

Submission No. 97

(Inq into Obesity)

JE 25106108

AUSTRALIAN BEVERAGES COUNCIL LTD

SUBMISSION

TO

STANDING COMMITTEE ON HEALTH AND AGEING

HOUSE OF REPRESENTATIVES

INQUIRY INTO OBESITY IN AUSTRALIA

13 June 2008

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THE AUSTRALIAN BEVERAGES COUNCIL POSITION STATEMENT

The Australian Beverages Council Ltd (Beverages Council) is the peak industry voice representing the interests of 42 manufacturers, distributors and importers of non-alcoholic beverages as well as 39 suppliers to the industry.

The range of beverages, produced by our members, includes carbonated diet and regular soft drinks, sports and isotonic drinks, bottled and packaged waters, fruit juices, fruit drinks, ready-to-drink teas and cordials.

The Australian Beverages Council shares the concerns of the Australian Government in relation to the serious impact the increasing 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 Beverages Council welcomes the opportunity to contribute to the House of Representatives Standing Committee on Health and Ageing Inquiry into Obesity in Australia. In particular, the Beverages Council wishes to comment on the second terms of reference especially the opportunities for collaboration:

“The Committee will recommend what governments, industry, individuals and the broader community can do to prevent and manage the obesity epidemic in children, youth and adults”.

The Council's 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 have already introduced a raft of voluntary initiatives and recently made the following commitments to:

- continue to increase the number of new beverages with low or no calorie 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

- o 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
- o abide by voluntary primary and secondary school distribution guidelines
- o increase involvement in educational programs which provide consumers with relevant information on healthy eating and active lifestyle
- o ensure that promotional activities avoid requiring consumers to drink excessive quantities of products
- o ongoing contribution where appropriate to research into encouraging healthy eating and healthy lifestyles
- o where relevant, share consumer research insights as they relate to health and wellness with government and health stakeholders

All of these commitments and many more will be fully implemented by the members of the Beverages Council – this will include both major beverage companies as well as a majority of SMEs in regional Australia by the end of 2008.

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 will be audited by the independent nutrition consultancy *Food and Nutrition Australia*.

The Beverages Council supports evidence-based initiatives against obesity. In particular, the members endorse the primary role of the federal government in initiating sound, evidence-based policies to reduce the burden of obesity on chronic disease prevalence, healthcare expenditures, lost workdays and productivity costs associated with obesity.

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.

The Beverages Council is not opposed to policies which protect the rights of parents and educators to determine what is appropriate for young children. Children need our collective protection. We are not opposed to cost effective regulations that protect the

consumer of products and services. However we are concerned that a highly regulated approach may create unnecessary and unworkable barriers.

In this regard the Beverages Council anticipates some submissions to the inquiry will propose the need for non-evidence-based regulatory actions including imposing mandatory traffic light labelling on food and beverages or introducing taxes and access restrictions on certain foods and beverages. These 'quick-fix' options have limited evidence base, proven benefit or perceptible impact on consumption patterns.

Members of the Beverages Council share the Minister for Competition and Policy, Chris Bowen's recently stated view that policy approaches other than regulation, including education, awareness and better information provision, can help the prevention of obesity in Australia¹.

Our recommendations to this inquiry are:

- Australia needs to draw together a wide range of expert opinions in the public, private (including but not limited to the food industry) and academic sectors, to develop a comprehensive policy that is evidence based;
- the committee should review the potential of collaborative efforts of governments and industry and in the process:
 - leverage public and private resources;
 - encourage personal and organisational investment in solutions;
 - create networks of stakeholders for future efforts to improve diet, nutrition and health;
 - create more opportunities for innovation;
 - develop coordinated universal messages, resources, and outreach by avoiding redundancy of efforts and materials;
 - increase the willingness of at-risk groups to change behaviour associated with obesity; and
 - identify regulations that do not have the same impact.

The Beverages Council is committed to meeting the needs and expectations of the community and we remain dedicated to listening to governments, educators, health

¹ C.Bowen. Reflections on Consumer Policy: a Commonwealth Perspective. Keynote address to the National Consumer Congress, Perth Convention Centre, 6 March 2008, 7 pages.

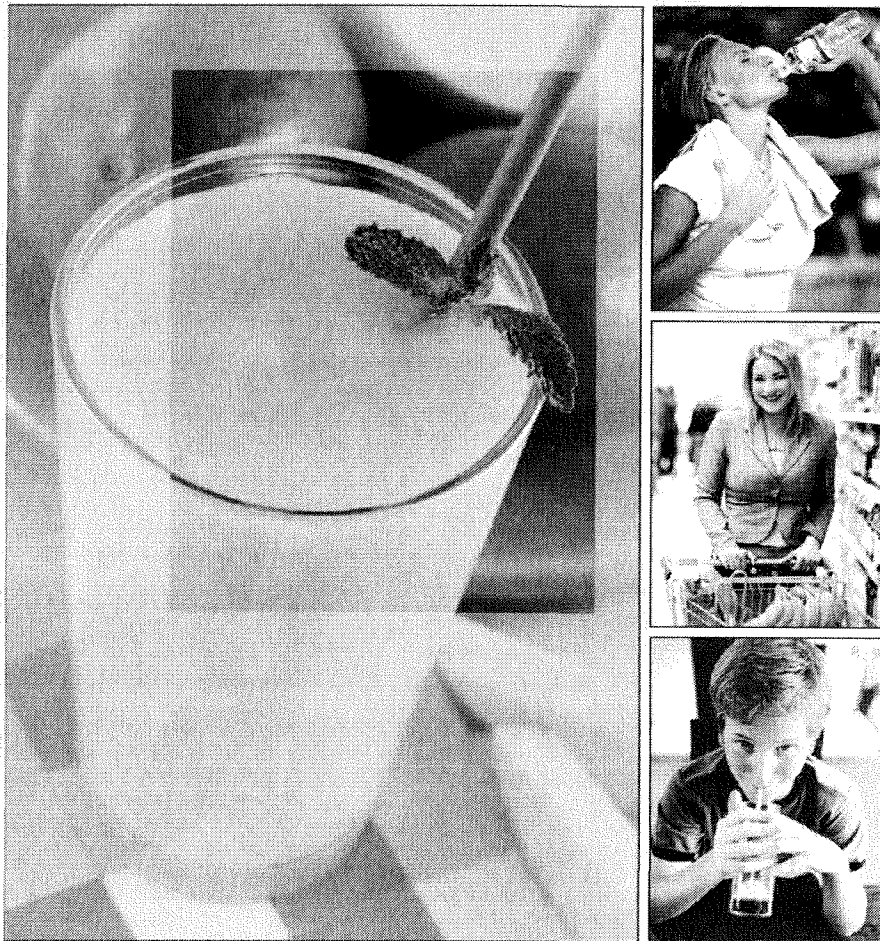
professionals and consumers to understand their concerns, and address their needs through the products we make and the ways we market them.

While governments can and should use social marketing as a tool of education and change, coalitions with industry and the broader community might be the preferred route to create the information, education and communication tools needed to change the human behaviours that influence obesity.

Annex One – The Australian Beverages Council Commitment to Addressing Obesity

**Commitment Addressing
Obesity and Other
Health & Wellness Issues**

AUSTRALIAN BEVERAGES COUNCIL LTD



Australian
Beverages

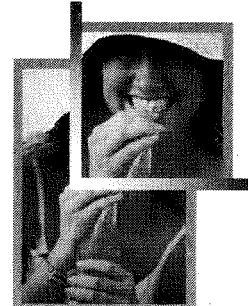
INTRODUCTION

The Australian Beverages Council Ltd (ABCL) represents a substantial part of the Australian non-alcoholic beverages industry, uniting all major producers of non-alcoholic beverages (carbonated and non-carbonated drinks, juice drinks, ready-to-drink teas and coffees, bottled water, sports and energy drinks).

ABCL and its members recognise public concerns about today's health issues, particularly the rising levels of obesity and chronic diseases related to poor diets and lack of physical activity. The non-alcoholic beverages industry also recognises its responsibility to play a positive role in tackling these problems, together with other relevant parties and has been developing and implementing initiatives to address these issues.

We recognise that as providers of a wide range of beverages we are well placed to assist governments and the community in cooperation with other industry stakeholders in the development of practical policies and programs to assist in the management of this complex public health issue.

ABCL has appointed Food & Nutrition Australia as an independent third party auditor to define and then collect Key Performance Indicators ("KPIs") against the following commitments so as to verify and document progress in the achievement of our goals. ABCL will share these findings of such monitoring activities with national health & food authorities.



ACTIONS & COMMITMENTS

PUBLIC EDUCATION, HEALTHY LIFESTYLES AND PHYSICAL ACTIVITY PROGRAMS

COMMITMENTS

ABCL members will aim to increase involvement either directly or in partnership with National and State educational authorities, or with appropriate private & public partners, in educational programs to provide consumers with relevant information on healthy eating and active lifestyle.

PROPOSED KPIs

Number of programs in 2006-07 conducted or participated in by members.

PROVISION OF ADDITIONAL CONSUMER INFORMATION

COMMITMENTS

Voluntary provision of additional nutrition information as follows:

- ✓ Front of pack communication about the amount of total energy in various drinks.
- ✓ Back of pack information on the % daily intake (%DI) per serve.
- ✓ Pack sizes to reflect serving size for packs on NIPs.
- ✓ On pack promotion of low or no-calorie content of beverages with such characteristics.

PROPOSED KPIs

Growth % of products with additional on-pack information.

Growth in % of products doing so.

Growth in % of products doing so.

Growth in % of products doing so.

ADVERTISING AND COMMERCIAL COMMUNICATIONS

COMMITMENTS

ABCL members will be prepared to engage with appropriate National authorities to review ABCL policies on advertising and marketing to children under 12 years with the aim of further enhancing the code.

PROPOSED KPIs

Evidence of meetings & changes - subject to requests.



MARKETING

COMMITMENTS

- ✓ Not place any marketing communication in printed media, websites or during broadcast programs specifically aimed at children under 12 years with regards to water based sugar sweetened beverages except where the product meets the relevant Government criteria for sale in school canteens.
- ✓ Avoid any direct appeal to children less than 12 years to persuade parents or other adults to buy products for them or to do anything else that goes expressly against the wishes or authority of a parent or guardian.

PROPOSED KPIS

Compliance rate (statistically relevant sample).

Compliance rate (statistically relevant sample).

PRIMARY SCHOOLS

COMMITMENTS

Where directly responsible, ABCL members will:

- ✓ 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 for sale in school canteens.
- ✓ Voluntarily respect the commercial-free character of primary schools by providing, where directly responsible for final distribution of products, unbranded vending machines preferably including educational images and messages promoting balanced diets and healthy and active lifestyles.

PROPOSED KPIS

Qualitative assessment based on independent inquiry.

Qualitative assessment based on independent inquiry.

SECONDARY SCHOOLS

COMMITMENTS

- ✓ Ensure that in secondary schools, with the agreement of educators and parents, a full range of beverages (including water, juices, sports drinks, iced teas and other beverages in both regular and low-calorie/calorie-free versions), is made available in appropriate container sizes that allow for portion control.
- ✓ Where government & other school authorities parents and students have requested, efficiently withdraw sugar sweetened carbonated soft drinks from secondary schools.
- ✓ Make third-party distributors aware of these commitments in such cases where members are not directly responsible for the final distribution of their products to schools.

PROPOSED KPIS

Qualitative assessment based on independent inquiry.

Qualitative assessment based on independent inquiry.

Evidence (letters from companies etc).

PROMOTIONS

COMMITMENTS

Ensure that promotional activities (e.g. redemptions, under-the-cap offerings, text message/SMS contests, etc.) offering prizes or rewards will avoid requiring consumers to drink excessive quantities of products in order to participate.

PROPOSED KPIS

Compliance rate—statistically relevant sample.

PRODUCTS AND CHOICE

COMMITMENTS

ABCL and its members will aim to:

- ✓ Increase the number of new beverages with low- or no-calorie content and light versions of existing beverages, where technologically possible, safe and acceptable to consumers.
- ✓ Increase the choice and availability of individual packaging sizes, portion control sizes and pursue where appropriate cup downsizing, to help reduce individual over-consumption.

RESEARCH

COMMITMENTS

ABCL and its members will aim to:

- ✓ Contribute, within the limits of what is commercially appropriate, to public and private research into consumer behaviour and responsiveness to educational campaigns aimed at encouraging healthy eating and healthy lifestyles.
- ✓ Share with national health & food authorities on a confidential basis, where appropriate on target market and consumption occasion, our consumer research insights as they relate to health and wellness.

PROPOSED KPIs

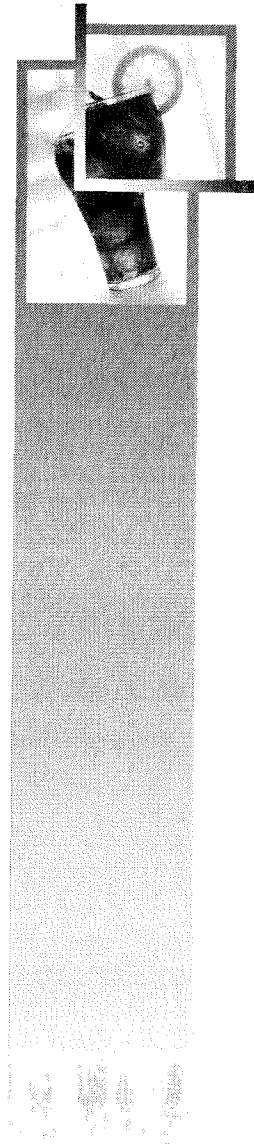
Increase in number of new beverages with such characteristics.

Increase in number of individual size packs on market.

PROPOSED KPIs

Evidence of new research projects.

Evidence produced by companies.



COMPETITION POLICY

This policy must be read in conjunction with ABCL's Competition Policy attached on Page 6.

CURRENT COMMITMENTS

The ABCL has a long standing commitment to:

- ✓ The Australian Association of National Advertisers (AANA) voluntary code for advertising directed at children and
- ✓ Not to market sugar sweetened carbonated soft drinks directly to children aged less than 12 years of age.

The Council in addition to these current commitments has resolved to adopt additional policies and commitments specific to the Australian non-alcoholic beverage industry outlined in this document.

ABCL's membership represent 95% of the retail market for carbonated beverages as well as the majority of other non-alcoholic water & juice based beverages. Members will implement the commitments outlined above by the end of 2008. They will also deliver programs to inform and educate employees, business associates and retail customers about these commitments.

MARKETING & ADVERTISING GUIDELINES

The Australian Beverages Council's members are committed to adopting responsible marketing policies and encouraging all consumers to enjoy our products in moderation and as part of a balanced diet.

The Industry is keen to participate in developing guidelines for the provision of its beverages to schools and marketing practices, when based on sound science, to assist in achieving announced Government policy objectives.

In addition to adopting the Australian Association of National Advertisers Code of Practice for Advertising to Children, ABCL members also commit to additional marketing guidelines that support sensible consumption and a balanced life style.

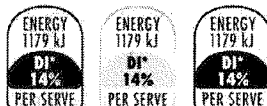
BEVERAGE INDUSTRY'S SUPPLEMENTARY MARKETING CODE

LABELLING

The Australian Beverages Council's members have voluntarily committed themselves to the provision of additional nutritional information on labels to enable consumers to make appropriate choices:

- ✓ Front of pack communication.

Members will voluntarily & progressively introduce, as labels are changed, additional information on front of pack labels to assist consumers in making informed choices. This will consist of the %DI logo for energy as shown below: -



- ✓ Back of pack information on the % daily intake (%DI) per serve.

Members will also voluntarily & progressively introduce in conjunction with the above, additional information in the Nutrition Information Panel (NIP). This will provide the % DI energy and for six nutrients (protein, fat, saturated fat, carbohydrate, sugars and sodium).

- ✓ Ensure pack size reflects serving size for packs.

Serving sizes on all packaging that may be reasonably consumed as a single serve will be deemed to be a single serve for the purposes of this policy commitment. This serve size will be reflected in the label's NIP. This will be introduced voluntarily & progressively as labels are changed, with the aim of achieving major coverage of the carbonated soft drinks market by the 1st November 2008.

- ✓ Promote on pack, where possible, the low or no-calorie content of beverages with such characteristics.

OTHER MEDIA

ABGL members commit that:

- ✓ Copy, sound and visual presentation of all marketing material will accurately represent the products advertised, including taste, size, content and nutrition and health benefits.
- ✓ All advertising will be truthful, accurate and well substantiated. Health benefit claims will have a sound nutritional basis and comply with applicable government regulations.
- ✓ Advertising should reflect moderation in consumption and portion sizes appropriate to the social and cultural setting portrayed.
- ✓ Advertising will not portray or endorse inappropriate or over consumption.

SCHOOLS

- ✓ Sugar sweetened carbonated soft drinks will not be provided to primary schools and will not be directly marketed to primary school age children except for special events such as sports days and school fetes at the school's request.
- ✓ A range of non-alcoholic water & juice based beverages, to suit every dietary need, will be made available to high schools. Where requested by the school authority we will actively assist in the implementation of that authority's policies.

These guidelines should be applied to all forms of media including print, broadcast and cable television, radio, video, telephone, point-of-sale, online advertising, other internet activities and packaging.

This supplementary code will be reviewed annually by ABGL's Board of Directors.

DEFINITIONS

Advertising and commercial communications covers activities pursued through a variety of media or communication channels, such as: print media, broadcast media (radio, television), cinemas, internet and other electronic media (e.g. SMS), labelling, merchandising, packaging, point of sale material, sponsorships, and vending machines. Non-advertising materials or statements to the media, government agencies, doctors, or other health professionals or their professional associations, or the public about issues of societal concerns (such as the risk or benefits related to the consumption of non-alcoholic beverages) and educational messages about responsible consumption or the role of non-alcoholic beverages in society are not covered by this definition.

Children – The signatories to the commitments consider 'children' to be defined as "below 12" and that 'programs aimed at children' to be defined as those programs whose viewers are mostly children (i.e. more than 50%).



AUSTRALIAN BEVERAGES COUNCIL LTD'S POLICY STATEMENT ON COMPETITION POLICY

THE PRINCIPALS

1. Price fixing and boycotts, expressed or implied are in and of themselves violations of the law.
The Australian Beverages Council will not permit any discussion or exchanges of information regarding prices or other terms and conditions of sale that may affect price at any Association meeting or other meeting to which it is a party. Members of the Association also, should not discuss or exchange information about their production volumes or any restrictions on the amount of any member's production with a view to restricting competition.
2. The Australian Beverages Council will not deny membership to a person or firm, who would otherwise be entitled to membership, if such denial unreasonably restrains trade, nor will a member be expelled for reasons that would be insufficient to deny membership.
3. Whenever the Australian Beverages Council becomes involved in statistical reporting, it will clearly spell out its purposes and uses, which will be to provide information to assist members in business decisions and not to restrict competition. Such statistics will deal only with past transactions and will be reported to a third party, if possible, and will be disseminated only in aggregated form. Participation will always be voluntary.
4. The Australian Beverages Council believes that voluntary standard setting should only be used for pro-competitive purposes. The purposes of the standard must be a reasonable one. The Australian Beverages Council will seek to offer wide participation by affected parties in the development of standards and guidelines. There shall be no agreements to adhere to any standard or guideline, and each participant and member shall be free to follow or reject it as it sees fit.
5. Whenever collective research is undertaken by the Australian Beverages Council, care will be exercised so as not to unreasonably restrain competition. Attention also will be taken to see that no significant anti-competitive effects are realised.
6. The Australian Beverages Council will not sponsor or be a party to agreements, express or implied, which restrict the members' freedom in any way to make independent decisions in matters that affect competition.
7. These same standards of conduct are to be observed at any and all informal or social discussions at the sites at any Australian Beverages Council meeting.

August 2006



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Annex Two - Beverages Council Member Statements

1. The Coca-Cola System (Coca-Cola Amatil and Coca-Cola South Pacific Pty Ltd)

About The Coca-Cola System

Coca-Cola Amatil is an Australian-listed company which in addition to manufacturing and distributing the brands of The Coca-Cola Company under license, also owns the Grinders coffee business and SPC Ardmona. In an economic climate which has seen many manufacturers downsize their operations or move offshore, CCA is continuing to invest significantly in infrastructure and jobs in the crucial food and beverage manufacturing industry in this country.

The Coca-Cola System (CCS) which comprises of Coca-Cola Amatil and Coca-Cola South Pacific employs more than 4500 people Australia wide.

The Coca-Cola System Approach to Community Health And Corporate Social Responsibility

CCS is committed to meeting the needs and expectations of the community and to listening to governments, educators, health professionals and consumers to understand their concerns, and address their needs through the products we make and the ways we market them.

As manufacturers and marketers of a range of more than 80 beverage options, including some that are sugar sweetened or naturally sweet fruit juices or milk, we are aware that these products - like any products containing kilojoules - can be over-consumed.

We support the widely accepted argument that the excessive intake of energy from food and drink, if coupled with insufficient physical activity, will lead to weight gain.

Indeed, we view the health and economic burden of obesity in Australia - and worldwide - as a major social issue that is best addressed by public-private partnerships across a wide spectrum of interventions to change the energy balance.

Although such partnerships in Australia do not currently exist, in pursuing corporate social responsibility in obesity prevention we have been consistently reviewing our business practices and have implemented policies and programs to assist the community in addressing these issues.

These include but are not limited to:

- a. Product Innovation**
- b. Education**
- c. Responsible Sales and Marketing - Policies and Practices**

a. Product Innovation

Producing more nutritious, great tasting beverages is a critical business opportunity for CCS and is at the heart of our business strategy.

Our product innovation strategy is based on two principles: our understanding that consumer preferences are fragmenting and our belief that consumers should be

provided with choice, wherever they choose to buy their products. We believe that choice and availability as opposed to prohibitive bans and restrictions are fundamental to motivating consumers to change their consumption habits.

Marketplace purchasing trends show that consumers are already moving towards lower kilojoule and nutritious beverage choices where these choices are affordable and readily available.

We are continually growing our product range to offer more sugar-free and low kilojoule options including the launch of Coca-Cola Zero, Sprite Zero, Fanta Zero and Pumped to list a few. We have also expanded our range of juices and milks and are launching more fortified and functional beverages.

We also now offer more packaging options for our regular sparkling beverages than ever before to help people manage their kilojoule intake: last year we launched the 300ml slim line can and 385ml glass bottles in convenience stores and the 250ml snack pack in grocery outlets, this year we are extending this programme with the launch of a 200ml can and 300ml PET pack in grocery outlets.

Independent Expert Advice

In 2006 CCS established the Coca-Cola Australia Health and Wellness Advisory Group to provide independent counsel and advice to the company on health and wellness issues. Its members are selected from professional disciplines such as nutrition and dietetics; dental health; public health; and health and nutrition communications. 2007 was the first full year of operation and the Group has been strengthened through alignment with its New Zealand counterparts to form the Australian and New Zealand Health and Wellness Advisory Council. Activities in 2007 included undertaking a research review of the health effects of the two sweeteners most commonly used in diet sparkling drinks and providing an independent, evidence-based position statement and summary to the public on the results.

Our collaboration with independent experts has continued in 2008 with the Group advising our business on how to achieve beneficial social outcomes including product innovation opportunities, a Company nutrition policy and scientific reviews on relevant health issues.

In addition we are committed to playing an active role in government, community and health professional initiatives which are genuinely focused on providing constructive, long-term solutions.

b. Education

Consumer Education and Information

In 2007, the CCS undertook a major consumer communication and education programme under the name 'Make Every Drop Matter'. This is the largest consumer education programme ever undertaken by CCS. It included an extensive print advertising campaign, comprehensive website (www.makeeverydropmatter.com.au) and online communication and newsletter to thousands of Australians. The initiative addressed the following key themes:

- Understanding our labels, to make it easier for consumers to make the right choices to suit their needs and lifestyles
- Addressing misinformation about low-kilojoule sweeteners

- Supporting the right of Australian parents to decide which beverages are appropriate for their children (CCS does not advertise any of its products to children under 12)

We are continuing with this programme this year, as we believe it is an important consumer information tool to help Australians understand how beverage intake contributes to their overall diet and assists them in making choices that best suit their personal circumstances.

Labeling

Feedback from consumers suggested food labels were difficult to understand. We are therefore supportive of industry moves to simplify and standardise food labeling. CCS looked into global labeling developments and after careful consideration voluntarily committed to implementing the Australian Food and Grocery Council's % Daily Intake system. We recognise that other systems exist but we believe this is an objective and useful way to inform consumers on how our products fit into their diets. We are currently rolling out % Daily Intake labels across all of our beverages and the feedback we get from consumers on this system will help us and health authorities determine how best to educate consumers about their choices.

Employee Education and Health

We have continuously been investing heavily in improving staff education on nutrition, our changing product portfolio, our policies as well as our responsible sales and marketing practices. In addition we have a wide number of initiatives in place to encourage our employees to lead healthy lifestyles including providing healthy food and beverage options in the workplace, subsidised as well as fully funded physical activity programmes, access to allied health professional advice as well as flexible working conditions to promote work/life balance.

c. Responsible Sales and Marketing - Policies and Practices

Children & Schools

We continue to support the role of parents as custodians of their children's diets. In 2004, the Coca-Cola System voluntarily withdrew all sugar sweetened sparkling beverages from Primary Schools. In addition, since 2000 CCS has had a policy of not marketing any of its products to children under the age of 12 years, including during television programmes aimed at children irrespective of the time of day shown. This is outlined in our established 'Advertising and Promotion to Children Policy', (see www.makeeverydropmatter.com.au)

Promotion of Low-Energy Choices

CCS offers low and reduced energy drinks in the forms of waters, sports waters and diet drinks. In 2008 we have allocated 16 percent more of our total marketing budget on promoting our sugar-free drinks, water and juice products than we spent in 2007. We will continue this trend through the product innovation of these categories.

Since 2007, Coca-Cola Australia was the first in the world to ensure that our Coca-Cola brand advertisements always promote a sugar-free option.

We firmly believe that by showing leadership in our policies and practices, by listening to consumers, customers and stakeholders and by pursuing constant innovation, we can make a significant contribution to social outcomes.

2. Pepsi Beverages -Initiatives to Address Health and Wellness

Obesity is a global concern. It is a multi-factorial, chronic condition resulting from the imbalance of energy intake and energy used by the body.

PepsiCo is committed to making it easier for our consumers to manage this imbalance and lead healthier, balanced lifestyles via:

- **Products** - improving the nutritional value of current products and developing healthier options.
- **Responsible marketing** – having only responsible and accurate nutrition claims and labeling on packs; providing the Daily Intake Guide across our product range to assist consumers' food choices; not advertising to children under 12 years and not selling carbonated soft drinks in primary schools.
- **Engaging with Government and key opinion leaders** to inform our internal planning and ensure consistency with external health and wellness priorities.
- **Educating consumers and promoting healthy lifestyles** eg via *Gatorade* programs.

While PepsiCo – like other food and beverage companies - can be part of the solution to obesity, tackling diet and health requires multi-stakeholder action involving Governments, industry, consumer groups and individuals.

Pepsi Beverages – Company Background

PepsiCo's beverage business consists of Pepsi-Cola North America and PepsiCo International. PepsiCo Australia Holdings (PAH) is the registered company name of the Australian franchise of PepsiCo Inc. and manages all marketing initiatives for PepsiCo Beverages in Australia, New Zealand and the Pacific Islands.

PepsiCo beverage products include *Gatorade*, *Pepsi*, *Pepsi Max*, *Pepsi Light*, *7 Up*, and *Mountain Dew*. The bottler in Australia is Schweppes Australia.

Background

Global trends indicate an increase in the prevalence of obesity in adults and children.

Obesity is a complex issue involving many factors (physical activity, socio-economic factors, dietary habits and genetic predisposition can all contribute), although for the majority of people the simple main cause of obesity is an imbalance between the intake of energy from food and the energy expended during everyday physical activity and exercise.

Many factors can influence this energy imbalance, but evidence indicates that modern lifestyle and dietary changes have increased the risk of obesity by reducing energy expenditure through less physical exercise and encouraging over-eating.

Pepsi Beverages, together with the beverage industry in general, recognises that it can be part of the solution. We aim to help consumers achieve a balanced diet and lifestyle by enhancing product choice, using responsible labelling practices and encouraging increased physical activity.

Our beverages are “extras” as defined in the Australian Guide to Healthy Eating, which can add to the enjoyment of a healthy diet (Source: Australian Guide to Healthy Eating).

We provide a range of beverage choices including no sugar variants along with nutritional information on our packs so that people can continue to enjoy them responsibly as part of a balanced diet. A variety of drinks can add to the enjoyment of a healthy diet as well as provide hydration and refreshment, provided a balance is maintained between the calories consumed and the calories burned.

Pepsi Beverages - Approach to Health and Wellness

Products

- We provide a range of beverages to consumers that provide hydration, refreshment and enjoyment.
- With the introduction of *Pepsi Max*, Pepsi Beverages was instrumental in establishing sugar-free cola consumption amongst males and we have continued to focus on sugar-free beverages (*Pepsi Light* and *Pepsi Max*).
- More than half our soft drink sales are non-sugar products and sales of these are growing faster than the sugar-sweetened products.
- Development of a smaller portion size (200ml) of *Gatorade for Active Under 13s*.

Responsible marketing

- We provide accessible, accurate and meaningful nutrition information on our packs.
- The Daily Intake Guide (%DI labelling) has been introduced for our carbonated beverages and will be rolled out progressively across the entire product range by the end of 2008 as part of the industry-wide food labelling changes to facilitate informed consumer choice.
- All nutrition claims used in labeling and advertising are scientifically based, compliant with regulations and industry codes of practice and responsibly worded.
- We do not advertise to children under 12 years, sell carbonated soft drinks in primary schools or place vending machines in primary schools.
- We have a range of products that meet the nutrition criteria of the various State Government school canteen policies.
- We adhere to the Australian Association of National Advertisers' Food and Beverage Marketing Communication Code.

Engaging with Government and key opinion leaders

- We consult with authoritative sources to inform our internal planning and ensure consistency with external health and wellness priorities.

Educating consumers and promoting healthy lifestyles

We actively support research into hydration and diet and participate in programs that encourage sports development and activity. For example:

- Gatorade has partnered with Sports Dietitians Australia to provide a range of consumer education programs with the primary focus being the promotion of active lifestyles.
- The GSSI (Gatorade Sports Science Institute) in the US conducts research on fuel and hydration needs for active lifestyles. Gatorade in Australia distributes GSSI materials to health professionals to assist them in consumer education of the importance of proper hydration before, during and after exercise.
- The Gatorade website (www.gatorade.com.au) – includes information and education on fuel and hydration for parents and coaches, including an interactive tool for calculating fluid loss.
- “GatorGames” – a program that partners with key sporting organisations, including Basketball Australia and NSW Rugby League, to encourage Aussie kids to be active.
- The provision of a series of educational nutritional books for parents titled ‘Feeding Active Kids’, written by registered Sports Dietitian, Ruth Logan.

3. Schweppes Response to Food Concerns - 10 Point Action Plan

Schweppes operates in an ever changing and increasingly complex beverage environment.

In recent times, there has been intense effort and enquiry from scientists, psychologists, nutritionists and other experts around the issue of obesity. This has been from both within the beverages industry itself and from outside.

What has become clear is that obesity is caused by a combination of factors that include inherited genetic profiles, emotional and psychological issues, lack of physical activity and changing lifestyles, as well as food choice. It is against this backdrop that we are concentrating our efforts.

We created a 10 Point Action Plan to help us deliver our contribution towards preventing obesity and positively influencing consumer health.

1. Products and innovation

Through innovation we are investing in the development of new products within every category that will provide consumers with more choice. These include lower calorie offerings.

2. Marketing

We have introduced a Global Marketing Code of Practice with specific reference to children. As per our commitment to the Australian Beverage Council regulatory standards, we do not advertise to children under twelve years old where they are the majority of the audience.

3. Portion sizes

We are reviewing our single-serve portion sizes and are looking to provide a broader range of smaller portion sizes.

4. Labelling

We have proactively added Daily Intake labelling to the front of our beverage packaging to help consumers make more informed choices. This includes providing more information about our products and ingredients.

5. Vending

We do not vend our carbonated soft drink products in primary schools and will only vend these products in secondary schools by invitation and in line with nutritional guidelines set by the school. Guidelines for vending are included within our Global Marketing Code of Practice.

6. Consumer Insight

We continue to invest in consumer research that helps build our knowledge around health concerns, including obesity.

7. Education

We continue to investigate ways to promote physical activity and responsible consumption of our products.

8. Business Partners

We are asking our business partners and suppliers to support our responses to obesity and consumer health concerns through product and packaging solutions.

9. Employees

We are active in helping our people understand and improve their own health and well-being

10. Science

We work with the scientific community and base our decisions on sound science. We are investing in new science and increasing our scientific resources.

Although we are already responding to our consumers' needs for alternative choices, diets and lifestyles, we are aware there is still a great deal of work to do.

Consumer concerns move fast, and whilst it is likely that some people will want a wider range of healthier and more functional products, others will still want to indulge in the little treats of life. It is our job to meet all of these needs.

We have committed to increasing alternative product choices for consumers including reduced sugar. In addition, we remain committed to improving nutritional labelling information for consumers including responsible consumption messaging, and supporting initiatives that promote physical activity.

We will continue to listen to what our consumers and stakeholders tell us while remaining true to our sustaining vision: to create brands that people love and trust.

Annex three- International Council of Beverages Association's Global Guidelines on Marketing to Children (which the Australian Beverages Council has adopted and provided leadership in the development of these global guidelines)



20th May 2008

NEWS RELEASE

**INTERNATIONAL COUNCIL OF BEVERAGES ASSOCIATIONS ADOPTS
GROUNDBREAKING POLICY ON MARKETING TO CHILDREN**

The International Council of Beverages Associations (ICBA), the worldwide trade association representing the non-alcoholic beverage industry, today adopted Guidelines on marketing to children. The Australian Beverages Council Ltd (ABCL) supports this action which reinforces existing guidelines already voluntarily implemented by its corporate members in Australia since 2006.

The Coca-Cola Company and PepsiCo, the two largest global beverage companies, announced their intention to implement the Guidelines by the end of 2008 in all countries around the world. Both companies along with others such as Schweppes Australia have already implemented the ABCL guidelines in Australia.

"Adopting robust Guidelines such as these broadens our industry's commitment to providing meaningful leadership around the world," said Tony Gentile, Chief Executive Officer of the ABCL. "Our industry has long recognized the positive role it can play in promoting healthy lifestyles for consumers of all ages, including children, and this policy will only serve to strengthen that role."

The ICBA Guidelines on Marketing to Children set a standard whereby beverage companies voluntarily agree, by the end of 2008, not to advertise or market a wide range of beverages, including carbonated soft drinks, to any audience that is comprised predominantly of children under 12. This policy includes paid media outlets such as TV, radio, print, Internet, phone messaging and cinema (including product placement).

As part of the Guidelines, ICBA will also review other forms of marketing, including sponsorships, presence in schools, and point-of sale promotions by the end of 2009.

The policy does not cover water, juices and dairy-based beverages, as these segments are not represented by all ICBA members.

The ICBA intends to issue its first report on the implementation of the Guidelines by the end of 2009.

"The non-alcoholic beverage industry produces a wide variety of beverages, all of which can be part of a healthy lifestyle," Mr Gentile said. "However, as parents and grandparents ourselves, we recognize that children may be more susceptible to marketing campaigns and may not always be able to make the right dietary choices for themselves. Parents are telling us they want to be the gatekeepers. We are listening

and want to protect their role so that we can work together to help teach children around the world how to make more informed choices."

These Guidelines were developed within the framework of a wider food and drinks industry commitment to collaborate with the World Health Organization (WHO) and other stakeholders to help implement the 2004 WHO Global Strategy on Diet, Physical Activity and Health. They are the first, sector-specific step in a broader movement that will include a variety of initiatives and a large number of food and beverage partners.

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The International Council of Beverages Associations was established in 1995 to represent the beverage industry on a global level. The ICBA ensures the monitoring of issues which affect the beverage industry on a Codex Alimentarius level and that these issues are pursued with one voice whenever necessary. The Council also represents the beverage industry's interest pertaining to packaging, including waste management, recycling, safety and any potential limitations which may be prescribed therein.

The Australian Beverages Council Ltd (ABCL) is the peak industry voice representing the interests of the manufacturers, distributors and importers of non-alcoholic beverages. For more information on the ABCL's policies and commitments, please visit the association's website at www.australianbeverages.org

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Annex four – evidence on ineffectiveness of regulatory solutions

4.1 Compulsory nutritional labelling

The regulatory and tax routes: assessing the evidence

Considering the prime targets listed in the four regulatory and four tax interventions listed in **FIGURE 1** below:²

FIGURE 1: Eight types of regulatory and sin tax policies against obesity and their prime targets

Public policy	Prime target
1. Mandatory food labeling (e.g. traffic light)	Producers
2. Mandatory labeling for restaurant food	Producers
3. The elimination of food and beverage vending machines in schools	Producers/suppliers
4. Restrictions on media advertising to children	Producers
5. Taxes on marketing of particular foods	Producers
6. Taxes on foods that are high in salt, added sugar, fats and calories	Producers
7. Taxes on fat people	Obese individuals
8. Taxes on food advertisements to pay for obesity prevention programs	Producers

Few of the flow-on effects of any of these eight interventions are documented, but to illustrate the evidence that is emerging, we present below research showing some counter-intuitive effects of the first and sixth intervention.³

Some recent evidence highlights our concern about limiting the access of adults to products with implicit nutritional ratings set independent of broad consultations with affected parties.

² Source: PF Gross. *Actions speak louder than words: accelerating national policies for obesity and related chronic illness*. A thesis submitted for the degree of Doctor of Philosophy at The University of Queensland accepted 23 January 2007, Chapter 6. The last tax is the idea of Mr Felix Ortiz, state congressman from New York-, quoted in "The Fat Tax: A Controversial Tool in War Against Obesity," *Forbes* 11 January 2006. The proposal for this "twinkie tax" was mooted in 1994 by a Yale academic psychologist, Kelly Brownell.

³ O Mytton, A Gray, M Rayner and H Rutter. "Could targeted food taxes improve health?". *J Epidemiol Community Health* 2007;61: 689–694.

- Nutritional signpost systems come in many forms. It is far from clear which system is best. In February 2007, the Canadian House of Commons Standing Committee on Health heard testimony that new labeling research would be conducted in the coming 18 months to compare the government-recommended traffic light system with various adaptations of that system by food companies. At the time of those hearings neither the UK nor EU had a mandatory labeling system. Given this lack of international agreement on which system will change consumer willingness to read, understand and act on such labels, we think that the voluntary UK system of traffic lights should be compared with the Swedish “Keyhole” system and the US Hannaford Brothers supermarket four “star” system⁴ over at least 18 months before such a labeling system is mandated.
- Three independent economic assessments of the costs of nutritional labeling in 2004,⁵ 2007⁶ and 2008⁷ have highlighted the viability of the costs for smaller companies, the impact of the costs on the price of final products and the problems of back- and front-of pack labels.

Evidence on a de facto, hidden traffic label system as the preferred solution:

The need for research on labeling systems for consumer use has been highlighted in the Canada House of Commons testimony noted above.

- There is no agreement that the three- colour traffic light system is superior to other consumer guidance such % Daily Intake reference guides.
- Any haste to endorse it as the preferred route to better diet and nutrition should be avoided.

⁴ W Jeffery.” Testimony before the House of Commons Standing Committee on Health, Ottawa, 21 February 2007, 8 pages.

⁵ European Advisory Services. *The introduction of mandatory nutrition labeling in the European Union: impact assessment undertaken for DG Sanco, European Commission*, 30 November 2004.

⁶ European Union. *Competitiveness of the European food industry: an economic and legal assessment*, 2007. Perhaps anticipating the findings of this review, the European Commission undertook to reduce administrative costs of regulation by 25% over 5 years. This report also identified the need for public-private initiatives to reduce and standardise the large number of self-control systems and recognising them in public control systems (report, page 16)

⁷ L Rabinovich et al., *Assessing the impact of revisions to the EU nutrition labeling legislation*. RAND Europe, 2008, 166 pages.

A new European review⁸ of consumer responses to nutritional information on food labels reviewed the known effects of labels on the search-exposure- perception-liking/understanding and use of different types of label. In comparing three formats for labeling (traffic light, GDA (%DI) based systems and health logos/ratings, simple traffic lights were “most likely least liked”, levels of understanding did not vary much, and there was only limited data on actual use of the labels (as distinct from studies reporting self-reported use or theoretical use).

4.2 Taxes on fats and sugars: the evidence from recent studies

Most observers, certainly most economists, agree that ‘sin’ taxes hit different targets and have adverse impacts on the poor.

The use of taxes on nutrients, including saturated fats,⁹ was evaluated in a recent UK analysis using data from the National Food Survey (2000). The data excluded food prepared outside the home, confectionery, soft drinks and alcohol. It found that the nutrient purchases varied little between poor and rich UK households, but the poor would pay relatively more tax with virtually any type of tax on food.

A second UK analysis¹⁰ concluded that any tax on one nutrient is a blunt instrument, and that the unintended consequences include reformulation with other unhealthy nutrients (requiring more regulations or taxes?) and a limit on the differentials between high and low fat varieties.

A third UK analysis of a fat tax¹¹ concluded that

- “...[t]axing foodstuffs can have unpredictable health effects if cross-elasticities of demand are ignored. A carefully targeted fat tax could produce modest but meaningful changes in food consumption and a reduction in cardiovascular disease...”
- “...Our model suggests that there could be a variety of unintended potentially detrimental effects, caused by the estimated cross-price elasticities of demand. For example, we observed that reducing saturated fat consumption tended to increase salt consumption and that fruit consumption tended to fall as a result of taxation on milk and cream...”

⁸ KG Grunert and JM Wills. “A review of European research on consumer response to nutrition information on food labels”. *Journal of Public Health* 2007; 15: 385-389.

⁹ A Leicester and F Windmeijer. “The ‘fat tax’: economic incentives to reduce obesity”. London, Institute for Fiscal Studies, Briefing Note BN49, June 2004.

¹⁰ J Landon. “The ‘fat tax’: economic incentives to reduce obesity?”. Presentation at the National Heart Forum, London, 2007. The author conjectured that while EU rules prevent reductions in VAT, an added VAT is not blocked, with the additional revenue going to health care, reduce other taxes or subsidise healthy foods.

¹¹ O Mytton, A Gray, M Rayner and H Rutter. “Could targeted food taxes improve health?”. *J Epidemiol Community Health* 2007;61: 689–694.

- ...*Food consumption is relatively insensitive to price changes, such that a taxation rate of 17.5% is likely to reduce the intake of nutrients such as salt and saturated fats by no more than 5–10%. So the scope for significantly altering the national diet by judicious use of VAT seems limited. Greater change could be achieved with a higher level of taxation, but this is unlikely for political and economic reasons*".

A fourth study in 2007 by US economists¹² sheds light on the value of a tax on soft drinks. Using state data on weight gain and BMI from the Behavioral Risk Factor Surveillance Surveys from 1990 to 2002, and tax rates on soft drinks, the authors found that

- the behavioural response to average tax rates of around 3% was small;
- it would take a very large increase in soft drink taxes to influence weight distribution;
- if that tax was comparable to the current *ad valorem* tax of 58% on cigarettes, the BMI reduction would be 0.16 and overweight would fall 0.7 percentage points, which is roughly 5% of the increase in overweight status in the 1990s;
- "...while these weight changes are non-negligible, they will not substantially combat the 'obesity epidemic'", and
- the tax would be regressive.

A fifth study by US agricultural economists¹³ found that while a 10% *ad valorem* tax on the percentage of fat in dairy products would certainly raise tax revenue, it would also reduce fat consumption by less than a percentage point, it would be extremely regressive, and the elderly and poor would suffer greater welfare losses than young or richer consumers.

Notwithstanding the fact that these tax effects are based on foreign tax systems, these warnings about the sensitivity of the estimated impacts to cross-elasticities of demand and the occurrence of unintended consequences cannot be ignored by governments or by the Standing Committee. These studies suggest that the more desirable dietary and health impacts of these fat taxes might only be achieved with consumption taxes that are so high as to be infeasible.

¹² JM Fletcher, D Frisvold and N Tefft. "Can soft drink taxes reduce population weight?" School of Public Health, Yale University, 18 August 2007, 22 pages

¹³ HH Chouinard, DE Davis, JT La France and JM Perloff. "Fat taxes: big money for small change". *Forum for Health Economics and Policy* 2007; 10 (2): Article 2.

Some other tax issues should be noted – aside from the regressive nature of all indirect taxes impacting on lower socio economic groups disproportionately, food and beverages have a social as well as nutritional function in our society.

Non-alcoholic water based beverages represent an alternative to alcoholic beverages for all segments of the population but especially so, for young consumers. In many social contexts, the consumption of non-alcoholic beverages, regardless of their caloric content represent a preferable outcome and should not be discouraged by the imposition of punitive taxes.

It should also be noted that the current Australian GST regime, whilst exempting “food” from the 10% GST does not exempt non-alcoholic beverages, ready to eat cakes & biscuits, confectionery, snack foods and restaurant meals including take-away food outlets.

There is no evidence that this already discriminatory tax regime has had any perceptible impact on consumption patterns.,

4.2.1 Interpreting the evidence on advertising and taxes alongside other feasible options: criteria used in a recent EU case study and the role of experts

In identifying the full range of options that could be pursued in Australia, the Standing Committee may find it instructive to study two recent reports that illustrate another concerning development in the obesity policy debate, viz., the level of disagreement on preferred policies for obesity in the opinions of experts on different national and international bodies.

European expert opinion: The first is a 2006 report in which public health experts in the European Heart Network, funded by the European Council as the CHOB project,¹⁴ reviewed and ranked twenty interventions against child obesity,¹⁵ using the criteria developed by the PorGrow [*Policy Options for Responding to Growing Challenges from Obesity in Europe*] project based at University of Sussex.¹⁶

¹⁴ CHOB is the “Children, obesity and associated avoidable chronic diseases” project.

¹⁵ European Heart Network. “Policy options to prevent child obesity: stakeholder consultations carried out in the context of the project on children, obesity and associated avoidable chronic diseases led by the European Heart Network”. October 2006, 91 pages.

¹⁶ The results of the PorGrow project are available on <http://www.sussex.ac.uk/spru/1-4-7-1-8.html>

All nations selected from the same list of 20 options drawn up by consensus and all respondent nations and committee rankings used the same seven evaluative criteria to assess each intervention, viz.,

- Efficacy - will it have an impact on obesity?
- Cost – is it worth paying this?
- Reach – will enough children be affected?
- Inequalities – does it help low-income families?
- Sustainability – will it last?
- Side effects – are there social benefits?
- Acceptance – will it be popular?
- Feasibility – can it be implemented?

Beverages Council members have no qualms with these criteria as they seem logical. Our concern comes with the subsequent interpretation of the survey data.

The data in **FIGURE 2** below compare the rankings of the top ten interventions assessed by one meeting of peak organizations including World Health Organisation (WHO) and the International Obesity Task Force (IOTF),¹⁷ compared with rankings experts in 14 EU nations.

FIGURE 2: Comparison of rankings of priority interventions, WHO/IOTF committee versus experts in 14 EU nations

TOP TEN POLICIES	EU MACRO ORGS	AU	BEL	DEN	EST	FIN	GER	ICE	IRE	ITA	NETH	NOR	SLO	SWE	UK	TOTAL SCORE (nations)
Food and health education: Include food and health in the school curriculum		X	X	X	X	X	X	X		X	X	X	X	X		12
Controlling sales of foods in public institutions: Limit the provision and sale of fatty snacks, confectionery and sweet drinks in public institutions such as schools and hospitals	X	X	X			X	X	X	X	X	X	X	X		X	11

¹⁷ The full list of the peak organizations is: World Health Organization; European Public Health Alliance; International Association of Consumer Food Organisations; International Obesity TaskForce; European Association for the Study of Obesity; European Heart Network; International Paediatrics Association; and EuroHealthNet.

Controls on food and drink advertising: Controls on the advertising and promotion of food and drink products	X		X				X	X	X	X	X		X			7
Subsidies on healthy foods: Public subsidies on healthy foods to improve patterns of food consumption			X	X	X			X	X			X	X			7
Change planning and transport policies: Encourage more physical activity by changing planning and transport policies				X	X			X	X			X		X	X	7
Improve communal sports facilities: Improve provision of sports and recreational facilities in schools and communities		X		X			X	X		X	X	X			X	6
Improve training for health professionals: Improve training of health professionals in obesity prevention and diagnosing and counselling those at risk of obesity	X		X		X	X									X	4
Improved health education: Improved health education to enable citizens to make informed choices		X			X					X			X			4
Common Agricultural Policy reform: Reform of the EU's Common Agricultural Policy to help achieve nutritional targets	X													X	X	2
Mandatory nutritional information labeling: Mandatory nutritional information labeling for all processed food, for example using energy density traffic light system	X		X													1

We note that the rankings drawn up by a committee of the supra-national WHO/IOTF experts differ markedly from the above rankings by expert committees within each of the 14 nations.

- Even if due weight is given to restrictions on price supports imposed under international free trade and EC rules, economic incentives in the form of subsidies for healthy foods were third ranked by the national experts and not ranked at all by the WHO/IOTF experts.
- Some options ranked low by national committees were promoted far higher in the WHO/IOTF rankings.
- If “cost” is a valid criterion in these rankings, the costs of regulations and taxes need to be made more explicit given the hidden costs of regulation.

A second report did not use the same experts and came to a different set of conclusions. With ostensibly the same evidence base as was available to the EU experts and focusing on obesity at all ages, the October 2007 report of the UK government Foresight Programme¹⁸ reached different conclusions. Its five highest priority actions against obesity were:

- modifying the built environment so that walking and cycling are made easier and more accessible;
- controlling the availability of, and exposure to certain foods;
- targeting health interventions for those who are at high risk of obesity;
- increasing the responsibility of organisations for the health of their employees; and
- early life interventions at birth or in infancy.

In reviewing this evidence that expert opinions do not always agree about the same data, the Standing Committee might be left wondering why experts at international level allocate rankings that differ markedly from those of local experts, whether local experts are more in touch with feasible policy solutions, whether available evidence is being used in an unbiased fashion, whether issues are being framed to bias the debate towards regulatory and tax solutions to obesity, and whether there are limitations in “*eminence-based policy*” derived by experts when *evidence-based policy* is considered less feasible in health promotion and in other areas where interest groups use different evidence bases.¹⁹

The Standing Committee should rank evidence that is beyond reasonable doubt and evidence that needs empirical testing by coalitions of all parties affected.

We note for example that, as the fourth line of the above table shows, economic incentives to consumers are endorsed by many EU nations polled in the EHN study, seemingly downplayed by the WHO/IOTF level committee, and not mentioned in the top five recommendations of the Foresight Programme advising the UK Labor government.

¹⁸ Government Office for Science FORESIGHT. *Tackling Obesities: Future Choices – Summary of Key Messages*. London, October 2007

¹⁹ The European Heart Network report acknowledges this reality (p. 30)

We encourage the Standing Committee to review the potential role of such incentives in preventing adult obesity and in weight management.

Annex five – Evidence highlighting achievements of collaboration and examples of national collaborative platforms

In lieu of regulations and taxes, many nations have instead sought the active collaboration of the food, grocery and beverage industries in seeking long-lasting solutions to the diet, nutrition and health problems.

These achievements have been recognized by consumers groups, led to changes driven by industry, and individuals in Australia have changed their consumption patterns. Four examples illustrate the early gains.

Consumer opinion: First, the US Consumers League (equivalent of ACA in Australia), in its 2004 report,²⁰ noted some early gains that are summarised in **FIGURE 3** below:

FIGURE 3: Initiatives by the private sector to reduce obesity as perceived by the US National Consumers League 2004

²⁰ National Consumers League. "Shared responsibility: improving public health through better nutrition policy: we all have a role to play." Washington DC, NCL, 3 March 2004, 14 pages.

Response	Component	Healthy Initiative
1. Retail sector	Menu modifications	Addition of healthy alternatives Portion size reductions Reduction/elimination of trans fats
	Nutrient disclosure	Availability of calorie and fat content (and sometimes carbohydrates and sodium) via posters, websites and napkins
	Promotion	Advertising campaigns linking consumption of certain products to a healthy lifestyle
2. Manufacturing sector	Reformulation of products	Reduced carbohydrates and sugar in products Fortified and enriched products Reduction/elimination of trans fats
	Voluntary label and package modifications	Labeling collaboration with the US Food and Drug Administration (study) Reduced size of "individual consumption" containers
	Promotion	Advertising campaigns linking consumption of certain products to a healthy lifestyle Voluntary advertising restrictions

The Beverages Council and its membership are already implementing many of the initiatives listed and these actions are showing results. Of relevance to this inquiry, a new report by Australian researchers²¹ has noted the 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.

Government action: In March 2005, the EU Platform on Diet, Physical Activity and Health was launched in Brussels. It is a European platform for action operating under the European Commission, and it provides a forum for "all interested actors" to "...explain their plans to contribute to the pursuit of healthy nutrition, physical activity and the fight against obesity"...[so that] over time better evidence is assembled of

²¹ 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.

what works, and Best Practice more clearly defined".²² Its Action Plan covers consumer information, education, promotion of physical activity, marketing and advertising, and the composition of foods, and availability of healthy food options.²³

At its launch, a large number of those "interested actors" in the food, drink, vending, advertising and media industries made supportive statements of intent to encourage EU citizens to eat more healthily and take more exercise.²⁴

- By the first Plenary Meeting of the Platform on 1 July 2005, the Working Group on healthy lifestyles was asking what "multi-stakeholder actions" would promote healthier lifestyles, and Masterfoods had presented its new program for vending machines in schools (Smart Choice).²⁵ Kraft and Campbell Soup have introduced smaller portions with improved nutritional content.
- At a 2005 Brussels conference, the Carrefour Group revealed an impressive consumer policy with three axes of action (the recipe and production process, information on packages, and two-channel communication with consumers), and Kraft Foods revealed its new focus on food fortification with vitamin C, portion control packages, and no advertising to children.
- In July 2006, the Confederation of the Food and Drink Industries of the EU (CIAA) told the European Platform meeting in Brussels that the members of CIAA had agreed to a common Nutrition Labeling Scheme across all 25 member states of the EU, including a uniform list of nutrients, nutrition information per serving and a new Guideline Daily Amounts (GDA) scheme with front-of-pack and back-of-pack components.²⁶
- The response of the EU Health Commissioner was positive. On 30 May 2007,²⁷ he released a White Paper ["A strategy for Europe on Nutrition, Overweight and Obesity related health issues"] adopted by his Commission. Noting concerns about salt, fats and sugar in food products, he said that it was better to try to solve the nutrition labeling problem with industry self-regulation, he offered industry two and a half years to demonstrate that there

²² European Platform on Diet, Physical Activity and Health. "Diet, physical activity and health - a European platform for action". Brussels 15 March 2005, 4 pages.

²³ Ibid, page 2

²⁴ European Platform on Diet, Physical Activity and Health. "Statements from Founding Members of the EU Platform for action on diet, physical activity and health". Brussels 15 March 2005, 5 pages.

²⁵ European Platform on Diet, Physical Activity and Health. "Plenary meeting 1 July 2005: summary report". 4 pages.

²⁶ CIAA. "European food and drink industries recommend EU-wide nutrition labeling". Brussels, CIAA, 3 July 2006, 2 pages.

²⁷ EuroActiv. "Obesity: EU gives industry 3 years to self-regulate". EuroActiv.com 30 May 2007, updated 18 June 2007.

is no need for regulation, and he called for “cross-sectional, action-oriented partnerships” across the EU.

- By January 2008, the European Advertising Standards Alliance, speaking for advertisers in the private sector, released a report²⁸ showing the extent of progress in advertising self-regulation across the EU.

Industry action under collaboration: Third, within the food and beverages industry some of the benefits of collaboration in nutritional labeling tools can be seen from just four projects worldwide that involved collaboration with industry. Such action has, so far, avoided the need or the justification for government regulations, viz,

- the Nutrition Rich Food Coalition (under development);
- the Kraft Foods Sensible Solutions label for some foods;
- the General Mills “whole grain” and 100 calorie pack; and

5.2 Examples of National Collaborative Platforms

US National Nutrition Summit, 2000

The coalition of interest groups invited to this two-day Summit in May 2000 did so under the auspices of the US Department of Health and Human Services and the US Department of Agriculture.²⁹ The seven obesity-related discussion groups focused on influences on obesity from seven sources: community physical activity environments, community food environments, family, school, worksite, the healthcare system, and the media. Among the recommendations were that the prevention and treatment of obesity must become a healthcare priority and that national campaigns are needed to target behavioural change.

UK Auditor General, 2001

In 2001, the UK Auditor General issued a comprehensive report on *Tackling obesity in England*.³⁰ It canvassed the need to engage a wide range of government departments and other stakeholders in the private sector.

US Consortium, 2003

²⁸ EASA. "Advertising standards in Europe: a briefing by the European Advertising Standards Alliance, January 2008, 13 pages and tables.

²⁹ C Stockmyer, S Kuester, D Ramsay and WH Dietz. "National nutrition summit, May 30, 2000: results of the obesity discussion groups". *Obesity Research* 2001; 9 (supp): S41-S52.

³⁰ Auditor General. *Tackling obesity in England: report by the Comptroller and Auditor General*. London, HC 220, Session 2000-2001, 15 February 2001.

A policy roadmap emerged from the August 14-15 2003 meeting of US experts sponsored by the Robert Wood Johnson Foundation, Kaiser Permanente Care Management Institute, the Centers for Disease Control and Prevention, the American Association of Health Plans, the Washington Business Group on Health, and involving 47 public and private sector professionals.³¹

That coalition of interests was concerned with constituency-building for policy reform and to develop a roadmap that did not repeat past talk-fests. The attendees at that meeting were given two tasks: (1) to identify the components of a policy framework for prevention and treatment of obesity and overweight, and (2) identify and rank strategies and actions. In Australia, we do not yet have those priorities agreed.

Irish Government, 2004

In March 2004, the Irish government launched the National Taskforce on Obesity. It included a broad representation of Irish society, and a strategy document was to be produced by the end of 2004.

The guiding principles of the Irish strategy included high-level Cabinet support; a proactive inter-sectoral collaboration of public, private and NGO sectors; a people-centred well-being message; and the use of existing agencies.³²

European Union (EU) Platform, 2005-2008

We have already identified its composition and achievements above

US Federal Trade Commission and US Department of Health and Human Services, 2005

At about the same time as the EU reforms were being launched, a second set of government responses to the child obesity epidemic was in train across the Atlantic. On 14-15 July 2005, facing the same evidence available to Australian policymakers showing that governments cannot wait for all the necessary research studies to give policy guidance, the US Federal Trade Commission and the US Department of Health and Human Services convened a public workshop in Washington DC to discuss "Marketing, Self-Regulation and Childhood Obesity".

³¹ B Raymond and C Moon. "Roundtable report: Prevention and treatment of overweight and obesity: towards a roadmap for advocacy and action". *The Permanente Journal* 2003; 7 (4): 1-8 (downloaded 1 November 2005 from: <http://xnet.kp.org/permanentejournal/fall03/update.html>)

³² C Fitzgerald. "Obesity: the policy changes". Dublin, Health Promotion Unit, Department of Health and Children, 2004