific advisory board comprising a medical advisor and obesity expert, a dietician and nutrition advisor and exercise physiologists.⁷⁹ At the public hearing, Weight Watchers stated that there is also a Weight Watchers global advisory board adding that:

A lot of very eminent scientists around the world sit on the Weight Watchers global advisory board.⁸⁰

4.81 The Committee was pleased to hear that Weight Watchers has developed an *At work* program to deliver Weight Watchers programs into the workplace. In addition, Weight Watchers is also partnering with Myer to deliver consultations in Myer department stores through Weight Watchers Lifestyle Centres.⁸¹ These are good initiatives to make Weight Watchers more accessible to Australians.

Urban planning industry

Delfin Lend Lease plans the future

4.82 Traditional urban design, which involves a separation of land uses, is blamed for contributing to declining levels of physical activity and increased reliance on motor vehicles.⁸² However, there has been a move away from traditional planning process, with some new developments incorporating living and working areas within the single development. Delfin Lend Lease (Delfin) was one example presented to the Committee of this new type of development.

Some of the developments that we have seen, certainly from Delfin – and there is a good example in Queensland, in the Gold Coast area, which I think is called Varsity Lakes – are where the development initially perhaps started with the built environment residential but at the same time now it is looking at what other economic opportunities there are. The Varsity Lakes development happens to have the great advantage of having the university next

79 Weight Watchers Australasia, Submission No. 138, p 6.

80 Ms EJ Stirling, Weight Watchers Australasia, Official Transcript of Evidence, 11 September 2008, p 35.

81 Weight Watchers Australasia, Submission No. 138, p 6.

82 Mrs K Wright, Planning Institute of Australia, Official Transcript of Evidence, 24 October 2008, p 63.

door, so it is a location where people can move around, rather than getting into a car.⁸³

- 4.83 The Committee visited the Varsity Lakes project at the Gold Coast and was taken on a tour of the Varsity Lakes area by Delfin who later appeared at a public hearing. The Committee was particularly impressed that Delfin had employed a sport and recreation officer whose job is to connect people living in Varsity Lakes with the diverse range of physical activity programs available to them. Mr Patterson from Delfin explained his role:

My role specifically is to implement initiatives and programs which facilitate that opportunity for people to be active in a convenient and timely manner. I am the only full-time designated sport and recreation manager of any developer...⁸⁴

Employers that are raising the bar

- 4.84 The Committee was glad to learn that some of Australia's large mining companies are promoting physical activity programs within their workforce by providing on site fitness programs for miners. At the public hearing in Mackay, the Committee heard from a physical trainer who had been contracted to provide these activities. Mr Eden told the Committee that:

We have been involved with the mining industry for probably six or seven years now. We were first approached by Macarthur Coal about providing facilities and activities for their workers ... We have expanded that involvement to a couple of other sites which we now look after.⁸⁵

- 4.85 The Committee also visited Greenslopes Private Hospital which has a Wellness Program for their staff. This program covers physical activity, nutrition, counselling and financial planning services to employees. The Committee was particularly interested in the *Wellness2go* service, which provides staff with modified programs delivered at a departmental level.⁸⁶ This allows time poor employees who may be unable to leave their work area during the day to have the *Wellness2go* program delivered to them in their work area. Greenslopes was also making use of new technology with members of the staff gym utilising USB recorders to track and measure

83 Ms KJ Owen, Municipal Association of Victoria, Official Transcript of Evidence, 24 October 2008, p 67.

84 Mr D Patterson, Delfin Lend Lease, Official Transcript of Evidence, 8 December 2008, p 35.

85 Mr SJ Eden, City Fitness Health Club, Official Transcript of Evidence, 18 August 2008, p 20.

86 Greenslopes Wellness Program brochure, Exhibit No. 70, 1 October 2008.

their progress on the fitness equipment, much the same way as a personal trainer. This allows staff to have accurate information about their progress and to follow personalised exercise programs.

Insurance industry

- 4.86 The Committee was pleased to hear about initiatives that the health insurance industry is taking to keep its members out of hospital. Their approach involves providing services for patients who have been in hospital to access lifestyle change programs, and also to provide assistance to their members more broadly.
- 4.87 The Committee heard from one insurer, Australian Unity, at its first hearing in Melbourne. Australian Unity stated that it was the first organisation to implement the COACH program in the private sector. The COACH program is aimed at people who have recently undergone a cardiac admission to hospital, reducing their risk factors (blood pressure, blood cholesterol and weight) to prevent readmission to hospital. Australian Unity informed the Committee that a randomised controlled trial of this program had shown a 12 to 14 percent reduction in readmission to hospital in the 24 months following a cardiac event.⁸⁷
- 4.88 The Committee was interested to learn more about incentives from health insurers to enable customers to remain healthy. Australian Unity stated that the private health insurance industry is tightly regulated in terms of the incentives that they can offer customers, but that they do offer discounts and benefits for approved programs, for example Weight Watchers.⁸⁸
- 4.89 Of particular interest to the Committee was Australian Unity's study which showed that Australians find health insurers to be a credible source of health information.⁸⁹ This presents another network through which health promotion messages can be disseminated.

Committee comment

- 4.90 Industry needs to be a part of the solution to obesity in Australia. The private sector has taken some positive steps which will help to improve the health and wellbeing of Australians. However, there remain areas where industry can do more to contribute to reversing the levels of
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87 Ms CM Grindlay, Australian Unity, Official Transcript of Evidence, 20 June 2008, p 14 – 15.

88 Ms CM Grindlay, Australian Unity, Official Transcript of Evidence, 20 June 2008, p 16.

89 Ms CM Grindlay, Australian Unity, Official Transcript of Evidence, 20 June 2008, pp 18 – 19.

Australian obesity. Action to reduce obesity cannot be effective without the involvement of industry; therefore work to engage and involve industry in addressing levels of obesity is central to a successful policy response.

4.91 Within the debate about obesity, there is significant criticism of the role of industry. The Committee is of the view that some of the criticism is well founded, and there are areas where industry, in particular the food and weight loss industries, must make more of an effort.

4.92 While the Committee does not feel that the banning of marketing, in its various forms, of unhealthy foods to children will be the panacea which will reduce obesity levels in Australia, it is sceptical of the industry's proposition that:

There is no such thing as bad food, only bad diets.⁹⁰

4.93 This spurious argument absolves industry of any responsibility for marketing and selling foods that are sometimes very high in fat, salt, sugar and saturated fat. It is the view of the Committee that obesity is not simply a matter of individual responsibility. While individuals are responsible for their own health, the environment in which they live should support healthy choices. This notion was stated upfront in the UK Foresight Report:

...the evidence presented in this report provides a powerful challenge to the commonly held assumption that an individual's weight is a matter solely of personal responsibility or indeed personal choice. Rather, the evidence supports the concept of 'passive obesity' (where obesity is encouraged by wider environmental conditions, irrespective of conditions).⁹¹

4.94 However, the Committee is pleased that some companies within the food industry have taken positive steps. That said, the changes that McDonald's and Woolworths are implementing are the first steps to improve their products, and the Committee hopes to see their work in this area continue.

4.95 The Committee believes that Australian consumers also need to be more vocal to food manufacturers and suppliers about what they do and do not want in their food products.

4.96 The Committee is concerned about the apparent lack of adequate regulation of the weight loss industry, and thinks that urgent work needs

90 Advertising Federation of Australia, Submission No. 35, npn.

91 Butland, B et al., 2007, *Tackling Obesities: Future Choices*, <<http://www.foresight.gov.uk/Obesity/17.pdf>> accessed 17 April 2009.

to be done to improve the regulation of weight loss companies and products.

- 4.97 The Committee notes the criticism of urban planning, and the significant contribution of urban planning on obesity levels. However, there are positive changes within the area of urban planning and the Committee commends Delfin for its proactive approach.
- 4.98 The Committee feels that there is a significant contribution to be made by Australian employers to the health of their employees. The Committee was pleased by the types of health and wellbeing programs on offer at Greenslopes Private Hospital as well as the stories of mining companies taking a proactive approach to the health of its workforce.