

Ai GROUP SUBMISSION

Senate Select Committee
Obesity Epidemic in Australia

JULY 2018



Contents

Executive summary.....	4
Background.....	5
About the confectionery industry	5
The role of confectionery	6
The prevalence of overweight and obesity among children	7
The causes of the rise in overweight and obesity	8
The short and long-term harm to health and economic burden	12
The role of the food industry	12
Information for consumers	12
Product formulation, innovation and portion control	19
Marketing and advertising to children	23
Promotion of physical activity and healthy lifestyles	23
Summary	25
Appendices.....	27

About Australian Industry Group

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

The Ai Group represents the Australian and New Zealand confectionery industry through its Confectionery Sector, representing manufacturers of chocolate, sugar and gum confectionery; suppliers of ingredients, machinery, packaging materials and services to the industry, and wholesaler and distributor firms. The Ai Group has approximately 120 confectionery sector members. Major confectionery manufacturing plants are principally located in New South Wales, Tasmania and Victoria, including in a number of regional locations (eg Ballarat and Lithgow) and in South Australia, Western Australia, Queensland and New Zealand.

Australian Industry Group contact for this submission

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Executive summary

The Australian Industry Group (Ai Group) representing the confectionery industry welcomes this opportunity to make this submission to the Senate Select Committee inquiry into the obesity epidemic in Australia.

The incidence of overweight and obesity in the community is a complex global health issue, not unique to Australia, that requires the efforts of all stakeholders working in collaboration, using sound scientific evidence in policy and decision making, to make the difference necessary to help improve the health and wellbeing of all Australians.

The Ai Group acknowledges that the incidence of overweight, obesity and associated health conditions are in-part due to unhealthy eating habits. We are also aware of the role the confectionery industry can play and does contribute to help consumers understand the role of nutrition, diet and physical activity. In our response we discuss, in particular, the confectionery industry's approach in the food and nutrition space, interventions to prevent and reverse obesity and the contributions of individual companies toward:

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

The confectionery industry takes its responsibility to diet, nutrition and healthy active lifestyles seriously and is committed to playing its part to help improve the overall health and wellbeing of the entire Australian community.

We look forward to participating as the Senate Select Committee's inquiry progresses, to its deliberations and ultimately, to the outcomes in support of a collaborative focused effort on reducing overweight and obesity in Australia.

Submission : Senate Select Committee inquiry into the Obesity Epidemic in Australia

Background

The Australian Industry Group (Ai Group) Confectionery Sector welcomes this opportunity to make this submission to the Senate Select Committee inquiry into obesity in Australia.

The Australian confectionery industry (as indeed the confectionery industry is globally), is aware of the need to reduce the incidence of overweight and obesity in the community, particularly in children. We also recognize overweight and obesity is a serious and complex health issue that requires a strategic, coordinated, collaborative and multifaceted approach to address it. It is not unique to Australia and has evolved over recent decades, but requires an evidence based Australian focused response.

Simplified, obesity and overweight is generally caused by an imbalance between the energy consumed – eating too much and the energy used – resulting from insufficient activity.

While sugars, in particular, ‘added sugars’ or ‘free sugars’ are disproportionately blamed for the rising level of overweight and obesity in the community, this health concern is the result of more than the sugars in our diet and the food we eat. In fact, high level scientific evidence does not support this assertion.

The confectionery industry takes its responsibility seriously. Whilst recognizing that efforts to help improve diet and health, not only reside in knowledge and self-responsibility, a multi-stakeholder collaborative approach, including government, health organisations, educators and the food and beverage industries is required, for which we take our part.

About the confectionery industry

In 2017-18 the retail sales value across all channels for confectionery in Australia is in the order of \$4.4 billion.¹

The major manufacturers in the Australian confectionery market are Mondelēz International (formerly Cadbury), Nestlé Australia, Mars Wrigley Confectionery Australia (formerly Mars Chocolate Australia and The Wrigley Company), Ferrero Australia and Lindt & Sprungli (Australia). Private label share represents 3% of the market².

Across Australia, the confectionery industry invests in and provides vital infrastructure and jobs, that support families and communities up and down the supply chain who benefit from the economic contribution of our industry. This extends from local agricultural production through manufacturing to retailing and export trade. The industry employs more than 11,225 people directly³ in

¹ Euromonitor, 2018

² Nielsen Scan Data, 2018

³ IBISWorld March, 2018

approximately 158 confectionery manufacturing businesses⁴ in Australia. Many of the factories are in regional areas and are vital to the local communities.

The majority of sales are through grocery stores (60.7%), convenience (13.2%), discounters (7.5%) traditional trade (9.3%), internet (2.9%) and other channels (6.4%)⁵.

The role of confectionery

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

Whilst food nourishes us – it is much more than that – food provides pleasure and is integral to our social interaction. However, it is equally important to get the balance right, by balancing energy intake with energy expended. Discretionary foods are not necessary to provide the nutrients the body needs, but add variety and enjoyment and as such may be included sometimes and in small amounts in the diet, alongside physical activity, as explained by the Australian Dietary Guidelines (ADG).

Balanced eating means that treat foods may be enjoyed sometimes and in small amounts, while the foods from the five core food groups and drinking plenty of water should be consumed on a daily basis.

It is widely acknowledged that, a nutritious diet means eating a wide range of foods associated with a healthy lifestyle.

The Australian Health Survey (AHS) 2011-12 found that an excessive 35% (down from 38% in 1995)⁶ of total energy consumed at a population level was from discretionary foods.

The proportion of energy from discretionary foods was lowest among the 2-3 year old children (30%) and highest among the 14-18 year olds (41%). The proportion of energy from discretionary foods tended to decrease in age groups from 19-30 years and older, however females had significantly lower proportions of consumption than males from 31-50 years to 71 years and over.

The contribution from **chocolate** and **sugar confectionery** amounted on average to 1.7% and 0.5% of total energy, respectively (the remainder 0.6% being from the **cereal/nut/fruit/seed bars subcategory**)⁷. (See insert on page 7.)

In the context of calorie-rich dietary components and their contribution to obesity, research jointly conducted by The University of Melbourne, Murdoch Childrens Research Institute and The Royal Children's Hospital and published in 2016, focused on the contribution of confectionery, recognising it had not been well established. The researchers hypothesized that higher total, chocolate, and non-chocolate confectionery consumption would be associated with higher odds of overweight, obesity,

⁴ Nielsen Scan Data, 2014

⁵ Euromonitor, 2018

⁶ Australian Bureau of Statistics (ABS), 4364.0.55.012 - Australian Health Survey: Consumption of Food Groups from the Australian Dietary Guidelines, 2011-12

⁷ ABS, 4364.0.55.007 - Australian Health Survey : First Nutrition Results – Food and Nutrients, 2011-12, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4364.0.55.007Main+Features12011-12?OpenDocument>

and other obesity-related outcomes in children and adolescents. Instead of overweight and obese children and adolescents having higher confectionery intakes, this review found the reverse effect.

“This result might reflect a true inverse association, reverse causality, or differential underreporting in heavier individuals. Interventions may need to focus on dietary elements other than confectionery to tackle obesity.”⁸

As an industry, not only do we offer a wide variety of product choice for the confectionery occasion we do so with clear consumer product labelling and nutrition information, we encourage enjoyment alongside physical activity and commit to voluntary self-regulatory marketing measures. The confectionery industry also plays an important role in educating consumers on making informed product choices, encouraging balance, portion control and moderation.

Specific comments

The prevalence of overweight and obesity among children in Australia and changes in these rates over time

The Australian confectionery industry acknowledges that overweight and obesity is a public health problem and that continued steps are needed to address it. It is not unique to Australia, nor has it popped up overnight.

Statistics show that, in 2014-15, 63.4% of Australian adults and 27.4% of children aged 5 to 17 were overweight or obese with the rates having risen over recent decades^{9 10}.

Australian Health Survey : Discretionary Foods contribution to energy

According to the 2011-12 Australian Health Survey (AHS), the particular food groups contributing most to the energy from discretionary foods reported were:

- Alcoholic beverages (4.8% of energy)
- Cakes, muffins scones and cake-type desserts (3.4%)
- Confectionery and cereal/nut/fruit/seed bars (2.8%)
- Pastries (2.6%)
- Sweet biscuits and Savoury biscuits (2.5%)
- Soft drinks and flavoured mineral waters (1.9%)
- Potatoes (as chips/fries etc) (1.7%)
- Snack foods (1.5%)
- Frozen milk products (1.5%)
- Sugar, honey and syrups (1.3%)

*The proportion of energy contributed by particular discretionary foods varied with age. For example, the largest discretionary food contributor to the 2-3 year olds energy was **Biscuits** (4.8%), while for 4-8 and 9-13 year olds it was **Cakes, muffins, scones and cake-type desserts** (4.8% and 4.6% respectively). Among the 14-18 year olds it was **Confectionery and cereal/nut/fruit/seed bars** and **Soft drinks and flavoured mineral waters** (3.7% and 3.6% respectively). In all older age groups, **alcoholic drinks** formed the largest source of energy from discretionary foods, with 6.0% of energy consumed by people aged 19 years and over coming from **Alcoholic beverages**”.*

(Source: ABS Australian Health Survey: Nutrition First Results, 2011-12)

⁸ Gasser CE, Mensah FK, Russell M, Dunn SE, Wake M. Confectionery consumption and overweight, obesity, and related outcomes in children and adolescents: a systematic review and meta-analysis. *Am J Clin Nutr.* 2016 May;103(5):1344-56. doi: 10.3945/ajcn.115.119883. Epub 2016 Apr 13.

⁹ ABS National Health Survey: First Results, 2014-15

¹⁰ ABS 2013, Australian Health Survey: Updated Results, 2011-2012, cat. no. 4364.0.55.003, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/33C64022ABB5ECD5CA257B8200179437?opendocument>

While the prevalence of adult overweight and obesity increased in Australia between 1995 (56.3%) and 2011-12 (62.8%), there hasn't been a significant increase between 2011-12 and 2014-15.

For children the rate of overweight and obesity in 2014-15 remains similar to levels in 2011-12 (25.7%) which was, furthermore, stable against 1995 data¹¹.

The data also confirms that not only do the rates of overweight and obesity increase with age, more men are affected than women; more women than men living in areas of disadvantage are affected, as well, the prevalence is higher for people living in regional and remote areas¹².

It is heartening to hear that the proportion of Australians considered overweight or obese has fallen in the last 12 months, from 63% in 2016 to 62% in 2017 with the greatest reductions among young adults (18-24 years) with a 2½% decline (from 37.2% to 34.6%) and a 2% decline (to 54.4%) in those aged 25-34 years¹³. The news is less positive for people over the age of 35 years.

Acknowledging the prevalence of overweight and obesity in Australia has taken numerous decades to reach current levels, a comprehensive strategy centred on education should be developed that, from a food perspective considers whole of diet and reaches the most affected parts of the community.

Preventing and reversing overweight and obesity in Australia requires everyone pulling together with government leadership.

Recommendation

The Ai Group recommends that obesity and overweight prevention and reduction strategies, from a food perspective, focus on whole of diet and leveraging from existing government communications, such as the Australian Guide to Healthy Eating.

The causes of the rise in overweight and obesity in Australia

Added and free sugar consumption is currently being targeted for the rise in overweight and obesity in Australia. Added or free sugars is not the unique contributor or cause, nor is it appropriate to single out one nutrient above others or to suggest the prevalence of obesity and overweight is the result of the food we eat, alone.

Despite the demonisation of sugar, statistics indicate declining sugar consumption. Refined sugar intake in Australia has declined from 11.2% of total energy in 1995 to 9.5% in 2011-12; by 6.6kg (from 28.5kg to 21.9kg) for children aged 2 to 18, however only marginally from 20.8kg to 20.4kg per person for adults. During the same period, however, obesity continued to rise.¹⁴

Based on 2011-12 Australian Bureau of Statistics (ABS) data, Australians, on average, are consuming 10.9% of free sugars as a proportion of total daily energy intake, compared with 12.5 per cent in

¹¹ ABS, 4364.0.55.001 - Australian Health Survey: First Results, 2011-12

¹² ABS, National Health Survey: First Results, 2014-15 - 4364.0.55.001

¹³ Medibank Better Health Index, 2017 <https://www.medibank.com.au/livebetter/health-brief/health-insights/a-glimmer-of-hope-in-our-worsening-obesity-crisis/>

¹⁴ ABS, *Australian Health Survey; Consumption of Added Sugars*, April 2016

1995¹⁵. This is close to the World Health Organisation (WHO) recommendation to reduce the intake of free sugars to less than 10% of total energy. However, with 52% of the Australian population that exceed the recommendation¹⁶, there is a way to go.

Very often, and inappropriately, the WHO recommendation is misrepresented as being the ‘conditional recommendation’, for example *The Age* editorial, 27 June 2018 (Appendix 1).

Like the WHO guideline on sugars, the Australian Dietary Guidelines (ADG) has had a recommendation monitoring not only dietary sugar consumption, but also fat, salt and alcohol. With respect to sugars, from the pre-1980s and beyond, the ADG messaging has focused on decreasing intake of sugars - to moderating and limiting added sugar consumption.

The ADG messaging is predominantly intended for educators and industry, however, effort is required to disseminate this information more broadly.

In addition to lower refined sugar consumption, between 1995 and 2011-12, encouragingly Australians are eating more whole fruit, a greater diversity of vegetables, more beans, peas and pulses and they have increased their preference for brown and wholegrain cereals.¹⁷ The changes in macronutrient energy distribution in the Australian population during this period are shown in Figure 1.

The downward sugar consumption trend mitigates against the assumption that a focus on reducing the intake of refined sugars will help to reverse the upward trend in obesity, overweight and chronic disease. Although an over consumption of energy relative to energy needs must be addressed, the evidence does not support a single nutrient focus on sugar reduction. Inappropriately high intakes of any energy source (alcohol, fat, protein, starch, or sugars) will result in weight gain, in the absence of appropriate energy expenditure.

Society is typically more sedentary, creating the trend of increasing inactivity. Statistics show that, in 2014-15, only about half (55.5%) of 18-64 year olds participated in sufficient physical activity, nearly one third (29.7%) are insufficiently active while 14.8% were inactive¹⁸. For children, only one-third and 10% of young people do the recommended sixty minutes of physical activity every day.¹⁹

World Health Organisation

The World Health Organisation (WHO) 2015 Guideline for sugars intake for adults and children recommended, in both adults and children, to reduce the intake of free sugars to less than 10% of total daily energy intake (strong recommendation based on reducing the risk of developing tooth decay and to limit unwanted weight gain). The WHO suggested a further reduction of the intake of free sugars to below 5% of total energy intake (conditional recommendation).

¹⁵ Australian Health Survey: Consumption of added sugars, 2011-12 - 4364.0.55.011

¹⁶ ABS, *Australian Health Survey; Consumption of Added Sugars*, April 2016

¹⁷ Changes in Food Intake in Australia: Comparing the 1995 and 2011 National Nutrition Survey Results Disaggregated into Basic Foods, published in the MDPI journal, May 2016

¹⁸ ABS, 4364.0.55.001 - National Health Survey: First Results, 2014-15

¹⁹ ABS 2013 - [Australian Health Survey: Physical Activity, 2011-12. ABS Catalogue number 4364.0.55.004](#)

While much of the focus of overweight and obesity points to the food and beverage environment and physical inactivity, changes in dietary and physical activity patterns are often the result of wider social, economic and lifestyle factors.

Figure 1 : Changes in mean macronutrient energy distribution in the Australian population according to national dietary surveys in 1995 and 2011-12²⁰

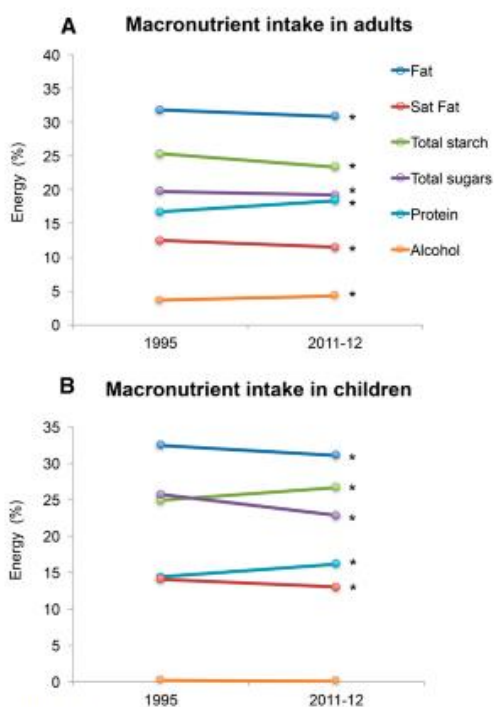


FIGURE 2 Changes in mean macronutrient energy distribution in the Australian population according to national dietary surveys in 1995 and 2011-2012. (A) Changes in adults aged ≥ 19 y. (B) Changes in children aged 2-18 y. Energy from total sugars included naturally occurring sugars in fruit, vegetables, and milk products in addition to added sugars in processed foods. *Statistical significance was inferred by the 95% CI of the difference between means. Sat, saturated.

(Source: Declining consumption of added sugars and sugar-sweetened beverages in Australia: a challenge for obesity prevention, Jennie C Brand-Miller and Alan W Barclay, American Society of Clinical Nutrition, 8 March 2017;105:854-63)

Role of scientific evidence

Despite acknowledgments that the rising rates of overweight, obesity and associated health conditions are, in-part, due to unhealthy eating habits, often the commentary surrounds a single nutrient blame game – at this time it's sugar.

The single nutrient focus on fat reduction through the later part of the 20th century, lead to the food industry responding with fat reduced food innovation, but this didn't affect unwanted weight gain. Sugar has replaced fat as the villain, at the same time added sugar consumption has declined and, in the corresponding period, obesity and overweight continue to rise.

Population energy intake has also declined 8% during this period - down from 9343kJ in 1995 to 8522kJ in 2011-12. (Source: 4364.0.55.012 - Australian Health Survey: Consumption of Food Groups from the Australian Dietary Guidelines, 2011-12 - 4364.0.55.012).

These findings challenge the belief that energy from sugars is uniquely linked to the prevalence of overweight and obesity and that a focus on sugar reduction is an oversimplification and ultimately will be an ineffective preventative strategy.

Furthermore, a focus on food (or sugar) alone does not reflect the current full evidence base on the aetiology of obesity and overweight, nor does it reflect a comprehensive or sustained response to a problem that is recognized for having significant multiple causal effects.

The confectionery industry contends that substantiated evidence is necessary to validate and support development of government policy and/or interventions.

Such evidence needs to be based on the highest quality of science, such as data from Randomised Control Tests (RCT) rather than more common reports using lower scientific evidence levels such as expert opinion, animal studies and testimonials. Of course, such evidence should also to be applied in the Australian context.

²⁰ Declining consumption of added sugars and sugar-sweetened beverages in Australia: a challenge for obesity prevention, Jennie C Brand-Miller and Alan W Barclay, American Society of Clinical Nutrition, 8 March 2017;105:854-63)

This includes a growing number of time poor families, working parents reaching for convenience food, food deliveries or increasing trend to eating out of home and on the go; ethnicity and cultural issues; urban planning and development, safety, security; increasing sedentary lifestyles at work and play; technological advances and mechanization; personal attitudes and behaviour; genetics and human biology and also the lack of supportive public policies in sectors such as health, agriculture, transport, urban planning, environment and education. According to the ABS, Australians spend a substantive, nearly 32% of their household food budget on fast food and eating out²¹ and the average fast food meal contains almost half of an adults recommended daily energy intake.²²

All these issues are interconnected, leading to the current overweight and obesity problem. The problem is its complexity and a corresponding tendency to try to find simple solutions.

Regular physical activity and following healthy eating patterns, ie don't exceed energy needs, are seen as keys to achieving and maintaining healthy body weight. We believe that a comprehensive, multifaceted and collaborative government lead approach that extends beyond health is required to be required to encourage and educate on the need for a balanced diet and regular exercise.

Both Federal and State Government have introduced a broad range of policies and programs in recent decades to help improve the populations nutritional status and address the prevalence of overweight and obesity, not least the recent and successful Health Star Rating (HSR) System and the Healthy Food Partnership (HFP) and its predecessor, the National Food and Health Dialogue. The HSR and HFP have been development through collaboration with key stakeholders and are important contributions and leading examples of government, industry and non-government organisations working in collaboration and partnership. In terms of the HFP significant interventions, including consumer education is in progress, as is the HSR, so their full potential is yet to be realised in term of education and behaviour change in an effort to contribute to reduction and prevention of obesity and overweight levels in the community. And other like 'Swap it don't stop it', 'walk to school week' and 'Premier's Active April' and the list goes on.

Recommendation

The Ai Group recommends the Government develops a national obesity prevention strategy focusing on nutrition, physical activity, health and wellbeing:

- working collaboratively with all government jurisdictions, non-government organisations, public health and consumer groups and industry,
- targeting the most at-risk sections in the community

²¹ ABS 2017, Household Expenditure Survey Australia 2015-16

²² Brindal E et al. Obesity and the effects of choice at a fast food restaurant. *Obes Res Clin Pract* 2008; 2(2): 71-142

Recommendation

In tackling the issue of overweight and obesity in Australia, the Ai Group Confectionery Sector recommends putting the science first and foremost which unequivocally states that it is *total calories* and *energy balance* which are the most important and therefore most effective and sensible levers for any strategy to mitigate and prevent obesity and overweight.

Recommendation

As part of a national obesity prevention strategy, the Ai Group Confectionery Sector recommends a comprehensive communication strategy that includes, but is not limited to:

- educating all Australians on the Australian Dietary Guidelines and Australian Guide to Healthy Eating
- complementing nutrition and dietary education with physical activity education that is supported in the school curriculum and the whole school environment
- starting from early childhood through secondary school
- a sustained program, similar to the sunscreen or quit smoking campaigns

The short and long-term harm to health and economic burden associated with obesity, particularly in children in Australia

Each year, the overall cost of obesity to the nation is estimated to be more than \$56 billion²³. This has a serious impact to economic development with costs to the healthcare system, lost productivity, lost wellbeing as well as being a substantial burden on individuals, families and communities. This burden falls hardest on children from low-income areas.

The role of the food industry and interventions to prevent and reverse childhood obesity in Australia

Information for consumers

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

In line with Australian food legislation, confectionery products provide mandatory ingredient labelling and nutrition information. The nutrition panel on the back of confectionery products provides information on serving size and the nutrients in one serving of a product, as well as in each 100

²³ Australian Diabetes, Obesity and Lifestyle (AusDiab) study, <https://www.nhmrc.gov.au/health-topics/obesity-and-overweight>

grams. The nutrients listed include kilojoules, protein, fat, saturated fat, carbohydrates, sugars and sodium.

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

In another example, at an industry level, the confectionery industry committed to the removal of 'fat free' claims on sugar confectionery, by December 2012, as a self-regulatory intervention in the interest of improving consumer information. This industry initiative was well received by political officials and bureaucracy, professional health representatives and associations.

About *Be treatwise*[®]

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



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

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

It is also important that consumers understand information about nutrition and confectionery serve sizes, which is embedded in the *Be treatwise*[®] message, along with responsible advertising and marketing.

Confectionery industry serving sizes are generally based on 25g, but can vary between 20g and 30g, subject to packaging formats and compositional limitations. The Australian Dietary Guidelines considers the role of discretionary items, including confectionery, and suggests typical serving sizes for treat/discretionary food choices provides about 600kJ of energy, for example half a small bar (25g) of chocolate. Where possible, the serve size reflects a practical serving of the product eg 'per row' in a sharing chocolate block or 'per bar' which is designed to assist the consumers in easily understanding the energy intake in the amount they are eating.

In terms of understanding and awareness of the *Be treatwise*[®] message, recent independent research confirmed that 79% of the Australian population aged 18 years and over interpret/understand the *Be treatwise*[®] message as "a food that can be eaten occasionally" or "a food that can be eaten rarely".²⁴

²⁴ Independent research conducted by Nielsen Australia, in week 16, April 2017, among 1501 surveyed Australians aged 18 years plus, for the Confectionery Trust

Importantly, the highest level of familiarity of the *Be treatwise*[®] message and logo is with females (27%), 18-24 year olds (55%)²⁵ and young families (51%)²⁶ all of which are key target audiences. These figures help the industry to be confident that the *Be treatwise*[®] message is understood and is assisting consumers.

In its Committee report, the NSW Legislative Council Standing Committee on Social Issues Inquiry into Childhood Overweight and Obesity in 2016, “... *acknowledged the evidence presented that consumers need to be able to access clear, readily available information about the nutritional content of packaged and ... the initiatives currently in operation, such as the Health Star Rating system and Be treatwise*[®], and commends the organisations who have already implemented these food labelling initiatives.”²⁷

Be treatwise[®] globally

The principles of *Be treatwise*[®] are shared in other major markets around the world. In the US, the confectionery industry has developed a similar program – ‘Always a Treat’ – that is underpinned by the philosophy of enjoying treats in moderation, with the right portion in mind, in a balanced diet and healthy lifestyle.

The Australian *Be treatwise*[®] initiative is also aligned with the European confectionery industry activities that promote mindful eating and help consumers to control their calorie intake. Together with industry reformulation activities, portion size remains a key tactic for the confectionery industry to progress and is shared across the globe.

In March 2018, *Be treatwise*[®] was re-launched in the United Kingdom to encourage consumers to adopt a balanced approach to treats and to keep treats special. See <https://betreatwise.net/>.

Closer to home, *Be treatwise*[®] is also used in New Zealand.

Health Star Rating System

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

The HSR System provides a flexible approach for the confectionery sector to either use the full range of the HSR System hierarchy, or to use the energy icon alone, to guide consumers. This recognizes the consumers overwhelming understanding that confectionery is a treat food and consumer research, commissioned by the Federal Government Department of Health, that clearly showed “*the*

²⁵ Independent research conducted by Nielsen Australia, in week 16, April 2017, among 1501 surveyed Australians aged 18 years plus, for the Confectionery Trust

²⁶ Independent research conducted by Nielsen Australia, 22-27 April 2016, among 1503 surveyed Australians aged 18 years plus, for the Confectionery Trust

²⁷ NSW Legislative Council Standing Committee on Social Issues Inquiry Report into Childhood Overweight and Obesity, December 2016

majority of people understand confectionery as an occasional/treat food and the energy, or kilojoule, information being the most important”²⁸.

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

Be treatwise[®] complements and co-exists with the HSR System to help address concerns about the nation’s nutrition awareness (Figure 2 : *Be treatwise*[®] displayed in conjunction with HSR energy).

The industry, therefore, welcomed the Government’s recognition that clear front of pack energy labelling on individually wrapped portions/single serves and on multi-serve products helps consumers to enjoy confectionery products whilst being informed about their dietary health as the most meaningful intervention for this category.

The National Heart Foundation of Australia *FoodTrack*[™] reports ‘confectionery’ being the category with the largest number products displaying the HSR (510 products from 6390 individual products) at the end of March 2018, of which 337 (66%) display the energy icon.²⁹

Some confectionery companies have continued to use the alternate Daily Intake Guide (DIG) which may also be used with *Be treatwise*[®] and is aligned to the minimum requirements of the HSR for confectionery.

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

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

²⁸ Proposed Front-of-Pack Labelling Design: Qualitative Research Outcomes – Hall & Partners Open Mind (March 2013)

²⁹ National Heart Foundation of Australia, 2018, Report of products displaying the HSR System (HSR products) in FoodTrack[™], over time, up to 31 March 2018 (Quarter Five)

Bringing consumer information to life

Figure 2 : *Be treatwise*® displayed in conjunction with HSR energy



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

- Mondelez International offers practical consumer information on health and wellbeing and mindful snacking. See <https://www.mondelezinternational.com/impact> <https://www.mondelezinternational.com/impact/well-being-snacks>
- Nestlé Australia has a comprehensive health and wellness information website <https://www.nestlechoosewellness.com.au/>. The Nestlé Choose Wellness website seeks to help Australians live a healthier happier life. It covers a broad range of topics from healthy eating to family nutrition and fitness for all.
- Mars Wrigley Confectionery Australia has a stand-alone website, 'Making Chocolate Better' with information on its products and corporate initiatives, including product renovation, portion size reduction that encourages sensible snacking and enjoyment - www.marschocolate.com.au/
- Ferrero Australia shares its corporate commitments to portion, responsible marketing and communication, including commitment to *Be treatwise*® in Australia. See <https://www.ferrero.com.au/global-care-australia/communication-responsibility/responsible-marketing>
- Continuing in the industry's effort to support consumer understanding of confectionery as a treat, Mondelez has, this month, launched the resource website, *The Snack Mindfully*, www.health-pro.snackmindful.com, targeted at health professionals (Figure 3). The online resource aims to educate health professionals and nutrition influencers while establishing scientific credibility on the concept of mindful snacking. The site provides an introduction to mindful snacking, practical

tools and resources to snack mindfully. The online portal expands the audience and builds on Mondelez’s existing materials, such as the Mindful Snacking Toolkit <http://www.mondelezinternational.com/well-being/well-being-snacks/empower-through-our-portfolio>, the NutrInsight issue <http://www.mondeleznutritionscience.com/> and peer-reviewed publications we sponsor.

The confectionery industry is further enhancing the *Be treatwise*® consumer messaging through off-pack communication formats, including print, digital applications and point-of-sale retail merchandise.

Figure 3 : Examples of off-pack messaging

Mondelez International

Have you heard of mindful snacking?

This approach encourages paying attention to eating and being present in the moment.

- Mindful eating research has been more and more active in the past 20 years.**
Studies have shown, for instance, that it can increase the enjoyment derived from food.
- Mindful eating is an easy and versatile approach.**
It can be applied any time of the day, including during snacking occasions.
- Simple, practical tips can help snacking mindfully.**
It's about listening to hunger and satiety cues, paying attention to taste, and fully enjoying food.

From mindfulness to mindful snacking

1. Mindfulness

In 1990, Dr. Jon Kabat-Zinn, a Professor at the University of Massachusetts Medical School, defined mindfulness as 'paying attention to the present moment on purpose while being non-judgmental on thoughts and feelings.' (1) Today, there is convincing evidence that mindfulness interventions can reduce anxiety, stress, or depression and improve attention and affective outcomes (2).

2. Mindful eating

In the late 1990's, a pioneering clinical trial found

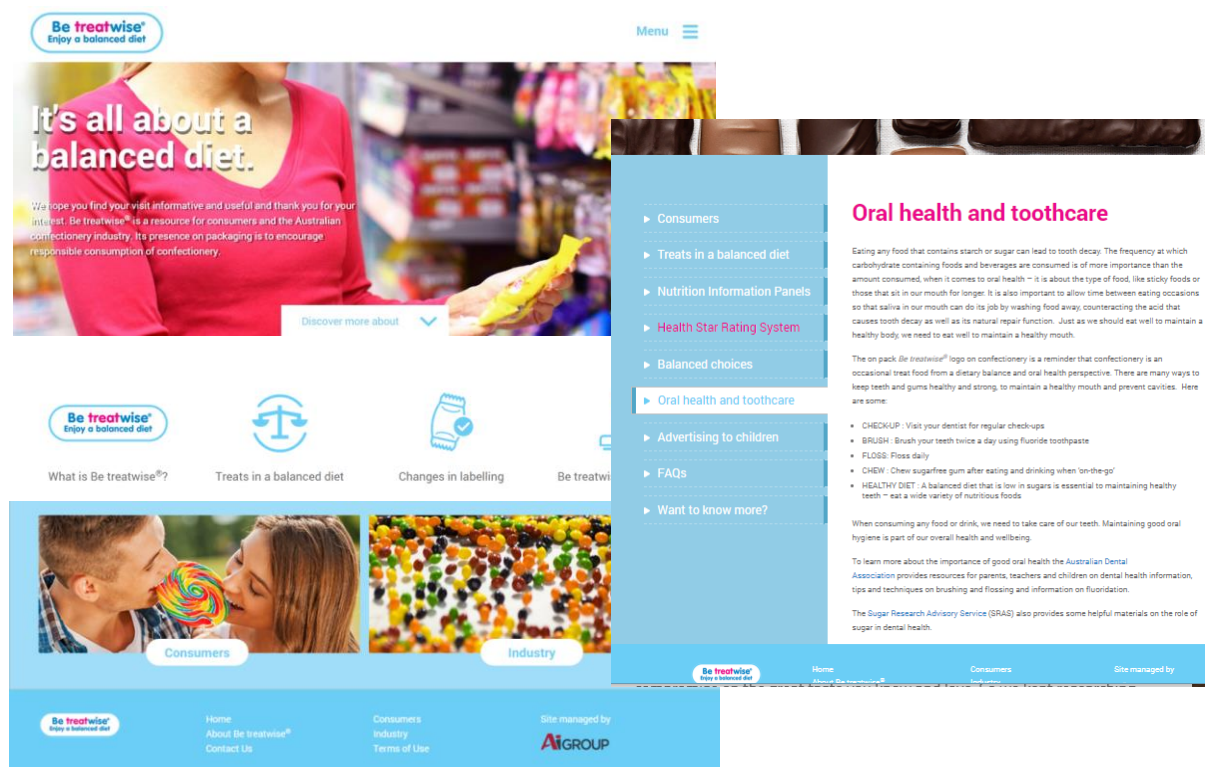
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Obesity Epidemic in Australia**



The industry's website www.betreatwise.info supports the *Be treatwise*[®] consumer information initiative. It has an information hub both for consumers and industry (see Figure 4). The consumer section provides material to explain *Be treatwise*[®], how it works, the role of confectionery as a treat in a balanced diet and active lifestyle. It provides a conduit for consumers to other complementary information sites, including the Health Star Rating System, Australian Dietary Guidelines and Australian Guide to Healthy Eating, information such as how to understand food labels, dental health and physical activity guidelines.

Consistent with global pledges, Australian based multinational companies and smaller operators are working toward ensuring consumers continue to understand the role of confectionery as an occasional treat food.

Figure 4 : Industry’s *Be treatwise*® information website



Product formulation, innovation and portion control

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

Companies continue to invest in scientific research, innovation and new product development to bring to market new or reformulated products with improved nutritional profiles and resized products to meet consumer needs. This requires significant development, manufacturing and commercialization time.

These include oral health benefits of chewing sugarfree gum, removal of added trans-fats, reduced saturated fat, sugar and energy content.

Manufacturers are being encouraged to change recipes, particularly with a reduced sugar focus. Replacing sugars in confectionery is not without challenge, as sugar is a key ingredient for its role in providing sweet taste as well as texture, bulk and colour.

Fundamentally, any product reformulation or renovation to improve the nutritional profile of confectionery needs to ensure it is acceptable from a functional perspective, consumer point of view in that it doesn't compromise taste, quality and of course, meets regulatory requirements.

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With these technical limitations in mind, the confectionery industry is especially mindful of the importance of communicating serve/portion size in treat consumption. Many confectionery products are reducing portion size or are already portion controlled, introducing more single serve portions and products in resealable pouches.

These reformulation and renovation works in the confectionery category, with a focus on the health and wellbeing of the people who enjoy them, has been ongoing in the industry for over a decade and continues.

The following highlights various individual company product improvements:

- In 2014 Nestlé introduced its Portion Guidance device for use on packaging – a simple visual tool to help educate consumers on appropriate portion size for a single occasion. By the end of 2015 Nestlé had provided portion guidance on all of their children’s products (for 4-12 years) (see Figure 5 and <https://www.nestle.com.au/nhw/portion-guidance>).

Figure 5 : Nestlé Portion Guidance education device on-pack



- A range of approaches have been taken to make Nestlé’s confectionery products more portionable. This has included: mold changes to reshape chocolate blocks in line with consumer expectations so now a row in a chocolate block – the amount typically eaten by a consumer in one sitting – is an appropriate portion size.
- In 2014, Nestlé downsized the Killer Python from 47g (630kj) to 24g (336kj) with commensurate price reduction and one piece one portion product configurations.

- In support of sensible confectionery consumption, Nestlé, as have other companies, has introduced re-sealable packs for chocolate blocks. The re-sealable packaging keeps products fresh and reminds consumers that packs are multi-serve, with on-pack messaging ‘Peel open, share and reclose’.
- Ferrero’s products are designed small and in individually wrapped portion (ranging from 12.5g to 22g) to support their (and the industry’s) philosophy to ensure everyone is able to occasionally enjoy their products as part of a balanced and active lifestyle. More than 95% of their products come in portions less than 627 kJ (150 cal).
- Mondelēz International committed globally to increase its portion controlled products by 25% by 2020. This means more individually wrapped product in portions less than 840 kJ (200 cal). By July 2017, Mondelēz International had exceeded the target ahead of schedule, achieving 39% individually portion controlled options which is 11% of the revenue to date.
- In addition to individually wrapped single serve products, companies use packaging tools, such as re-sealable and reclose on multi-serve options to provide consumers with a prompt and tool to have some and save the rest for later and information about using the product within a sharing and social occasion. Figure 6 illustrates the "peel and reseal" packaging introduced by Mondelēz International in 2009 for 200g Cadbury Dairy Milk chocolate with prompt to enjoy it at more than one occasion to encourage consumptions of smaller portions whilst preserving freshness.

Figure 6 : “Peel and reseal” packaging



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- Across their entire portfolio, Mondelez International has delivered on its goal for over 25% of revenue coming from ‘better choice’ products; increased whole grains by more than 26%, and reduced sodium and saturated fat by 5% and 6%, respectively, with further reductions scheduled.
- As part of the ‘Making Chocolate Better Program’, Mars Wrigley Confectionery Australia provides consumers with a range of reformulated, resized and re-sealable products. The ‘renovation’ program has reduced the portion size of most single bar line products to less than 1046kJ per bar (250 calories); less than 420kJ (100 calories) per fun size serve, and the old king size bar formats were divided in two pieces (in 2012) to encourage sensible snacking. This work started back in 2005 and continues. The next step is to make 50% of all single serve bar products less than 200 calories (840kJ) by 2022 and increasing the portionable and resealable share size offerings.
- Mars Wrigley Confectionery has reduced the saturated fat content in a number of bar products. For example, the saturated fat content of Mars® Bars has been reduced by 22%, in Milky Way by 19% and M&Ms by 10%.
- Mars Wrigley Confectionery also produces both sugar and sugarfree gum and mints, giving consumers further product choice and lower calorie options. Sugarfree gum, in particular, has been recognised by local and international dental associations and scientific institutions for the role it can play in decreasing plaque acids and improve overall oral health.

These and other R&D initiatives continue in the confectionery industry and supply chain. For example:

- Nestlé’s R&D work in Switzerland and the UK has led to development of a restructured sugar and a new range of *Milkybar Wowsomes* products. The development, that started in 2015, uses natural ingredients and a technology involving aerating sugar particles, similar to cotton candy. Launched in the UK and Ireland in March 2018, *Milkybar Wowsomes* have 30% less sugar than similar chocolate products. See Appendix 2.
- An Australian innovation in sugar processing technology has developed the new, natural and low glycaemic index (GI) sugar, called Nucane. Nucane will be manufactured at two food grade sugar mills in Australia. See Appendix 3.

These research and development works continue to build from more than a decade’s worth of progress, that includes education on confectionery as a treat and reinforcing confectionery as an occasional snack, offering choice and transparency with easy to use front of pack labelling, such as *Be treatwise*®, energy per serve and serve size descriptors, the role of nutrition, diet and physically activity, product size reductions and increasing the proportion of individual wrapped portion controlled products, portionable products, resealable share packs and more lower energy choices.

Marketing and advertising to children

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

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

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

Annual independent checks have confirmed broad compliance with the initiative. On the few occasions breaches have been identified, typically, these have resulted from bonus spots when the television networks have independently made decisions to fill an advertising gap. Industry has taken steps to prevent the risk of such actions occurring in the future.

Promotion of physical activity and healthy lifestyles

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

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

Individual companies are engaged with a range of stakeholders that seek to increase the understanding of the role of nutrition, encourage healthier diets and physical activity, as promoting a healthy lifestyle and leading behaviour change. These programs include community, sporting and workplace based initiatives.

Some of the industry initiatives include:

- Partnering with the Australian Institute of Sport (AIS) since 2001, Nestlé's Healthy Active Kids program aims to improve the nutrition and health knowledge and promote physical activity among school-aged children thereby helping families to have fun whilst being active and staying healthy. The Healthy Active Kids website www.healthyactivekids.com.au/ contains resources for teachers, families and children, relating to healthy eating and exercise. As part of the program Nestlé has distributed 350,000 kids and adults portion plates, 210,000 lunchbox toolkits, 520,000 nutrition and physical activity booklets for teachers and families, 200,000 portion posters and 200,000 AIS and survival cook books in Australia.

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Obesity Epidemic in Australia**

- Between 2014 and 2016 Nestlé ran Choose Wellness roadshows at shopping centres around Australia. They included healthy eating education from accredited practising dietitians, diabetes testing, cooking demonstration, healthy portion guidance and interactive education on reading labels. In 2016 events were held in 12 shopping centres across four states, reaching over 70,000 consumers.
- Mondelēz has heavily invested in wellbeing strategies since its inception in 2012. This involves their nutritionists, dietitians, food scientists working with public health professionals and external experts to deliver nutrition information and education, advice on snacking behaviour to support their wellbeing and healthy lifestyles goal.
- Mondelēz International partnered with the Football Federation Australia, in a three year program that commenced in 2014 to deliver a free active play program – Play Project (<http://www.playproject.com.au/>). This program was designed to empower primary school students to live an active, healthy life through better knowledge, attitudes and behaviours. Over 86,500 students participated in the program to understand the importance of daily activity. Topics discussed include sedentary versus active lifestyles, energy and the body, nutrition and fun and different types of active play. This was a non-branded initiative.
- In 2014 Mondelēz International hosted the first in a series of Mindful Snacking virtual session on Google Hangout. The sessions explored how people were applying the concept of mindfulness to eating and snacking. The following years MDLZ hosted sessions with experts focused on ‘Mindful Snacking in Practice’ and how a company like Mondelez can help consumers through information, education and innovation to make mindful food choices. This program relates to nutrition, eating and adopting a mindful approach to enjoying treats and is supported by a mindful eating toolkit that can be used by health professionals, consumers and employees.
- In the community, through its Mondelēz International Foundation, Mondelēz International is ramping up efforts to empower families and communities to lead healthier lives by investing in programs to help families make informed food choices, gain access to fresh foods, and get children playing more. In line with this, last year Mondelēz announced a three-year \$750,000 community partnership with Save the Children Australia, titled **Healthy Kids, Healthy Communities**, which will provide over 11,500 children in Australia with best practice modules that focus on nutrition education, growing healthy foods and physical activity.
- Mars Wrigley Confectionery Australia’s physical activity promotions span the workplace, local community, sporting and charity groups in Ballarat, as well as major sponsors of events that encourage healthy active lifestyles. In the workplace these range from staff health checks and flu vaccinations, fun runs to ‘Ride to Work Day’ and ‘Walk around the Lake’, to name a few.
- Since the 1930s, Mars Wrigley Confectionery has invested in research into the benefits of sugarfree gum and its role in a good oral care routine. As a part of this, the company has

developed the EXTRA® Oral Healthcare Program. For more than 35 years, Mars Wrigley Confectionery has worked in partnership with dental professionals to help promote better oral healthcare, while supporting independent research and clinical studies. Through literature, conferences, sampling, and supporting continuing professional development, they aim to engage and educate dentists and allied dental professionals about the oral health benefits of chewing sugarfree gum, as part of a healthy oral care routine. By building an open dialogue with their long-term partners, Mars Wrigley Confectionery aims to work towards the greater improvement of the oral health of Australians.

- In 2011, the Wrigley Company Foundation and the Australian Dental Health Foundation (formerly the Australian Dental Association Foundation) established a partnership with the Community Service Grants initiative, aiming to help bridge the gap in access to oral health education and treatment in high risk populations across Australia. The program has awarded in excess of A\$675,000 in grant funding to volunteer dentists and dental students to provide free-of-charge treatments to patients in remote and disadvantaged communities servicing the indigenous, homeless, refugees, special needs disability, low income and the elderly. In 2017, over A\$100,000 in grant funding was awarded to 12 worthy volunteer organisations resulting in 2,276 patients being screened, 1,572 patients receiving free dental treatments and 4,862 patients educated about the importance of oral health. Collectively, 119 volunteers donated more than 3,324 hours of time across the various projects to benefit local communities.
- In 2018, Ferrero has proudly introduced its Corporate Social Responsibility program ***Kinder+Sport*** (<https://www.kinderplussport.com/en>) to Australia by partnering with Deakin University in implementing the Joy of Moving program. The four-year program aims to promote healthy development of the whole child and provide a deeper developmental understanding of the benefits associated with engaging in physical activity for children of all abilities. Supported by Ferrero's \$880,000 investment, Deakin University will be undertaking a study that will see the development and evaluation of the Australian Joy of Moving program in Victorian primary schools. This partnership is another important step forward in Ferrero's long-term commitment to promoting the joy of movement in the life of each child. Ferrero supports the important work undertaken by the University's Child Study Centre to help make a difference in the lives of children with neurodevelopmental challenges. For further information see <http://www.deakin.edu.au/about-deakin/news/articles/Australian-Joy-of-Moving-research>

Summary

The confectionery industry agrees that overweight and obesity is an issue in Australia. We have been proactive in driving the understanding of confectionery, as a treat food, in the context of a balanced diet and active lifestyle and we remain committed to playing a positive role in supporting public health strategies, alongside other stakeholders, to drive meaningful and effective change improve the overall health and wellbeing of the Australian community.

**Ai Group Submission – Senate Select Committee inquiry into the
Obesity Epidemic in Australia**

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

The single nutrient focus on sugar represents a rather blunt and ineffective approach, thus the confectionery industry fundamental approach which encompasses, total energy, portion control, moderation, regular activity and consumer education.

We therefore welcome the Senate Select Committee inquiry into overweight and obesity in Australia and the contribution it will make to raise awareness and develop new insights and strategies, programs, partnerships and resources that may help continue to address overweight and obesity, particularly in children, throughout Australia.

Confectionery, as a treat, will always be a category of food consumers enjoy and our aim is to help consumers enjoy sweet treats responsibly with the right portion in mind.

Appendix 1 : The Age, 27 June 2018



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Age, Melbourne

27 Jun 2018

Editorials, page 16 - Size: 245.00 cm²

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ID 974495165

BRIEF CMA-AI

PAGE 1 of 2

THE AGE

Time for action on sugar and obesity

It has been a decade since the Commonwealth government added obesity to its list of national health priorities, alongside such killers as cancer and heart disease. But the evidence of any progress in the battle against obesity since then is meagre.

In fact, according to the Commonwealth's own figures, 28 per cent of Australian were obese in 2014-15, an increase of 9 percentage points since 1995. A further third of Australians are classified as overweight. The cost of letting the obesity epidemic spiral out of control is enormous. Obesity is linked with heart disease, diabetes and many other ailments. It is particularly harmful to the poor and the young. One in five children and adolescents in Australia are either overweight or obese and the chances are that they will grow up to become obese adults.

According to the Grattan Institute, an independent think tank, obesity costs the community about \$5.3 billion a year in lost income tax, as well as increased medical and welfare costs. But the greater cost is increased mortality. Lobby group the Obesity Policy Coalition claims 1.75 million Australians will die prematurely from being obese or overweight over the next 30 years.

What makes it all so frustrating is that, unlike with cancer, we know the cure for obesity: a sensible diet and more physical activity. And where diet is concerned, we also know the biggest culprit: too much sugar, especially in soft drinks. The Grattan

Institute has found soft drinks – or, more precisely, our inability to enjoy them in moderation – are responsible for about a tenth of our obesity problem. The World Health Organisation recommends a maximum of six teaspoons of added sugar a day; a can of Coca-Cola has 10 teaspoons.

Aware of the growing public concern over the link between sugary drinks and obesity, the drinks manufacturers have this week announced they will voluntarily cut their use of sugar by 20 per cent over the next seven years. It sounds like an ambitious target but in fact it is too little, too late. The highest-sugar varieties of soft drink, such as Coke, will remain unchanged. Much of the target will be met by marketing low-sugar alternatives, smaller serving sizes and the fact that sales of sugar-rich soft drinks are dropping already.

Unfortunately, they are not dropping enough, which is why the time has arrived for a sugar tax, similar to the taxes that several dozen countries, including Britain, have introduced.

Such a tax would reduce consumption of soft drinks while generating funds for anti-obesity education. Heavy-handed regulation and new taxes are a last resort but last-resort time has



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BRIEF CMA-AI

PAGE 2 of 2

arrived. Our successful policy responses to smoking and excessive consumption of alcohol provide a model for tackling obesity.

The public is not hostile to the idea. An Essential poll published earlier this year in *The Age* revealed 57 per cent of Coalition supporters and 54 per cent of Labor supporters are in favour. So why is the government so reluctant to act? A rich and powerful lobby, and a large sugar industry footprint in selected Nationals seats, are part of the explanation.

A sugar tax is not the only way we must fight the obesity problem. We need widespread behavioural change, built environments that promote activity, better public health resources and other measures, too. And yes, to state the obvious: the first firewall between kids and too much sugar should be their parents. What we must not do, especially given our current dimensions, is sit on our hands.

The cost of letting the epidemic spiral out of control is enormous.

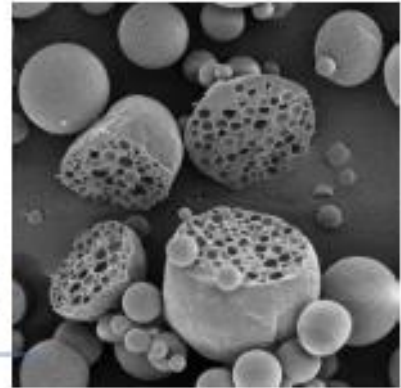
Appendix 2 : Development of a restructured sugar

Nestlé structured sugar: a natural solution for sugar reduction

What is it?

Nestlé's structured sugar is an amorphous and porous sugar made with all-natural ingredients. It can help reduce sugar by up to 40% in confectionery such as chocolate.

Structured sugar under an electron microscope. The particles were opened up to show the inner pores



How is it made?

A mixture of sugar, milk powder and water is sprayed into warm air. Spraying and drying the mixture in this way forms the porous sugar. The milk stabilises the spray-dried sugar and stops it becoming too sticky.

How does it work?



Normal sugar comes in crystal form. The crystals are solid and dissolve slowly. Amorphous sugar dissolves faster in the mouth, for instance in [cotton candy](#). This means more sweetness from a given amount of sugar. Nestlé's structured sugar follows that principle.

Are you using artificial sweeteners?

No. This is still sugar, just with a different structure.

Where are you using the product?

It is currently being used in confectionery, namely our new range of *Milkybar Wowsomes* products.

Can you use it in beverages?

The structured sugar is only stable in dry products. The increased sweetness results from it dissolving faster in the mouth. In beverages, the sugar would be dissolved before you consume it.

Are you producing the sugar yourself?

Yes. We are producing the structured sugar in our factory in Dalston, United Kingdom.

Is the sugar patented?

A number of patent applications have been filed to this technology.

How long have you been working on this and where?

The work that led to the discovery started in 2015. The structured sugar was discovered and then developed by scientists at the Nestlé Research Center in Lausanne (Switzerland) and our Nestlé Product Technology Centers in York (UK) and Konolfingen (Switzerland).

Nestlé launches world-first chocolate with innovation to reduce sugar by 30%

Mar 27, 2018



The new chocolate bar, *Milkybar Wowsomes*, to be launched in the UK and Ireland, uses the new technology to achieve a sugar reduction of 30% versus comparable bars.

The sugar reduction, which was first announced in November 2016, is achieved using only natural ingredients and with no additional sweeteners. The bar has milk as the number one ingredient, contains crispy oats, and is a good source of fibre.

Nestlé General Manager Confectionery, Martin Brown, said that Nestlé was hoping to bring the chocolate bar to Australia and New Zealand later this year. "Nestlé researchers have discovered a way to change the structure of sugar using only natural ingredients, so it dissolves more quickly on your tongue. This 'structured' sugar delivers a sweet sensation more quickly than normal sugar. This allows us to use less total sugar in the product, while providing an almost identical sweet taste," said Mr Brown.



Appendix 3 : New, natural and low glycaemic index sugar

7/4/2018

Nucane offers a field of opportunity - Food & Drink Business



Nucane offers a field of opportunity

5 June 2018

Sunshine Sugar is rolling out a healthier new sugar, an Australian innovation that is natural, low-GI, and can be used in commercial recipes.

A new Australian innovation in sugar processing technology that promises to help tackle obesity is opening up new opportunities in low glycaemic index (GI) sugar for manufacturers along the food and beverage supply chain.

The first to embrace the opportunity is NSW company Sunshine Sugar, which has partnered up with three suppliers to produce the new sugar called Nucane.

Sunshine Sugar, a partnership between the grower-owned NSW Sugar Milling Co-operative and the Australian family-owned agribusiness Manildra group, has partnered with Nucane's developer, Nutrition Innovation, to manufacture the product.

The sugar producer was in a unique position, as it operates the only food-grade raw sugar mill in Australia, says Sunshine Sugar's CEO Chris Connors.

The problem with traditional raw sugar as a low GI ingredient in commercial applications is the consistency and wetness, according to Connors.

Nucane can be used as a 1-for-1 swap for white refined sugar or alternative sweeteners in branded recipes.

As well as being low in GI, Nucane is naturally high in antioxidants, and is a dry product so it will flow in food manufacturing processes like white refined sugar.

Nucane can be used in categories as diverse as beverages, fruit juice, canned products, flavoured milks, soy milk, yoghurts, breads, baked goods, ice-cream, confectionery, chocolates, and sauces.

New technology and processes supplied by FOSS and Schneider Electric (see box) were created to standardise the less refined product to enable it be used in commercial quantities.

"As we already have a food-grade raw sugar factory, installation was not an issue for us given we had the expertise in the use of NIR (Near Infrared)," Connors says.

" If the market does develop, we have two other sugar mills in NSW that are not food grade that we can bring to a food-grade standard and start producing more Nucane. "

"It took time to get the instruments in, and we still have to do a little more calibration, but as soon as we start crushing this month, we will start making Sunshine Sugar low GI product, NuCane."

Because it is less refined, Nucane also saves energy and water, which is another bonus for the mill, which was the first in the world to receive Bonsucro certification for sustainability across its growing, milling and refining operations.

Sunshine Sugar is keen to add to its credentials the production of a healthier sweetener, according to Connors, and also, as a co-operative, growers are in line to profit from the process.

"This will be great for Australia, our local economy, and our growers. In the longer term, if it goes the way we want it to, we expect to have other raw sugar millers in the production line as well.

"Nucane is a premium product so when we do start to make a profit, a lot will be directed back to the growers. The agricultural community in Australia is rarely looked after. The sale of Nucane will return an increased price back to the business and subsequently the grower.

"Our intent in the pricing is to charge an increased raw premium so that the growers get a better price straight away," Connors says.

The sugar company has made a strong push into diversification in sugar manufacturing and in alternative uses of sugar cane, and the production of Nucane fits neatly into that strategy.

7/4/2018

Nucane offers a field of opportunity - Food & Drink Business

"We have put capital into it, and we have a strong marketing team putting the product out there, and we have lots of customers out testing the product," Connors says.

Although Nutrition Innovation retains the Nucane intellectual property, Sunshine Sugar has rights to the brand in Australia.

"If the market does develop, we have two other sugar mills in NSW that are not food grade that we can bring to a food-grade standard and start producing more Nucane," Connors says.

Nucane is already finding strong traction as an ingredient among product manufacturers, according to Andrew Higgs, Nutrition Innovation's Australia and New Zealand country manager, and is currently being tested by 40 customers around the world, including large supermarket chains.

Nucane fits well into the needs of food companies who are under pressure to change their recipes and move away from artificial ingredients, Higgs says.

One of the companies trialling Nucane is Heritage Chocolates, which has created a low GI chocolate product (pictured). A private label retail sugar product is also on the cards, and expected to be on-shelf by Q3.

Nutrition Innovation is a technology company that has developed both the Nucane product and also the specific process for cost-effectively manufacturing and it. The company was founded by Monash University Associate Professor Dr David Kannar. Nutrition Innovation's plan is to partner with mills such as Sunshine Sugar, and its technology collaborators to help bring Nucane to global markets.

"Australia is first to market, but we are pitching for other mills globally to produce Nucane," Higgs says. "We see it as a mainstream sugar replacement, and it has the potential to be a global game changer.

"There is no reason why Nucane cannot replace the majority of the world's white refined sugar in a relatively short period of time. No other sugar product can achieve this."

SWEET COLLABORATION

The collaboration and input from three partners is enabling further innovation with a new, low-GI sugar product called Nucane.

The equipment suppliers partnering globally on Nucane are FOSS, which is providing the calibration instrumentation, and Schneider Electric, which offers the systems integration for the technology to be implemented within mills.

FOSS is the supplier of NIR (Near Infrared) instrument to support the understanding of the sugar composition required to manufacture Nucane.

Schneider Electric scales the intricate process through the use of the latest automation technologies and industrial software.

Sunshine Sugar brings the knowledge and expertise in the practical use of NIR in the processes.

The process measures the contents of the cane sugar in parts per million, and manages production of the raw sugar to ensure the exact amounts of the polyphenols and organics needed to promote the Low-GI effect.

This enables the creation of a more natural, less processed product that is to specification and consistent everytime.

Additionally, the process typically reduces water waste and consumes less electricity, creating significant efficiencies in production.

Moreover, the Nucane production process can be applied to most sugar mills worldwide.

"The Schneider and FOSS solution sits on top to do the finite control. It integrates with our own automation solutions, and those of other vendors as well," Schneider Electric APAC consumer packaged goods segment director Craig Roseman says.

The digitisation of the operations combined with software to analyse production data in real time, enables a new-found production accuracy, Roseman says.