Australian Senate Select Committee on Australia's Food Processing Sector Consultation

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Introduction

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles.

Public Health

Public health includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the Association’s role.

The Public Health Association of Australia

PHAA is a national organisation comprising around 1800 individual members and representing over 40 professional groups concerned with the promotion of health at a population level.

Key roles of the organisation include capacity building, advocacy and the development of policy. Core to our work is an evidence base drawn from a wide range of members working in public health practice, research, administration and related fields who volunteer their time to inform policy, support advocacy and assist in capacity building within the sector. PHAA has been a key proponent of a preventive approach for better population health outcomes championing such policies and providing strong support for the Government and for the Preventative Health Taskforce and National Health and Medical Research Council (NHMRC) in their efforts to develop and strengthen research and actions in this area across Australia.

PHAA has Branches in every State and Territory and a wide range of Special Interest Groups. The Branches work with the National Office in providing policy advice, in organising seminars and public events and in mentoring public health professionals. This work is based on the agreed policies of the PHAA. Our Special Interest Groups provide specific expertise, peer review and professionalism in assisting the National Organisation to respond to issues and challenges as well as a close involvement in the development of policies. In addition to these groups the Australian and New Zealand Journal of Public Health (ANZJPH) draws on individuals from within PHAA who provide editorial advice, and review and edit the Journal.

Advocacy and capacity building

In recent years PHAA has further developed its role in advocacy to achieve the best possible health outcomes for the community, both through working with all levels of Government and agencies, and promoting key policies and advocacy goals through the media, public events and other means.
The Inquiry

PHAA welcomes the opportunity to comment on the Senate Select Committee inquiry into the Australian food processing sector. At this point in time PHAA contends that the food and nutrition system is in crisis in Australia and globally.

It is PHAA’s view that an inquiry into the Australian food processing sector at this time provides a unique opportunity to strategically address the future challenges of the food system, particularly the competing issues that have been developing in food and nutrition, and the environment.

Actions to address issues in one policy portfolio can have a detrimental knock-on effect in another area, for example, the response to compensate for fossil fuel reliance inadvertently brought to a head the simmering world food crisis when governments implemented bio-fuel schemes and subsides as food prices dramatically increased (1).

In a crisis big decisions have to be made. Food processing policy must help create a food and nutrition system that ticks all the policy boxes – human health, the environment, social justice and economic goals (2).”

PHAA will outline the issues facing food and nutrition policy for Australia from a public health perspective and make some recommendations for government action to address the food and nutrition system crisis.

Core goal for food processing

Recommendation 1

Health for all Australians should be a core goal for the food processing sector.

The purpose of food processing should be to "advance the health and well-being of the population" (3). In addition, Australia has a role as a donor country contributing to global food security in relation to the ability of all people to access healthy foods.

Health is a key component reflecting a country’s progress – improved population health is a consequence of economic development and improved population health leads to economic development (4). In 2009, the Australian Government expressed the relationship between health and progress as ‘People hope to have a long life, free from pain, illness or disability. Good health for all brings social and economic benefits to individuals, their families and the wider community’ (5). Food security is closely linked to the economic and social health of a nation, society and individual. Food has a direct influence on health and the prevention of non-communicable disease through improving nutrition (6)."
Australian food processing policy framework

Recommendation 2
The PHAA suggests that the Australian Food Processing Sector adopt the aim, vision, objectives and principles outlined below to guide its response.

Aim
The core objectives of Australian food policy should be ‘to improve health and prosperity’.

Vision
The vision for the food processing sector:

“a safe, nutritious, affordable, secure and environmentally sustainable food system accessible to all Australians for health, wellbeing and prosperity now and into the future”.[7,8]

Objectives
1. All Australian consumers understand, choose, consume and enjoy a high quality diet comprised of safe, nutritious, affordable and environmentally sustainable food from a prosperous food system.
2. Preventing diet related ill-health within an environmentally sustainable food system
3. The food supply chain (from trade, production through to and including consumption) is environmentally sustainable building Australia’s future.
4. Sufficiency of production on ecological terms
5. Australians experience and contribute to food security at a domestic, national and global level.
6. Public confidence in the food supply
7. Established food democracy –healthy diet for all and general public participation in its operation
8. Harnesses all sciences to address the nature of food production
9. Australia lowers food’s impact on the environment
10. The Australian food system is a world leader in carbon emissions efficiency.

These objectives reflect the key issues, challenges and priorities facing global food systems. Outcome measures should include measures of life expectancy and quality of life (including reduction in diet-related disease including foodborne illness and chronic disease).

High order principles:
1. Consistent and complimentary policy approach to food and nutrition, with coordinated effort across sectors guided by the policy administration program
2. Protects public health and safety, particularly through ensuring diet quality and nutrition
3. Ecologically Sustainable Development, particularly environmental sustainability
4. Viable Australian food system from production to processing, retailing and consumption
5. Economic growth, particularly productivity component
6. Social justice -social inclusion and equity
7. Supports innovation
8. Healthy food choices the easier choices
9. Community Participation and accountability
10. Evidence informed
Australian food processing policy approach

The PHAA believe that the inquiry must consider health and environment by linking processing policy to the outcomes of food consumption (nutritional and health, and a sustainable environment). Governments should promote a view that what matters is not just what people eat but also how food is processed and how equitably it is distributed and consumed.

The approach to Australian food policy should be food system wide. Focus areas for action exist throughout the food supply chain, and food processing, distribution and marketing is a key aspect. Australia should consider global influences on food policy, particularly in relation to food production, distribution, advertising and promotion. As will be discussed in more detail, nutrition policy also has significant implications for agriculture and trade. There is an increasing emphasis on the need for food policy to support the production, access, promotion and equitable consumption of health promoting foods.

National Food Policy Framework

The recent National Food Plan consultation focussed on the first part of the chain – food production, trade, transportation and a little on processing, however did not sufficiently emphasise the influence of food retailing, advertising and promotion on food purchasing and consumption. A policy framework is required. Figure 1 depicts the key policy drivers, focus areas and the expected outcomes as one way to conceptualise the policy framework.

![National Food Plan Framework](image)

Figure 1: National Food policy Framework

PHAA believes it is critical that the Australia Government develop a food policy framework.

Linking ‘food processing to consumption’ can achieve public health goals and environmental goals. There is a need to integrate both strands and not address them separately. Tim Lobstein,
from the UK Food Commission pointed to the problem: “Food policies deliver large quantities of food relatively safely, but they are failing to deliver healthy diets”.(12)

The inquiry should consider the role of food processing in the development of an integrated Australian food and nutrition policy, with four main components: supply of sufficient amounts of food (food security); the provision of food free from contamination (food safety); the provision of a healthy diet available to all (nutritional quality), an environmentally sustainable food supply, and an economically variable food industry.

From a health perspective food processing, distribution and retail are priority focus areas to improve dietary intake and subsequent population health. The PHAA identifies five major challenges to public health with regard to food processing for all Australians:

1. Food Safety
2. Diet Quality
3. Food Security
4. Healthy food Economy
5. Sustainable food supply

**Australian Dietary Guidelines**

The recently released National Health and Medical Research Council’s Dietary Guidelines (http://consultations.nhmrc.gov.au/open_public_consultations/dietary-guidelines) highlight the urgent need to consider the consequence of food processing, promotion and distribution for health. The latest scientific evidence highlights the catastrophic health consequences of poor dietary intake and recommends urgent changes.

There are five dietary guidelines, all pivotal considerations for the Australian food processing sector:

- **Guideline 1:** Increase consumption of a wide variety of nutritious foods (predominantly whole foods: vegetables, legumes, fruit, grains, lean meats and fish, nuts, milk and lower fat dairy foods and water);
- **Guideline 2:** Limit intake of foods and drinks containing saturated and trans fats, added salt, added sugars and alcohol;
- **Guideline 3:** To achieve and maintain a healthy weight;
- **Guideline 4:** Encourage and support breastfeeding; and
- **Guideline 5:** To prepare and store food safely.

Dietary recommendations to improve health are rather complex and often will be simplified to advise consumers to avoid processed or ‘junk’ foods. However, what is really meant is to avoid nutrient dense ultra-processed or transformed foods that are high in saturated fats, added sugars and salt, or energy dense.

**Recommendation 3**

Assess all food processes against their impact on the promotion of dietary patterns consistent with the Australian Dietary Guidelines.
(a) the competitiveness and future viability of Australia’s food processing sector in global markets

Processed foods and human health

Governments are increasingly concerned about levels of obesity and associated chronic diseases and escalating health costs, which are driven in part by increasing consumption of processed foods high in sugars, salts and saturated fats.\(^{(13)}\)

Almost all food and drink has always been processed as many foodstuffs as found in nature are unpalatable or inedible unless they undergo some process, such as preparation or cooking. However, the issue is related ultra-processed products. Ultra-processed products, as a group, are much more energy-dense than unprocessed and minimally processed foods and processed culinary ingredients taken together. They are usually manufactured by transnational and other large firms. They are usually microbiologically safe, however they carry a major chronic disease risk.\(^{(14)}\) Swinburn et al highlight that the simultaneous increases in obesity in almost all countries appear to be mainly driven by a global food system that is producing more processed, affordable, and effectively marketed food.\(^{(15)}\)

The PHAA believes that the food processing sector should consider the way that processed foods are classified in their decision making processes. Processed foods can be classified according to the nature of the product transformation and associated nutritional changes.

On a global scale there is ‘a shift away from traditional diets towards a more globalized intake pattern that involves increased quantities of processed foods, animal products, sugars, fats, and (sometimes) alcohol’\(^{(17),(14)}\). From the public health point of view, ultra-processed foods are problematic in two ways. First, their principal ingredients (oils, solid fats, sugars, salt, flours, starches) make them excessive in total fat, saturated or trans-fats, sugar and sodium, and short of micronutrients and other bioactive compounds, and of dietary fibre. Taken together this increases the risk of various serious diseases. Second, their high energy density, hyper-palatability, their marketing in large and super-sizes, and aggressive and sophisticated advertising, all undermine the normal processes of appetite control, cause over-consumption, and therefore cause obesity, and diseases associated with obesity.\(^{(14)}\)

Important considerations for assessing the implications for health in food processing include classifying foods according to the generally purpose, nature and extent as well as considering the purpose of processing. First, some foods are highly perishable and cannot be stored for a long time. Second, they require kitchen (culinary) preparation and cooking to be digestible, safe, and palatable. These limitations are the main reasons for the development of numerous techniques of industrial food processing. When considering the impact of food processing on health, Monterio in 2010 defined processed foods as either unprocessed or minimally processed, culinary or food industry ingredients, or ultra-processed products\(^{(14)}\).

Processed foods and environmental sustainability and health

Another public health challenge is for Australia is to maintain environmental and economic resources while supplying a safe, nutritious, and affordable and renewable food supply. We need to
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protect and build infrastructure and systems to support ecologically sensitive food processing and distribution. The result would be a diverse food supply.

An economically viable food system promoting health and prosperity would produce safe, nutritious, affordable and sustainable foods and diets.

The PHAA believe that important prerequisites for increasing Australia’s competitiveness and the future viability of Australia’s food processing sector in global markets include increasing Australians’ health and the nutritional value of processed foods. This means that the emphasis on health needs to include nutrition, not just as an add-on, but as a key component (driver) of decision making in any food processing policy.

Trend in food processing
There is a worldwide trend to transform foods through processing. Originally foods were minimally processed to extend shelf-life and quality, and more recently the focus has been on value-adding, or rather, adding profit or economic value for industry. Food supply chains are becoming more uniform, with the emphasis moving from localism (locally grown, seasonally available products) to year round complex value-added processed foods. These foods are made increasingly available through trade liberalisation\(^{(16)}\). Unfortunately, there is often a reduction in the ‘health value’ of food during processing as fats, kilojoules, sugars and salts are often added. From a public health perspective there is a need to examine the effect of trade liberalization on local production and dietary impact\(^{(16)}\).

Value of Australia’s food processing sector
The total value of Australian food processing industry sales and services income in 2005-6 was about $71.4 billion, of which value-added accounted for 25% or $17.5 billion. The food and beverage sector provided 17% of the industry value added and 20% of total sales and services income\(^{(17)}\). The top five individual processed foods that contribute to value adding in the Australian food industry are meat processing ($1.6 billion), beer and malt ($1.5 billion), confectionery ($1.5 billion), wine ($1.4), and soft drinks ($1.3).

An assessment of the current situation reveals that there is:
- a gap between current dietary behaviour and dietary recommendations for health;
- evidence that there are dietary patterns conducive to health in some countries (and that the current Australian diet is not optimal); and
- evidence of food supply factors leading to an overconsumption consumption of food and nutrients of public health concern (fat, saturated fat, sugar, salt and kilojoules), including increased serving sizes.

Current eating patterns do not reflect optimum eating patterns to protect against poor nutrition and diet-related diseases. There is a concern that we have had to ‘make do’ with current dietary data for adults as the NN95 is 15 years old. There have also been significant changes in the eating situation and the consumption of take-away or pre-prepared foods. The range of foods available has increased rapidly over the time period with recent estimates that supermarket have over 40,000 individual food line items, mainly processed foods.
Substantially transformed products

Most of the value (95%) of the imported goods is from processed foods or ‘substantially transformed products’. Between 2006-7 in Australia, there were significant increases in the import value of oilseeds to $78 million (up 290%), meat $489 million (up 47%), wine to $334 million (up 35%), bakery products to $417 million (up 24%), fruit and vegetables to $1.2 billion (up 18%), soft drink, cordial and syrup to $656 million (up 15%), seafood to $1.2 billion (up 15%), spirits $465 million (up 12%), and dairy to $480 million (up 11%). Flour mill and cereal food imports decline by 1% \(^{18}\).

Table 3: Australian imports by level of transformation

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimally transformed</th>
<th>Substantially transformed</th>
<th>Elaborately transformed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>$241</td>
<td>$4148</td>
<td>$136</td>
<td>$4525</td>
</tr>
<tr>
<td>2000-01</td>
<td>$279</td>
<td>$4614</td>
<td>$142</td>
<td>$5036</td>
</tr>
<tr>
<td>2001-02</td>
<td>$262</td>
<td>$4919</td>
<td>$172</td>
<td>$5352</td>
</tr>
<tr>
<td>2002-03</td>
<td>$383</td>
<td>$5390</td>
<td>$217</td>
<td>$6038</td>
</tr>
<tr>
<td>2003-04</td>
<td>$317</td>
<td>$5504</td>
<td>$217</td>
<td>$6038</td>
</tr>
<tr>
<td>2004-05</td>
<td>$309</td>
<td>$6119</td>
<td>$228</td>
<td>$6656</td>
</tr>
<tr>
<td>2005-06</td>
<td>$350</td>
<td>$6435</td>
<td>$256</td>
<td>$7043</td>
</tr>
<tr>
<td>2006-07</td>
<td>$430</td>
<td>$7430</td>
<td>$338</td>
<td>$8198</td>
</tr>
</tbody>
</table>

Source: \(^{18}\)

Value-adding and the Australian Food Industry

PHAA is concerned that the emphasis on imports of substantially transformed foods and value adding in the food industry has a focus on producing more high fat, salt and sugar containing food thereby increasing the availability of unhealthy foods in the Australian food supply. The table below provides an overview of the value of the Australian food industry from 2001-2006 \(^{18}\).

Table 4: Overview of the Australian food industry

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of farm and fisheries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisheries production</td>
<td>$b 27.7</td>
<td>32.5</td>
<td>31.9</td>
<td>33.9 $a</td>
<td>30.2 $a</td>
</tr>
<tr>
<td>Value added, food processing (^a)</td>
<td>$b 16.4</td>
<td>16.6</td>
<td>17.3</td>
<td>17.5</td>
<td>Na</td>
</tr>
<tr>
<td>- share of GDP</td>
<td>% 1.9</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
<td>Na</td>
</tr>
<tr>
<td>Food &amp; liquor retailing turnover</td>
<td>$b 82.7</td>
<td>89.9</td>
<td>93.4</td>
<td>98.6</td>
<td>106.6</td>
</tr>
<tr>
<td>- share of total retailing</td>
<td>% 46.2</td>
<td>46.2</td>
<td>46.2</td>
<td>46.7</td>
<td>47.4</td>
</tr>
<tr>
<td>Value of food exports</td>
<td>$b 22.6</td>
<td>22.4</td>
<td>24.0</td>
<td>24.1</td>
<td>23.3</td>
</tr>
<tr>
<td>- share of total merchandise trade</td>
<td>% 19.5</td>
<td>20.5</td>
<td>18.8</td>
<td>15.6</td>
<td>14.7</td>
</tr>
<tr>
<td>- minimally transformed share</td>
<td>% 30.3</td>
<td>31.7</td>
<td>29.1</td>
<td>27.9</td>
<td>23.7</td>
</tr>
<tr>
<td>Value of food imports</td>
<td>$b 6.0</td>
<td>6.0</td>
<td>6.7</td>
<td>7.0</td>
<td>8.2</td>
</tr>
</tbody>
</table>

\(^a\) Excludes the spirits sector. Data not published by the ABS.

The summary data provided in the Australian food statistics reporting 2006 highlights disproportionate and increasing emphasis on “value” of sale of unhealthy food products and limited consideration of “value” for health \(^{19}\). Australia exports significant amounts of live animals, fish,
vegetables, fruit and nuts, grains, oilseeds, meats and dairy products. Conversely, processed (substantially and elaborately transformed) foods make up 95 per cent of the total value of food imports into Australia. Australia has significantly increased imports of processed fruits and vegetables, oil and fats, bakery products, confectionery and soft drink, cordial and syrups, the increasing the importing of these foods has been incremental over time since the 1990s in most cases, however substantially increases in bakery products confectionery and soft drinks have occurred over the last five to six years (19).

**Australian food exports and imports, by sector in 2005-06, dollars(19)**

Australian import trends are a good example of the influence of food policy on externalities. It is extremely difficult to understand from a health perspective the increasing imports of soft drink, cordial and syrup to $700 million in 2009-10, when since 1992 Australian government policy has discouraged consumption of these beverages (20-24).

Dietary guidelines throughout the world recommend increasing consumption of fruits and vegetables and plain cereals, and reducing or limiting consumption of bakery products, fats and oils, confectionery and soft drinks. It is important to Australia to consider “value” for health when determining its import priorities within the context of international agreements. There is a need to ensure that policy space is protected within international trade agreements to ensure that governments can use policy interventions to promote consumption of healthful foods and limit consumption of unhealthy foods.

The food industry in Australia has identified obesity as a major public health issue for the country. The challenge was seen that there would be an increasing pressure on the feature food companies to develop a proactive approach towards obesity and cited examples of fast food companies producing healthy and fresh foods and the increasing balance on menus. It could be considered, that these types of initiatives are driven more by market share niche potentials than commitments to comprehensive changes to the food supply to improve the availability of healthy diets.
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Recommendation 4
Assess the public health impact of the food system to identify actions that encourage food consumption consistent with diet recommendations; increasing consumption of fresh fruit and vegetables and plain cereal foods is a key priority.

Recommendation 5
Define and include a ‘value’ for health in food processing systems, based on total diet intake, not on individual food components.

(b) the regulatory environment for Australia’s food processing and manufacturing companies

The regulation of labelling of processed foods (regulation and labelling)
The PHAA believes that Australia has largely ignored the food and chronic disease crisis. Checks and balances must be put in place at the highest level. Doing nothing has been a policy failure so far...

Food Standards Australia and New Zealand (FSANZ) is primarily a regulator. It supports the Australian Government’s public health objectives and the work of other Government agencies. However FSANZ and the current food regulatory system in Australia could do a lot more to protect public health and safety if it had a more specific mandate to improve public health than merely to ‘have regard for’ public health objectives.

FSANZ’s mandate is set out in the Food Standards Australia New Zealand Act 1991 (FSANZ Act). In Section 3 the aim is set to “ensure a high standard of public health protection”. This is most often interpreted in the context of food safety. One of the legislation’s objectives is to ensure a “high degree of public confidence in food”. The problem is, however, that the scope of FSANZ’s role in ensuring public confidence and harmonisation etc. is to do so “without reducing public health”, rather than with improving public health as the priority.

The PHAA believes that FSANZ is doing a good job with food safety but is failing to protect public health through diet-related chronic disease. To achieve this aim would probably require a change in the Act or in its interpretation.

Recently FSANZ received a “Statement of Expectation” from government that a food regulation that protects public health and safety is one that balances public health and safety protections with efficient regulation and that FSANZ needs to limit red tape and reduce regulatory burden without compromising public health and safety. In short it could be said that FSANZ at this point in time have regard to public health and safety, and to ensuring consumer protection (food safety) and information.

Recent nutrition related regulations, health claims endeavour to support public health objectives. However, there has been little commitment to the implementation of the hard policy recommendations.
Recommendations 6
Develop a risk-based, sustainable and integrated food safety systems approach through Australian food regulatory systems to ensure a safe food supply, particularly processed foods.

Recommendations 7
Food regulatory systems need to ensure a wide range of affordable, nutritious foods are available and promoted.

Recommendations 8
Build capacity to ensure safe food production, handling and supply practices and controls.

Recommendations 9
Strengthen food-borne disease surveillance systems – monitor the incidence and prevalence food borne illness and risks and implement appropriate responses to ensure a safe food supply.

Recommendations 10
Enhance risk communication and advocacy to ensure public health is a priority.

Recommendation 11
Strengthen the science base for food safety and nutritional monitoring and policy making.

Food labelling
There are a number of innovative, effective food approaches to improving health that are currently being considered by government (or which have been in the past) that are easy and effective interventions to resource and implement now:

Recommendation 12
Urgently resource, implement and evaluate the National Health and Research Council’s Australian Dietary Guidelines.

Recommendation 13
Urgently resource, implement the recommendations of Labelling logic (25).

The PHAA believes that it is a priority to define a public health context and to integrate the Nutrition policy into the National Food Plan. We also suggest that the government establish and resource a National Food Agency. Additionally, we requests that the Senate Select Committee supports the Dr Neal Blewett AC Review Labelling Logic with a particular focus on the following:

- **Labelling Logic Recommendation 1:** That the *Food Standards Australia New Zealand Act 1991* be amended to include a definition of public health to the effect that: ‘Public Health is the organised response by society to protect and promote health and to prevent illness, injury and disability’;
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- **Labelling Logic Recommendation 2** That food labelling policy be guided by an issues hierarchy in descending order of food safety, preventative health, new technologies and consumer values issues. Regulatory action in relation to food safety, preventative health and new technologies should primarily be initiated by government and referenced in the Food Standards Code. Regulatory action in relation to consumer values issues should generally be initiated by industry and referenced to consumer protection legislation, with the possibility of some specific methods or processes of production being referenced in the Food Standards Code.

- **(Labelling Logic Recommendation 18)** That declaration of energy content of standardised food items on the menu/menu boards or in close proximity to the food display or menu be mandatory in chain food service outlets and on vending machines. Further, information equivalent to that provided by the Nutrition Information Panel should be available in a readily accessible form in chain food service outlets.

- **(Labelling Logic Recommendation 25)** That a suitably worded warning message about the risks of consuming alcohol while pregnant be mandated on individual containers of alcoholic beverages and at the point of sale for unpackaged alcoholic beverages, as support for ongoing broader community education.

- **(Labelling Logic Recommendation 51)** That a multiple traffic lights front-of-pack labelling system be introduced. Such a system to be voluntary in the first instance, except where general or high level health claims are made or equivalent endorsements/trade names/marks appear on the label, in which case it should be mandatory.

The following PHAA recommendations are based on PHAA policies and make sense from an economic perspective as well as addressing their prime goal in seeking to improve the health of Australians:

**Recommendation 14**
FSANZ to develop compulsory standards for an interpretive colour-coded Front of Pack Labelling System across all packaged foods

**Recommendation 15**
Remove advertising and promotion of energy dense (added fat, salt and/or sugar) foods to children and adolescents

**Recommendation 16**
Reduce overall advertising, promotion and sponsorship of energy dense and nutrient poor food and beverages

**Recommendation 17**
Mandate kilojoule labelling on all menus

**Recommendation 18**
Require carbon footprint labelling of all foods – including take-away and catering

**Recommendation 19**
Mandate reformulation across priority food groups – accelerate the work of the Food and Health Dialogue
Recommendation 20
Develop agreed priority actions for the food processing sector as part of a Public Health Action Plan for Australia

Recommendation 21
Support the implementation of the National Food Security Strategy (26) and Everybody’s Business [27]

Vested interests
PHAA is concerned that the Australian Government’s reliance on food company member organisations with vested interests to inform policy and advice is a major risk to the Australian food system. For example, the Australian Food and Grocery Council, whose membership includes mainly global food manufacturers and quick service restaurant chains who represent those businesses with the most to gain from the sale of ‘processed discretionary foods and drinks’, whose consumption needs to be reduced to address the current health issues, See member list as of June 2011 Appendix (1). There are a number of areas where public health advice needs to be strengthened by increasing the public health practitioner membership on:

- **FSANZ**
  Public health representation needs to be strengthened through its inclusion of additional public health members or advice on the Board who decide on the outcomes of applications and proposals. The Ministerial Council for FSANZ should continue to give overarching priority to public health and safety, and extend the interpretation of that priority to including food related chronic disease.

- **Food and Health Dialogue**
  Government health priorities should set the agenda, criteria and direction of the Food and Health Dialogue. Those with vested interests should provide input as to what is workable and sustainable in reformulating for healthy food. The number of public health voices should be increased.

- **National Food Plan**
  Public health needs to be strengthened through its inclusion as a key policy driver with advisors to the development of the plan as well as to ensure the implementation actions have significant public health leadership and advice.

Recommendation 22
That vested interest be declared and managed, and led by government (with public health as a driving concern) when making decisions regarding regulatory approaches to processed foods production, trade, promotion, distribution, advertising and labelling.
(c) the impact of Australia’s competition regime and the food retail sector, on the food processing sector, including the effectiveness of the Competition and Consumer Act 2010

Liberalisation of Foreign Direct Investment has been key to the global spread of supermarkets and of highly processed foods. Expansion in foods available for consumption has complicated consumer food choice. There are over 25,000 individual food items on Australian supermarket shelves and they are to be chosen from 55,000 individual line items. In-store decisions at point of purchase account for 2/3rds of every dollar spent.

It is estimated there are over 320,000 food and beverage products in US supermarkets carrying 30,000 to 40,000 products with about 10,000 new products introduced each year. Both the pace and scale of change have made consumers less familiar with the food supply and less able to gain the knowledge and skills necessary for assessing nutrition and safety aspects of food and their diet.

The majority of the population is dependent upon others to provide a food supply that is safe and nutritious and also for information about the relationship between food and health. Thus, the environment within which food composition is determined and health and nutrition information is promulgated is assuming increasing importance.

(e) the costs of production inputs including raw materials, labour, energy and water;

The environmental impact of the processing sector needs to be measured and included in environmental impact considerations. To date there is little evidence, due in part to the lack of reporting or measurement of the environmental impact of processed and packaged foods.

(f) The effect of ‘international anti-free trade measures’

International free trade measures not only have an impact on local business, they also can have a significant impact on the health of Australians and other regional communities.

Legitimate efforts of developing country governments to protect the health of their populations can sometimes be construed as ‘anti-free trade measures’ or ‘barriers to trade’. These include tariffs (import taxes), bans on particular imported foods and other measures to limit, or increase the price of, imported foodstuffs or support production of local healthy foods. While removing these ‘anti-free trade measures’ (by negotiating free trade agreements) may provide greater opportunities for Australian food processors to export their products, their removal can seriously compromise public health in low and middle income countries.

Australia is currently negotiating two regional trade agreements which include low and middle income countries. These are PACER Plus (the renegotiation of the Pacific Agreement on Closer Economic Relations with New Zealand and the Pacific island forum countries) and the Trans Pacific...
Partnership Agreement (which currently includes Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam, and is likely to include more countries in future). Australia’s interest in these trade agreements is (at least in part) about eliminating barriers to trade and gaining better access to markets for Australian businesses.

At present there is no explicit recognition of the public health aspects of these trade agreements, or systematic assessment of the likely impact on public health, including nutrition and non-communicable diseases. In any trade negotiations, public health needs to be balanced with trade goals; the needs of Australian businesses to export food products must not override public health goals in the countries with which Australia has trade relationships.

PACER Plus and the Pacific island countries
The Pacific island countries are particularly vulnerable to adverse health effects of food imports. Two key issues associated with food imports relate to excess availability and affordability of nutrient-poor and energy-dense less healthy foodstuffs. Increasing reliance on imported foods has contributed to escalating levels of obesity and related non-communicable diseases (NCDs) in the Pacific islands (30, 31). The Pacific islands have some of the highest rates of obesity and diabetes in the world, with obesity rates as high as 75% and diabetes rates as high as 47% in some Pacific island countries (32). Policy interventions that can assist in addressing this include restricting the supply of unhealthy foods (e.g. import bans, quotas), using price controls to increase the cost of unhealthy foods in comparison with healthier products (e.g. tariffs, domestic subsidies), and food labelling regulation (31). The rules of trade agreements, however, can prevent countries from using these sorts of policy tools to reduce the burden of NCDs.

An example is Samoa’s ban on turkey tails, which was recently removed in the process of Samoa’s accession to the World Trade Organization (33). Turkey tails are very high in saturated fat and tend to be popular in the Pacific islands, partly due to their low cost. Samoa’s turkey tail ban was introduced in 2007 due to concerns about the link between consumption of high fat meat products and non-communicable diseases such as obesity and diabetes (34). While the turkey tail import ban could be replaced with other measures to restrict the sale and consumption of fatty meats, evidence from the international literature suggests that without regulatory intervention, consumption of such foodstuffs will continue.

Several Pacific island countries have also used tariffs (import taxes) on soft drinks to raise prices for these health-damaging products relative to bottled water, a healthier option (35). While tariffs can be replaced with other types of taxation (e.g. excise taxes), these alternative policy options can have higher transaction costs and be more difficult to enforce (36).

Tariffs are important for low income countries not just for imposing price controls on foodstuffs, but also for generating government revenue. Removing tariffs can drastically reduce government revenue in countries, primarily low income countries which have poor taxation systems and are heavily reliant on tariffs. A report by Oxfam Australia and Oxfam New Zealand projected revenue losses for some of the Pacific island countries that could eclipse their entire education or health budgets (37). Evidence suggests that developing countries need some level of tariff protection and that rapid trade liberalization can be economically harmful (38-40).
The Trans Pacific Partnership Agreement
The United States-led Trans Pacific Partnership Agreement (TPPA) could have unanticipated effects on health and food and nutrition security in both developed and developing countries involved. The TPPA is likely to expand to include further developing countries in the Asia Pacific region in future. We have been able to find very little evidence that the potential effects on food security and diet-related health are receiving any attention at all in the trade negotiations.

The developing countries involved in this free trade agreement face the same risks associated with tariff reductions (as we have outlined above), while at the same time also potentially being exposed to ‘dumping’ of heavily subsidized agricultural products from countries such as the United States. The devastating effects this can have are demonstrated by the experience of Mexico following the signing of the North American Free Trade Agreement (NAFTA) in 1994. In the ten years following the introduction of NAFTA, America’s corn exports to Mexico more than tripled; Mexican corn farmers were no longer able to make a sustainable living; more than 1.5 million agricultural jobs were lost and large numbers of people displaced from rural to urban areas. México became dependent on the U.S. for food that was previously domestically produced. While this may not have direct nutrition effects, the indirect health effects come via reduced standard of living and mental health pressures.

A recent report by the United Nations Special Rapporteur on the Right to Food highlighted the need to re-examine trade agreements to ensure that they do not prevent investments in agriculture and the development and implementation of comprehensive food security strategies.

The need for systematic assessment of the potential effects of trade agreements on public health and food security
Any recommendations which come out of the Senate Inquiry that involve further trade liberalization in the Pacific islands and other developing countries with which Australia is negotiating bilateral or regional trade agreements must take into account the potential effects on public health and food security. The potential effects of proposed trade agreements should be systematically assessed using a recognized method. Several models are available, including Health Impact Assessment, Social Impact Assessment and Human Rights Impact Assessment.

Health Impact Assessments (HIA) are ‘a combination of procedures, methods and tools by which a policy, program or project may be judged as to its potential effects on the health of a population, and the distribution of those effects within the population’ [433]. HIAs can provide a practical means for facilitating inter-sectoral action for health promotion [44]. Decisions made in other sectors may have unexpected or unrecognized effects on health. HIAs provide a systematic approach to considering health in the policies and programs of all sectors. Increasingly, equity and environmental impact are incorporated into HIA.

Social impact assessment (also known as ‘trade sustainability impact assessment’) is another useful method which has been applied to trade agreements in the past to identify ‘the potential economic, social and environmental impacts of a trade agreement’ [45]. The European Commission has produced a handbook for trade sustainability assessment and social impact assessments have been conducted for particular trade agreements in the Pacific.
Human Rights Impact Assessment (HRIA) is a more recent approach that is being increasingly utilized ‘to assess the impact of policies, programmes, projects, legislation and other interventions on human rights’ (48). HRIA is being increasingly utilized to evaluate the potential effects of trade agreements on human rights, including the right to health and the right to food. The United Nations Office of the High Commissioner for Human Rights has recommended that any proposed trade agreement is ‘assessed in terms of its impact on human rights, including the right to health’ (49). While there is no universal model for HRIA, there are several examples of their use. (see 47, 49 for a discussion of the different approaches and recommendations for future use of HRIA).

Regardless of which method is chosen, it is vital that impact assessment of trade agreements is independent, that the results are made public and that they are used to inform decision making about the design of trade agreements.

PHAA considers it is important to bring consideration of health issues into decision-making in other sectors whose actions affect population health

Recommendation 23
Conduct systematic assessments of the public health consequences of Australian bilateral and regional trade agreements, including the likely impact on nutrition and non-communicable diseases in participating countries.

(g) the access to efficient and quality infrastructure, investment capital and skilled labour and skills training

Food production and processing intelligence systems must be able to determine how Australia is doing in terms of food related outputs that are important to the Australian community. This requires monitoring and evaluating the food system against the three cornerstones: food safety, food security (includes environmental) and diet (nutritional) quality. As health outcomes have slow progressions, this system needs to be ongoing and bi-partisan. Government leadership is required to develop and implement this system; intergovernmental taskforces may be required to set up the system and include an integrated approach to all three areas.

Recommendation 24
Support the development of an integrated food and nutrition monitoring system for Australia – outcomes include population and environment health.

Recommendation 25
Develop and sustain systems to measure Apparent Consumption of Foods in Australia and household expenditure.

Recommendation 26
Support research initiatives to consider food processing sector initiatives to promote foods in line with food based dietary guideline recommendations.
Conclusion

The PHAA’s intention is for this submission to highlight major food system problems that could be avoided or managed more effectively with an overarching policy framework with health and prosperity (in that order) as the drivers and outcomes.

The PHAA urges those responsible for the development, implementation and evaluation of food processing sector responses to consider the health, social, environmental implications, and believe that it is worth the effort to get the overarching strategic framework right first. Considering health as a fundamental food policy driver or pillar, rather than an issue to be considered, would result in food system-wide benefits. As with all good policy, it is essential to get the context right. This food processing sector inquiry is an opportunity to have a joined up public policy that benefits Australian society, both now and into the future.

PHAA commits to continue to advocate for and to work with government to develop an effective, integrated food policy for future health and prosperity.

Michael Moore BA, Dip Ed, MPH
Chief Executive Officer
Public Health Association of Australia
13 January 2012
References


## Appendix 1
### Australian Food and Grocery Council Membership

<table>
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<th>AFGC Members List as at 03 June 2011</th>
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<tr>
<td>Arnott's Biscuits Limited</td>
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**Associate & *Affiliate Members**

- Accenture
- Australian Pork Limited
- ACSI Operations Pty Ltd
- Amcor Fibre Packaging
- *ASMI
- AT Kearney
- BRI Australia Pty Ltd
- *Baking Association Australia
- CAS Systems of Australia
- CHEP Asia-Pacific
- CSIRO Food and Nutritional Sciences
- CoreProcess (Australia) Pty Ltd
- *CropLife
- CROSSMARK Asia Pacific
- Dairy Australia
- Food Liaison Pty Ltd
- FoodLegal
- *Food industry Association QLD
- *Food industry Association WA
- Foodbank Australia Limited
- *Go Grains Health & Nutrition Ltd
- Grant Thornton
- GS1
- Harris Smith
- IBM Business Cons Svcs
- Innovations & solutions
- KN3W Ideas Pty Ltd
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- Leadership Solutions
- Legal Finesse
- Linflex Australia Pty Ltd
- Logan Office of Economic Dev.
- Meat and Livestock Australia Limited
- Monsanto Australia Limited
- New Zealand Trade and Enterprise
- ROA Asia Pacific
- StayinFront Group Australia
- Strikeforce Alliance
- Sivire Cold Storage
- Svisagot Australia Pty Ltd
- Tetra Pak Marketing Pty Ltd
- The Food Group Australia
- The Nielsen Company
- Touchstone Cons. Australia Pty Ltd
- Valesco Consulting FZE
- Visy Pak
- Wiley & Co Pty Ltd

**PSF Members**

- Amcor Packaging Australia
- Bundaberg Brewed Drinks Pty Ltd
- Schweppes Australia Pty Ltd
- Coca-Cola Amatil (Aus) Limited
- Foster's Group Limited
- Golden Circle Limited
- Lion Nathan Limited
- Owens Illinois
- Visy Pak