

***The Australian Beverages Council submission to the National Preventative Health Taskforce in response to the discussion papers entitled:***

***Australia: The Healthiest Country by 2020. A discussion paper prepared by the National Preventative Health Taskforce***

**and**

***National Preventative Health Taskforce: Technical Report No 1. Obesity in Australia: a need for urgent action.***

***1. Executive Summary***

The Australian Beverage Council Ltd (ABCL) welcomes the opportunity to respond to the National Preventative Health Taskforce in relation to *Australia: The Healthiest Country by 2020* and the technical report on obesity.

The Beverages Council members are committed to making a positive contribution to, and constructively helping to address overweight and obesity in the Australian community.

The Beverages Council shares the concerns of the Taskforce in relation to the serious impact the increasing overweight and obesity rate is having on the Australian community. All members acknowledge the complexity of the obesity issue and are committed to working alongside other industry members, regulators and the public health sector to identify and implement evidence-based, targeted long term solutions.

As part of the beverage industry approach to addressing obesity and other health and wellness issues, members of the Beverages Council introduced a raft of voluntary initiatives, detailed in the ABCL's '*Commitment Addressing Obesity and Other Health and Wellness Issues*' in 2006 which has resulted in providing consumers with healthier beverage choices, a range of portion control sizes and Daily Intake Guide labelling on front of pack to make relevant nutrition information easier to understand. As part of this Commitment, ABCL members have voluntarily undertaken to market beverages responsibly to children which ensures no products are marketed to children under the age of 12 years, including television programs aimed at children.

An independent audit of the Beverages Council commitments by Food & Nutrition Australia (2006-2008) demonstrate the widespread implementation of the initiatives by the Council members. Key findings are outlined below:

- Significant increase in companies manufacturing new low or no kilojoule beverages (seven companies). This fact is highlighted by market data which has documented the significant shift away from sugar-sweetened to non-sugar beverages between 2002 and 2006 and that 1 in 3 soft drinks in Australia are consumed as 'sugar-free';
- Six companies launched new small pack sizes and four launched decreased pack sizes of existing products;
- Significant growth in the number of ABCL member companies products providing front and back of pack %DI information;
- High compliance rate of 90-100% of the commitments regarding marketing to children.

With many of our members also AFGC members, the Council supports the broader industry representation of the AFGC's submission to the Taskforce. In particular, the Council supports the core role of the food and beverage industry in contributing to this national strategy to reduce overweight and obesity within the framework of an appropriate multi-sectoral partnership.

## **Preface**

The Australian Beverages Council Ltd (ABCL) is the peak industry voice for the Australian non alcoholic beverages industry (including carbonate and non carbonated drinks, juice drinks, ready-to-drink teas and coffees, bottled water, sports and energy drinks). The Beverages Council represents the interests of 42 manufacturers, distributors and importers of non-alcoholic beverages as well as 39 suppliers to the industry.

The Beverages Council welcomes the opportunity to respond to the National Preventative Health Taskforce in relation to *Australia: The Healthiest Country by 2020* and the technical report on obesity.

## **Introduction**

The Beverages Council's members are committed to making a positive contribution to, and constructively helping to address overweight and obesity in the Australian community.

The Beverages Council shares the concerns of the Taskforce in relation to the serious impact the increasing overweight and obesity rate is having on the Australian community. All members acknowledge the complexity of the obesity issue and are committed to working alongside other industry members, regulators and health professionals to identify optimal long term solutions.

The Council supports the multifaceted approach taken by the Taskforce reflecting the many factors in the aetiology of obesity to be addressed and the role of the food and beverage industry in modifying the food and beverage supply and encouraging healthier lifestyles. With many of our members also AFGC members, we support the broader industry representation of the AFGC's submission to the Taskforce. However in this submission, the Council will focus on beverage industry specific issues that demonstrate the strong, proactive approach taken by our members to enable the community to make more informed, healthier beverage choices.

## **ABCL's 'Commitment to Addressing Obesity and Other Health and Wellness Issues'**

The Beverages Council members are committed to making a positive contribution and constructively helping in Australia's fight against obesity and believe they have an important role to play. As part of the beverage industry approach to addressing obesity and other health and wellness issues, members of the Beverages Council introduced a raft of voluntary initiatives in 2006, detailed in the ABCL's '*Commitment Addressing Obesity and Other Health and Wellness Issues*' (see *Appendix A*). The commitments relate to issues such as education, research, consumer information, marketing to children, promotions, product development and distribution to schools. These commitments include the following:

- continue to increase the number of new beverages with low or no kilojoule content and light versions of existing beverages, where technologically possible, safe and acceptable to consumers;
- voluntarily provide additional nutrition information both on the front and back of packaging;
- not to direct product advertising or marketing to children under 12 years;
- where directly responsible, voluntarily not engage in any direct commercial activity in primary schools, unless otherwise requested by school authorities or where the product meets the relevant government criteria;
- abide by voluntary primary and secondary school distribution guidelines;
- increase involvement in educational programs which provide consumers with relevant information on healthy eating and active lifestyle;
- ensure that promotional activities avoid requiring consumers to drink excessive quantities of products;
- ongoing contribution where appropriate to research into encouraging healthy eating and healthy lifestyles;
- where relevant, share consumer research insights as they relate to health and wellness with government and health stakeholders.

The Beverages Council has established Key Performance Indicators (KPIs) for its proposed actions and commitments. These are explicit commitments to the Australian public, and they are transparent about some often-contentious matters of marketing and advertising, particularly to children in their vulnerable years. The Council's progress towards specific

KPIs is annually audited by the independent nutrition consultancy *Food and Nutrition Australia* (FNA).

The most recent audit report (November 2008), undertaken by Food & Nutrition Australia (FNA) <sup>1</sup> (see Appendix B) concluded that appropriate actions had been made by ABCL and many of its member companies in the majority of Key Performance Indicator areas (these will be specifically outlined under relevant actions below). Most importantly, there was a significant increase in the number of public education, healthy lifestyle and physical activity programs run by the four major companies (representing over 85% of the Australian non-alcoholic beverages market ) from 2006 to 2008 and there was a high compliance rate of 90-100% to the commitments regarding marketing to children.

These Key Performance Indicator areas are in line with relevant recommendations for diet, physical activity and health in the 'WHO Global Strategy on prevention and control of noncommunicable diseases'. In particular:

(c)... support the healthier composition of food by:

- reducing salt levels
- eliminating industrially produced *trans*-fatty acids
- decreasing saturated fats
- limiting free sugars

(d) provide accurate and balanced information for consumers in order to enable them to make well-informed, healthy choices; and

(e) prepare and put in place, as appropriate, and with all relevant stakeholders, a framework and/or mechanisms for promoting the responsible marketing of foods and non-alcoholic beverages to children, in order to reduce the impact of foods high in saturated fats, *trans*-fatty acids, free sugars, or salt.

---

<sup>1</sup> ABCL Audit 2006 – 2008 Food and Nutrition Australia

## **Obesity Priorities and Actions**

The Discussion Paper identifies a number of actions which might be taken to address the imperatives<sup>2</sup>. Comments are provided below in relation to ABCL's current initiatives and achievements within the relevant major action sections.

### **1. Reshape industry supply and consumer demand towards healthier products**

#### **1a. Sugar**

The beverage industry has been introducing reduced, low or no sugar products for many years to increase the range of diet & 'lite' versions of existing sugar sweetened beverages available to consumers.

There is a wide selection of non nutritive sweeteners (low kilojoule), permitted by FSANZ and which are currently used in food and beverage products demonstrating industry innovation in this area.

The Beverages Council members continue to invest heavily in new product development and innovation to provide healthier 'no sugar' beverages that meet consumer demand. For instance, the use of steviol glycosides (stevia) as a natural sweetener has recently been approved by FSANZ (November 2008) which will result in an even greater choice of low kilojoule beverages in the marketplace, and importantly provide beverage alternatives to consumers who desire 'natural' low kilojoule sweetener ingredients.

The growth in the low or 'no sugar' beverage category is demonstrated by two research reports' key findings:

1. Significant changes in the purchasing patterns of non-alcoholic water-based beverages in the period 1997-2006, documenting the shift away from sugar-sweetened to non-sugar beverages since 2002<sup>3</sup>.

---

<sup>2</sup> Discussion Paper, Table 1, p15.

## 2. Market Statistics (Nielsen Company, 2008):

- a. Sugar soft drinks have decreased in volume share of total non-alcoholic beverage market from 47% in 2004 to 41% in 2008.
- b. Non-sugar soft drinks have increased volume share of total beverage market from 16% in 2004 to 18% in 2008.
- c. Now in Australia, 1 in 3 soft drinks are sugar-free.
- d. Internationally, fewer than 1 in 10 soft drinks are sugar-free - Australia is significantly ahead of most countries in this respect, second only to the UK.
- e. Bottled water consumption has increased, with bottled water now 1 in 8 of beverages sold, compared with 1 in 10 in 2004.

In addition, key findings from the independent audit report from FNA<sup>1</sup> (2008) demonstrate the significant innovation in low or no kilojoule beverages in the Australian market:

*“...Seven companies manufactured new low or no calorie beverages between August 2006 and August 2008, six companies launched new pack sizes and four decreased pack sizes of existing products, indicating a good level of compliance to this commitment”*

### **1b. Pack Sizes**

To help people manage their energy intake, the Beverages Council and its members are committed to increasing the choice and availability of individual packaging sizes, portion control sizes and pursue where appropriate cup downsizing, to help reduce individual over-consumption.

The independent audit by FNA<sup>1</sup> (2008) confirmed significant changes had been made with six companies launching new pack sizes and four decreasing pack sizes of existing products, indicating a good compliance to this commitment.

---

<sup>3</sup> G Levy and L Tapsell. “Shifts in purchasing patterns of non-alcoholic, water-based beverages in Australia, 1997-2006. *Nutrition and Dietetics* 2007; 64: 268-279.

## **1c. Labelling**

In response to the overweight and obesity issue the Beverages Council members along with food industry took collective action in 2006 to provide more information on front of pack through the AFGC Daily Intake Guide Labelling scheme. This scheme is the presentation in a simple format of the amount per serve for energy, and where relevant, four core nutrients (fat, saturated fat, sugars and sodium) and the percentage of daily intake these represent per serve.

The Beverages Council members have committed to implementing this system in a voluntary way. The FNA audit (2008) found there was significant growth in:

- The number of ABCL member companies and the proportion of products providing front and back of pack %DI information;
- The number of products sold that displayed the product's physical serving size as the serving size in the nutrition panel; and
- The number of low or no kilojoule beverages promoted as such.

The audit clearly indicates that the % DI labelling scheme is being widely adopted and is an excellent example of the advantage of self-regulation over full regulation. It is also worth noting ABCL members agreed to provide daily intake and nutritional information for the entire package when it is likely that its contents could be reasonably consumed in a single occasion e.g. 600ml.

## **2. Protect children and others from inappropriate marketing of unhealthy foods and beverages**

In 2006, under the 'ABCL Commitments in addressing obesity and wellness', members have voluntarily undertaken the commitment to responsible marketing of beverages to children –

- no direct product advertising or marketing to children under the age of 12 years; and
- where directly responsible, voluntarily not engage in any direct commercial activity in primary schools, unless otherwise requested by school authorities or where the product meets the relevant government canteen criteria.

The independent FNA audit<sup>1</sup> (2008) found:

- high compliance rate of 90-100% of the commitments regarding marketing to children;
- majority of promotions and products sold to primary schools were requested by the schools themselves, hence being in line with the ABCL commitment in this area;
- no companies provided vending machines to primary schools for the use of students.

The Beverages Council supports AFGC recommendations that:

1. with respect to the advertising of foods to adults the current mix of regulation and industry self-regulation be maintained; and
2. the recently announced *Responsible Children's Marketing Initiative* be monitored to determine its effectiveness in limiting the advertising to children consistent with healthy eating messages.

### **3. Build the evidence base, monitor and evaluate effectiveness of actions**

#### **3a. Evidence-based, targeted strategies and actions**

The Beverages Council supports evidence-based strategies and actions to address overweight and obesity. The Discussion Paper notes that obesity is particularly prevalent in the low socio-economic groups with significant variation across other population sub-groups. This highlights the importance of the need for targeted strategies and actions to address overweight and obesity. 'Blanket' interventions with less targeting risk minimal effectiveness in populations which are particularly disadvantaged.

International and local initiatives systematically confirm that a collaborative approach is the most effective method to address obesity and educating the general public on healthy eating and lifestyle habits is critical to success. More recently the UK has announced a new *Change4life* campaign which comprises a partnership of many government departments, community groups and industry<sup>4</sup>. The catch cry is *Eat Well, Move More, Live Longer*. The Beverages Council supports this type of initiative as recommended by the AFGC as a template for a strategy to address overweight and obesity.

#### **3b. Supporting Prevention**

The Beverages Council supports the points made in sections *5.Supporting prevention* and *6.Choosing performance indicators* of the Discussion Paper.

With respect to food and the overweight and obesity issue the Beverages Council welcomes the recognition that effective controls will require '*working with the food and beverages industries*'. This is consistent with the current stance of the industry as it seeks to bring to market innovative beverage products better able to protect and promote good health, and seeks permission to market them responsibly.

---

<sup>4</sup> <http://www.dh.gov.uk/en/News/Currentcampaigns/Change4Life/index.htm>.

The Beverages Council also agrees strongly that a '*well coordinated surveillance system*' is required to track health conditions. Ongoing data is essential to monitor and evaluate dietary and physical activity behaviour of the population. The ABCL strongly support this action and the urgent need for the implementation of a National Nutrition Survey for Adults. The last was conducted in 1995 and still forms the basis for many food policy and regulatory decisions, despite evidence that the food supply and consumption patterns have changed considerably. New data is clearly required to develop evidence-based targeted strategies and actions for effective management of overweight and obesity.

The Discussion Paper canvasses the option of establishing a '*National Prevention Agency*'. The ABCL supports resources within Government at the Commonwealth, and State and Territory level being dedicated to preventative health. All stakeholders, including consumers and industry (including but not limited to food and beverage industry) should have representation in such an agency to advise on and drive collaborative and optimal long term solutions.

### **Concluding remarks**

The Beverages Council and its members remain committed to working closely with government departments, the public health sector and community groups to meet the diet-health related challenges of the future and to achieve the objectives in promoting a healthier country by 2020.

The Beverages Council has demonstrated its responsible and ongoing commitment to implement concrete strategies and actions to meet public health nutrition guidelines of making healthier choices, and easier choices for the Australian community (as outlined in ABCL's '*Commitment Addressing Obesity and Other Health and Wellness Issues*').

The Council welcomes further opportunities to discuss and input on collaborative actions to support the public health imperatives of the National Preventative Health Taskforce in addressing overweight and obesity in Australia.