



# Get set for our messiest food fight yet

**SUNDAY**

**REPORT**

**The food industry will fight hard to retain its marketing edge, writes Ruth Williams.**

NOT so long ago, it was easy to tell which foods were good for you and which were not — what was a staple, what was a treat.

Now, it is less clear. And public health advocates will tell you, that is no accident; it is the result of clever marketing strategies by the powerful food industry.

Kellogg's Coco Pops, for example, are fortified with calcium, iron and zinc; the packet describes them as "nutritious

grains of puffed rice". But they are also 30 per cent sugar.

As brand names go, Vitamin Water could hardly sound healthier. And its various flavours do contain vitamins — as well as five teaspoons of sugar in every bottle.

Such packaging may be confusing, even contradictory. But it is legal.

Vitamins and minerals can be added to most cereals, allowing them to be marketed as healthy, no matter how much sugar, fat or salt they contain.

And they can be added to drinks, as long as they contain less than 75 grams of sugar per litre — about three-quarters of the sugar content of Coca-Cola.

But as most Australians are already getting enough nutrients in their diets, it is the manufacturers — who use them to promote their products — that benefit most from minerals and vitamins being added to food.

"Unfortunately, too often it is the marketing goals of a food manufacturer rather than health concerns that explain why many breakfast cereals are fortified with vitamins and minerals," says Mark Lawrence, associate professor at Deakin University's school of exercise and nutrition sciences.

"It is often the most highly processed sugary and salty breakfast cereals that are most heavily marketed to children, and the marketing approach appears to be that if you sprinkle some nutrients on them they can masquerade as a healthy food," he says.

So as the nation grows dangerously fat, who is to blame?

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Consumer and health experts say that when it comes to decisions about laws governing what we eat, food industry demands for "innovation" and marketing opportunities have at times trumped warnings about health.

Australia's food industry wields a mighty influence. It employs more than 315,000 people, and is the nation's biggest manufacturing sector.

It also boasts one of the nation's most effective industry lobby groups, the Australian Food and Grocery Council, which is headed by former pharmacist and ACT chief minister Kate Carnell. It is based in Canberra just down the road from Parliament House and around the corner from the national food regulator, Food Standards Australia New Zealand.

Webs of influence criss-cross industry-funded food bodies, universities and government-backed food regulators. It is not unusual for people to work for all three simultaneously.

Meanwhile, consumers — time-poor and budget-conscious — are left in the dark, as decisions are made behind closed doors about what goes into the food they eat, and what information they are given about it.

FOOD in Australia is cheap, plentiful and — from a hygiene point of view — overwhelmingly safe to eat. But something, somewhere, has gone wrong. One in three Australian adults is overweight, one in four is obese, and the rising toll of lifestyle-related diseases means that today's teenagers may have a shorter lifespan than their parents.

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## **"They [the food industry] have dominated the agenda."**

**MAGGIE NIALL, nutritionist**

The Food and Grocery Council, whose 150 members include most of Australia's big packaged food and drink makers, says it is committed to helping fight the nation's obesity crisis.

"We think industry has a responsibility to be part of the solution on obesity," Ms Carnell says. "It is a complex area and industry needs to be a significant player in that."

She says industry already helps consumers eat healthily with low-fat, low-salt and low-sugar products, and with its daily intake guide labelling system (see panel).

She denies that manufacturers place marketing priorities ahead of public health concerns and points to the grocery council's participation in the government's Food and Health Dialogue, and its Responsible Marketing to Children initiative.

But public health experts say more is needed to save Australia from an increasingly fat future.

"To some extent we have to take the blame," says Maggie Niall, a semi-retired public

health nutritionist. "They [the food industry] have dominated the agenda, without any of us being able to do anything about it . . . they have the ear of the Health Department and ministers . . . We have tried, but we don't have the lobbying money."

Both sides are now gearing up for what may be Australia's biggest food fight yet. An exhaustive review into Australia's food labelling regime — dubbed the Blewett review, after its chairman, former health minister Neal Blewett — last month made 61 recommendations for reshaping Australia's food regulations.

It has recommended a crack-down on health and nutrition claims on labels, and for Australia to adopt traffic-light labelling on food products — a simple system of classifying foods as healthy or unhealthy that is strongly backed by public health advocates but opposed by the Food and Grocery Council.

The government's response is due in December, and both sides will use the lead-up to press their case. Those in the consumer and health fields believe that, this time, they have the upper hand.

"The Blewett review was an independent panel," says Clare Hughes, food policy officer at consumer advocate Choice. "It

did its job."

But the food industry has a long track record of winning such stousshes. "They approach politicians, they make political dona-

tions, they have good lobbyists," leading nutritionist Rosemary Stanton says.

"And on the other side you have the little consumer groups. They really don't have a hope."

Not everyone is a fan of the Blewett review. Independent senator Nick Xenophon, who has campaigned heavily for food labelling reforms, says it was a "fizzer" on issues like trans-fats, country of origin and genetically modified foods. His view? "The report seems to have caved in to the demands of Food Inc."

The industry's first big victory on national food laws came almost 20 years ago when cereal makers won the right to add vitamins and minerals to products.

Australia's newly formed national food agency, the National Food Authority, wanted to ban such activities in most circumstances. But its decision was overturned by federal and state health ministers after what the authority's then chief executive, former public servant and lawyer Gae Pincus, describes as a "dark and dirty" campaign.

"They wanted to use vitamins and minerals as a marketing tool, and as a way of encouraging parents to believe they were giving their children health products," Ms Pincus says.

A now-defunct lobby group, the Australian Breakfast Cereal Industry Association, was formed for the fight, and Ms Pincus says that industry-friendly academics were recruited to pressure her to change the authority's decision.

Press clippings from the time set out the companies' arguments — "the proposal will make the industry uncompetitive . . . force companies to change existing products, add to their costs and disrupt marketing strategies".

There were also international threats to close operations in Australia.



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Deakin University's Mark Lawrence explored the campaign for a paper published in 2009. He quoted one MP involved at the time: "You don't allow yourself to be blackmailed by international companies. But on the other hand, why would you want [the company] to get out of Australia merely because they want to put vitamins in [their products]. If it's dangerous to health, that's different."

Two decades later, the legacy of this is clear: sugar-laden cereals are fortified with "essential vitamins and minerals" so they can be marketed as healthy.

Ms Carnell defends cereal manufacturers, saying the industry has worked hard to reduce the sugar and salt content of many products. But she concedes "people won't buy a cereal if it doesn't taste good".

FEW argue against industry being involved in helping to shape food policy. But there are times when critics say the industry influence is disproportionate.

In December, the federal government unveiled a National Food Policy Working Group, a body that would provide the government with advice on a new national food plan — something industry, health and consumer groups all agree is needed.

It will examine Australia's food supply — including food security, food quality and the affordability and sustainability of food.

But the Public Health Association, a not-for-profit advocacy group, was appalled by the 13-member panel's make-up, saying it had been "stacked". The Dietitians Association of Australia was similarly alarmed. Six people were from food transport, processing and retail — including Ms Carnell, the chief executive of Woolworths, and

the managing director of Edgell, Birds Eye and Chiko Roll producer Simplot. Three were from agriculture. Dr Peter Williams,

from Wollongong University, was the only member with a public health background.

The Public Health Association accused the government of marginalising the health of consumers while it "kowtows to the priorities of multibillion-dollar-a-year companies".

"The last thing we want to do is undermine industry or undermine agriculture," says the association's chief executive, Michael Moore. "But . . . they are, by omission, undermining the health of the community."

Agriculture, Fisheries and Forestry Minister senator Joe Ludwig said he would "consult broadly" on the National Food Plan, and speak with health professionals.

VICTORIA'S Food Safety Council, which advises the state health minister on food safety,

public health matters and the stance Victoria should take on national issues like labelling, has no serving public health specialist or consumer voice.

Ms Niall was on it, but quit in late 2009 because she "no longer wanted to be part of the food industry promoting itself in Victoria".

The council's list of members,

tabled in Parliament late last year, confirms that four of the eight are directly employed by the food or food packaging

## **"Industry has . . . to be part of the solution on obesity."**

**KATE CARNELL, Food & Grocery Council**

industries. The council's chairwoman, consultant Dr Jenny Robertson, previously worked for National Foods, Paul's and George Weston Foods.

The three others are academics specialising in microbiology and infectious diseases.

"I don't have any objection to having an equal number of public health people and industry people [on the council]," Ms Niall says. "But when you have everyone with the food industry and there's no public health people, why bother? You give up."

The current board was appointed under the Brumby government. On Friday, Health Minister David Davis said the Coalition government wanted "balanced and considered advice from a range of people in this sector, which includes food industry representation, as well as public health representatives



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and healthy eating advocates”.

The council considered traffic-light labelling in 2009. Despite Ms Niall’s strong arguments in favour of traffic-light labels, in June 2010 the council informed Victoria’s health minister that “such a system is not consistent with educating consumers around the benefits of a healthy, balanced diet”.

It is a position that closely echoes the stance of the Food and Grocery Council. “If one system of front-of-pack labelling was better than any other, I suspect everyone would adopt it world wide,” Ms Carnell tells *The Sunday Age*.

The grocery council argues that traffic-light labelling “misleads” consumers, telling them to “stop” eating foods such as dairy that may be high in fat, but can still be part of a healthy diet.

The Blewett review, however, found that traffic-light labels had been “consistently found” to be “most effective” in helping consumers understand the nutritional values of foods.

THE review has also called for a food labelling bureau to administer and enforce labelling laws. In theory, the states are supposed to do it. But Dr Stanton says health departments “don’t have the resources to do it”.

A common theme of review submissions was that while Food Standards Australia New Zealand delivers a technically safe food supply, it does not promote a healthy one. It is widely seen as favouring industry when it

writes food standards — rules that govern the production, processing and packaging of food in Australia.

Some health professionals, including Dr Stanton, say the real problem is that the regulator needs to be more independent. “The food regulatory system is deeply flawed in protecting public health,” said another expert.

The food standards council’s chief executive, Steve McCutcheon, defends the regulator, saying its decisions are based on “the best available scientific evidence”. He says the board includes representatives from public health and nutrition, from the consumer affairs field and industry.

Two Australian board members have strong ties to industry. As disclosed in the directors’ register of interests, four others consulted for food industry groups or companies including Nestle and Meat and Livestock Australia in the 12 months to March 25 last year.

Three had links to the same industry body: Go Grains Health & Nutrition Ltd. The company encourages Australians to consume more whole-grains, arguing that by doing so, the country can stave off heart disease, diabetes and weight gain.

It is not a controversial message — except that part of Go Grains’ funding comes from companies including Arnotts, Nestle and Kellogg’s, which are famous for producing sugar-laced snacks seen as contributing to such conditions.

Mr McCutcheon also pointed out that food standards’ board members were involved in “health-driven initiatives”,

including university research on health and nutrition.

Indeed there are many interactions between health bodies, food industry bodies and health or charity groups. Some, such as the tie-up between KFC and the McGrath Foundation, or McDonald’s and Weight Watchers, have raised the ire of nutritionist.

Even the Public Health Association has accepted an “unencumbered” grant from Sanitarium — part of what Mr Moore describes as the “complex interaction” between the food industry and other groups.

“There’s no doubt . . . that [food companies], particularly the international food groups, do seek to interact with

**“The laws are less than useless because they mislead consumers.”**

**SENATOR NICK XENOPHON**

health organisations and spread their influence,” he says.

“They want to sell their good messages, but they are also trying to understand what are the things that might influence their business. It’s still the bottom line that’s driving them.”

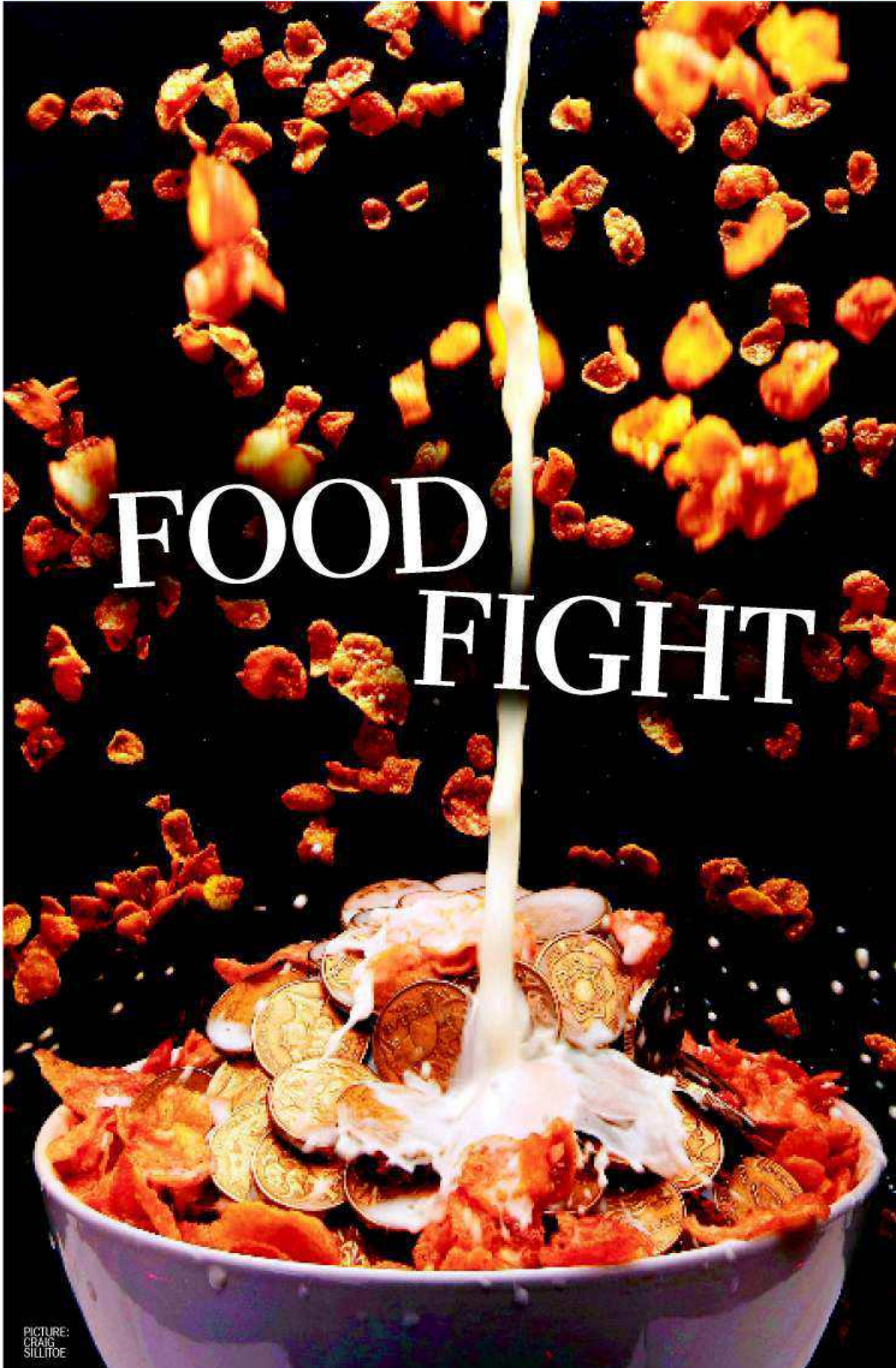
The government will spend the next few months deciding which of the Blewett review’s recommendations it will adopt. But any reforms are likely to be more than a year away.

Senator Xenophon is not prepared to wait. He is working on a private members bill involving food labelling that he says will pre-empt the government’s review response.

“The laws are less than useless because they mislead consumers,” he says. “I think we, as consumers, deserve better.”

**EDITORIAL**

Telling the truth **PAGE 18**





## THE ISSUE MADE IN AUSTRALIA

THE humble meat pie has become a symbol of one of the most difficult debates around food labelling.

Confusion persists over why one product is labelled "Australian made", why another carries "product of Australia", and where a product made from "local and imported ingredients" fits in.

Eighteen months ago, South Australian independent senator Nick Xenophon attempted to resolve the matter with a "truth in labelling" bill, which would have allowed only products completely made and manufactured here to be deemed "Australian made".

To support his argument, he cited the Aussie pie – a product that could still be labelled "Australian made" even if it had foreign beef.

A product can carry the Australian made logo if it is made of imported ingredients as long as it is "substantially transformed" in Australia, with at least half of the costs of processing and packaging taking place here.

But a "product of Australia" must be manufactured here, with all significant ingredients hailing from Australia.

A recent survey by the Australia Institute suggests many people find this system baffling.

Just one in four of those surveyed knew that a product could be labelled "Australian made" if it was mostly manufactured here.

More than a third thought "Australian made" meant it was entirely made here.

Senator Xenophon's bill – co-sponsored with senators Barnaby Joyce and Bob Brown – would have allowed only products that were 100 per cent made and manufactured in Australia to be deemed "Australian made".

But the Australian Food and Grocery Council argued such an approach was too simplistic, saying it would disadvantage Australian-owned manufacturers who used imported ingredients, such as cocoa for local chocolate makers, or brine for local bacon makers.

The Blewett review recommended that the current system be maintained, but extended to include products such as beef, lamb and chicken that are now exempt. Senator Xenophon was not impressed. "To say I was disappointed is an understatement," he said.

He plans to introduce a new bill on the issue, to get in ahead of the

government's response to Blewett.

**RUTH WILLIAMS**





## THE ISSUE TRAFFIC LIGHT LABELS

RED means stop, green means go, amber means slow down. When it comes to advising consumers about the healthiness of foods, it doesn't get much simpler than a system based on traffic lights.

But the simplicity of "traffic light labelling" is one of its biggest flaws, according to the food industry's peak lobby group, the Australian Food and Grocery Council.

"Categorising foods as being either good or bad does nothing to help consumers understand how to construct a healthy, balanced diet," it says.

Last month, the year-long review of Australia's food labelling laws and policies – the Blewett review – sided with public health and consumer groups, who have strongly pushed for traffic-light labelling.

It said a traffic light system should be introduced, voluntary at first, but becoming mandatory where manufacturers made "high-level" health claims about a food preventing or fighting serious diseases.

Under the scheme, green, amber and red labels on the front of food packets would be used to show low, medium and high levels of fat, saturated fat, sugar and sodium in a food. Reduced-fat cheese, for instance, may show green levels of sugar, and amber or green levels of fat, saturated fat and sodium.

But if it were applied to many of Australia's favourite snacks and cereals, consumers would probably be

confronted with multiple red lights.

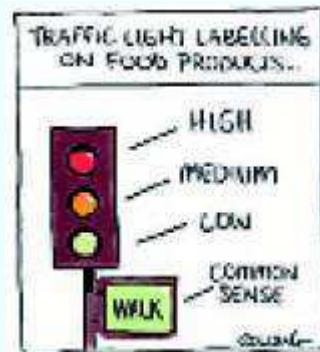
The government has said it will make a decision in December. Groups including the Obesity Policy Coalition have urged it to act quickly, saying the labels would help cut through marketing spin used by food manufacturers to confuse consumers.

But the food and grocery council is pushing its alternative Daily Intake Labelling system, which sets out the amount of energy, fat, saturated fat, sugar and salt in a serve of the food, and how much of a person's daily intake it comprises.

The council argues that traffic light labels are badly understood by consumers and have been rejected by countries around the world.

Last year, the European Parliament rejected a traffic light labelling scheme, despite it having been introduced, on a voluntary basis, in Britain.

RUTH WILLIAMS





## THE ISSUE HEALTH CLAIMS

IF YOU were to believe the claims on food packets in Australia, you would think that almost every processed food is healthy in some way.

Salty cheese spreads are a "good source of calcium". A fruit-flavoured drink contains "natural cane sugar". Even the packet of a Baby Ruth chocolate bar proudly trumpets its "four grams of protein" (but not its eight grams of saturated fat).

Such messages are used by food companies to spruik their products, and they defend their right saying they help to foster "innovation".

But if it were up to groups like Choice, health claims would be banned altogether. "The reality is that health claims are most likely to be used on highly processed foods rather than the fresh foods we should all be eating more of," the consumer body says.

For 16 years, regulators have grappled with the vexed subject of health claims. Australia's food regulator, Food Standards Australia New Zealand, was working on a draft "food standard" – or set of rules – before the Blewett review kicked off in late 2009. The standard had been in the works for years.

The Blewett food labelling review, which reported last month, noted

that "industry-generated health information too often succumbs to marketing needs". It raised other concerns, including the proliferation of words such as "pure" and "natural" – a trend it warned might undermine consumer trust.

Food companies are allowed to make nutrient claims about foods, such as "high in calcium" or "low in fat", and more general health claims such as "helps lower cholesterol".

But with the exception of foods containing folate, "high level" health claims that a food can prevent or cure a serious disease, such as "drinking this milk will reduce your risk of osteoporosis", are banned.

The Blewett review has called for foods with nutrition, health and related claims to first comply with a "nutrient profiling system", passing a "healthiness" test before they can carry any nutrition or health claims.

Words such as "pure" and "natural", meanwhile, would be subject to a new code of practice, and would be restricted if the code did not result in "appropriate constraint" of their use.

**RUTH WILLIAMS**







## THE ISSUE GM FOODS

IF YOU think your diet is free from genetically modified food, think again. In Australia, foods containing refined oils or sugars from GM crops do not have to be labelled, as long as they don't contain any of the crop's DNA or protein.

Exemptions are also in place for meat from animals fed with GM plants, flavourings that make up a tiny portion of a food, and for foods containing "unintentional traces" of 1 per cent or less GM ingredients.

With so many exemptions, it is almost impossible to avoid products that have involved GM organisms at some point in the production chain.

And if the Blewett review is anything to go by, this greatly concerns many Australians. Submissions arguing for better disclosure of GM products – along with those concerned with additives and allergens – made up 5000 of the 6000 submissions received by the review, suggesting "considerable unease in the community over GM foods".

This is borne out by a Swinburne University survey published last year. One thousand people were

asked to rate their comfort level with certain food technologies – zero being "not at all comfortable" and 10 being "very comfortable". The average for GM was 3.9.

Concerns deepened last year when tests commissioned by Greenpeace found traces of genetically modified soy in the baby formula S-26 Soy.

The worries persist despite regulators' assurances that there is no evidence that such foods pose any threat to health, and despite the fact that GM ingredients have been used in Australian food production for a decade.

The Blewett review recommended that the exemption for GM flavourings be removed, but balked at ending the exemption for foods containing no detectable GM DNA or proteins – even as it noted that such rules were in place in Europe.

Its stance was criticised by anti-GM campaigners like Gene Ethics, which said the decision was "not fair to shoppers", and Greenpeace, which stated: "quite frankly, Blewett blew it". **RUTH WILLIAMS**

