

# Involvement of the Food Industry in Nutrition Policy

## Background Paper

This paper provides background information to the PHAA Position Statement on Involvement of the Food Industry in Nutrition Policy. It presents evidence and justification for the public health policy position adopted by Public Health Association of Australia and for use by other organisations, including governments and the general public.

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## The public health impact of food industry involvement in nutrition policy

1. Poor diet is responsible for more deaths than other risk factor globally<sup>1</sup>. According to the Global Burden of Disease study, poor diet contributed to more than 28,000 deaths (almost 18%) in Australia in 2015<sup>2</sup>
2. The annual cost of overweight/obesity alone to the Australian community in 2015 was an estimated \$8.6 billion, including \$3.8 billion in direct costs to the health system and \$4.8 billion in indirect costs primarily through impacts on workforce productivity.<sup>3</sup>
3. It was estimated that if no further action was taken to curb the increasing rates of obesity, \$87.7 billion in additional and indirect costs would be incurred by Australia between 2016-2025. In addition, if Australia were to meet the WHO target of reducing obesity rates to 2010 levels, it would mean a benefit of \$10.3 billion over this same time period<sup>4</sup>.
4. A significant driver of poor diets and overweight/obesity in high-income countries is food environments dominated by easily accessible, intensively advertised, and low cost, energy dense 'discretionary foods' high in added sugar, salt and fat.<sup>5</sup>
5. Throughout the world, a substantial and increasing proportion of the food we eat now comes from the commercial food system; in high income countries like Australia this is close to 100%.<sup>6,7</sup> Achieving healthier diets in populations requires action by food industry players, either voluntary or mandated.
6. To effectively reduce diet-related disease at a population level, a multi-strategy, multi-sector policy response is required.<sup>8</sup>
7. Evidence indicates that regulatory and legislative reforms are likely to be the most effective and cost-effective nutrition policy actions for a population, including providing substantial savings to the health-care system<sup>9</sup>. Consequently, public health nutrition policy recommendations regularly encourage government action that is often contrary to the interests of the private sector, such as sectors of the packaged food industry.<sup>3</sup>

## Background and priority

8. Australia's food and beverage industry, which includes producers, manufacturers, retailers, food service providers, and representative peak organisations, plays a significant role in our economy and the health of the nation. The most recent data available indicates that in 2013, 1.6 million people were employed throughout the food sector (equivalent to 14% of total employment) and it accounted for around 20% of domestic manufacturing sales and service income.<sup>10,11</sup> In addition, around 60% of Australia's total production of food is sold overseas, representing 76% of the gross value of farm production<sup>12</sup>
9. Multi-stakeholder partnerships, involving public and private actors, have become key instruments in food and nutrition governance around the world, particularly in high income countries.<sup>13-15</sup> Supporters of these initiatives claim that these partnerships promote wide ownership of health throughout society and allow innovation in more healthful design and content of products.<sup>16</sup>

10. There is widespread debate concerning the role the food industry, and in particular highly capitalised food and beverage producers, manufacturers, retailers, food service providers, marketers and their representative peak organizations – should play in the development, implementation and monitoring of food and nutrition policy. Such groups are highly resourced and often internationally coordinated opponents of the adoption of food regulations targeting unhealthy diets and obesity prevention in many middle- and high-income countries.<sup>17</sup>
11. While promoted as effective responses to complex development challenges that require expertise and resources from multiple sectors, partnerships between public and private actors can create tensions between profit motives and public health goals.<sup>15</sup> Businesses whose profit depends on the marketing and sales of unhealthy foods and beverages may; contribute to reframing nutrition problems in their own interests (e.g. obesity being the result of individual behaviours only), influence public health agendas and priorities to concentrate on other issues (e.g. promoting increased physical activity as the sole solution for obesity), and interfere with legislative processes to derail industry regulation.<sup>15, 18</sup>
12. Evaluations of the efficacy of multi-stakeholder partnerships show mixed results, varying by issue, nature of the engagement, complexity of the governance structure, and the diversity of partners and interactions involved<sup>19</sup>. These partnerships have frequently given rise to concerns regarding power-asymmetries between industry and civil society groups in decision-making.<sup>19-21</sup>
13. The effectiveness of voluntary food industry initiatives is questionable; they are frequently compromised by weak commitments and standards, plus a lack of transparency and enforcement mechanisms.<sup>14, 18, 22, 23</sup> There is also evidence that these approaches have been used as a successful tactic to halt, water-down or delay more effective measures, including regulatory and fiscal interventions, both internationally and in Australia.<sup>24 25, 26</sup>
14. The World Health Organization (WHO) highlights that food industry involvement in policy development and monitoring may lead to conflicts of interest. In particular, conflicts between private interests (e.g. sales growth, profit) and public health goals may hinder effective, evidence-based nutrition policy action.<sup>27</sup>
15. These conflicts may occur at a personal or an institutional level. Where improving the health of the population is the primary interest, a personal conflict of interest arises in circumstances where there is potential for a secondary interest to unduly influence, or where it may be perceived to unduly influence, the independence or objectivity of a professional judgement or action regarding a primary interest.<sup>27</sup>
16. Institutional conflict of interest describes a situation where a government's primary interest, as reflected in its institutional mandate to protect and promote public health, may be unduly influenced by the conflicting interest of a non-state actor. This may occur in a way that affects, or may reasonably be perceived to affect, the independence and objectivity of the government's work in the area of public health nutrition.<sup>27</sup>
17. Conflicts of interest are more likely to happen when the core business of the external actor is related to goods that contribute to unhealthy diets (i.e. non-aligned with public health nutrition goals).<sup>27</sup>
18. Involvement of the private sector in policy deliberations can cause governments to base policy on wealth creation and the financial and employment potential of companies, rather than on the nutrition and public health effects of the goods they produce.<sup>13</sup>

19. Food industry involvement in the development of nutrition policy also has the potential for it to undermine the integrity of the public health agency or organisation involved. This may decrease public trust and confidence in the agency.<sup>28</sup>
20. While the food industry may contribute, and have responsibilities to society, the of government is to govern in the public interest.<sup>29</sup> As a result they have the sole authority to regulate and carry out activities that protect and promote the general welfare, health and safety of the collective; to do what individuals alone cannot.<sup>30</sup> The food industry does not have the mandate nor the right to make decisions about what is in the public's interest.

## Current situation

21. Despite Australia endorsing and adopting the WHO Global Action Plan on Noncommunicable Diseases, there is no national policy or strategy in place for addressing diet-related issues in Australia. Key reasons for a lack of national action on nutrition include poor resourcing, the ad-hoc nature of implementation and the lack of coordination across jurisdictions.<sup>31</sup>
22. There have been no government-led legislative or regulatory approaches to improving the food environment in Australia at the federal level in the past 10 years, despite these being identified as the most cost-effective strategies to improve nutritional status.<sup>32</sup>
23. The only federal systems-based policy actions have been voluntary and created in partnership with the food industry. These include the Health Star Rating (a voluntary front-of-pack food labelling system) and the Healthy Food Partnership.
24. The Health Star Rating system was implemented as a voluntary front of pack labelling scheme in Australia in 2014, as a means of guiding citizens toward healthier food options. Throughout its development and implementation though, there have been concerns about the undue influence of commercial interests<sup>33</sup>. Whilst PHAA supports the implementation of such a government-led front of pack labelling system, it needs improvement via mandatory implementation and a strengthened algorithm that includes the incorporation of added sugars, and better alignment with the Dietary Guidelines<sup>34,35</sup>.
25. The Healthy Food Partnership is claimed to “provide a mechanism for collective, voluntary action between government, the public health sector and the food industry to encourage healthier eating”.<sup>36</sup> The executive committee includes a range of food industry representatives including: the Australian Food and Grocery Council; Woolworths; Coles; Metcash; the Quick Service Restaurant Forum; Ausveg; Meat and Livestock Australia and Dairy Australia.<sup>36</sup> Indeed, there are nine food industries represented compared with three public health and two government and no public citizen representatives.
26. The Prevention 1<sup>st</sup> Scorecard on Preventing Chronic Disease<sup>31</sup> reported that the targets set by the Healthy Food Partnership were not ambitious enough. They concluded that in its current form, the activities of the Healthy Food Partnership will not have a lasting impact on health. The Healthy Food Partnership thereby functions to some extent as a mechanism for industry to delay action and maintain the status quo.

27. Improvement of the Healthy Food Partnership would require strong government leadership, clear overarching targets, better management of conflicts of interest, and objective independent monitoring and evaluation<sup>37</sup>. Additionally, it needs to be only one part of a significantly broader suite of co-ordinated, evidence-based, nutrition policy actions implemented within Australia<sup>38</sup>.

## Policy options

28. Engagement with external actors regarding nutrition policy development should be government-led, and in line with WHO recommendations<sup>27</sup>. While government may wish to consult with the food industry regarding policies and their potential impact and/or implementation, the food industry should not be involved in decision-making around nutrition policy.
29. Undertaking this approach minimises conflicts of interest at a personal and institutional level.
30. Establishing a clear and transparent process that excludes industry from setting the policy intent, decreases conflicts of interest and provides citizens and civil society groups with confidence in policy decisions.
31. Transparency and clarity is needed around political donations and lobbying to increase public confidence in decisions on nutrition policy. Indeed, consideration should be given to banning political donations from the private sector, as when corporate resources are deployed to seek political influence, there is potential for undue influence relative to other interest groups.<sup>39, 40</sup> Consequently, the food industry should be disallowed from funding/sponsoring steering committees and groups which are developing food and nutrition policy that is for the benefit of all.
32. In addition to ensuring transparency and better managing conflicts of interest, nutrition policy development and implementation would also benefit from identification, monitoring and education of government and the public regarding the practices of corporations and their associated risks to public health, as well as prohibiting interactions with industry<sup>41</sup>.

## Recommended action

33. The Commonwealth, State and Territory governments should lead the development of nutrition policy, unencumbered by the food industry. Decision-making on nutrition policy needs to occur without the involvement of the food industry (regardless of a company's alignment with public health nutrition goals).
34. The Commonwealth, State and Territory governments should use the WHO technical guidance on managing conflicts of interest in nutrition policy decision-making and programme implementation.<sup>27</sup>
35. The Commonwealth, State and Territory governments should reform the existing public private partnership approach to nutrition policy in Australia, particularly for the HSR and Healthy Food Partnership which rely heavily on voluntary industry action that has been repeatedly shown to be insufficient.

36. As per international guidance<sup>27</sup>, the food industry should be consulted regarding the implementation of any new nutrition policy initiatives that relate directly to the food industry. However, this process of consultation should be clear and transparent.
37. The monitoring and evaluation of nutrition policy should not involve any organisations that have a commercial interest in the outcome of the evaluation, as this is a conflict of interest that cannot be managed and must be eliminated.<sup>42</sup>
38. The Commonwealth, State and Territory governments should be transparent and clear about political donations and lobbying. A register of food industry representative visits to Members of Parliament is needed. Furthermore, food industry should be disallowed from funding/sponsoring steering committees and groups which are developing food and nutrition policy.

**ADOPTED 2021**

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