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**Before the
Australian Senate Select Committee into the Obesity Epidemic in Australia**

Joint Comments of:

The Australian Taxpayers' Alliance (ATA) and MyChoice Australia (MC)

July 13, 2018

Introduction & Summary

The ATA and MC thank the committee for the opportunity to provide comments on Australia's obesity epidemic as well as the efficacy and desirability of some of the proposed policies intended to address the abovementioned.

The ATA is a 75,000+ member grassroots public advocacy group representing the interest of Australian taxpayers. The ATA stands for transparent and accountable government, minimising government waste and individual freedoms. MC is an autonomous affiliate of the ATA focused on informed consumer choice.

Our members' interest in the current inquiry primarily arises for two reasons. Firstly, our members are concerned by the prevalence of obesity as a public health issue and its resultant stress upon our taxpayer-funded healthcare system. For this reason, we favour evidence-based policy that tangibly supports its desired outcomes and provides fairness for ordinary taxpayers.

Secondly, our members are concerned by proposals to tackle obesity which unfairly burden individual consumers making informed choices, are likely to be ineffective and/or could be regressive by punishing those of lower socio-economic status disproportionately. We are also concerned by impingements upon commercial freedom through burdensome red tape which do more harm to businesses rather than informing the choice of consumers who choose to purchase products. Such interventions cannot be justified where they do not tangibly improve

desired outcomes. This is especially applicable where the interventions in question threaten jobs and livelihoods in both urban and regional Australia at a time when our domestic manufacturing and production sector is losing ground and struggling to stay competitive.

For these reasons, our submission will follow the terms of inquiry and deal especially with the proposed sugar tax policy which we believe will harm businesses, hurt consumers, especially those of low socio-economic status, and is unlikely to achieve a material impact on public health which could justify its adverse impacts.

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

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

The short and long-term economic burden of obesity, particularly related to obesity in children in Australia

1. According to the Australian Bureau of Statistics, around one in four (27.4%) children aged 5-17 years were overweight or obese in 2015, similar to the 2011-12 figure of 25.7%.¹
2. While Australian childhood obesity rates have no doubt risen over the years, flaws in the statistical methodology and definitions used mean that the extent of the problem is exaggerated. The following points will outline key flaws.
3. The usage of a single standard for the measurement of obesity in children on the basis of age, gender and Body Mass Index (BMI), is conventional in the Australia, the United Kingdom, United States and New Zealand.² This metric ignores other factors material to whether a child is within their healthy weight range. For example, weight is impacted by the onset of puberty and rate of a child's development. Often these factors are contingent upon the individual biology and constitution of the child. Body Mass Index as a metric also fails to discriminate between weight gain as a result of bone density or muscle growth, which is part of healthy development, and weight gain as a

¹ Australian Bureau of Statistics <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4364.0.55.001>

² Cole TJ, Flegal KM, Nicholls D, et al. Body mass index cut offs to define thinness in children and adolescents: international survey. BMJ. 2007;335:194.

result of fat which may be unhealthy.³ Muscle and bone density are also factors contingent upon the genetics and constitution of the individual, whereby BMI measurement may classify a child with a ‘mesomorph’ (lean and muscular) body type as ‘obese’.⁴ This is compounded by the fact that muscle tissue is denser and heavier than fat tissue of the same quantity.⁵ BMI is also affected strongly by a person’s frame and the relative length of their legs and torso. It does not take into account whether body fat is well-distributed or concentrated around the waist, whereby the latter is significantly more likely to indicate health risks i.e. the rationale for public health policy to target obesity.⁶ Significant differences reported across different ethnic groups pertaining to fat distribution in various regions of the body also connote the flaws of a one-size-fits-all approach towards BMI and its usage to determine healthy or unhealthy body weight.⁷

4. Recent empirical analysis of the relationship between mortality and BMI establishes that death rates are roughly the same given BMIs ranging from 20 to 35 even though our current benchmarks mandate that BMI in excess of 25 is overweight and those with BMIs in excess of 30 are mandated as obese. Persons of both genders do not appear to live longer than the mildly obese (those with BMIs of 30 to 35) if their BMIs fall under 30. This suggests that the only scientifically justified obesity interventions pertain to the small fraction of the population with BMIs in excess of 40, a small fraction of Australia’s population. Furthermore, the current benchmarks used in Australia to classify overweight and obesity are the product of a 1997 accord of the International Obesity Task Force, a nongovernmental organization that receives 75 percent of its funding from the pharmaceutical industry, an industry that stands to benefit if more Australians are classified as overweight or obese.⁸

³ Rush, E. C., et al. "BMI, fat and muscle differences in urban women of five ethnicities from two countries." *International Journal of Obesity* 31.8 (2007): 1232.

⁴ Rothman, Kenneth J. "BMI-related errors in the measurement of obesity." *International journal of obesity* 32.S3 (2008): S56.

⁵ Wang, Jack, et al. "Asians have lower body mass index (BMI) but higher percent body fat than do whites: comparisons of anthropometric measurements." *The American journal of clinical nutrition* 60.1 (1994): 23-28.

⁶ Patrick Basham and John Luik "More than the Sum of our BMIs" *Philadelphia Inquirer* August 2, 2010. <https://www.cato.org/publications/commentary/more-sum-our-bmis>

⁷ See Footnote 5.

⁸ Ibid.

5. The positive relationship of BMI with fatness in children and adults varies both between and amongst ethnic groups, and for an individual BMI is not a good measure of body fatness.⁹ For example, at the same BMI, Pacific Islander children,¹⁰ and adults have less body fat than other ethnic groups,¹¹ whereby studies have found that children from this background experience more rapid physical growth than those from other backgrounds at the same age.¹²
6. **Flaws in BMI as a measure and body weight as a health indicator:** Under international standards applicable to and used by the Australian Bureau of Statistics, a BMI of 30+ is classified as obese and between 25 and 30 is classed as overweight. While the figure of 30 is premised on the theoretical notion that this is the point at which being fat increases the risk of premature death, there is no objective reasoning in theory or practice for the use of the 25 BMI figure to determine ‘overweight’ status other than it is a convenient number located 5 points below 30.^{13 14} In fact, experts such as Professor John Evans from the School of Exercise and Sports Science in Loughborough University, backed by independent research such as a study from the US Centre for Disease Control,¹⁵ note that those who are overweight had no higher risk dying of cancer or heart disease and overall actually lived longer than those of "normal" weight.¹⁶ The CDC study further noted that ‘little or no association with excess all-cancer mortality with any of the BMI categories’ existed. In other words, the overall risk of dying from cancer was not related to body weight. The study suggested that being overweight might, in fact, be protective against cancer. For example, in

⁹ Rush, Elaine, et al. "Pacific Islands Families Study: Signs of puberty are associated with physical growth at ages 9 and 11 years." *The New Zealand Medical Journal (Online)* 128.1425 (2015): 24.

¹⁰ Rush EC, Plank LD, Davies PS, et al. Body composition and physical activity in New Zealand Maori, Pacific and European children aged 5- 14 years. *Br J Nutr.* 2003;90:1133-9.

¹¹ Rush EC, Freitas I, Plank LD. Body size, body composition and fat distribution: comparative analysis of European, Maori, Pacific Island and Asian Indian adults. *Br J Nutr.* 2009;102:632-41.

¹² Rush E, Obolonkin V, Savila F. Growth centiles of Pacific children living in Auckland, New Zealand. *Ann Hum Biol.* 2013;40:406-12.

¹³ Cole TJ, Flegal KM, Nicholls D, et al. Body mass index cut offs to define thinness in children and adolescents: international survey. *BMJ.* 2007;335:194.

¹⁴ Christopher Snowden (Health Economist at the Institute of Economic Affairs), "No, one in three children aren't obese. This headline-grabbing figure is a statistical invention" *Spectator Health* 15 February, 2018. <https://health.spectator.co.uk/no-one-in-three-children-arent-obese-this-headline-grabbing-figure-is-a-statistical-invention/>

¹⁵ Flegal, Katherine M., et al. "Cause-specific excess deaths associated with underweight, overweight, and obesity." *Jama* 298.17 (2007): 2028-2037. <https://jamanetwork.com/journals/jama/fullarticle/209359>

¹⁶ Richard Vadon "The Truth About Obesity" BBC News 22 November, 2007 http://news.bbc.co.uk/2/hi/uk_news/magazine/7105630.stm

individuals aged 25-59, obesity appeared to be protective against death from cancer. Even for those individuals aged 70 and over, BMIs in excess of 35- well above the obesity threshold, were not significantly linked with a higher risk of dying from cancer. Another study from Oxford University and Cancer Research UK found that women who were overweight faced no greater cancer risk than those of normal weight.¹⁷ That study examined the link between 17 of the most common cancers and BMI. The incidence of 10 of the cancers examined did not show a statistically significant association with either higher levels of overweight or obesity. Of the remaining seven cancers, the association between overweight and cancer was found to be a non-significant in four, and where the results are significant the relative risks (except for endometrial and oesophageal cancer) are never stronger than two, except in the obese. According to the National Cancer Institute, relative risks below two (that is, two times the risk compared to a control group) are so miniscule that they may be due to '*chance, statistical bias or the effects of confounding factors*'.¹⁸

7. **BMI and body weight flaws compounded when applied to children:** While the 25 and 30 BMI benchmarks for overweight and obesity respectively are widely accepted in international benchmarks for adults, it is also widely accepted that these figures are unreliable for providing indication of childhood/adolescent overweight/obesity. Children are not shaped like adults, do not have the same fat/muscle ratio and are growing. As a result, they rarely have a BMI over 30. An obese child can have a BMI of less than 25 and obese girls have different BMIs than obese boys. As a result, estimations for overweight and obese status in children and adolescents is based on a series of age and gender specific BMI benchmarks which have been estimated by a single study utilised in Australia and internationally,^{19 20} whose methodology has been described by the study's own author (Cole) as 'built on sand', i.e. a rough estimate that does not provide a reliable or accurate indicator for what constitutes healthy weight for

¹⁷ Reeves, Gillian K., et al. "Cancer incidence and mortality in relation to body mass index in the Million Women Study: cohort study." *Bmj* 335.7630 (2007): 1134. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2099519/>

¹⁸ Vasen, Hans FA, et al. "New clinical criteria for hereditary nonpolyposis colorectal cancer (HNPCC, Lynch syndrome) proposed by the International Collaborative group on HNPCC." *Gastroenterology* 116.6 (1999): 1453-1456.

¹⁹ Cole, Tim J., et al. "Establishing a standard definition for child overweight and obesity worldwide: international survey." *Bmj* 320.7244 (2000): 1240. <https://www.ncbi.nlm.nih.gov/pmc/articles/pmc27365/>

²⁰ 4363.0.55.001 - Australian Health Survey: Users' Guide, 2011-13
<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4363.0.55.001Appendix402011-13>

a specific child.²¹

8. **Childhood overweight is not correlated to adult obesity:** There is no evidence that childhood overweight is correlated with obesity later in life. Only morbidly obese children, a very small minority of all children, are at risk of adult obesity and there is “*little tracking from childhood overweight to adulthood obesity.*”²² It is further likely that the many of the small minority of morbidly obese children who are at risk of becoming morbidly obese adults could be affected by genetic factors that render them predisposed to obesity that is far outside the norm.
9. It is therefore submitted that the extent of the overweight and obesity problem in Australia is likely to be highly exaggerated as BMI is a flawed measure of determining healthy body weight across a population, the ‘overweight’ benchmark for adults and children should not be considered grounds for drawing a negative health inference and the benchmarks for children are likely to be even more inaccurate in determining healthy weight status than the BMI benchmarks for adults. It is therefore posited that the official overweight and obesity statistics amongst Australian children, adolescents and adults are not grounds for heavy-handed government interventions premised on alarmist claims of a public health crisis and that a more accurate and effective methodology must be implemented prior to the use of these statistics to justify government interventions which create unjustifiable economic burdens on consumers and businesses. It is submitted that failure to do so is unfair to and not in the interests of taxpayers.
10. Furthermore, while it is impossible to reliably estimate the economic impact of overweight or obesity as a number of assumptions and rough estimates of unpredictable factors will need to be made, the economic ill impacts from heavy-handed government intervention will be, and have proven to be, significant. For example, the use of a soda tax in the American state of Philadelphia to influence consumer behaviour was responsible for the closure of a Pepsi soda factory and the

²¹ Richard Vardon “The Truth About Obesity” BBC News 22 November, 2007

http://news.bbc.co.uk/2/hi/uk_news/magazine/7105630.stm

²² Wright, Charlotte M., et al. "Implications of childhood obesity for adult health: findings from thousand families cohort study." *Bmj* 323.7324 (2001): 1280-1284.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC60301/>

loss of nearly 100 jobs.²³ One survey of 741 small businesses in Philadelphia, Pennsylvania in the wake of the tax's introduction found that nine in ten had reported a revenue loss and six in ten blamed the soda tax specifically for their revenue loss, with 40% of respondents reporting that significant change would need to be made just to keep their businesses afloat.²⁴ It is likely that regional Australian jobs and small businesses will be badly affected and potentially decimated in a similar manner if such unjustified interventions are brought to Australia.

The causes of the rise in overweight and obesity in Australia

11. It is well recognised that a combination of genetics and lifestyle factors- primarily diet and exercise, contribute to obesity and weight gain. A balanced diet complemented by appropriate levels of exercise connotes a healthy lifestyle which minimises the risk of unhealthy weight gain or obesity. As such the description of certain food products as 'healthy' or 'unhealthy' ignores the role of balance whereby moderate or limited consumption of foods including processed foods and sugary foods, complemented by an appropriately active lifestyle, means that millions of Australian adults continue to consume these foods whilst maintaining positive health and body weight outcomes.
12. Central to dietary and exercise-related lifestyle factors, is the role of individual choice. It is not the responsibility of governments to compel individuals to exercise the choices desired by elected representatives, bureaucrats working in the executive or public health agencies. Rather, public health policy and regulation must inform and support individual choice instead of abrogating it in the name of achieving a desired outcome. The role of education as well as product labelling and advertising regulations is hence paramount to ensuring that individuals are equipped with the knowledge needed to make healthy choices. In the case of children not old enough to exercise their own agency responsibly in such matters, the responsibility for these choices falls upon parents and/or guardians who are ultimately responsible for providing the means necessary for a child to make unhealthy consumption or lifestyle decisions. Public health policy must hence inform the choices of parents and guardians as well.

²³ Julia Terruso "Pepsi to lay off 80-100, blames soda tax" *Philadelphia Inquirer* March 1, 2017.

²⁴ Avi Wolfman-Arent, "Soda tax killing Philly businesses, Butkovitz contends" *WHYY.org* October 16, 2017

13. The ABS reports that approximately 70% of Australian adults perform little to no exercise and hence live a sedentary lifestyle.²⁵ This is consistent with findings that a shift from more active manual and farming-related jobs towards more sedentary desk jobs contributed to the significant increase in obesity in developed countries. In more recent years, this trend has continued through the decline of manual labour jobs in the west such as manufacturing which have pushed more individuals into white collar work as technology has evolved.²⁶
14. Excessive government regulations of school canteens drive up costs for food. This causes the healthier foods to be more expensive and inaccessible. The children from low socio-economic families have the most elastic canteen budget and are the most price sensitive to these prices. Children from low socio-economic families have less healthy dietary patterns and are the worst affected from these regulations.²⁷
15. **Sugar intake itself is not responsible for weight gain or obesity** – Multiple studies have found that while sugary foods are high in ‘empty’ calories – thereby raising caloric intake without providing the same satiation as nutritious foods, the actual impact of sugar on weight loss or weight gain is negligible or absent where overall caloric consumption is controlled. For example, the University of Hawaii reports that *“there is no direct connection between added sugars intake and obesity unless excessive consumption of sugar-containing beverages and foods leads to energy imbalance and the resultant weight gain.”*²⁸
16. An International Journal of Obesity study compared groups of overweight subjects who derived either 5 or 10% of their calories from sucrose, amounting to the difference between consuming 25 or 50 grams of sugar daily as part of a 2000 calorie diet. Not only were there no significant differences in BMI or weight loss after 8 weeks of the diet, the high sugar group in fact lost between 1-1.5 pounds more than

²⁵ <http://www.executivestyle.com.au/ten-reasons-why-australian-obesity-is-out-of-control-gn7ann>

²⁶ See “Supersize it” chapter 3 in Miller, Benjamin and North The Economics of Public Issues 17th edition (2012)

²⁷ <http://www.growingupinaustralia.gov.au/pubs/asr/2013/asr2013f.html>

²⁸ Murphy, Suzanne P., and Rachel K. Johnson. "The scientific basis of recent US guidance on sugars intake." *The American journal of clinical nutrition* 78.4 (2003): 827S-833S.

their lower sugar counterparts, although this difference was not regarded as statistically significant.²⁹

17. Another study observed more than 300 people over six months and found there were no significant differences in body composition or weight loss from reducing sugar intake where overall caloric intake remained the same.³⁰
18. Other studies have observed no difference even in extreme circumstances whereby a high sugar group was put on a calorie-controlled diet consisting of a sugar intake over ten times higher than that of the low caloric intake group (11 g/day of sugar vs 118g/day).³¹
19. Similar results have been reported in highly controlled studies where meals were personally prepared for the participants by the researchers.³²
20. Even studies where dietary sugar was derived largely from high-fructose corn syrup, as is the case in many soft drinks, found no difference in weight change between diets containing more sugar and those containing less sugar where overall caloric intake remained controlled.³³
21. Even in studies which controlled for carbohydrate intake rather than sugar intake, the same levels of weight loss were reported in diets where overall caloric intake remained

²⁹ West, J. A., & De Looy, A. E. (2001). Weight loss in overweight subjects following low-sucrose or sucrose-containing diets. *International Journal of Obesity & Related Metabolic Disorders*, 25(8).

³⁰ Saris, W. H., Astrup, A., Prentice, A. M., Zunft, H. J., Formiguera, X., Verboeket-van de Venne, W. P. H. G., ... & Vasilaras, T. H. (2000). [Randomized controlled trial of changes in dietary carbohydrate/fat ratio and simple vs complex carbohydrates on body weight and blood lipids: the CARMEN study](#). *International Journal of Obesity*, 24(10), 1310-1318.

³¹ Surwit, R. S., Feinglos, M. N., McCaskill, C. C., Clay, S. L., Babyak, M. A., Brownlow, B. S., ... & Lin, P. H. (1997). [Metabolic and behavioral effects of a high-sucrose diet during weight loss](#). *The American Journal of Clinical Nutrition*, 65(4), 908-915.

³² Raatz, S. K., Torkelson, C. J., Redmon, J. B., Reck, K. P., Kwong, C. A., Swanson, J. E., ... & Bantle, J. P. (2005). [Reduced glycemic index and glycemic load diets do not increase the effects of energy restriction on weight loss and insulin sensitivity in obese men and women](#). *The Journal of Nutrition*, 135(10), 2387-2391.

³³ Lowndes, J., Kawiecki, D., Pardo, S., Nguyen, V., Melanson, K. J., Yu, Z., & Rippe, J. M. (2012). [The effects of four hypocaloric diets containing different levels of sucrose or high fructose corn syrup on weight loss and related parameters](#). *Nutrition Journal*, 11(1), 1.

the same where diet A is an isocaloric low carbohydrate diet and diet B is a moderate carbohydrate diet including an equal portion of protein.³⁴

22. Similarly, no differences were observed in a year-long study published in the International Journal of Obesity which compared post-diet weight regain between participant groups who were put on a low-sugar and high-sugar diet respectively.³⁵
23. Australian statistics confirm the findings of multiple studies which link obesity prevalence to lifestyle and overall caloric intake rather than sugar consumption. The Centre for Independent Studies found that while obesity prevalence has increased three-fold amongst Australians since 1980, refined sugar consumption on a per-capita basis declined by 23% from 1980 to 2003. Moreover, the last 15 years have seen a 26% decrease in the per-person sugar contribution from carbonated soft drinks as Australian consumers have replaced regular sugar-based beverages with zero sugar and diet variants.³⁶
24. A 2015 report from Business Insider noted that sales growth of Coca Cola – the largest brand of sugar-sweetened beverage, had declined significantly over the five years prior as consumer demand driven by knowledge about health risks and health consciousness has shifted towards healthier options.³⁷ The report quotes Melbourne Business School Associate Marketing Professor Mark Ritson “*the value of that cola category is set to plummet over the next 20 years. It’s no good [for Coca-Cola] being a big fish in an ever smaller pond... natural products, organic ingredients, incredibly fresh origin, local provenance — these were initially the watchwords of small groups of maven consumers, but this movement has become more and more pronounced in the developed world in recent years. And it will only get stronger in the years to come.*”
- The changing market is evidenced in the response of these businesses, with four of the

³⁴ Johnston, C. S., Tjonn, S. L., Swan, P. D., White, A., Hutchins, H., & Sears, B. (2006). [Ketogenic low-carbohydrate diets have no metabolic advantage over nonketogenic low-carbohydrate diets](#). *The American Journal of Clinical Nutrition*, 83(5), 1055-1061.

³⁵ Aller, E. E., Larsen, T. M., Claus, H., Lindroos, A. K., Kafatos, A., Pfeiffer, A., ... & Saris, W. H. M. (2014). [Weight loss maintenance in overweight subjects on ad libitum diets with high or low protein content and glycemic index: the DIOGENES trial 12-month results](#). *International Journal of Obesity*, 38(12), 1511-1517.

³⁶ Matthew O'Donnell, “Sugar tax: ‘Do Something’ Economics 101” *Centre for Independent Studies* 13 April, 2018. <http://www.cis.org.au/commentary/articles/sugar-tax-do-something-economics-101/>

³⁷ “The End of the Coke era” *Business Insider* April 9, 2015 retrieved from <http://www.businessinsider.com.au/what-is-the-future-for-the-coca-cola-brand-soda-sales-decline-2015-4> on 10 July 2018.

largest beverage producers in Australia, including Coca-Cola, recently announcing a 20% cut in the sugar content of their beverages.³⁸

25. Australia's decrease in sugar consumption paired with an increase in obesity over the same period has been confirmed by a study which noted that the same phenomenon has occurred in Britain.³⁹ Similarly in New Zealand, Between 1997 and 2009 median daily sugar intake for New Zealand males fell from 62 to 55 grams between 1997 and 2009 and females evidenced a statistically insignificant decline from 45 to 42 grams at the same time while obesity rates there increased from 17% to 27.7% for males and 20.6% to 27.8% for females.⁴⁰
26. Studies have shown that moderate or limited consumption of 'unhealthy' foods can be consistent with a diet and lifestyle that is holistically healthy.⁴¹
27. Given the extensive scholarship and comprehensive body of research which confirms that net caloric intake rather than sugar intake is responsible for ill impacts on body weight and obesity, it is evident that government interventions which single out sugar intake are not only less likely to be effective, but will punish the majority of Australian adults who consume sugar as part of a balanced lifestyle and are not overweight or obese.
28. In fact, the UK government investigated whether a guideline for daily sugar intake could be justified and instead found that increased sugar intake was not associated with obesity, concluding that there was insufficient evidence to warrant a quantitative guideline for sugar consumption.⁴² It is therefore submitted that government interventions to hold Australian consumers to rough or specific consumption targets

³⁸ Tom McIlroy "Pepsi, Coke, Asahi, Frucor to cut sugar by 20pc by 2025" *Australian Financial Review* June 25, 2018. <https://www.afr.com/news/pepsi-coke-asahi-frucor-to-cut-sugar-by-20pc-by-2025-20180625-h11tkl>

³⁹ Barclay, A and Brand-Miller, J "The Australian paradox: A Substantial decline in Sugars intake over the same timeframe that Overweight and Obesity have Increased" in *Nutrients* (2011) volume 3 pp 491-504.

⁴⁰ *New Zealand Adult Nutrition Survey* Sucrose figures are on page 308. The change in obesity is summarised on page XXVI. <https://www.health.govt.nz/publication/2008-09-new-zealand-adult-nutrition-survey-data-tables>

⁴¹ Aranceta, J., & Serra-Majem, L. (2001). Dietary guidelines for the Spanish population. *Public health nutrition*, 4(6a), 1403.

⁴² Ruxton, C. H. S., F. J. S. Garceau, and R. C. Cottrell. "Guidelines for sugar consumption in Europe: is a quantitative approach justified?." *European journal of clinical nutrition* 53.7 (1999): 503. <https://www.nature.com/articles/1600831>

for certain nutrients cannot be justified on public health grounds, especially if and where these interventions impose significant burdens upon consumers and businesses.

The effectiveness of existing policies and programs introduced by Australian governments to improve diets and prevent childhood obesity

29. **Health Star Rating System:** The HSRS is a national, voluntary labelling system which facilitates consumer choice by providing a comparison of the nutritional profile of products in the same category (Eg. Breakfast cereals). Ratings vary from 0.5 to 5 stars, providing a simple and easy to understand general metric for consumers. In this manner, consumer choice is enhanced while businesses are incentivised to formulate healthier products to measure up to competitors without punitive sanction. The system works through a collaborative model between industry, public health groups and consumer groups. A progress review undertaken 2 years after the program's initiation found that over half of all consumers aware of the system reported that it was a factor in their purchasing and consumption decisions. The review also noted that many companies had reformulated existing products by reducing sodium/salt content, sugar levels and saturated fat concentration to obtain a higher rating.⁴³ This outcome has been successfully achieved without imposing price sanctions on consumers or businesses, and similar collaborative models facilitated by consumer awareness and education campaigns hence strike an effective balance between the interests of public health, consumers and industry.

30. However, despite this success, the HSRS is not without its flaws. It is recommended that these flaws are rectified to avoid perverse outcomes that can sometimes arise. For example, while the system is designed to compare food products for their relative health merits within specific categories, this is not always or easily understood by some consumers. It has been reported that as a result, some processed foods higher in salt, fat, sugar, additives and preservatives have higher star ratings than some fresh or whole foods such as fruits and vegetables.⁴⁴ It is submitted that the HSRS be limited to

⁴³ Australian Institute of Health and Welfare, <https://www.aihw.gov.au/getmedia/172fba28-785e-4a08-ab37-2da3bbae40b8/aihw-phe-216.pdf.aspx?inline=true>

⁴⁴ Rita Panahi, "Dieticians criticise health star rating system which ranks potato chips above fruit" *Herald Sun* April 21, 2015. <https://www.heraldsun.com.au/news/victoria/dietitians-criticise-health-star-rating-system-which-ranks-potato-chips-above-fruit/news-story/3fde21341bb7ea96f867f3d247cde6b4>

processed foods as a means for comparing their relative merits and incentivising processed food producers to reformulate their products to achieve higher ratings against other processed foods, rather than for rating whole foods such as fruits and vegetables which are more evidently healthy to consumers. As noted by dietitians such as Nicole Senior, member of Dietitians Association of Australia, “[*The HSRS*] was designed for processed food. Now, fresh food that is packaged is also included but the system is not designed to rate those foods...vegetables, fruits and nuts are among whole fresh foods that are packaged, and I would expect people to know they are good foods and not avoid them because of the star system.”⁴⁵ Alternatively, the current system can be modified to avoid confusion through either a separate ratings system for fresh packaged foods than processed packaged foods or through colour codes and labels to make it easier for consumers to differentiate between the two. These changes should be implemented through the voluntary, democratic stakeholder model that is currently in place for the administration of the HSRS system, whereby representatives of business can be consulted on modifications and the impacts they might have on their businesses and stakeholders in the business such as workers.

31. **‘Fresh Kids’ program:** This program is a multifaceted educational intervention as part of the Health Promoting Schools (HPS) framework intended to improve fruit and water consumption in primary-school children. The intervention was implemented in inner-west Melbourne and sought to promote healthy eating habits and reduced obesity-related risk factors. The productivity commission noted that the program successfully increased the number of children bringing fresh fruit and filled water bottles to school, concurrently with a decrease in sugary drinks in all but one of the schools subject to the program.⁴⁶ Similar initiatives implemented on a nation or state-wide scale hence have the potential to instil healthy habits that counter prevalent obesity-related lifestyle factors across the country and attest to the value of education and habit-building in encouraging lifestyles which promote public health and potentially reduce obesity. Notably, reduced sugary drink consumption amongst the children was achieved without denying children access to the products or through

⁴⁵ Ibid.

⁴⁶ <https://www.pc.gov.au/research/supporting/childhood-obesity/childhood-obesity.pdf>

coercive pricing mechanisms.

32. **Active After-School Communities Program:** This program encompassed community-led initiatives to promote lifestyle changes to counter obesity and a sedentary lifestyle amongst children. The Australian Sports Commission evaluated the program and found that participating children engaged in a more active, less sedentary lifestyle after school hours and that even previously inactive children engaged in significantly more physical activity. Participating children nearly doubled the number of hours a week they spent engaged in physical activity and three-quarters of the parents of those participating in the program noted that their children expressed interest in new sports over the 12 months prior to the review. Two-thirds indicated their children would join a new sporting organisation,⁴⁷ connoting longer-term lifestyle change which discourages childhood obesity through grassroots interventions which educate children and encourage them to stay healthy and involve themselves in local communities. Similar programs are more likely to foster positive lifestyle change than punitive sanctions such as taxes as they provide a social component which is beneficial to both the physical and mental health of children.

Evidence-based measures and interventions to prevent and reverse childhood obesity, including experiences from overseas jurisdictions

33. Amongst teenagers, studies have shown that counselling and consultation are effective in developing healthier lifestyles and to assist them in making their own responsible choices.⁴⁸ Most schools already employ counsellors and/or physical educators providing this service.
34. **The Sugar Tax experience:** Various jurisdictions have experimented with taxes on sugar or soft drinks aimed at coercing consumers to alter their behaviour through more expensive products to reduce obesity. There is no material evidence that sugar taxes will reduce obesity prevalence and interventions that single out sugar in a bid to reduce obesity are misguided and paradoxical given evidence that the increase in Australia's

⁴⁷ Australian Sports Commission (2008); DoHa (2009a, 2009b), [https://www.health.gov.au/internet/main/publishing.nsf/Content/C1B49DF81928E336CA257BF0001A8DAE/\\$File/Govt%20Response%20-%20Obesity.pdf](https://www.health.gov.au/internet/main/publishing.nsf/Content/C1B49DF81928E336CA257BF0001A8DAE/$File/Govt%20Response%20-%20Obesity.pdf)

⁴⁸ Walker, Z., Townsend, J., Oakley, L., Donovan, C., Smith, H., Hurst, Z. & Marshall, S. (2002). Health promotion for adolescents in primary care: randomised controlled trial. *bmj*, 325(7363), 524.

obesity prevalence has not coincided with rise in sugar consumption (See points 23-25). A 2015 study estimated that a 10% tax on soft drinks would reduce consumption levels only by 4% or the equivalent of walking 3-4 minutes per consumer per day. This change is lessened further by the inclination of consumers to substitute different food or beverage items. In return for this miniscule change, consumers are hit with higher grocery bills and businesses are also hurt.⁴⁹ Extensive evidence from the experiences of multiple foreign jurisdictions also confirm that sugar taxes are ineffective, will not lower obesity rates and regressively burden poorer consumers with higher household bills.

35. **Mexico:** Mexico introduced a tax on ‘sugar-sweetened beverages’ in January 2014 of 1 peso per litre. Nielsen sales data shows that no significant reduction in litres consumed occurred in the 12 months to May 2013 (prior to the tax) and that no significant decrease occurred in the 12 months leading up to May 2015 (the first full year of data since the tax was implemented). During the intervening period, consumption fell by just 182 litres totally, a microscopic result given that Mexicans consume 11 billion+ litres of carbonated soft drinks annually.

Graph: Carbonated soft drink sales in Mexico

TOTAL MEXICO	Total sales (Pesos ‘000)		
Moving Annual Total	May-13	May-14	May-15
Carbonated soft drinks	103354522.3	111,585,133.4	122,501,542.6
% change		8.0%	9.8%

TOTAL MEXICO	Litres (‘000)		
Moving Annual Total	May-13	May-14	May-15
Carbonated soft drinks	11,092,531.2	11,120,041.8	11,092,349.4
% change		0.2%	-0.2%

TOTAL MEXICO	Unit Sales (‘000)		
Moving Annual Total	May-13	May-14	May-15
Carbonated soft drinks	1,953,838.1	1,958,685.6	1,953,813.2
% change		0.2%	-0.2%

Source: The Nielsen Company

⁴⁹ Wang, E. Y. (2015). The impact of soda taxes on consumer welfare: implications of storability and taste heterogeneity. *The RAND Journal of Economics*, 46(2), 409-441.
https://people.umass.edu/eywang/Wang_RAND.pdf

By mid-2016, soft drink sales in Mexico had increased significantly despite the tax,⁵⁰ and even Mexico's National Institute of Public Health, which strongly supports the tax, released data showing that annual sugary drink sales averaged 18.2 million litres a year between 2007 and 2013, rose to 19.4 billion litres in 2014 and to 19.5 billion litres in 2015.⁵¹ Even on a per-capita basis, Mexicans consumed 160 litres/year on average between 2007 and 2013, 162 litres/year in 2014 and 161 in 2015- a small rise following the tax's introduction followed by a relatively insignificant decline in the year after the first, with the eventual result of no material impact on average consumption due to the tax. Even Professor Barry Popkin, a strong proponent of the tax who advised the Mexican government on its implementation, has conceded that it would not meaningfully impact consumption.⁵² In 2016, 2 years after the tax took effect, it was reported that sales of soda had rebounded despite significant costs imposed on Mexican consumers through a tax purported to alter consumer behaviour.⁵³ Despite this empirical evidence, the Mexican government's National Institute of Public Health which strongly supported the tax and has an incentive in upholding its effectiveness, has claimed that soda consumption in Mexico has seen a 6% decline in 2014 and 8% decline in 2015 relative to hypothetical consumption levels had Mexico never introduced the tax.⁵⁴ However, these are highly speculative and flawed claims that cannot be relied upon as they are premised on a series of assumptions and guesswork about the extent to which Mexico's weather and economic growth trend over that period has impacted upon soda consumption.⁵⁵ Howard Telford, Senior Beverages Analyst at the market research firm Euromonitor, notes that "*the tax did bring about a deceleration in the soft drinks industry, causing it to grow by just 1%*

⁵⁰ Amy Guthrie & Mike Esterl, "Soda Sales Increase despite tax" *The Wall Street Journal* May 3, 2016.

<https://www.wsj.com/articles/soda-sales-in-mexico-rise-despite-tax-1462267808>

⁵¹ <http://www.insp.mx/epppo/blog/4043-compra-venta-bebidas-azucaradas.html>

⁵² Tamar Haspel, "Is a soda tax the solution to America's obesity problem?" *The Washington Post* March 23, 2015. https://www.washingtonpost.com/lifestyle/food/is-a-soda-tax-the-solution-to-americas-obesity-problem/2015/03/23/b6216864-ccf8-11e4-a2a7-9517a3a70506_story.html?noredirect=on&utm_term=.d3cbf5cef97b

⁵³ Amy Guthrie and Mike Esterl "Soda Sales in Mexico rise despite tax" *Wallstreet Journal* May 3, 2016.

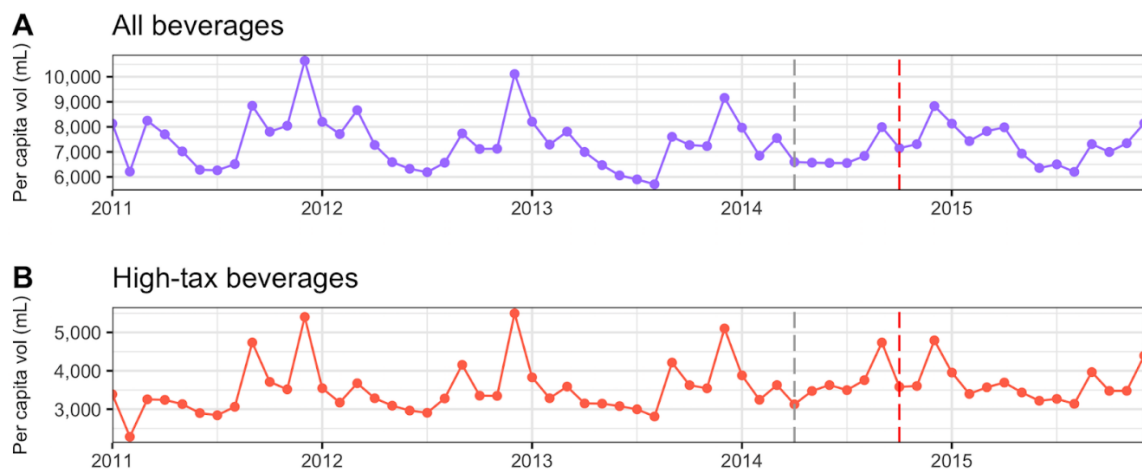
<https://www.wsj.com/articles/soda-sales-in-mexico-rise-despite-tax-1462267808>

⁵⁴ <https://www.insp.mx/epppo/blog/4063-tax-sugar-sweetened-beverages.html>

⁵⁵ Christopher Snowden "Mexico was meant to prove a sugar tax worked. New figures tell a different story" *Spectator Health* May 6, 2016.

in total volume terms in 2014. However, the industry recovered in 2015, experiencing a 5% increase in total current value terms and 2% in volume terms.”⁵⁶

36. **Chile:** Chile increased taxes on sugary drinks from 13% to 18% and lowered tax on diet drinks from 13% to 10% in mid-2014 (red dotted line in graph below.) This was a fairly minor price increase that manifests as follows- *“if fully transmitted to the consumer, [it] would increase the prices of a 500ml sugary beverage from 500 pesos (\$1.05 AUD) to 525 pesos (\$1.10 AUD), and it would drop the price of an equally priced non-sugary beverage to 485 pesos (\$1.01 AUD).”⁵⁷* A 2018 University of York study found that the tax had not been followed by a significant reduction in consumption relative to the periods prior to its introduction,⁵⁸ noting that *“For all soft drinks and for the relevant soft drink subcategories (except the no-tax soft drinks, which show a trend increase), it is hard to detect a clear overall time trend based on pure visual inspection alone. While the peaks in the data certainly become less pronounced over time, so have some of the troughs. It is equally difficult to discern an obvious pre- versus post-tax pattern in any of the categories.”*



Despite the absence of any significant observable trend in consumption as a result of the tax and the admission that no trend is observed from the sales data itself, the researchers nonetheless claim that *“our main estimates suggest a significant, sizeable*

⁵⁶ FactCheck: Do taxes on sugary drinks actually work? thejournal.ie October 17, 2017.

<http://www.thejournal.ie/sugar-soft-drinks-tax-does-it-work-health-benefits-facts-2918363-Oct2017/>

⁵⁷ “The impact of the sugar tax in Chile: A bittersweet success?” ScienceDaily July 3, 2018.

<https://www.sciencedaily.com/releases/2018/07/180703141442.htm>

⁵⁸ Nakamura, R., Mirelman, A., Cuadrado, C., Silva, N., Dunstan, J., & Suhrcke, M. E. (2018). Evaluating the 2014 Sugar-Sweetened Beverage Tax in Chile: An Observational Study in Urban Areas. *PLoS Medicine*.

<http://eprints.whiterose.ac.uk/132248/>

reduction in the volume of high-tax soft drinks purchased (21.7%)” and this figure has been widely cited by some media outlets and sugar tax lobbyists.⁵⁹ However, the claimed figure is unreliable and likely to be highly inaccurate as the researchers premise the estimate on modelling which they do not disclose in their paper despite the significant effect of the modelling relative to the empirically observable data it is applied to. As a result, it is impossible to ascertain the assumptions that the modelling was premised upon or to objectively review and critique the veracity of these assumptions. It is further dubious and doubtful that a price hike or decrease of under 5 cents or a small fraction of the product’s price, even in a country with lower purchasing power parity than Australia, could be responsible for a sales decrease or increase of a whopping 20%+. It is submitted that the committee should rely on the objective and empirically observable sales data from the paper and not the dubious and unreliable conclusion of its authors or claims predicated on this conclusion and the unknown effects of the modelling used. These claims should be discounted completely by the committee in order to ensure objectivity and accuracy in the committee’s findings.

37. **Denmark:** The Danish sugar tax has existed since the 1930s. Despite the existence of this tax, obesity prevalence in Denmark remained static year-on-year between 2008 and 2014 with slight increases in 2015 and 2016.⁶⁰ Denmark has also experimented with a ‘fat tax’ in response to concern about levels of obesity and the purported cancer and cardiovascular illness-causing effects of saturated fats. The excise tax of approximately \$3 AUD/kg was levied on products containing more than 2.3 per cent saturated fat from 2011 onwards.⁶¹ The tax was so significant that prices for some products rose by over 20%.⁶² Studies reported that many Danes responded to the tax by switching to discount stores, yet products in discount stores saw prices rising to

⁵⁹ Aisha Majid “Major new study shows Chile’s sugar tax has sharply reduced sales of sugary drinks” *The Telegraph* July 3, 2018. <https://www.telegraph.co.uk/news/2018/07/03/major-new-study-shows-chiles-sugar-tax-has-sharply-reduced-sales/>

⁶⁰ FactCheck: Do taxes on sugary drinks actually work?” thejournal.ie October 17, 2017. <http://www.thejournal.ie/sugar-soft-drinks-tax-does-it-work-health-benefits-facts-2918363-Oct2017/> Raw data available at (2008-2014) <http://cdn.thejournal.ie/media/2016/08/bmi-obesity-and-sugar-tax.xlsx> and <http://www.ncdrisc.org/bmi-mean-line.html> (2015-2016)

⁶¹ “Denmark imposes ‘fat tax’ on food to curb obesity” *The Independent* October 3, 2011 www.independent.co.uk/news/world/europe/denmark-imposes-fat-tax-on-food-to-curb-obesity-2364715

⁶² Jensen and Smed The Danish Tax on Saturated Fat: Short run effects on consumption and consumer prices of fats University of Copenhagen Institute of Food and Resource Economics (2012)

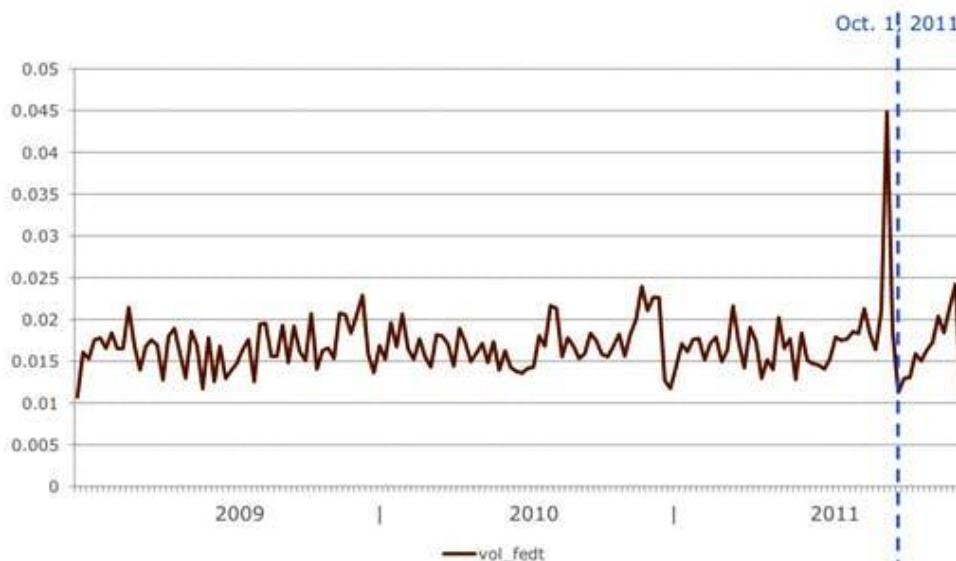
levels in excess of those justified by the tax, indicating inelastic demand for Danish consumers impacted by the tax who largely declined to change their behaviour in response to it.⁶³ Ultimately, discount stores were able to hike prices for butter and margarine past levels justified by the tax whilst simultaneously broadening their market share and the tax ultimately failed to impact consumer behaviour or public health outcomes.⁶⁴ Despite these findings, proponents of Denmark's fat tax cite a single study which shows that sales of fatty products declined by between 10-15% in the first three months after the tax was introduced,⁶⁵ as evidence of its effectiveness. However, this claim is misleading as the study does not consider that the reason for this temporary decline in sales after the tax's introduction was because of hoarding by thrifty Danish shoppers in the period prior to the tax taking effect. This hoarding is attested by the following graph from the University of Copenhagen.⁶⁶

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Hoarding effects prior to the introduction of the tax

Fat products' share of total purchased food quantities per week, 2009-2011



Food, Fat and Fiscal Measures, March 20, 2013

18

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Jensen, Jørgen Dejgård, and Sinne Smed. "The Danish tax on saturated fat—short run effects on consumption, substitution patterns and consumer prices of fats." *Food Policy* 42 (2013): 18-31.

<https://www.sciencedirect.com/science/article/pii/S0306919213000705>

⁶⁶ Christopher Snowden "Denmark's fat tax was a failure — but revisionists are trying to rewrite the story" *Spectator Health* August 5, 2015. <https://health.spectator.co.uk/revisionists-are-trying-to-turn-denmarks-failed-fat-tax-into-a-great-success-dont-be-fooled/>

Overall, the sale of products containing saturated fat only declined by a mere 0.9% over the 15 months during which the tax was in effect.⁶⁷ In terms of impact on heart disease — the key health indicator, the best estimates determined negligible effect. One estimate suggested that heart disease risk in fact, increased by 0.2 per cent, while another suggests that it declined by 0.3 per cent. Both figures are within the rounding range of error and are insignificant.⁶⁸

38. **France:** France introduced a tax of approximately \$1AUD/litre on sugar and artificial sweetener-sweetened drinks in January 2012. A report from the World Health Organisation considered the first three months following the tax's introduction and claimed that soft drink consumption had fallen by 3.3% during this period.⁶⁹ However, that report also noted that "*The impact of the tax is yet to be fully evaluated*" and said "*the reasons for this decrease [in soft drink consumption over that period] cannot be ascertained...*" More comprehensive analysis by beverage market research firm Canadean found that while there was a 0.17% fall in soft drink consumption in the first year of the tax, there have been small increases in soft drink sales year-on-year for the three years leading up to 2017 when the data was obtained.⁷⁰ Furthermore, soft drink consumption in France was 4.2% higher in 2015 than it was in 2011, immediately prior to the tax's implementation. These findings indicate that France's sugar tax has neither significantly changed consumer behaviour despite the significant economic burden it imposes, nor has it significantly impacted France's obesity prevalence. This is confirmed by data from the NCD Risk Factor Collaboration (NCD-RisC), an independent international network of health scientists that provides data on major risk factors for non-communicable diseases,⁷¹ which found that obesity prevalence had

⁶⁷ Bødker, Malene, et al. "The Danish fat tax—Effects on consumption patterns and risk of ischaemic heart disease." *Preventive medicine* 77 (2015): 200-203.

<https://www.sciencedirect.com/science/article/pii/S0091743515001589>

⁶⁸ Ibid.

⁶⁹ World Health Organization. *Using price policies to promote healthier diets*. WHO Regional Office for Europe, 2015. http://www.euro.who.int/_data/assets/pdf_file/0008/273662/Using-price-policies-to-promote-healthier-diets.pdf

⁷⁰ FactCheck: Do taxes on sugary drinks actually work?" thejournal.ie October 17, 2017.

<http://www.thejournal.ie/sugar-soft-drinks-tax-does-it-work-health-benefits-facts-2918363-Oct2017/>

⁷¹ <http://www.ncdrisc.org/index.html>

remained static year-on-year between 2008 and 2014 in France,⁷² with slight year-on-year increases in 2015 and 2016 despite the tax remaining in effect since early 2012.

39. **Hungary:** Hungary introduced a wide-ranging tax on sugar-sweetened drinks, confectionery (sweets and chocolate), energy drinks, alcopops, salty snacks and others in 2011.⁷³ A report prepared for the EU Commission by research firm Ecorys found that demand for the drinks affected by the tax fell in the wake of its implementation.⁷⁴ However, the report also noted that this fall could not be attributed to the tax itself as demand for these products had already been falling in Hungary in the years prior to the tax's introduction and the tax had a relatively negligible acceleration effect in the rate of decline. For example, sales of carbonated soft drinks fell by 15.1% from 2011-2013, but had already been falling by 13.5% from 2007-2011.⁷⁵ The decline in consumption of these products in the years prior to and following the tax's introduction can be considered part of a wider global trend in consumer preferences which has also been repeated in Australia due to health consciousness and consumer awareness about health impacts.⁷⁶

40. **United States of America:** While no American jurisdiction has imposed a sugar tax, various American states have experimented with taxes on soda. A University of Wisconsin study found that no link could be established between soda taxes and obesity reduction. While both Arkansas and Ohio implemented substantial soda taxes in the early 1990s, Arkansas experienced a slight decrease in its rate of obesity prevalence increase than states which had not implemented soda taxes, whereas Ohio experienced an even greater rate of obesity prevalence increase than states which had no sugar tax. The study also found that consumers impacted by the sugar tax who did alter their behaviour as a result, often resorted to obtaining calories from other sources,

⁷² "FactCheck: Do taxes on sugary drinks actually work?" thejournal.ie October 17, 2017. <http://www.thejournal.ie/sugar-soft-drinks-tax-does-it-work-health-benefits-facts-2918363-Oct2017/> Raw data available at (2008-2014) <http://cdn.thejournal.ie/media/2016/08/bmi-obesity-and-sugar-tax.xlsx> and <http://www.ncdrisc.org/bmi-mean-line.html> (2015-2016)

⁷³ Ibid.

⁷⁴ Ecorys, Euromonitor, and DTI IDEA. "Food taxes and their impact on competitiveness in the agri-food sector: annexes to the main report. <http://cdn.thejournal.ie/media/2016/08/impact-of-food-taxes-final-report-1.pdf>

⁷⁵ Ibid.

⁷⁶ "The End of the Coke era" Business Insider April 9, 2015 retrieved from <http://www.businessinsider.com.au/what-is-the-future-for-the-coca-cola-brand-soda-sales-decline-2015-4> on 10 July 2018.

negating any positive impact in reducing weight or tackling the obesity/overweight issue.⁷⁷ In fact, one study noted that Americans impacted by sugar taxes were substituting soft drinks for beer, a product which both holds more calories and has wider-ranging health impacts than sugar-sweetened drinks.⁷⁸ It is likely that a similar pattern could be repeated in Australia with the introduction of sugar taxes. The substitution effect was also observed in the city of Berkeley, California after it introduced a tax on sugar-sweetened beverages. Although sales of the affected beverages fell within the town, sales increased in the surrounding areas and consumers also began substituting products which attract the tax with those that possess similar or greater caloric content.⁷⁹ The ultimate effect was that consumers in Berkeley actually increased their average caloric intake following the tax's introduction.

41. **The Netherlands:** The city of Amsterdam initiated the 'Amsterdam Healthy Weight Programme' which has been credited for reducing the total number of overweight and obese children by 10% in 2 years, approximately 2000 fewer overweight children. It has also been especially successful amongst low socioeconomic background children. Elements of the programme are geared towards promoting holistic lifestyle change and education that re-enforces the understanding of a healthy lifestyle and its importance and benefits. Elements include education in schools and urban planning tailored to promote a healthy lifestyle such as by making walking or cycling more feasible for those who wish to do so. Education through both in-person and digital media targeted at schoolchildren focuses on the core elements of healthy diet, exercise and sleep.^{80 81} Education-based programs instil healthy habits that are likely to continue into adulthood and empower future adult consumers to make responsible choices on their own behalf. They also focus on the role of holistic lifestyle rather than isolated

⁷⁷ Fletcher, Jason M., David E. Frisvold, and Nathan Tefft. "Non-linear effects of soda taxes on consumption and weight outcomes." *Health Economics* 24.5 (2015): 566-582. <https://wisconsinhealthnews.com/wp-content/uploads/2014/03/Health-Economics.pdf>

⁷⁸ Wansick, B; Hanks, A; Cawley, J and Just, D. "From Coke to Coors: A Field Study of a Fat Tax and its unintended consequences" (2014)

⁷⁹ Silver, Lynn D., et al. "Changes in prices, sales, consumer spending, and beverage consumption one year after a tax on sugar-sweetened beverages in Berkeley, California, US: A before-and-after study." *PLoS medicine* 14.4 (2017): e1002283. <http://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1002283>

⁸⁰ <http://www.obesityactionsotland.org/blog-items/amsterdam-s-success-in-tackling-childhood-obesity/>

⁸¹ <https://www.amsterdam.nl/bestuur-organisatie/organisatie/sociaal/onderwijs-jeugd-zorg/zo-blijven-wij/amsterdam-healthy/>

elements in driving increased obesity rates.

42. **Japan:** Students have been encouraged to walk to school in Japan since 1953 as part of urban planning guidelines and this simple lifestyle-focused program has helped to combat childhood obesity. Laws require the commuting distance between a student's home and their elementary school to be within 4km and between their junior high school and home to be within a 6km range in urban areas. Average walking distance to school ranges from 2-4 km for elementary school and between 3-6 km for junior high schools. Two kilometres is equivalent to 30 minutes of walking and 3 kilometres is equivalent to 45 minutes of walking, when velocity is calculated as 4.1 kilometres per hour, which is an average velocity for a 7-year-old child. By contrast, students in the rural Tohoku region are usually driven to and from school by their parents and experience a higher rate of obesity than their urban counterparts.⁸² The World Health Organisation has recognised this lifestyle-focused urban planning intervention as a successful way to reduce childhood obesity.⁸³ A similar model could be implemented for Australian public schools and can be promoted through education and social media that targets both children and parents in order to encourage walking to school partly or fully for the student's commute. Such a model would need to be tailored to local circumstances and consider safety measures where necessary.

43. **Japan** is also notable for its planned school lunches which consist of simple, cheap (about \$3 USD) meals planned by a nutritionist. They are dominated by rice, vegetables, soups and lean proteins such as fish. The planned, healthy school lunches have been credited for contributing to the mere 0.1% per year rise in childhood prevalence in Japan between 1976 and 2000,⁸⁴ a period which saw a fourfold greater rise in American childhood obesity prevalence, according to a 2010 study.⁸⁵ Elements

⁸² Mori, N., Armada, F., & Willcox, D. C. (2012). Walking to school in Japan and childhood obesity prevention: new lessons from an old policy. *American journal of public health*, 102(11), 2068-2073.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3477970/>

⁸³ World Health Organisation, November 2012.

http://www.who.int/kobe_centre/interventions/urban_planning/HUP_Walking-to-school/en/

⁸⁴ Max Fisher "How Japan's Revolutionary School Lunches Helped Slow the rise of Obesity" The Washington Post, January 28, 2013. https://www.washingtonpost.com/news/worldviews/wp/2013/01/28/how-japans-revolutionary-school-lunches-helped-slow-the-rise-of-child-obesity/?noredirect=on&utm_term=.6b08e8a9a7d8

⁸⁵ Yoshinaga, M., Ichiki, T., Tanaka, Y., Hazeki, D., Horigome, H., Takahashi, H., & Kashima, K. (2010). Prevalence of childhood obesity from 1978 to 2007 in Japan. *Pediatrics International*, 52(2), 213-217.

of the Japanese lunch system could easily be incorporated into Australian public school canteens and will give parents greater control and choice over their child's diet and his or her spending of their pocket money.

The role of the food industry in contributing to childhood obesity and poor diets in Australia

44. The Health Star Ratings System noted in section d. of this submission is an example of a successful, voluntary program that combines education and promotion of informed consumer choice with industry involvement and collaboration. Although the program is voluntary and without government imposition, businesses are incentivised to participate as they are rewarded with increased brand awareness amongst the community and the opportunity to compete more effectively against competitors selling similar, unrated products. Industry groups and businesses in the food industry are well-placed to play important roles in promoting healthier lifestyles through informed consumer choice as well as the provision of more healthy options through product innovation. It is ultimately in the interest of a business seeking profitability and the maintenance of a positive reputation and goodwill to adapt business processes wherever possible in the interest of consumers. For this reason, many businesses in the food industry evince responsiveness to research and developments in the public health space. The healthier reformulation of products and provision of more healthy alternatives in the wake of the Health Star Ratings System is an example of this.
45. The case study of McDonalds demonstrates that companies are capable of mounting effective changes that respond to these findings through the expansion of consumer choice without government intervention, especially in an era where more consumers and parents of young consumers, are health conscious and aware about the ill impacts of irresponsible consumption. McDonalds mandates that products advertised with cartoon characters that appeal to children will be one of the restaurant chain's healthier options and have reduced their advertising budget in Australia from 11% to 3% of their total budget between 2007 and today.⁸⁶ Similarly, companies are able to mount responses that empower parental responsibility and choice. McDonalds mandates that vouchers made available to children include a healthy option and can

⁸⁶ https://mcdonalds.com.au/sites/mcdonalds.com.au/files/CH3_McDonaldsCR%26S_FoodandNutrition.pdf

only be redeemed if the parent or guardian of the child is present.⁸⁷

46. Members of the Australian Beverages Council, an industry association of beverage manufacturers, recently pledged to cut sugar use in their non-alcoholic products by 20% by 2025. These include soft drinks, energy drinks, sports and electrolyte drinks, frozen products, bottled and packaged water, juices, fruit drinks, cordials, ice teas, coffees and milk products. Some products will see low-calorie or reduced serving size versions promoted. An independent auditor will assess the reform's effectiveness in meeting two benchmarks: a 10 per cent reduction by 2020 and the full 20 per cent cut by 2025.⁸⁸ This measure demonstrates the ability of industry to respond to the needs and preferences of consumers without government-mandated interventions.

Conclusion

Australian taxpayers encompass consumers, workers and businesses. Fairness for taxpayers means implementing public health policy which is effective in meeting its outcomes without burdening consumers and businesses with unfair costs, especially where consumers hail from lower socioeconomic backgrounds. The evidence, including multiple studies and international experience, unequivocally shows that obesity is caused by lifestyle factors including caloric intake and exercise and that measures which empower consumers to make informed choices rather than punish them coercively are most effective in tackling the obesity problem. We thank the committee again for the opportunity to provide this submission and call on the committee to empower rather than punish consumers, businesses and taxpayers.

Japan's promotion of walking to school, school lunch program and reforms to urban planning guidelines provide an effective model for tackling the obesity problem by promoting holistically healthy lifestyle. It is also vital to re-emphasise the role of parental responsibility in dictating and informing the lifestyle dietary habits and choices of children. Measures such as the school lunch program of Japan and interventions by the private sector such as informative labelling and the provision of healthier alternatives and promotions for the aforementioned products are an effective means of empowering parents to exercise responsible parenting decisions that impart the value of a healthy lifestyle. This is consistent

⁸⁷ Ibid.

⁸⁸ Tom McLroy "Pepsi, Coke, Asahi, Frucor to cut sugar by 20pc by 2025" *Australian Financial Review* June 25, 2018. <https://www.afr.com/news/pepsi-coke-asahi-frucor-to-cut-sugar-by-20pc-by-2025-20180625-h11tkl>

with studies which have found that parents are the most effective influence on childhood activity.⁸⁹ It is submitted that a longer-term cultural change that re-enforces the role and importance of parental responsibility will ultimately have the greatest benefit in improving the lifestyle, health and wellbeing of our children. The government's role should be the facilitation of parental responsibility rather than the appropriation of this responsibility through heavy-handed, paternalistic and/or coercive interventions in the marketplace which have proven ineffective.

Soft drink or sugar taxes which have been trialled in Mexico, Chile, Denmark, France, parts of the United States and Hungary have failed to deliver material impacts in reducing obesity or changing consumer behaviour. A similar tax in Australia would punish the vast majority of consumers who indulge in moderation, many of whom already shoulder one of the developed world's highest tax burdens. They would also harm businesses and those they employ and are regressive in nature by cutting away a greater slice of the household budgets of the poorest in our society. In return, these tax proposals will not deliver positive public health outcomes to reduce obesity as promised. This is consistent with findings of the Australian Productivity Commission who have noted that *"The considerable uncertainty about the causes of obesity suggests that hard interventions, such as taxes or subsidies on specific goods and services, would be difficult to justify. Further, the practical challenges of designing taxes on specific goods and services limit the likelihood of them being effective in addressing obesity (and may lead to perverse outcomes). Softer interventions, targeted at addressing information failure and education, appear to be on stronger ground. The complex nature of obesity suggests that multi-pronged strategies addressing multiple risk factors may be more effective than other strategies that focus on a single risk factor."*⁹⁰

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⁸⁹ M.J, L., G, S., J, M., & L, A. (2015, June 1). Parents' concerns and family environment are associated with overweight children's physical activity levels. The ACORDA project. *Appetite*, p. 312.

⁹⁰ Crowle, J. and Turner, E. 2010, Childhood Obesity: An Economic Perspective, Productivity Commission Staff Working Paper, Melbourne. <https://www.pc.gov.au/research/supporting/childhood-obesity/childhood-obesity.pdf>