



obesity
policy
coalition

obesity prevention

>> priorities for action

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WHO Collaborating Centre
for Obesity Prevention.

Introduction

The Obesity Policy Coalition (OPC) was established in 2006 by Diabetes Australia – Vic, The Cancer Council Victoria, the World Health Organization Collaborating Centre for Obesity Prevention at Deakin University, with support from VicHealth.

Obesity has become a global epidemic and has been described by the World Health Organization as “one of today’s most visible, yet most neglected, public health problems.”¹ Obesity is a complex issue with significant health, social, and economic implications. As such, addressing the obesity epidemic requires a strong and comprehensive approach involving a variety of groups including federal, state and local government, schools, community organisations, the medical community, food industry and others.

The problem of overweight and obesity cannot be tackled by focusing solely on the individual. It is not merely a product of poor individual choices, but is influenced by a person’s social, physical and economic environment.

The Obesity Policy Coalition has been established to progress the development of policies that will support obesity prevention, particularly for children. The broad objectives of the Coalition are to identify, analyse and advocate for evidence-based policy and regulatory initiatives to reduce overweight and obesity at a state and national level.

The OPC believes there are three main areas of opportunity for federal government policy initiatives to address and reduce the burden of overweight and obesity in Australia.

These include:

- » a comprehensive ban on all marketing of unhealthy food to children and adolescents under 16 in all media, including television, internet, email and mobile phones
- » a mandated front of pack labelling scheme utilising colours to outline whether the product contains high (red), medium (orange) or low (green) levels of fat/salt/sugar
- » addressing tax anomalies, by;
 - removing high sugar cereals from the broad exemption of cereals which do not attract the GST; such high sugar products, aggressively marketed to children should attract the GST in the same way as confectionery and cakes;
 - removing FBT exemptions for company cars which encourage car users to build up kilometers for increased concessions; and - offering tax incentives for public transport and bicycle use.

Restricting Marketing of Unhealthy Food to Children

Proposal

The Obesity Policy Coalition proposes the introduction of legislation to comprehensively restrict the promotion of unhealthy foodⁱ to children under the age of 16.ⁱⁱ The Food Standards Australia New Zealand nutrient profiling scheme could be used to determine which foods and beverages would be considered healthy under this scheme.

Legislation would be required to address various promotional techniques and media that reach children. Restrictions would cover promotion of unhealthy food to children through:

- » advertising on commercial free-to-air television at times when a significant number of children are likely to be watching and during programs classified P (pre-school), C (children) and G (general)
- » advertising on subscription television on channels intended primarily for children, and on other channels at times or during programs when a significant number of children are watching
- » food packaging intended or likely to appeal to children
- » websites intended for or likely to appeal to children
- » direct electronic marketing to children (via SMS or email)
- » product placement in free-to-air or subscription television programs, films, websites, computer games or print publications intended for, or likely to appeal to children.

Evidence

Children and adolescents are increasingly the target of big budget and sophisticated marketing campaigns by food and beverage companies. The vast majority of products aimed at young people are for unhealthy foods, high in sugar/salt/fat. These integrated marketing campaigns use a range of channels to reach children, covering not just television but Internet websites, email, direct mail, print, packaging and sampling. Marketing targets children and young people where they study, work and play including schools, homes, shops, cinemas, and outdoors

through their sport and recreation.

Three recent systematic, comprehensive reviews based on the highest quality empirical research have reached similar conclusions – that food promotion influences children’s food preferences, purchase requests and consumption.^{2,3,4} These effects have been found for both brands and categories of food. They have resulted in a growing consensus between expert commentators that food promotion to children is harmful to children’s health and contributes to weight gain and obesity in children.

Australia has one of the highest levels of television food advertising during children’s programming in the world.⁵ Recent content analyses have found that one in three ads during children’s viewing time are for food.⁶ Australian commercial TV networks broadcast an average of five food ads per hour between 7.00am and 9.00pm, with the vast majority (81%) being for unhealthy foods such as fast food, confectionery/ chocolate, sweet breakfast cereals, and drinks.⁷ Research has also found that there is widespread use of promotions that appeal to children on food in supermarkets.⁸ A large proportion of these food promotions, 82%, were for unhealthy food and the types of techniques used included movie celebrities, cartoon characters and often included giveaways.

Implications

There is substantial evidence that food marketing has an effect on the diet of children. Even a modest direct effect on children’s food consumption should not be underestimated. This would have a significant impact when applied across the population of children and over the period of a child’s development.

This was found to be the case in a recent Victorian Department of Human Services project to assess the cost-effectiveness of potential interventions to reduce childhood and adolescent obesity (ACE Obesity Project).⁹ The modelled impact of bans on the advertising of unhealthy foods on television on each child was modest but multiplied out across the whole population and continuing over time, it was by far the most effective and cost-effective of the 13 modelled interventions. It was estimated to save 37,000 disability-adjusted life years (DALYs) per year with a net saving of \$300 million per year for Australia.

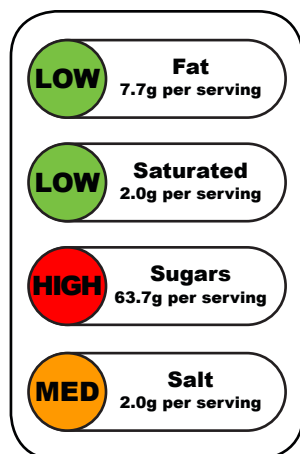
i In this paper the word ‘food’ is used to refer to food and beverages.

ii For the purposes of this paper, children is used to cover those under 16.

Front of Pack Nutrition Signposting

Proposal

To develop and implement a mandatory food and beverage front of pack labelling traffic light scheme to inform consumers about the levels of key nutrients in products including sugar, salt, saturated fat and total fat.



With traffic light colours, you can see at a glance if the food has high, medium or low amounts of fat, saturated fat, sugars and salt in 100g of the food. In addition to the traffic light colours, you can also see the amount of these nutrients that are present in a portion or serving of the food.

Red = High
Amber = Medium
Green = Low

The development of a nutrient profiling system by the Food Standards Australia New Zealand for assessing healthy claims can provide the basis for determining the levels of these nutrients.

Evidence

Nutrition labelling on product packaging is well recognised as an important component in helping consumers make healthy food choices.¹⁰ Improving and simplifying the information available to consumers has the potential to improve consumer understanding of the contribution of different foods to their diet. In turn, this can stimulate changes in patterns of food choice that can ultimately lead to improved population health.¹¹ It can also provide health professionals with a tool to advise patients on healthy food choices for themselves and their families.¹²

In recent years there has been a move towards 'front-of-pack' labelling schemes that mark out individual food products within categories as healthy or healthier choices (e.g. the National Heart Foundation's 'Pick the Tick' program). Most recently, various front-of-pack nutrient signposting schemes have been proposed that use simple verbal or visual formats (e.g. traffic lights labels) to highlight key nutrient values on all food products. However, these have not been universally adopted.

Various food standards bodies^v and consumer groups around the world have recommended the introduction of these nutrient signposting schemes, in a range of formats.^{13,14} Several supermarket groups and some manufacturers in the UK have introduced their own traffic light based schemes. In Australia, an industry body, the Australian Food and Grocery Council, has developed and implemented a voluntary scheme which the OPC believes has the potential to confuse consumers. All of the schemes outlined above have different formats and use different criteria for classifying the levels of nutrients in foods. It is important that consumers, particularly those with low levels of literacy and education, are given information in an easy to understand format. The current lack of standardisation threatens to confuse consumers.

National leadership is essential to ensure that the nutrition messages reaching consumers are consistent, and to avoid the confusion that would result from the implementation of multiple systems each applying different criteria with different formats.

Implications

Implementing a front-of-pack signpost system will ensure that all food products are labelled in a simple and comparable way that consumers can readily understand and interpret. Simplified label information, using a traffic light system, would be consistent with nutrition education provided in schools. This labelling would result in changes in consumption of foods high in fat/salt/sugar, which may lead to improved nutrition, and help to prevent overweight and obesity.

^v Most notably, the Food Standards Agency in the UK is advocating for retailers and manufacturers to use traffic light labels, and the European Heart Network (EHN) has recently recommended that the European Commission develop a mandatory front-of-pack nutrition labelling scheme as part of their amended nutrition labelling proposals (EHN, 2006).

Tax Anomalies Supporting Unhealthy Choices

It is widely accepted by experts that the obesity problem can only be addressed through comprehensive policies designed to ensure that the environment supports healthy choices. These include pricing policies initiated by government to support behaviour change and improved public health outcomes. For example, studies of tax and pricing policies applied to tobacco and alcohol products in many countries provide persuasive evidence of their effect in decreasing consumption of these products.¹⁵

Applying GST to High Sugar Breakfast Cereals

Proposal

The Obesity Policy Coalition proposes that the Goods and Services Tax (GST) be imposed on cereals which have high levels of added sugar and are often aggressively marketed to children. The OPC proposes that any cereal consisting of more than 27%ⁱⁱⁱ added sugar attracts the GST. This would be consistent with the treatment of bakery products, where bread is GST free, however products such as pastries and cakes attract the GST. The money raised by this impost should be directed to social marketing campaigns using television advertising to support healthy eating messages for children and their parents.

Evidence

Nutritionally, not all breakfast cereals are equal; in particular there is a huge variation in the amount of added sugar. In recent years there has been an increase in the predominance of high sugar cereal products, many of which are heavily marketed to children.

Mytton et al conducted research in the United Kingdom on extending the value-added tax (17.5%) to particular foodstuffs that contribute a large proportion of saturated fat, salt and sugar in the British diet.¹⁶ They concluded that this would lead to a reduction in calories consumed from saturated fats and a decline in heart disease. This new selective tax would provide incentives both for consumers to change their diets and for manufacturers to reformulate foods.

Research has also found that consumer goods that have near substitutes have a high price elasticity of demand – that is, a small proportionate increase in the price leads to a large proportionate change in demand.¹⁷

All OECD countries collect significant amounts of revenue from a general sales tax and most apply a lower rate to broad categories of food. Australia imposed a GST in 2000 on most products and services to replace a number of indirect taxes. Basic foods such as bread, fruit, vegetables and breakfast cereals were excluded, with the GST being applied to biscuits, confectionery, savoury snacks and ice cream, and bakery products such as pastries, muffins and cakes.

Implications

Imposing the GST on high sugar breakfast cereals would send a message to consumers that these cereals are an occasional treat rather than an everyday food. It would encourage parents to purchase healthier breakfast cereals that would support a healthy start to the day for their children. It would also provide an incentive to manufacturers to reformulate breakfast cereals to improve their nutritional profiles by using less added sugar.

iii Based on the cut-off set by Choice to determine high sugar cereals.

Provide Tax Benefits for Active Transport

Proposal

The Obesity Policy Coalition proposes providing tax advantages similar to those currently available for car use^{iv} for public transport fares and bicycles.

Evidence

In the past 20 years the proportion of Australian adults who are overweight, obese or inactive has increased in parallel with a greater reliance on cars. Recent research in New South Wales found that people who drove to work were 13% more likely to be overweight or obese than those who walked, cycled or used public transport, regardless of their income level. Additionally, the further people had to drive each day, the greater their weight increase.¹⁸

Currently a bias exists within the fringe benefits tax regime, which favors private over public transport and may encourage commuters to drive, rather than use public transport, walk or cycle. In 2006, this tax concession cost the government \$1.08 billion.

The FBT concession results in the subsidisation of cars for higher earning employees, with the rate of concession increasing with the number of kilometers travelled. That is, the taxable value of the car and hence the FBT payable, decreases as the number of kilometers increases. This incentive drives the “March rally” at the end of the FBT year where long trips are taken to reach the required number of kilometers to qualify for the greatest benefit. It also means that once employees have made the decision to salary package a car, any subsequent decision to reduce car use may result in a reduction in their take-home cash.¹⁹

Implications

The tax concessions for car use contribute to increased greenhouse gas pollution, urban traffic congestion and is likely to encourage inactivity. Similar tax benefits are not available for use of public transport or active transport options, such as bicycles. Providing a tax incentive is likely to result in increased physical activity, either through supporting active transport or incidentally through increased use of public transport.

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iv ACOSS, the Institute of Chartered Accountants, Insurance Australia Group, the Australian Conservation Foundation and several Parliamentary inquiries have all advocated the repeal of this tax break.

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