

**Victorian Competition and Efficiency Commission (VCEC)
Inquiry into Food Regulation in Victoria**

**VicHealth Response to VCEC Issues Paper
January 2007**

Introduction

VicHealth welcomes the opportunity to respond to VCEC's Inquiry into food regulation in Victoria. We would like to respond to the following questions raised in the Issues Paper:

2.2 Main legislation and regulatory landscape

2.2.2 Are current food regulations achieving their objectives in the areas of health and safety, consumer protection and maintaining confidence in the quality and safety of the food industry's products?

2.5 Opportunities for reducing or streamlining regulation

Are current arrangements for harmonising national and state regulations working well, and if not, how might they be improved? Is the division of responsibilities between the various regulatory bodies appropriate? Is there adequate coordination between regulatory bodies?

2.6 Community activities and risk management

Are food regulations imposing substantial costs on charities and community organisations?

2.7 Food Standards and Labelling

Should food Labelling be changed to provide more useful information to consumers?

Key points of this submission

VicHealth believes there is a need to amend the Victorian Food Act to ensure:

1. Greater protection for consumers from misleading and deceptive food advertising and marketing
2. There is greater harmonisation between federal and state governments in their co-ordination and governance of food regulation
3. The regulatory burden on community groups and charities is eased
4. *All* people (including disadvantaged groups) have access to accurate nutrition information through a clear food labelling system

About VicHealth

The Victorian Health Promotion Foundation (VicHealth) fosters change in the social, cultural and physical environments that influence the health of all Victorians. Underpinning the work is the belief that health is a fundamental human right; that everyone shares in the responsibility for promoting health; and that everyone should benefit from improved health outcomes.

Healthy eating is the foundation of good health. Improving consumption of nutritious foods (in particular, fruit and vegetables) is one of VicHealth's strategic objectives¹. Only one in fourteen Victorians (7%) eats the recommended number of fruit and vegetable serves per day². VicHealth recognises the health and economic gains that can be achieved at a population level by achieving modest increases in fruit and vegetable consumption. Increasing the population intake of fruit and vegetables by just one serve per day would save in excess of **\$160 million** per year nationally (in direct health costs associated with heart disease, stroke, and cancer)³. The savings in indirect costs such as lost work productivity and social costs would be substantially greater. The increasing levels of obesity are also incurring high health and financial costs. The total national cost of obesity in 2005 was **\$21 billion**⁴.

People in low socio-economic groups are more likely to be subject to poor nutrition. They are less likely to eat the recommended number of servings and are more likely to be overweight or obese. In addition, almost 1 in 20 Victorians experience food insecurity at least once annually (periods where they have insufficient money to buy food)⁵. In line with the objectives of *A Fairer Victoria*⁶, VicHealth is working with local governments in disadvantaged communities, to improve people's access to good quality affordable nutritious foods. Legislation should form the platform for protecting and improving the health of the most vulnerable.

On a broader level, VicHealth is committed to working with government and industry in ensuring an economically viable and locally sustainable nutritious food supply.

Questions raised in the Issues Paper

2.2.2 Commonwealth legislation and regulatory agencies

Are current food regulations achieving their objectives in the areas of health and safety, consumer protection and/or maintaining confidence in the quality and safety of the food industry's products?

The objects of the Food Act are to not only ensure that food is safe and suitable but also to prevent misleading conduct in connection with the sale and marketing of food. The issues paper states that the main objectives of food regulation are to "protect public health and safety by ensuring food is suitable for consumption" and to "protect consumers from misleading and deceptive behaviour in connection with the sale of food, and to facilitate informed choice about foods, diet and food related illness and disease". **VicHealth believes that current food regulation needs to be strengthened if it is to meet this objective.**

VicHealth believes that under current commonwealth and state food regulation, consumers are not able to make truly informed choices about food and this is contributing to the growing incidence of nutrition-related disease seen in Victoria today. The Food Act currently serves to protect the public from short-term food-borne illness but doesn't provide adequate mechanisms to protect the longer term health of individuals through the provision of *accurate* food labelling, food advertising and marketing.

Existing problems include:

1. Misleading conduct by food manufacturers. Under current food regulations, manufacturers are able to make selective claims about their products without informing the consumer about other “less desirable” constituents of their product; leading to an overall biased impression of that product. For example: Kellogg’s marketing of the high calcium content of Coco Pops gives the false illusion that the product is a “healthy” choice. Coco Pops contains 36.5% sugar.
2. Large variation in the accuracy of product nutrition information - recent research commissioned by the NSW Food Authority indicates that nutrition labels can be inaccurate by up to 61%⁷
3. Marketing (including television food advertising) of unhealthy foods to children. Australia currently has the largest volume of television food advertising aimed at children, in the world⁸. Australia also has one of the highest rates of childhood obesity in the world⁹. Children’s food preferences are influenced by food and beverage advertising, and research indicates that children are vulnerable to these messages. VicHealth believes that the current regulations (Children’s Television Standards and the Commercial Industry Code of Practice) are inadequate to deal with television food advertising aimed at children. Victoria should lead the way nationally, and provide objects in the Food Act that regulate food marketing aimed at children.
4. The imbalance in marketing of fresh produce compared to processed foods. This is best exemplified by global trends, where, for every dollar spent by the World Health Organisation on trying to improve the global nutrition, \$500 is spent by the food industry in promoting processed foods¹⁰. There is growing evidence that plant foods protect against a range of conditions including type 2 diabetes, coronary heart disease and cancer¹¹.

These issues contribute to a consumer’s inability to make informed food choices. The Issues Paper also states that a related objective of food regulation is to “maintain consumer confidence in the quality and safety of the food industry’s products”. A consumer study related to nutrition claims on food labels conducted by FSANZ (2003) found that there was consumer confusion and frustration because of the lack of standardisation and agreed meaning on terms for ‘high’, ‘low’, ‘reduced’, ‘source of’, ‘light’ etc¹². VicHealth believes that the proposed changes to health and nutrient claims as documented in the *FSANZ P293* proposal will further compound this confusion. *Please refer to the Obesity Coalition Submission for further detail.*

The diversity of the Victorian population requires any labelling information to be presented simply and consistently. The 2001 Census data indicates that 23.4% of Victorians were born overseas and approximately 20.4% speak a language other than English¹³. Victoria is therefore well positioned to advocate for simpler pictorial labelling such as the traffic light system proposed in the United Kingdom.

Food regulation also fails to ensure adequate access to healthy food options for all consumers. VicHealth-funded research indicates that there are a greater number of fast food outlets in low Socio-economic (SES) communities. Compared to higher SES communities, low SES areas have up to 2.5 times the exposure to fast food outlets¹⁴. This study also showed that men and women living in these low SES suburbs are likely to be heavier than if they lived in one of the advantaged areas. (A woman whose height was 1.65m and who weighed 65kg would, if she lived in one of

the most disadvantaged parts of Melbourne, be 3kg heavier than if she lived in one of the least disadvantaged areas. Likewise, a man who is 1.75m tall, weighing 75kg would be almost 3kg heavier if he lived in one of the most disadvantaged areas of Melbourne, compared with a man living in the least disadvantaged areas).

VicHealth is concerned that current Food Regulation does not control for distribution and retail monopolies and is concerned that this impacts on the location of food outlets, food quality, competition and prices. Food regulation should stipulate appropriate formulae (for enactment by Planning Legislation) to ensure there is an even distribution and variety of food retailers for *all* communities.

2.5 Opportunities for reducing or streamlining regulation

Is the division of responsibilities between the various regulatory bodies appropriate? Is the division of responsibilities between the various regulatory bodies appropriate? Is there adequate coordination between regulatory bodies?

VH believes that the Federal responsibility of Food Standards Australia New Zealand (FSANZ) is appropriate in providing a co-ordinated approach to Food Regulation and in implementing the Food Standards Code. VicHealth considers that the role of the Victorian Food Act should be to enforce the Code locally and should be the responsibility of a single independent state authority. The role of this agency should be to support local governments in standardising the implementation of the Act.

There is an opportunity for the Food Act to address longer term health through the inclusion of measures that promote a sustainable food system. VicHealth recognises that the Food Act excludes Primary Production and Food Transportation, and believes that this fragments government(s) responsibility in ensuring a locally sustainable, economically viable and accessible food supply. This is of particular concern with the growing impact of climate change, drought, and peak oil crises on an accessible, affordable and nutritious food supply. A strategy that ensures the integration of those regulations that impact on land use (eg housing, growing, distribution and storage of food etc) will maximise valuable agricultural land for the growing of food and minimise the food miles the food supply needs to travel.

VicHealth would argue strongly against the following statement as raised in the Issues Paper

The increasing dominance of supermarket chains as purchasers of food products, which impose higher standards of food quality and safety on their suppliers than do regulation, may be viewed as a reason to remove regulation on some foods (p25)

The strong supermarket dualopoly in Australia means supermarkets have stronger buying power and control, forcing prices down and reducing the viability of local farmers. In sourcing lower priced produce, supermarkets tend to have higher import volumes, resulting in longer travel and storage times for food. The longer storage times for fresh produce can lead to reduced nutrient profile. Apples treated with ripening retardants can now be stored and presented as "fresh" on the shelves up to a year later¹⁵. Scientific studies have indicated that after 3 months in storage, antioxidant properties of apples greatly decline¹⁶. Vitamin C levels can decline by up to 60% in some vegetables that have been distributed and stored in cold storage¹⁷.

VicHealth believes that random food composition testing should be conducted by Environmental Health Officers as per the role of Trading Standards Officers in the UK to ensure minimum nutrient standards are met. FSANZ should be responsible for enacting national monitoring and surveillance requirements for nutrition, as well as food safety, and enforced through the Victorian Food Act.

VicHealth encourages VCEC in its review to look at the implications of the current food supply system in terms of its impact on the local economy and health. The Victorian Food Act has the potential to serve as a powerful catalyst in assisting relocalising the food supply.

2.6 Community Activities and risk management

Are food regulations imposing substantial costs on charities and community organisations?

VicHealth commends the Victorian Government on the introduction of the Good Samaritan Act. However, VicHealth believes that current food regulation imposes overly burdensome responsibilities on charities and community groups. The financial costs and time commitments involved in attending food safety courses may be prohibitive for volunteer-based organisations. The valuable contribution of volunteers in strengthening communities is noted by VicHealth and we suggest that a cost-benefit study be undertaken to look at the benefits provided by these groups, against the food safety threat they represent.

2.7 Food Standards and Labelling

Should food labelling be changed to provide more useful information to consumers?

Yes, VicHealth strongly believes that food labelling needs to be changed. As discussed above in 2.2.2, consumers are confused about current labelling Messages. This is a particular issue for those with low literacy, for those culturally and linguistically diverse communities and those with a visual impairment.

VicHealth would urge the commission to encourage the Victorian government to consult with FSANZ about its proposed changes to Nutrient Claims and in its Food Regulation Standing Committee's consideration of a uniform "front-of-pack" nutrition labelling changes. In particular VicHealth would urge the Government to ensure that in its considerations, FSANZ ensures such a system as has been promoted by the Australian Food and Grocery Council (Percent Daily Intake) is not adopted. The main concerns relate to the premise that the percent daily intake of energy is based on a "recommended" level of 8,700kJ. This system doesn't allow for individual dietary requirements. It also has a strong focus on energy, with percentage figures for the other nutrients being "optional". VicHealth believes this system will further mislead consumers, as it implies that energy intake is the most important nutritional consideration. This defies the objects of the Victorian Food Act.

Food labelling in the future should include information on a product's ecological footprint/impact to accompany country of origin information. This should be available on processed/packaged foods as well as fresh produce. This information will enable consumers to buy locally grown vegetables and fruits, to reduce the food miles and promote sustainability and, increase community strengthening through support local farmers.

We ask that the VCEC consider the issues raised and suggested actions put forward by the Obesity Prevention Policy Coalition's in their submission.

References

- ¹ VicHealth 2006 *Lead, Empower, Support, Connect: Victorian Health Promotion Foundation Strategic Priorities 2006-2009*. VicHealth, Melbourne
- ² Department of Human Services (DHS) 2005. *Victorian Population Health Survey*, DHS, Melbourne
- ³ Strategic Inter-Governmental Nutrition Alliance and the National Vegetables and Fruit Coalition 2002. *Eat more Vegetables and fruit: The case for a five-year campaign to increase vegetable and fruit consumption in Australia. Part 1: Business Case SIGNAL*, Canberra
- ⁴ Access Economics 2006. *The Economic Costs of Obesity Prepared for Diabetes Australia*
- ⁵ Department of Human Services(DHS) 2005 *Victorian Population Health Survey*, DHS Melbourne
- ⁶ Department of Premier and Cabinet (DPC) 2005 *A Fairer Victoria – Creating Opportunity and Addressing Disadvantage*. DPC. Melbourne.
- ⁷ Fabiansson, S. Precision in nutritional declarations on food labels. *Asia Pacific Journal of Clinical Nutrition*. 2006. 15(4)
- ⁸ Consumers International 1996 *A Spoonful of Sugar: Television food advertising aimed at children: An international comparative survey*, Consumers International, London
- ⁹ Australasian Society for the Study of Obesity (ASSO) *Obesity in Australian Children* at https://asso.org.au/freestyler/gui/files/factsheet_children_prevalence.pdf
- ¹⁰ Lang T and Millstone E (eds) 2002 *The Atlas of Food*. Earthscan Books at www.earthscan.co.uk
- ¹¹ World Health Organisation (WHO) Expert Consultation. 2003. *Diet, Nutrition and the Prevention of Chronic Diseases*. WHO Technical Report Series 916. Geneva.
- ¹² Food Standards Australia New Zealand. 2003. *A qualitative consumer study related to nutrition content claims on food labels* at http://www.foodstandards.gov.au/srcfiles/Nut_CLAIMS_final.pdf
- ¹³ Victorian Office of Multicultural Affairs, Department for Victorian Communities, March 2004. *Population and Migration* at <http://www.voma.vic.gov.au/web17/voma/dvcvoma.nsf>
- ¹⁴ King T, Kavanagh AM, Jolley D, Turrell G, Crawford D. Weight and place: a multilevel cross-sectional survey of area-level social disadvantage and overweight/obesity in Australia. *International Journal of Obesity* (2005) 1–7
- ¹⁵ Choice (2006) *Fresh Fruit and Veg?* at www.choice.com.au
- ¹⁶ Tarozzi A, Marchesi A, Cantelli-Forti G, and Hrelia P. Cold Storage affects antioxidant properties of apples in Caco-2 Cells. *Journal of Nutrition*. 2004. 134: 1105-1109
- ¹⁷ Keijbets MJH, and Ebbenhorst-Seller G. Loss of vitamin C (L-Ascorbic acid) during long-term cold storage of Dutch table potatoes. *Potato Research*. Volume 33 (1) 1990