

Labor Senators' Dissenting Report

1.1 The Select Committee into the Obesity Epidemic in Australia was tasked with inquiring into and reporting on the prevalence and cause as well as health and economic impacts of overweight and obesity in Australia, particularly related to children. Further, the Committee was tasked with inquiring into and reporting on the effectiveness of existing policies and programs to address childhood obesity, with a focus on evidence-based measures and interventions, among other things.

1.2 Labor Senators acknowledge the high health and economic impacts of obesity and are pleased this inquiry recognises the complex challenges confronting Australia in tackling the epidemic. We take this opportunity to reiterate Labor's commitment to tackling obesity and the record of the last Labor Government, including the establishment of the Australian National Preventive Health Agency and substantial investment through the National Partnership Agreement on Preventive Health – both abolished by the current Government.

1.3 It is clear that all stakeholders, including Government, need an ongoing focus on these issues and that a comprehensive, multi-layered and outcomes-focussed approach must be adopted to ensure progress is made.

Sugar tax

1.4 Chapter 6 of the report addresses a possible tax on sugary drinks.

1.5 Recommendation 10 calls for the Australian Government to introduce a tax on sugar-sweetened beverages.

1.6 Labor Senators do not support Recommendation 10.

1.7 Labor Senators note that evidence on the impact of sugar-sweetened beverage (SSB) taxes in other jurisdictions is still emerging, particularly in relation to obesity rates.

1.8 Labor Senators are particularly concerned that an Australian SSB would likely be regressive, meaning that it would impact lower-income households disproportionately. For example, while supporting a SSB tax the Grattan Institute submitted that:

Low-income households spend a higher proportion of their disposable income on drinks (but less in absolute terms), so an SSB tax will likely be regressive – they will pay a higher proportion of their income in tax ... Modelling of the suggested sugar content tax (at the rate of 40 cents per 100 grams) indicates the financial burden is modest because spending on beverages accounts for a small share of household income ... but will be slightly higher for people from lower socio-economic areas, meaning lower socioeconomic households will pay a higher proportion of their disposable income in tax. A recent analysis of SSB tax studies also found that an SSB tax will likely result in a slightly larger tax burden for lower socioeconomic groups (in dollar terms).

1.9 While Labor Senators accept the logic that a SSB tax is likely to reduce consumption and accelerate reformulation efforts, the Committee received substantial evidence that a SSB tax is only one option amongst many to address overweight and obesity and would not be effective without other measures. Labor Senators note that other interventions – including those introduced by the former Labor Government and abolished by the Abbott-Turnbull-Morrison Government – would have the same effect without a regressive impact, and without risking unintended employment and industry consequences.

1.10 Labor Senators will continue to monitor the international evidence on SSB taxes.

Marketing and advertising of discretionary foods

1.11 Chapter 7 of the report addresses marketing and advertising of discretionary foods.

1.12 Labor Senators acknowledge the report of the World Health Organisation (WHO) on Ending Childhood Obesity which recommends reducing the exposure and influence of the marketing of discretionary foods as part of a comprehensive approach to addressing childhood obesity. We note that Australia is a jurisdiction that has a multi-layered regulatory framework in place to reduce such exposure and influence. For this reason, we note that the Committee report is simply not correct to state that the current system fails to reduce such exposure and influence.

1.13 Labor Senators acknowledge the strong concerns expressed by submitters about the inadequacies of the current regulatory system in reducing the exposure and influence of discretionary food advertising and marketing campaigns to children.

1.14 Labor Senators note that it has been a decade since the Australian Communications and Media Authority (ACMA) conducted an evidence-based review of the Children’s Television Standards, which had a key focus on the relationship between advertising, children’s food and drink preferences and obesity.

1.15 Labor Senators note that in its Final Report of the Review, the ACMA noted that ‘the relative contribution of advertising to childhood obesity and overweight can be difficult to quantify’ and that ‘a causal relationship between these may not be possible to determine’.¹ The ACMA noted that factors influencing childhood obesity and overweight are complex and that public health literature had identified a range of factors, including hereditary, social, cultural and environmental factors.² Further, the ACMA noted evidence that ‘there are various nutrient profiling tools currently available in Australia, which seem to vary in terms of the criteria and/or method used

¹ ACMA, Review of the Children’s Television Standards 2005: Final Report of the Review, August 2009, pp. 5 and 9.

² ACMA, Review of the Children’s Television Standards 2005: Final Report of the Review, August 2009, p. 5.

to identify certain food categories' and that 'there is a lack of consensus on the definition of 'unhealthy' food'.³

1.16 Labor Senators note that, in the time since the ACMA Review, new codes and initiatives have been introduced by the advertising industry to restrict food and drink advertising and marketing to children, and that new evidence has emerged on children's viewing patterns, advertising and food preferences and obesity, along with new advice and recommendations on tackling childhood obesity.

1.17 Recommendations 11 and 12 call for the introduction of restrictions on discretionary food and drink advertising on free-to-air television until 9.00pm, either as part of the review of the Commercial Television Industry Code of Practice or by direct regulation by the Australian Government.

1.18 Recommendation 13 calls for the Australian Government make mandatory the display of the Health Star Rating for food and beverage products advertised on all forms of media.

1.19 Labor Senators note that Recommendations 11 and 12 focus on commercial free-to-air television to the exclusion of other platforms where children are increasingly viewing content, fails to address the definitional issue around 'discretionary food and drink' and fails to address the linkage between the Free TV Code of Practice and the AANA Codes of Practice which may also require review and updating to address latest evidence and advice, including changing patterns of child viewing.

1.20 Labor Senators note that commercial free-to-air television is a free advertiser-funded service to the public and that the ACMA, which administers the Children's Television Standards and registers broadcast industry codes of practice, is guided by the regulatory policy set out in section 4 of the *Broadcasting Services Act 1992* which provides that:

The Parliament also intends that broadcasting services ... be regulated in a manner than, in the opinion of the ACMA, enables public interest considerations to be addressed in a way that does not impose unnecessary financial and administration burdens on providers of broadcasting services.

1.21 Without an agreed and implemented food and drink identification standard to identify discretionary food and drink, it is challenging for the ACMA or the media, advertising and marketing industries to implement a uniform approach, or to undertake economic modelling to estimate the costs or benefits to the prevalence of overweight and obesity, to broadcasters' revenue, to media audiences (associated with potential change in program quality), the advertising sector and to food and drink manufacturers.

1.22 For these reasons, Labor Senators do not support Recommendations 11, 12 and 13 and, as an alternative, recommend that the newly established National Obesity

³ ACMA, Review of the Children's Television Standards 2005: Final Report of the Review, August 2009, p. 6.

Taskforce conduct a comprehensive review of the regulatory framework for food and drink advertising and marketing to children, in conjunction with relevant health, media and advertising bodies, to ensure the framework is fit for purpose in the contemporary media environment and recommends that a food-identification standard be agreed to inform such review and facilitate uniform implementation. Such review would be undertaken in conjunction with the ACMA, the AANA and advertising industry, the broadcasting industry and relevant health authorities to:

- ensure that advertising restrictions are based on an agreed and implemented food and drink identification standard in Australia;
- ensure that children and their parents are better informed about the nutritional value of foods and drinks advertised on all forms of media, including through the Health Star Rating system;
- take account of latest evidence and advice on tackling obesity;
- take account of changing patterns of child viewing habits across platforms; and
- take account of the administrative and financial burden of any restrictions on the broadcasting sector.

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