

## Chapter 5

### Reformulation

5.1 Food reformulation can greatly improve the availability of healthier products and therefore improve diet at a population level.<sup>1</sup> Reformulation of food products has been identified as one of the most effective obesity reduction strategies in terms of cost and impact.<sup>2</sup>

5.2 Mr Ben Harris, Manager of National Policy Strategy at the Australian Health Policy Collaboration, explained to the committee that reformulation works, particularly around salt and sugar, especially if the aim is to make gradual changes to products.<sup>3</sup>

5.3 One parent, a member of Parents' Voice (a network of over 11 000 parents from across Australia), pointed out that reformulation provides an opportunity to make healthy choices much easier for consumers:

The emphasis needs to be placed on making the healthy choices the easy choices – i.e. the default option – which means strategies which don't rely on millions of people making the right conscious decisions...Food reformulation is a no-brainer.<sup>4</sup>

5.4 The Obesity Policy Coalition (OPC) pointed out that reformulating processed food products to make them healthier has the potential to impact palatability and consumer expectations of a product. Therefore, food manufacturers are likely to face a conflict of interest when encouraged to make these changes, which is an argument for regulation applied equally to all manufacturers in order to create a level playing field.<sup>5</sup>

#### ***Healthy Food Partnership Reformulation Working Group***

5.5 The Healthy Food Partnership (HFP) provides a mechanism for collective, voluntary action between government, the public health sector and the food industry, to improve the dietary habits of Australians.

5.6 One of the focus areas of the HFP is reformulation. In August 2016, the HFP established a Reformulation Working Group with the aim of setting priorities for food reformulation.

5.7 The Reformulation Working Group has focused its efforts on identifying nutrients and food categories to target for reformulation. Food categories identified for

---

1 See for example: Cancer Council Australia, *Submission 39*, p. 4; Parents' Voice, *Submission 43*, p. 3.

2 Heart Foundation, *Submission 139*, p. 9.

3 Mr Ben Harris, Manager, National Policy Strategy, Australian Health Policy Collaboration, *Committee Hansard*, Melbourne, 7 August 2018, pp. 53-54.

4 Parents' Voice, *Submission 43*, p. 3.

5 Obesity Policy Coalition, *Submission 135*, p. 13.

nutrient reformulation targets include bread, breakfast cereal, cheese, flavoured milk, gravies and sauces, muesli bars, pizza, processed meat, ready meals, biscuits, snacks, soft drinks and energy drinks, soups and yoghurt.<sup>6</sup>

5.8 Reformulation targets are currently still under development and an extended period of public consultation on the draft targets has commenced.<sup>7</sup>

5.9 In essence, the HFP follows a similar format to a product reformulation initiative introduced under the prior Federal Labor Government, the Food and Health Dialogue (Dialogue). The Dialogue acted as a non-regulatory platform for government, public health and food industry actors to collaborate on a set of voluntary targets for sodium reduction in twelve product categories.

5.10 The Dialogue achieved some success in reducing the salt content of some products, but there was substantial variation in what was achieved by the participant food companies. Researchers also identified significant limitations in the design and implementation of the Dialogue, including its voluntary nature, the small number of product reformulation targets, and the lack of mechanisms to enhance its transparency and accountability.<sup>8</sup>

5.11 The Food Governance Node pointed out that the HFP is similar to the Dialogue and that there has been little visible progress since the HFP commenced.<sup>9</sup> This view was shared by other inquiry participants who submitted that the HFP has had limited success to date with food reformulation.<sup>10</sup>

5.12 The Food Governance Node submitted:

This lack of progress suggests that without real government leadership, the HFP is unlikely to achieve any meaningful results, instead acting as a façade to give the appearance of action.<sup>11</sup>

5.13 Sugar By Half submitted that the program relies on industry cooperation and is subject to the influence of the food industry, whose priority is profit rather than health.<sup>12</sup> Other submitters raised the issue of the influence from food manufacturing interests and pointed to a lack of information regarding how potential conflicts of interests are assessed or managed.<sup>13</sup>

---

6 Australian Government Department of Health, *Submission 142*, p. 9.

7 Australian Government Department of Health, *Submission 142*, p. 6.

8 Food Governance Node, *Submission 58*, p. 8.

9 Food Governance Node, *Submission 58*, p. 8.

10 See for example: Cancer Council Australia, *Submission 39*, p. 4.

11 Food Governance Node, *Submission 58*, pp. 8-9.

12 Sugar By Half, *Submission 48*, p. 4.

13 See for example: Mark Lawrence, Institute for Physical Activity and Nutrition and School of Exercise and Nutrition Sciences, Deakin University, *Submission 95*, p. 4.

5.14 The Cancer Council Australia recommended improving the program by setting clear timeframes and introducing penalties if manufacturers fail to meet targets.<sup>14</sup>

5.15 Similarly, many submitters called for food reformulation targets with established time periods and penalties if compliance is not met.<sup>15</sup>

***Food and beverage industry sector initiatives***

5.16 The Australian Beverages Council (ABC) has pledged to reduce its sugar contribution from the food supply across the non-alcoholic beverage industry portfolio by 10 per cent by 2020 and 20 per cent by 2025. The pledge is voluntary and will be measured only for those companies who sign up.<sup>16</sup>

5.17 These commitments are based on data from 2016, and all drinks represented by the ABC are included in the commitment. The pledge will be achieved by a range of initiatives, including reformulation of higher sugar beverages, increased innovation of low and no-sugar beverages and promoting the consumption of more bottled water by young Australians.<sup>17</sup>

5.18 Coca-Cola Australia is supportive of the work of the HFP and claimed it is 'proactively supporting the sugar target through a range of reformulation actions'.<sup>18</sup> For example, Ms Christine Black, Director of Public Affairs at Coca-Cola Australia, told the committee about its voluntary commitments to reduce sugar:

Coca-Cola Australia together with Coca-Cola Amatil have made a commitment to reduce sugar across our portfolio sales by 10 per cent by 2020, as well as supporting the beverage industry pledge to reduce sugar by 20 per cent by 2025.<sup>19</sup>

5.19 According to the Australian and Food and Grocery Council, the Australian Quick Service Restaurant sector has engaged in reformulation activities across its portfolios to reduce levels of saturated fat and sodium.<sup>20</sup>

---

14 Cancer Council Australia, *Submission 39*, p. 4.

15 See for example: WA Cancer Prevention Research Unit, *Submission 8*, p. 2; Centre for Research Excellence in the Early Prevention of Obesity in Childhood, *Submission 10*, p. 10; Global Obesity Centre, *Submission 13*, p. 7; Primary Care Partnership, *Submission 28*, p. 2; Live Lighter WA, *Submission 88*, p. 1; The Boden Institute, University of Sydney, *Submission 130*, p. 14; Heart Foundation, *Submission 139*, p. 2.

16 Australian Beverages Council, *Submission 22*, p. 38.

17 Australian Beverages Council, *Submission 22*, p. 38.

18 Coca-Cola Australia, *Submission 114*, p. 6.

19 Ms Christine Black, Director of Public Affairs, Coca-Cola Australia, *Committee Hansard*, Melbourne, 4 September 2018, p. 67.

20 Australian Food and Grocery Council, *Submission 88*, p. 14.

### *International experience*

5.20 According to the OPC, international experience shows that when reformulation measures are strong and government-led, real change can be achieved.

5.21 For example, in 2000, the United Kingdom (UK) Food Standards Agency implemented a salt reduction strategy, providing the food industry with voluntary targets, which were reset every two years. This achieved a daily reduction in salt consumption by 0.9g per person between 2005 and 2014. This is now implemented in relation to other ingredients of concern, such as sugar in the UK.<sup>21</sup>

5.22 The committee also heard strong evidence on the effectiveness of introducing a tax on sugary drinks as a driver for the beverage industry to actively reformulate their products. This is discussed in Chapter 6.

### *Committee view*

5.23 The committee agrees with submitters that food reformulation initiatives can improve the availability of healthier products, and can contribute to improve diet at a population level. The committee received compelling evidence that reformulation works, especially around salt and sugar. The committee is of the view that reformulation of food and products must be accelerated to enable increased access to healthier food options.

5.24 The committee notes that the Health Star Rating (HSR) system (discussed in Chapter 4) has been a driver for the reformulation of a number of products in order to attract better ratings. The committee also notes that the ABC has made a voluntary pledge to reduce its sugar contribution from the food supply, which will drive the reformulation of high sugar beverages. However, voluntary initiatives to date have not achieved any significant results.

5.25 Similarly, the HFP is a non-regulatory platform for government, public health organisations and food companies to collaborate on improving the dietary habits of Australians. One of its priorities is reformulation. However, since the establishment of the HFP Reformulation Working Group in 2016, little has been achieved. The committee understands that the voluntary reformulation targets are still under development. It is apparent that without strong government leadership, the HFP will achieve very little.

5.26 As discussed in Chapter 4, the committee believes that making the HSR mandatory will significantly increase reformulation as food and beverage companies. The committee notes that the introduction of a tax on sugary drinks has resulted in beverage companies accelerating their reformulation programs.

---

21 Obesity Policy Coalition, *Submission 135*, p. 14.