

# Contains cheese



## Food labelling and healthy eating in Australia

Louise Staley

Every week there seems to be a new study claiming some health benefit from food and other studies telling consumers that some foods will cause cancer. The media is full of stories detailing wonder diets, the obesity epidemic, the evils of food advertising and the ways in which food manufacturers set out to bamboozle consumers. And a common response by politicians, consumers groups, anti-import groups, allergy sufferers and specialist producers such as the organic lobby is to call for additional food labelling measures.

In 2001, three million Australian adults (20.6 per cent) were obese and their children are following them to an early grave, with 78 per cent of obese adolescents becoming obese adults. By comparison, 20 years ago, only 8 per cent of adults were obese. Obviously the current food labelling is not working to stop people eating too much fattening food. But what is the evidence that more or different labelling will have an effect in reducing obesity or any other food-related problem?

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### Current Food Labelling Laws

Originally, food labelling laws were a special case of prohibiting deceptive or misleading conduct and this remains their key purpose. Strawberry jam must contain strawberries, fat-free yoghurt must indeed be made from skim milk and be fat-free, a meat pie must contain meat (25 per cent) although unless it promises to be just beef, the meat can be buffalo, camel, rabbit or goat, which would probably surprise many consumers. Organisations such as the Australian Consumers' Association (ACA) regularly test foods and report on whether the foods are what they say they are on the label. Prosecutions are rare and in recent times have mainly been for mis-labelled fresh seafood rather than packaged goods. Few would claim that requiring food to be what it says it is constitutes excessive regulation.

Food labelling laws, however, go way beyond truth in advertising and prescribe nutritional panels, ingredients' listing, country of origin, food additives, storage requirements, and GM presence amongst other items. The Website of Food Standards Australia New Zealand (FSANZ) provides a handy guide for regulatory critics as to just how bad the problem has become. The document 'Food Labels What Do

They Mean?' itemises 12 different labelling requirements with which a yoghurt manufacturer has to comply to market a tub of strawberry yoghurt.

### It's All Too Much to Digest

Overheard in my local supermarket recently:

**Boy:** I want yoghurt, can we have yoghurt?

**Mother:** Does the label say gluten-free?

**Father:** No

**Mother:** Then we can't have it. The doctor says we have to have gluten-free.

**Boy:** oh mum, pleeeeeease?

A great deal of evidence, including from the regulator FSANZ itself, shows that people are confused about the messages presented on food labels and about nutrition generally. The family sketched above is not alone in not knowing that dairy products do not naturally contain gluten, so are not required to be labelled gluten-free.

Mandatory nutrition panels were introduced to Australia in 2002 with FSANZ using a single US study to claim that every year the panels were delayed would result in 320–460 deaths from diet-related disease. By contrast, food producers estimated that the implementation costs of the new

labels was \$350 million. No follow-up Australian studies have been done to verify whether changing the labels has actually resulted in fewer diet-related deaths and all consumers are paying the cost of the new labels, whether they work or not.

Beyond the issue of whether the labels actually work in changing consumption behaviour (especially to the extent needed to justify such a massive impost on industry and ultimately consumers), is the more fundamental problem that the more comprehensive the labels are made in attempting to cover every eventuality—be that allergic reactions, obesity, diabetes, high cholesterol, ADHD, or food intolerances—the more that the pleasures of a varied, seasonal, nutritious and delicious diet are lost. Eating five vegetables and two fruits a day, even with a Snickers Bar as well, is a better food choice than a diet with virtually no vegetables but filled with food well-labelled as low-fat and low-sugar. A recent South Australian study showed that only 6 per cent of adults regularly eat the recommended five vegetables and two fruits a day, despite considerable medical evidence that eating sufficient fruit and vegetables has a strongly beneficial effect on health. Labelling packaged food does nothing to encourage the consumption of fresh food and may actually have the opposite effect by lulling consumers into thinking that a low-fat or low-sugar label makes that product a better choice than a naturally healthy food such as an apple or a carrot.

An over-reliance on labelling sends out the wrong message that food is nothing more than its elements, rather than a sensory experience that may be delightful or disgusting depending on personal taste, and the skill of the cook! Some foods are naturally high in fat, for example olive oil and cheese, while some of the epicurean delights such as lemon tart, slow-cooked belly pork or eggs Benedict break the scales with their fat levels—yet within a balanced diet all can be accommodated without

creating obesity. No label on an individual product can adequately capture the role that food is playing in an overall diet or the importance of variety and balance.



### Yet More Labelling Demanded

Despite the mountain of existing requirements, the health minister, Tony Abbott, recently called for ‘improved’ food labelling to place the calorie content on the front of packages in a form easily understood by consumers. As Tony Abbott said, ‘current labelling requirements are a bit like the fine print in an insurance policy—it’s there, but almost no-one reads it, and those who do read it don’t necessarily know what it means.’

Could it be that the reason very few people read the nutrition panels is because that sort of information doesn’t work in changing most people’s food choices, especially not obese people’s

food choices? Therefore, by putting a message on the front of a Mars bar that says ‘this product contains 1/8 of the daily food needs of a male who exercises three times a week’ is hardly going to provide useful information to a sedentary woman. Total calorie needs vary widely depending on sex, height, activity level and weight. Placing average (male) values on products will be misleading for anyone who is not an average man. Will we see future lawsuits from women who relied on the labelling but remain or become fat?

According to FSANZ, shoppers consistently ask for more information about exactly what food labels mean. The Authority’s research also found that there is general misunderstanding about nutrition, most people are unaware of percentage ingredient labelling and a majority of people do not understand the additives lists on labels. It is possible that no matter how much information consumers are given, how many times labels are redesigned to be ‘clearer’ or how much more detail is added to them, the problem remains that food labels are being required to do something they cannot do—that is, get people to make good, balanced food choices. And every time the laws are changed, all consumers pay the additional cost, irrespective of whether the changes work or whether they wanted them.

### Regional Food Producers Hurt

Additional regulation, on top of the current prescriptive mountain of food labelling regulation, favours the big players who can afford new labels and more food testing in their own labs. By contrast, boutique producers face proportionately much higher costs in meeting changing labelling rules. As consumers, we lose as even more of the food available to us is made by major food multinationals.

Big food companies have a history of supporting increased levels of food regulation, particularly in relation to labelling. They supported nutrition



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panels, extended ingredient lists and the inclusion of glycemic index (GI) information on labels.

When the large food manufacturers recently met with Tony Abbott, they knew that food labelling regulation is not about getting fat people to eat less high calorie food. No company would deliberately set out to *reduce* sales of their own products. Instead, increased labelling regulation is all about getting regulations which help big companies at the expense of smaller ones; the right regulatory regime can be very effective in shutting out new entrants and reducing the profitability of smaller, leaner competitors.

Beyond the mass food producers are tens of thousands of small and medium Australian food producers who make about 15 per cent of what we eat. These include regional gourmet producers of everything from olive oil to sheep's milk, cheese and yoghurt and

organic food manufacturers. However, this group also includes many medium-sized food companies who compete against the major manufacturers in small goods, dairy and some grocery lines. Together, these small and medium producers create some of the most delicious and nutritious food we eat.

Most regional and traditional producers make products which are inherently high in calories: olive oil, cheese, ice-cream, bread, biscuits and salami. Small producers do not invest millions of dollars to create fat-free dairy products, low-calorie snacks or a low-fat cheese kransky. Instead they make real food, with natural ingredients, some of which are naturally high in fat. We should support them—by buying their products, but also by not demanding irrelevant packaging which makes their food uneconomic to produce.

Every time labelling requirements are changed, it is these small and medium sized food producers who are hit hardest. The big guys can spread the cost of a label change over the millions of products they sell so that, in effect, changing a label is costless to them, whereas for a small producer, changing the packaging on a product of which they only make a few thousand will add significantly to the cost, particularly if they make a range of different products, for example, relishes with varying ingredients. A recent analysis by the Centre for International Economics concluded that introducing additional country-of-origin labelling resulted in cost increases of 14 per cent for small enterprises, but less than 2 per cent for large firms.

### Regulating for the Squeaky Wheel

Ironically, those consumers who clamour loudest for ever-increasing food labelling are often the same people who rail the most against the market power of multinationals and who personally try to support smaller companies and frequent farmers' markets. It is doubtful that many of these, the most articulate of consumers, would

recognise the contradictory nature of the two positions they espouse, yet it is the very nature of their capacity to make their voices heard above others, with what appears to be a reasonable and cost-free argument, that has led to the imposition of excessive labelling requirements on the very small, boutique and gourmet producers they want to support, while at the same time doing nothing to stem the rising tide of obesity and food-related illness.

So rather than advocating more labelling, perhaps it is time it was recognised that most people do not use food labelling to make purchase decisions, even if they say they do. Indeed the most recent analysis suggests that only 10 per cent of consumers look for country-of-origin labelling and the most used label, other than the product name and price is the use-by date, not any of the nutritional labels.

Provided that no health claims are made, nutritional labelling should be optional. If consumers really value such labelling, they will look out for those products which provide it and shun those without it. This is already how organic labelling works in Australia. There is no government requirement for organic labelling, consumers have shown a willingness to pay premiums, sometimes very large premiums, for organic food and the capacity of a product to carry an organic label is highly sought after by the organic industry. Similarly, 'GM Free' caters to a perceived market for products which don't contain any GM ingredients. The market has proved very adept at capturing any price premiums available from labelling, yet this is often forgotten in the ceaseless calls for still more information.

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