



The Food Industry Group (FIG)

2nd Annual Report

To the Minister of Health

October 2006

FIG

FOOD INDUSTRY GROUP



Contents

Chairman's letter to the Minister	3
Executive summary	4
Background to FIG report	6
Overview: 2006	8
Broad goals identified for 2006	11
Activities, achievements and accomplishments 2006	12
Issues and concerns from 2006	24
Attachments and supporting documents	28



Chairman's Letter to the Minister

Jeremy Irwin

Chairman of Food Industry Group

It is with pleasure that I present to the Minister this Report summarising the work of the Food Industry Group over the 2005/06 year.

This year no Kiwi could have missed the fact that the nation has a problem with a rapidly rising number of people who are overweight.

Although it can be challenging to stay clear headed in an oftentimes emotional public debate, the upside of the profile is that the public has been introduced to the acuteness of the problem, and given hard facts and options about how they can deal with the matter themselves.

FIG has contributed to the public discussion, but we have remained focussed on our core mission: to change the way the food industry thinks and acts on food choice, ingredients and promotion so it is in line with the Healthy Eating, Healthy Action strategy.

This report details our work to this end over 2006, highlights the issues we have experienced and our plans for the future.

We would like to take this opportunity to thank the Minister for his continued support for the work of the FIG and the work of his team at the Ministry.

It is fulfilling to be part of such a significant joint effort on a critical threat to community well being.

Yours sincerely,

Jeremy Irwin, Executive Director, Association of New Zealand Advertisers

Bruce Wallace, Executive Director, New Zealand Television Broadcasters Council

Mark Champion, Chief Executive Officer, Communications Agencies Association of New Zealand

Brenda Cutress, Executive Director, New Zealand Food & Grocery Council


Robert Bree, Executive Director, The Food Industry Group



EXECUTIVE SUMMARY

FIG has motivated, driven and assisted specific company-level changes to food products and promotion. It has also communicated the Government's strategy to industry, and the industry's view to Government. Given its role, it was also appropriate this year to participate in the acute public debate over the solutions to the obesity issue.

- 1) The FIA Mission is to do all that is possible to encourage all sectors of the food industry to create commercially successful products and services that will make a positive contribution to the health of New Zealanders.
- 2) After the work in 2005, we learned what was possible for companies to practically do, as well as the best ways of explaining how and why these actions needed to be undertaken.
- 3) There were two broad goals for 2006:
 - a) Continue to address the "supply side" of the issue by helping companies make product and promotion changes – but this year we sought to widen the number of people in the industry who knew about the issue and were prepared to make changes.
 - b) Address the "Demand side" by assisting public awareness of obesity issues and changes in public attitudes and behaviours. Tangible examples of this are the various media initiatives educating the public about weight management strategies. Demand for wider food options, along with better exercise regimes, will contribute to a nutritious and well balanced diet and a healthy body weight.
- 4) Activities by FIG members over 2006 included:
 - a) Development of Strong Industry Networks, through participation in industry Conferences, Non-Industry seminars, meetings with industry sectors, and meeting with Marketing partners and other suppliers to the Industry.
 - b) Work with the "Chips Group" which is convincing take-away outlets to use different cooking techniques and materials to reduce fat consumption.
 - c) Work with Nutritionists over their advice to food companies.
 - d) Helping fund assessment by the Foundation For Advertising Research of all existing data on obesity.
 - e) Encouraging product re-formulation with many industries including beverages, fast foods, confectionery, gum, chicken and dairy categories.
 - f) Work with companies and industries considering "Percentage Daily Intake" product labelling.
 - g) Working with those involved in the Counties Manukau 'Let's Beat Diabetes' project.
 - h) Building the FIG website to provide an industry resource and database logging all activity by companies on the obesity issue, so others can view and share learning on making changes.
 - i) Advertising Standards Authority (ASA) Codes Review – a very significant cultural change to conduct of food and children's advertising.



5) Issues arising from 2006

- a) Over-emphasis on industry: our work, and attitudes of policy makers, has placed too much focus and expectation on the responsibility and role of industry with scant regard for the more significant factors.
- b) Industry liaison: open two way dialogue between government and industry.
- c) Increased education on healthy diets and lifestyles: more work required from rest of the community on the Healthy Action part of the strategy.

Ministerial planning for 2007

Together with the Minister we acknowledge that this is a long term project that may take twenty years to “turn the tide”. We commend the Minister and his team for their commitment and welcome the many opportunities to engage.

Nowhere in the world has the issue of obesity been solved. New Zealand is on the leading edge, being the only nation where industry has formally committed to doing its part and has struck an accord for a public-private partnership with government.

The Minister has previously indicated to us his desire for ‘tangible commitments to real progress’. We understand this desire and are working to deliver them. We also appreciate that there is considerable pressure to score ‘runs on the board’.

If we have any concerns, they are around that pressure. The obvious and easy solutions are not necessarily the right and productive ones as, to date, there has been little evidence of progress in the countries that have implemented them ie bans, prejudicial classification systems, restrictions, taxes etc.

We encourage the Minister to pursue rigour in the development of policy, as the easy, obvious solutions are not necessarily going to deliver the desired population outcomes.

FIG recommends testing initiatives locally and developing policy on the strength of the evidence. We would like to restate our commitment to being involved with any evidence-based programme.

Accordingly, let’s protect the spirit of the FIA by working together to formulate strategies that will indeed ‘turn the tide’ in the long term.



BACKGROUND TO FIG REPORT

Formation of Food Industry Accord (FIA) and FIG

The creation of the FIA was driven by the food and beverage industry. The signatory industry organisations acknowledged that obesity was a major issue, not only for New Zealand but internationally. They wanted to contribute to the overall solution, and to be part of the public discussion on the issue.

The FIA provided a practical way to raise obesity awareness and knowledge among individuals and companies in industry and to identify and encourage uptake of ways the industry could help reduce obesity levels.

The drafting of the Accord in 2004 was an inclusive process involving extensive consultation and debate with the individual companies that agreed to be party to its objectives through their industry organisations. The Accord reflects the level of commitment each signatory is prepared to make towards the objectives of HEHA.

The FIA Mission is:

“To do all that is possible to encourage all sectors of the food industry to create commercially successful products and services that will make a positive contribution to the health of New Zealanders.”

FIG’s vision is:

“Businesses working collaboratively to meet the challenge of obesity in New Zealand”.

The FIA is unique internationally and has enabled industry to take a different approach from our overseas counterparts for a number of reasons - :

- Willingness on the part of industry and government to meet together to agree common goals and a framework for progress
- Willingness of industry to engage with NGOs and other public health bodies to discuss, debate and where possible co-operate on testing health initiatives
- Willingness of industry to listen to a wide range of views expressed by organizations, government officials and lobbyists, and where practical, consider how they might be relevant to industry
- Willingness of competing organizations within industry sectors to discuss strategies for their sector which will contribute to addressing the obesity issue
- Willingness of sectors and companies to pro-actively adopt strategies that assist public to make healthier choices

During 2006 the Food Industry Group became an incorporated society and appointed an Executive Director to deliver more resource to the issue; actively work within industry and represent industry in discussion with other groups and bodies.



Membership of FIG

The FIG, through its members, communicates with and represents to others the interests of approximately 90% of New Zealand's food supply chain and its marketing partners. The four principal members are;

- The New Zealand Food and Grocery Council (NZFGC)
- The Association of New Zealand Advertisers (ANZA)
- The Communication Agencies Association of New Zealand (CAANZ)
- The New Zealand Television Broadcasters' Council (NZTBC) representing the media in general.

Industry's Commitment to Progress

All members of the FIG have shown a very high level of commitment to the objectives and work of the FIG. Both as individuals and as organizations the members recognize the importance of the obesity issue and are enthusiastic to participate in the discussion, debate and resultant actions. While there may be differences over appropriate intervention strategies there is no debate about the priority that the issue deserves in the Public Health landscape.

FIG's Role as Facilitator and Advocate

FIG is an agent for change. Because of its breadth and depth of connections and networks, it is uniquely placed to facilitate discussion, debate and agreement between industry, the health community and Government. Due to its members' connections with their customers and markets, FIG benefits from their knowledge and insights

Whilst FIG is an agent and advocate for change, it cannot force change. Membership is voluntary and FIG's members stand by the principle of industry self regulation. Agreement is achieved by democratic process and negotiation and as a consequence the agreements reached are strong and enduring. FIG can speak on behalf of industry but it cannot commit industry without extensive consultation.



Overview: 2006

FIG as agent for change

Obesity was one of the dominating issues of 2006.

There were TV programmes on weight loss, conferences, claims of cause and counter-claims, research from activists, research from academics, and research by medical scientists, government inquiries, Government policy analysis and initiatives, and continuation of industry changes to its products and promotion.

We have been heartened by the issue arriving onto the public agenda with such strength – it has increased public awareness about the growing weight problem, the threat posed to themselves and their families by their lifestyles, and what they can personally do about it.

Our 2005 report questioned how successful the HEHA strategy could be without significant Government funding. So it was extremely heartening that funding of \$76 million dollars was allocated in the Budget for the implementation of HEHA and has recently been attached to specific activity.

For our part, over the past two years we had persuaded the most willing and able companies to make real changes to product types and promotion. But this year most of the FIG work focused on expanding the number of companies we worked with: building awareness of the Accord, creating industry consensus, and motivating and mobilizing industry to accept the need for change, and considering effective methods of change.

It is fair to categorise some food and beverage companies as cautious toward change. As a principle they dislike restrictions on the freedom to market their legitimate and consumer-demanded products. For some companies, given the exotic or treat nature of their products, expecting changes to ingredients is unrealistic.

But the majority of companies are able to make some changes, and are very motivated about making them.


FIG's role has been to encourage companies to explore creative approaches in their businesses and to show embracing the concept of healthier lifestyles is good for their businesses, the community and the economy. The people in industry are very aware of their responsibilities personally and professionally. They have families, children, and their own experiences with today's lifestyles.

The biggest challenge in our work with the industry has been that the explosion of public awareness of obesity this year has brought to the surface the anti-business perspective of activists and some public figures and officials. Companies comment that they would like to see their efforts, and investments, balanced by attitudes and actions by other parts of the community.

Over the past year there has been a polarizing of views into two distinct lines of thought:

1. A 'Social Inequity' Problem

Obesity is the consequence of poor dietary and lifestyle choices, often the result of social and economic inequalities, particularly as Pacific and Maori populations are over-represented in obesity statistics and their needs must be addressed at a micro-environmental level with public and community health programs. Obesity can be described as a social and health issue like poor education outcomes and alcohol abuse.



2. A 'Modern Lifestyles' Problem

Obesity is the consequence of our modern lifestyle. Playing a part is the increased availability of convenience foods that can be high in fat, sugar and salt. This is combined with declining levels of physical activity. The whole population is gaining weight and thus a societal shift is required to mobilise everyone to review their diet and lifestyle, particularly children and their families. Obesity is an 'affluenza' problem and is best treated with education, information and macro-environment 'whole of population' initiatives.

Regardless of which line of thought predominates, good nutrition and healthy lifestyles are necessary to reverse the trend. Some sectors of society see this as a personal responsibility issue (with societal consequences), while others see it as a governmental, societal and commercial responsibility.

FIG has spoken in the public domain on three broad themes this year:

1. Any policy or programme must be founded on sound evidence.
2. Obesity and over-weight problems are a matter of lifestyle choices – the challenge of managing obesity is one of influencing lifestyle choices
3. Industry is making its changes to food ingredients, choice and promotion, but among the tasks required to reduce obesity levels, those within the food industry's power are low by comparison with work required in public education and health environments.

This year's report focuses on FIG's primary role, that of 'facilitator' or 'conduit' of Industry discussion, debate, communication and ultimately action.

FIG is the single-most efficient mechanism for the Government and the community to engage with industry. However we would also acknowledge that Government needs to engage directly with companies operating in the sector and we will do all we can to facilitate those engagements. Addressing obesity and following the Government's Healthy Eating, Healthy Action (HEHA) strategy requires considerable change and pro-active accountability by industry.

The Food Industry is able and willing to contribute to the societal shift solution by:

1. Reformulation of products i.e. reducing levels of fat, sugar and salt
2. Reviewing and refining marketing practices
3. Providing opportunities for communication, information and education

FIG has participated in 'targeted' initiatives e.g. the Counties-Manukau DHB's Let's Beat Diabetes project. Our commitment to that programme shows how industry can contribute positively – by harnessing its 'know how' and 'savvy' for positive Public Health outcomes.

Industry has made a considerable contribution to the programme – identifying practical workable solutions to problems and demonstrating it can play an important role alongside health professionals.

The Counties Manukau project confirms that solutions must be evidence-based, realistic and effectively implemented. Some in the debate argue that bans and negative campaigns will achieve the desired social change. FIG does not support that point of view.



FIG believes change will occur through evidence-based, well funded activities along with the interplay of the market and heightened awareness among the public at large, especially children.

The goal is behaviour change among the overweight and obese. Successful programs will help individuals to make frequent and better dietary choices and to become more physically active.



BROAD GOALS IDENTIFIED FOR 2006

In 2005 we established the necessary networks for broad sharing and co-operation on the issues. Our work identified that there is no ‘silver bullet’ solution. This makes it even more critical to have all stake-holders working co-operatively together.

So in 2006 the focus has been on food industries and their partner companies producing new foods to suit a wider range of lifestyles, and promoting responsible consumption of foods.

Demand side initiatives

The FIA actively promotes initiatives that raise public awareness of obesity issues and changes in public attitudes and behaviours eg media dedicated to promoting weight management through responsible diet and exercise. The rationale is that demand for greater food options, along with better exercise regimes, will contribute to a nutritious and well balanced diet and a healthy body weight.

Supply side initiatives

The FIA encourages food producers to develop, promote and supply products that enable consumers to make healthy choices. The FIA has facilitated greater sharing of information among Accord signatories about product development and commercial results. It has encouraged companies to recognise the commercial value of HEHA aligned strategies.

Strategic Framework For 2006

The following is a summary of the priorities and activities of the past year.

- Extend the ‘reach’ of the FIG to create more partnerships and, enrol more members.
- Continue to communicate widely within industry and media to ensure that New Zealand’s food producing, manufacturing and retailing community are well informed about the issues.
- Communicate achievements regularly in order to reinforce FIG’s role and purpose.
- Proactively engage with the Ministry of Health in order to provide input and guidance where appropriate.
- Encourage government to invest in tangible, measurable initiatives.
- Participate fully in the Health Select Committee Inquiry process.
- Keep the Minister of Health appropriately briefed on our activities.
- Conduct a global review of available research on the subject of obesity and its contributing factors and dissemination of the information to all interested parties.
- Identify a manageable number of projects that FIG can support, participate on and provide assistance.
- Develop a website to provide relevant information, studies, industry data for industry and partners.



ACTIVITIES, ACHIEVEMENTS AND ACCOMPLISHMENTS 2006

Appointment of Executive Director

In February 2006 FIG established the position of an Executive Director, for an initial period of 6 months.

The main task of the role is liaison with the whole industry, to communicate the reality of the increasing weight of the population and its causes, and advise on changes people in the industry can make to promote consumption that better fits people's lifestyles.

The role represents a considerable investment and contribution to the obesity issue and demonstrates industry's commitment to working collaboratively and developing solutions.

FIG appointed Robert Bree to the role in April 2006. Robert is a marketing consultant with over 20 years history in marketing and sales management both in NZ and Asia.

He has an extensive background in the food and beverage sector as well as experience in the highly regulated field of pharmaceuticals. He brings a wealth of experience and a wide network of contacts. In his first five months with the FIG he built up a strong network across the various organisations with whom FIG interacts.

Development of Strong Industry Networks

It is critical that the FIG communicates the importance of the HEHA strategy and the seriousness of the obesity issue to its industry members. Conferences to meet this goal have been held involving Industry, Non-Industry, Sectors and Industry Partners.

1. Industry Conferences.

- In April we held a conference, attended by over 200 people from all parts of the industry. Speakers included:
 - i. The Minister of Health, on the government perspective on obesity. His urging of the industry to maximise its efforts, even recognising the multi-cause reality of the issue, was well received.
 - ii. Dr. Lynne Lane explaining what HEHA means
 - iii. Brian Weaver and Paul Stephenson on the Counties-Manukau District Health Board's 'Lets Beat Diabetes' campaign
 - iv. Glen Wiggs and his colleagues Dr Michael Harker and Dr Debra Harker from the Foundation for Advertising Research who presented an overview of the findings from the global research review.
- In August ANZA and FGC members met to discuss the Health Select Committee Inquiry and Ministry of Health initiatives. While appreciating some initiatives and willing to engage with government, disquiet was expressed with the Government's apparent disproportionate targeting of the industry.



2. **Non-Industry Meetings.** There has been active participation by industry members in non-industry events, primarily in the Health arena. For example, industry representatives, or individuals from companies have attended nutrition seminars, obesity workshops, and academic sessions. The purpose of attending these meetings was to engage with professionals outside of industry, extend our networks and add our voice to the obesity debate. These meetings included:
 - i. The Confectionery Industry Conference in Taupo (200+ participants) Confectionery Manufacturers Association (Australia and NZ)
 - ii. NZ Institute of Food Science and Technology (NZFIST) Conference (800+)
 - iii. Annual Scientific Meeting of the Royal Australasian College of Physicians in Adelaide
 - iv. Counties Manukau DHB CPHAC (Community and Public Health Advisory Committee)
 - v. Procure Public Health Advisory Committee (PHAC)
 - vi. New Zealand National Heart Foundation
 - vii. Discussions with Food Safety Authority of NZ (FSANZ) Medical advisor and Nutrition manager
 - viii. Input into the Australasian Faculty of Public Health Medicine (AFPHM) submission to select committee
3. **Sector meetings.** The underlying purpose of the FIA is to educate members of the Accord's signatories about the obesity issue and provide guidance on the most appropriate actions to take. Meetings with the Confectionery Sector, the Drinks Sector and the Quick Service Restaurant Sector were convened. They achieved the goal of assisting companies to understand the issues, express their views, share information, agree actions and plan schedules for implementation. As a consequence all 3 sectors are now working on the opportunities identified.
4. **Marketing Industry Partner Meetings.** The marketing of food in NZ is conducted in partnership with the Advertising and Media industries. Meetings were held with both industries to provide an update of the issues and developments and to enlist their support in guiding their own members and clients towards greater social responsibility in the marketing of food, particularly in respect of children. This was over and above briefings of industry and officials by the ASA on the new advertising codes for food and children, launched in the first half of 2006.



Building Partnerships and Networks

The high visibility of FIG has provided the opportunity to facilitate contact and knowledge-sharing across a broad network of interested parties who are to a greater or lesser extent involved in the debate to differing degrees. FIG members have met and briefed these organisations and shared information, with organisations such as:

- The Foundation for Advertising Research
- The Advertising Standards Authority
- The Organics Association of New Zealand
- The New Zealand Food Safety Authority
- The New Zealand Nutrition Foundation
- The Dietetic Association
- The Counties Manukau District Health Board
- Food Standards Australia & New Zealand
- New Zealand Institute of Food Science & Technology
- Horticulture NZ
- New Zealand Beef and Lamb Marketing Board

The Chips Group

One of our affiliates, the Chips Group, headed by Glenda Gourley and sponsored by potato growers and Goodman Fielder has been reducing calorie intake in a very direct and measurable fashion. The Kiwi staple of 'Fish & Chips' represents approximately 50% of all fast food consumed. It is generally a meal high in carbohydrates and saturated fats. The Chips Group's work has been to educate retailers on healthier frying practices to reduce levels of fat absorption into the fried foods. As a consequence approximately 100 – 200 calories has been removed from each serving. The Chips Group's work is an excellent example of practical, sensible and inexpensive modifications to cooking practices with a direct impact on national calorie uptake.

More 'trainers' on the road doing the work of the Chip Group would convert more take-away outlets to lower fat frying, and therefore result in further reduction in fat intake.

Nutritionists

In addition to the many nutritionists and dietitians employed in public and private health sectors, there are many nutritionists employed in or consulting to industry. They are an active group within the food industry and are responsible for much of the progress that companies are making in product re-formulation, product development, food preparation and consumption guidelines.

They are a useful resource to FIG and the companies with whom they work. Their scientific expertise has been invaluable. They are active in the Dietetic Community and have brought balance to debate by providing a packaged foods perspective.



Foundation For Advertising Research

To contribute information and recommendations to the development of public policy, FIG funded a major review of existing global data on the causes and treatment of weight gain and obesity. FIG commissioned the services of the Foundation For Advertising Research, headed by researchers Dr Michael Harker and Dr Debra Harker of the University of Sunshine Coast, Queensland.

The resultant document referenced 210 published documents, studies, articles and policy statements to provide a thorough overview of the global situation, consequences, causes and probable applications to the NZ situation. This document is a definitive work on the knowledge to date about obesity.

FIG has made it freely available to interested parties. A copy of the document has been circulated to the Minister's office, the Ministry and the Health Select Committee.

This research document has been accessed on the website over 6000 times with the majority of hits originating offshore.

Health Select Committee Inquiry

The FIG, its signatories and affiliates welcomed the opportunity provided by the HSC Inquiry into obesity and type 2 diabetes to contribute to public understanding about obesity.

FIG, ANZA, FGC, CAANZ, TBC, RBA, ASA, FFAR and many others all made written submissions and most followed through with oral submissions. In addition many member companies such as Coca-Cola and McDonald's have presented submissions.

The submissions presented by industry have provided in-depth, evidence based information that has made a major contribution to the debate.

Product Re-Formulation

Energy reduction is a major contributor to addressing obesity. This can be achieved by eating less, changing the mix of foods in the diet, changing the proportions of ingredients in the foods and beverages and reductions in portion size. Given that many people are motivated by the pleasure of eating food as much as the biological necessity to eat, the maintenance of food's appeal while lowering the calories, is very important. Many companies have therefore launched new products or reformulated products to achieve this objective. There have been so many changes that it is not practical to list the myriad of reformulated products now on the market. The following are some examples from different product categories.

1. Beverages

Beverages, particularly soft-drinks, are often singled out for special attention when discussing weight gain among children. The New Zealand beverage industry has worked hard to reduce reliance on sugared beverages by expanding the category to include waters, flavoured waters, juices, fruit drinks and diet drinks. Sugared soft-drinks are in decline and have been for some years, the fastest growth sectors being diet drinks and waters. Coca-Cola, one of the major players in the drinks industry has estimated that in the 4 years between 2004 and 2008 it will be using 10% less sugar due to the growth of waters and diet drinks.



2. **Fast Food.**

Approximately 50% of New Zealanders regularly consume fast food. Yet the 'branded' Quick Service Restaurants (QSR) account for only one meal per customer per week. Since the late 1990's the fast food industry has faced competition from food courts, ethnic restaurants and cafes alongside the already ubiquitous Takeaway Bars i.e. fish & chips and Asian Takeaways. During this time, out-of-home eating has increased and tastes have become more varied and sophisticated. This has resulted in the QSR industry providing greater variety and healthier options.

All the branded food chains now offer attractive salad options and frequently include them in promotions. Some chains incorporate fruit in their menus and cereals in the breakfast menu. McDonalds has positioned itself as a leader on this front. It confirmed to the Health Select Committee that giving consumers more choices, for example salads, fruit, filled rolls and cereals, is positive for New Zealanders and also helps drive its business forward; Restaurant Brands (KFC and Pizza Hut) and TPF Restaurants (Burger King) have also made moves in recent times to 'balance' their menus with a range of salad products, low fat mayonnaise, diet drinks, waters etc.

It is also important to note that the Fast Food restaurants are major sponsors of sport and social marketing programs in NZ e.g. youth football, basketball, road safety and children's health.

3. **Confectionery**

The confectionery industry is very challenged by the issue of rising rates of obesity given the very high levels of sugar and fat in its products. New product with greater levels of grain, fruit and artificial sweeteners can only partially address their product spread, which is almost by definition a "treat" food. So in NZ and Australia the Confectionery Manufacturers Association will be launching an initiative to better inform consumers about products and thus help consumers to make informed choices when they choose to treat themselves. The CMA will be briefing the Minister directly on this advance.

4. **Gum.**

Chewing gum is a popular and newly regrowing category. The market leader is Wrigley's and at a recent sector group meeting the company revealed that 70% of all gum consumed in NZ is now sugar free and this percentage is growing.

5. **Chicken.**

Chicken Nuggets are one of the most popular mealtime foods with NZ children but are also consumed by adults. In the UK, Jamie Oliver attacked the UK nuggets as being nutritionally inferior and "full of fat and salt". New Zealand parents started to question the make-up of Tegel Chicken Nuggets, which are already superior to the UK product. Tegel worked with the National Heart Foundation to initiate a project to halve the fat and salt content. In August Tegel re-launched the product which now has reduced the overall fat and salt content by 18 and 2 tonnes respectively annually.



6. Dairy

The dairy industry has driven significant change in recent years particularly in the areas of reduced fat and added functional benefits. Some of these changes are embraced by consumers.

Milk

- Strong growth in reduced fat milks of 5% versus 0.4% for standard milks. Fonterra has grown its reduced fat portfolio by 16.1% this year. They are continuing to expand their milk range with new 'healthy' products and choices:
 - Anlene and the family milks Mega milk, and flavoured Mega milk (x2), all reduced fat and fortified with specific vitamins / minerals.
 - Vital milk with only 25% of the saturated fat in regular milk and with added omega-3 (polyunsaturated fat).
 - Soy milks (x2) as dairy alternatives with only 2% fat and no cholesterol.
 - Fonterra has cut added sugar in the Primo flavoured milk range by 5% last year.

Yoghurt

- The yoghurt category is showing strong growth, both in regular and lite, perhaps reflecting the increased choice of yoghurt as a snack, yoghurt being a comparatively low fat snack/food option.
- Fonterra is supporting the Heart Foundation's 'Pick the Tick' campaign and initiatives include reformulating CalciYum dairy food/ dessert to meet Heart Foundation guidelines by reducing total fat by 50% and total Energy by 10%.
- New flavoured cream cheese products based on lite cream cheese (15% fat V's regular @ 35% fat).

Cheese & Ice Cream

- Conversely, cheese and ice cream show little growth in reduced fat options. The product category and ingredients offers little scope for change – and reflects the indulgent nature of these categories and eating occasions.

Australasian Co-operation

One unexpected outcome of our work has been the amount of interest it has generated in Australia. As many of our members are multi-nationals, their Australian counterparts are keeping a very keen eye on developments in NZ. Even small changes here can have major ramifications for Australia as businesses on both sides of the Tasman often share common resources in packaging, merchandising, advertising, product and ingredients..

A meeting of Australasian food industry organisations, plus agencies and media, was held in August 2006 to share objectives and develop ongoing strategies to deal with obesity. ANZA, as a member of FIG, attended the meeting and undertook to continue the dialogue, also inviting Australian member organisations to attend FIG and other briefing meetings.

As the majority of FIG's members have very strong connections with Australian companies we recognise efforts of industry on both sides of the Tasman to address the obesity problem.

In New Zealand there is a satisfactory collaborative effort between FIG and the Ministry of Health whereas in Australia, similar partnerships do not exist. There is no industry grouping



of advertisers, manufacturers, communications agencies and media. The Australian State and Federal Governments in some cases have divergent opinions on how to tackle the problem of obesity.

It is, however, recognised that with shared food standards and with similar consumer patterns in respect of obesity, that a higher level of communication between FIG's member organisations and their Australian counterparts is highly desirable.

Monitoring Global Situation

Through the vast network of contacts across the industry and public health groups, the FIG is kept well informed of global obesity developments. This information is disseminated widely to members and officials. This information will be available on the FIG's new website.

Percentage Daily Intake Labelling

The provision of easily understood nutritional information on packaging can contribute to reducing obesity by giving customers information to make better judgements about their lifestyles. The Australian Food and Grocery Council and the New Zealand Food and Grocery Council are encouraging manufacturers to use a consistent method for providing percentage daily kilojoule / calorie information on the front of pack. Coca-Cola, McDonald's, Kellogg's and Cadbury's are among the first to launch this initiative on both sides of the Tasman.


Participation in Working Groups

FIG continues to participate in HEHA steering meetings. It is also represented on the group on Nutrition Guidelines for Schools. In consultation with the Ministry of Health it was agreed FIG would establish a Group to address moderating the marketing pressure on children.

Engagement with Media / Programming

The media sector has been a very active participant in FIG. In 2005/06 various media outlets dedicated considerable resource to creating greater awareness of the obesity issue and its solutions. High profile activities have been:

- The launch of 'Eating Well' on television - a commercial slot not unlike 'Family Health Diary' featuring a host of products all of which contribute to healthier eating
- TV Programming that focuses on managing obesity. Free to air television channels have dedicated prime time slots that feature programmes on how to manage obesity. These have included reality television programmes such as 'Downsize Me', 'The World's Biggest Loser', 'You are what you eat'. All these programmes provided facts, information and inspirational messages on budgeting, cooking, eating and physical exercise. These programmes are popular, so have raised awareness of the issue and how parents and families can adjust their lifestyles. The success shows that there is widespread interest in practical advice as long as it is addressed in an informative and entertaining manner.
- Co-operation in August 2006 by CanWest and TVNZ in a significant nutritional advertising campaign with McDonalds featuring messages by Sarah Ulmer, Hamish Carter and Jenni Pierce. The two television companies provided \$800,000 worth of commercial airtime to assist the spread of the campaign.

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- Members of the FIA developed and broadcast unbranded brief animated television items featuring the cartoon character ‘Willie Munchright’ on TV2 that highlight the importance of healthy eating and healthy physical activity. The series ran for more than a year and represented a multi-million dollar health promotion media campaign by McDonalds, DDB advertising and Television New Zealand.
 - Advice was sought from the Nutrition Foundation, the Health Sponsorship Council and the Ministry of Health to ensure the appropriateness of the messages. Depending upon outcomes from the negotiations around advertising freedoms, we will be evaluating how ‘moderation’ messages are combined with social marketing in 2007.
 - The success of the ‘Healthy Food Guide’ which is a monthly magazine with information on eating well and staying healthy. This magazine has grown remarkably in the two years since its launch and illustrates the ability of the market to respond to consumer demand.
 - Additionally radio stations around the country have participated in literally hundreds of local community initiatives designed to influence consumer behaviour. Both major radio networks – The Radio Network and CanWest Radio - are planning significant advertising campaigns in early 2007 to assist the public to engage in healthy activities and improve their diet.

Information to Industry


In addition to briefings to industry, the FIG has also been using the media to communicate with the industry. Marketing Magazine has run articles highlighting how various parties are addressing the issue. In addition FMCG Magazine has committed to running a regular feature provided by the FIG which keeps industry updated on the latest developments, current issues and priorities.

Development of HEHA

FIG continues to participate in HEHA meetings. FIG was very heartened by the \$76m recently committed to HEHA, most of which has been allocated to the ‘Mission On’ program. We look forward to continuing to be an active participant in the HEHA implementation.

Counties Manukau ‘Let’s Beat Diabetes’

- Members of the Accord continue working on a variety of initiatives with the Counties Manukau District Health Board in its ground-breaking “Let’s Beat Diabetes” program. Industry has been involved in the planning and formulation of the objectives of the programme. Industry and the DHB have jointly funded a food industry professional to work with food manufacturers and retailers to provide a link between them and the health sector and promote partnership and co-operation between the two groups. A total of eight joint initiatives have been identified and are at various stages of development.
- A joint initiative between Coca-Cola and McDonalds to substitute sugar-free lemonade soft drink for the regular sugar sweetened product has been in trial in 21 McDonald’s restaurants in Counties –Manukau. A marketing program was developed to ensure the approach was socially acceptable and conveyed key health promotion messages. Over the past nine months, it has shown that consumers can easily adapt to a sugar-free equivalent of their favourite drink as long as the flavour profile is acceptable. Marketing material explaining the benefits of the lower calorie alternative was displayed prominently and the response from customers, restaurant franchisees, managers and staff has been very



positive. Importantly there has been no negative impact on overall sales or profitability. The initiative has been independently evaluated and shown to have reduced total sugar consumption from soft drinks in the trial restaurants by 17%. Opportunities for further extension of the trial are being evaluated, subject to technical and supply considerations.

- Local initiatives exist that involve industry players in the promotion of healthy food choices in schools. The Counties- Manukau DHB “Let’s Beat Diabetes” pilot has a healthy schools component that will be independently evaluated. This trial adopts a holistic approach to students’ nutrition and seeks to improve the nutritional value of The students’ diet. In addition it uses modern marketing techniques to encourage students to make healthier choices. If proven successful, the trial will be extended to other schools in the Counties-Manukau area

Project Energize

This is a public health initiative driven by Waikato District Health Board in association with Sport Waikato, Ministry of Education and various others. It is a 2 year research project involving improved nutrition and physical activity in 63 schools in the Waikato. Fonterra Brands has been a sponsor-partner supplying reduced fat milk to low decile participating schools.

Schools

In response to the high priority being given to the sale of beverages in schools, FIG drew the matter to the attention of beverage manufacturing members. Coca-Cola and Frucor quickly responded and briefed the Minister on the current situation and recommendations for the future and continue to work on a way forward with the Ministry of Health and Ministry of Education.

FIG Website / Database


Tribal DDB, an online marketing specialist agency, has been commissioned by FIG to develop a website that would operate as an industry database. It will store published data and enable members to log the work they are undertaking to address obesity. This will be made available to the public – subject to company sign-offs. The website will be fully functional in 2007.

Synergia

During July FIG was advised that Synergia has been commissioned to help with the rollout of the Auckland Metro HEHA Program. FIG was invited to participate in the scoping exercise and the executive team met with Miles Shephard of Synergia to give him an overview of our activities and make suggestions for our involvement in the Auckland Metro program.

Advertising Standards Authority (ASA) Codes Review

Industry’s involvement in the self-regulatory advertising environment enabled the Advertising Standards Authority to initiate a review of the children and food codes as part of the industry commitment to the FIA.



It was decided by the members of the ASA that a review was needed to ensure the codes were in step with consumers. The review committee was made up of health professionals, educationalists, ASA members and those protecting the rights of children and the family.

The members of the panel were:

- **David Innes**, Chairman, former Chairman of ASA
- **Dr. Rajen Prasad**, Chief Commissioner, Families Commission
- **Cynthia Maling**, Public Health Directorate, Ministry of Health
- **Bindy Barclay**, Media Research Centre, NZ Broadcasting School and expert on children's advertising
- **Dr. Lynne Lane**, Independent Consultant formerly Director of Public Health
- **Jill Desborough**, Consultant and formerly Liquor Advertising Independent Adjudicator (ANZA Nominee)
- **Richard Prosser**, Television Commercial Approvals Bureau (TVCAB)
- **Jeremy Irwin**, Association of New Zealand Advertisers (ANZA)
- **Mark Champion**, Communication Agencies Association of New Zealand (CAANZ)

The codes were revised to reflect a greater emphasis on social responsibility by advertisers, with the key amendments being:

- The inclusion of a requirement for advertisers to take into account the Ministry of Health's Food and Nutrition Guidelines in advertising.
- Specific reference in the Code for Advertising of Food to the key Healthy Eating Healthy Action messages.
- A focus on ensuring advertisements do not reflect or encourage excessive or inappropriate consumption.
- Restrictions on the use of persons, characters or groups who have achieved particular celebrity status to promoting food in a way that may undermine the Food and Nutrition Guidelines.

We are very pleased with the new codes as they reflect and enforce the advice we have been giving the industry about responsible marketing.

The new codes were released in April 2006 and all advertising was required to comply with them from July 2006. The ASA held industry seminars to instruct on how to comply with the new code, with over 120 advertisers and agencies attending.

Moderating Marketing Pressure on Children

Internationally there have been attempts to restrict food advertising to children. Although it is widely acknowledged that advertising influences brand preferences, there is little evidence that advertising is a direct driver of obesity. The new ASA Codes reflect a moderation in approach.

Under the self-regulatory framework in NZ, children are not exposed to advertising in the pre-school times on free to air television. The 'after-school' zone of 3pm -5.30pm is restricted to 10 minutes per hour, only some of which is for food and drinks.

FIG advertiser members are, in the main, receptive to adjusting their advertising to meet consumer and market concerns about obesity through greater emphasis on new, nutritious products. However, commercial success is fundamental to this process.



Food Classification Guidelines

FIG is now a participant in the Food Classification Project run by the ministry of Health. The majority of the global food industry is opposed to the ‘traffic light’ systems as they are overly simplistic and misleading. We are concerned that the traffic light undermines the far more accurate, informative and consumer-empowering principles of the food pyramid.

Companies and Organisations Getting Active

A number of industry organisations have been pro-active in adapting to and taking a lead in the new environment. The following are examples of the positive steps taken to contribute to the objectives of HEHA and are practical for their businesses.

- **Coca-Cola.** In NZ Coca Cola and its partner company, Coca Cola Amatil, produce and market more than 80 brands and / or flavours of popular drinks.
 - Thirty percent of their soft drink portfolio is sugar-free and 32% of all soft-drinks consumed in NZ are sugar free.
 - They spend more money marketing their sugar-free drinks, waters and juices than they do on sugar sweetened products.
 - Coke Zero alone receives \$4m in marketing (including sponsorship of the All Blacks) and makes up 7.4% of the soft-drink market.
 - Coca-Cola has a strict internal marketing policy not to advertise on programs that attract an audience greater than 50% of under-12s.
 - This year they launched their ‘Make Every Drop Matter’ campaign which provides extensive information on drinks, ingredients, energy and responsible consumption
 - Recently they also launched a new initiative to provide extensive but easy to understand information regarding energy levels on their labelling.
- **FRUCOR.** Frucor’s product range is dominated by juices, waters and energy drinks. (Sugar-sweetened soft drinks form a lower percentage of the product range).
 - In recognition of the popularity of energy drinks with youth a sugar-free ‘V’ has been launched.
 - A range of ‘lighter’ juices that use infusions of flavour in water rather than full-fruit juice have been introduced.
 - FRUCOR has worked alongside the Heart Foundation in the development of Waitemata DHB’s traffic lights program for drinks which is being used in health and education settings.
- **McDonald’s.** In addition to increasingly healthier meal options (such as inclusion of apple slices as an alternative or add on in Happy Meals) McDonald’s this year launched two new initiatives.
 - The first ‘take a closer look’ is a disclosure campaign designed to provide the facts about McDonald’s and its food, focusing on facts like the range it offers and the local sourcing of ingredients. This campaign is supported by in-store information and website information. In October it will also start rolling out new packaging that provides even



greater disclosure around the sugar, fat, salt content in their food to help New Zealanders make healthier choices.

- It also launched a healthier lifestyles campaign featuring athletes Sarah Ulmer and Hamish Carter, and dietitian Jeni Pearce. In these punchy, informative clips diet and exercise is conveyed into easily grasped everyday concepts. The core message is “eat a wide variety of foods, don’t be reliant on treat foods and get up off the couch as often as you can”. These messages are delivered in a light, non-judgmental tone and are easy to understand and act upon, and aim to empower people to make a change. TVNZ and TV3 have been very generous in providing air time to support this campaign. A brochure and on-line information will also support this campaign.
- In addition the company is focused on encouraging Kiwi kids to participate in physical activity through its support of NZ Soccer and NZ Touch In addition to increasingly healthier meal options (such as inclusion of apple slices as an alternative or add on in Happy Meals)
- **KFC.** Fried Chicken is not generally regarded a health food. In everyday language it is described as ‘comfort food’. It is hot, tasty and filling and some people love it. Unfortunately, some of KFC’s frequent customers often tend to be people who need to eat less and do more. KFC is caught in a bind of needing to satisfy its customer base and also improve the health aspects of its menu. KFC’s strategy to address this is ‘Balance’. It effectively means balancing the main offer with healthier side offerings. In recent years it has tackled this challenge by the introduction of diet drinks and waters in their promotional displays; the launch of salads and chicken salads and the launch of roast chicken as an alternative to fried chicken. KFC have also rounded out their menu with a range of products utilizing high proportions of vegetables e.g. Twisters, Fillers etc.
- **Burger King.** In a similar vein to KFC, Burger King have worked to increase the balance in their menu despite their positioning around hearty filling (grilled not fried) burgers. Initiatives include salads and salad wraps, focus on diet drinks and waters, educational ‘swap out’ campaigns as well as nutritional information made easily accessible to customers.
- **New World Supermarkets Collaboration with the Cancer Society.** During October the Cancer Society and New World will be working together on the LiveSmart campaign to encourage people to eat more fruit and vegetables. The campaign involves TV advertisements, in store advertising such as tips for using fruit and vegetables, recipes, information cards, posters, shopping lists and in-store radio. This information provides practical suggestions for using fruit and vegetables.
- **National Heart Foundation.** Over the past 24 months, many products have been reformulated to comply with new criteria for the Tick Program. These changes, in collaboration with industry, have brought about significant improvements to the food supply and increased the range of healthier choices available for consumers. Working directly with food producers, the Heart Foundation and its Tick has removed 266 tonnes per annum of trans-fat from margarines and spreads, 49 tonnes per annum of saturated fat from two of the most popular children’s dairy food brands, 33 tonnes per annum of salt from breads, margarines and breakfast cereals.



ISSUES AND CONCERNS FROM 2006

Unrealistic expectations of industry

There is lack of acknowledgement among some of those in the obesity issue that industry can only ever be part of the solution to achieving the HEHA goals.

It has been a disappointing surprise to find that as the industry has increased its changes to products and marketing to address issues such as product formulation and marketing pressure, others active in the public policy debate have become more critical of the industry and less willing to work with us.

Unequal thresholds of accountability

Despite FIG's initiatives being voluntary and self-funded, they have attracted intensive evaluation and monitoring by the Ministry of Health. The FIG welcomes this opportunity to demonstrate its achievements and to identify barriers to effective implementation, (membership of the FIG questions whether other sectors are subject to the same degree of official scrutiny and measurement).

Despite industry's willingness to engage and debate the issues with an open mind, a number of issues very quickly become 'rear guard actions' i.e. by the time industry involvement is sought officials have already reached decisions in advance of industry's input.

Lack of government and interest-group recognition of the industry's response, along with failure of others to advocate for lifestyle changes, has made it necessary to FIG to focus the industry on the fact that our changes are worthwhile in themselves.

Health Select Committee Inquiry

It is regrettable that an issue of such vital importance has become highly politicised with the Chair of the Committee declaring her position publicly on a number of key matters and therefore prejudicing the flavour of the consideration of the hundreds of submissions.

Funding

The work that FIG is engaged in is expensive. It requires qualified, experienced people whose abilities are in demand. FIG levies its members to the tune of \$200k per annum in order to fund its work.

Other groups involved in public policy debate on obesity are publicly funded.

FIG supports the 'Mission On' program and notes that research project funding will be available and that industry will be proposing appropriate projects for government funding.



The HA in HEHA

There is an increasing weight of evidence that declining activity levels are the major contributor to weight gain and obesity. Work and leisure have become increasingly sedentary and the daily commute to work and school is increasingly by car. Recent studies in Australia showed that walking and cycling to work and school had dropped by approximately 90% in the last 30 years. Sport has become a spectator event and children are increasingly opting to stay indoors – soaking up ‘screen-time’.

Despite this, the focus (and blame) in NZ seems to be firmly entrenched on what we eat rather than what we do.

It is gratifying to note that the major emphasis for ‘Mission On’ appears to be in support of increasing physical activity.

There does need to be greater emphasis on the ‘HA’ rather than the ‘HE’. There are programs in place but they are less well publicised than the eating initiatives.

Some ‘HA’ measures being promoted by various experts in the area include -

- Daily physical activity programs in every school every day
- Programs designed to get children walking and riding to school safely
- Incentives or credits for people joining gyms, sports clubs etc
- Supervised recreational programs in parks and schools to assist safe play after-school

It is established wisdom that it is much easier to manage weight by a combination of healthy eating and healthy activity. It is extremely important that this message gets through and the emphasis on food is not incorrectly ‘over-weighted’.

Measurement and Monitoring

Any good strategy has measurable goals and methods for monitoring progress. There is considerable conflicting information on this topic – no one can yet definitively rank the factors contributing to obesity. A major population study needs to be conducted to irrefutably ascertain the major causes of obesity. Unless such a study is done, New Zealand risks initiating programs without knowing if they will work.

For example, we are concerned that Government appears determined to reduce the amount of food advertising to children on television. This is despite the lack of evidence directly and causally linking advertising to obesity levels. It also fails to consider the unintended consequences on children’s programming generally and local content specifically.

It also overlooks the probability that marketing investments merely shift to other media. Before any final decision is reached, comprehensive New Zealand based research needs to be commissioned which identifies precisely the benefits of the ban, and any impacts of such a ban on the television advertising industry. As always, FIG advocates that any decisions taken must be evidence based.



Plans for 2007

The activities of FIG are designed to encourage and support the food industry and its partners to practise even greater social responsibility in the provision, distribution and marketing of their products.

Industry can re-engineer product to reduce energy. Industry can increase its social marketing to ensure that consumers are even better informed in terms of what they are eating and its place in the diet. Industry can possibly exercise even more self-regulation in terms of being careful about which products are marketed to which audiences.

In order to encourage industry to take these steps the FIG will undertake the following programme in 2007

- Will participate in the working group on Nutritional Guidelines for Classifying Foods
- Will participate in the working group with the Ministry of Health on setting up monitoring processes for the advertising of food
- Will lobby members and member sectors to develop proposals for increased moderation in marketing, particularly to children
- Will work with our members on 'disclosure' opportunities - means by which they can continue to educate people about the calories and nutrition of their products
- Will encourage members to promote healthier products in their portfolio.
- Will broaden our networks to encourage the various groups to work together.
- Will continue the association with the Counties Manukau DHB's 'Let's Beat Diabetes' project.
- Will actively engage with the pan-Auckland obesity project.
- Will assist the media to be well informed in the debate and access to the information and the relevant experts.
- Will keep a watching brief on developments overseas and convey relevant information to our members, the media and government officials.
- Will continue to actively engage with the Ministry and the Minister

Funding for reporting mechanisms

One of FIG's goals for 2007 is to support Public Health's desire to put in place some meaningful measures around food marketing and foods consumed. In order to know whether the 'moderation' message is getting through the Ministry need to be able to monitor what foods industry is marketing and which foods the market is consuming. By doing this the Ministry would be able to gauge changes in the national diet. This type of monitoring would require considerable resource and expertise within the Ministry. FIG encourages the Ministry to involve industry in the design and development of these mechanisms.

Regular forums of industry, MOH and NGOs

FIG encourages the Ministry to establish a forum where Industry, MOH and the NGOs can meet to discuss issues around obesity and strategies proposed. FIG members would appreciate receiving information on government initiatives already underway and to receive updates on progress.



Industry liaison

We welcome the Ministry's desire to engage a senior policy analyst to work with industry but note that the position is proving difficult to fill.

Food chain progress

FIG anticipates:

- Progress to reformulate food products to enhance the national diet.
- Progress in fast food chains with an increasing preference for diet drinks and 'balanced' meals.
- Healthier cooking oils will increasingly be used as well as improved frying practices.
- Menus will continue to increasingly feature a more balanced product range following Subway and McDonald's lead.
- The Heart Foundation will continue its drive for reformulated products across a range of categories including sausages, pies and other processed meals.
- Some food retailers responding positively through changes to their product mix reflecting changing consumer demand and shopping trends

Fruit and vegetables

In 2007 FIG plan to build stronger networks across the fruit and vegetable industries, producer boards, industry associations, retailers etc in order to assist in increasing both visibility and demand for fruit and vegetables. FIG will be attending the Fruit and Vegetable Alliance (FAVA) meeting in November.

Universities' researchers engaging with all parties

A considerable amount of academic research is being carried out across New Zealand that is not widely disseminated beyond academic and public health circles. A goal for 2007 is to build bridges into those communities to facilitate a greater sharing of the valuable publicly funded information that is being generated. The Ministry's assistance in building those bridges would be greatly appreciated.

Increased education on healthy diets and lifestyles

FIG members have expressed an interest in participating in programs that reinforce healthy eating and healthy living decisions. By way of example, in the fast food chain alone there are approximately 500 outlets that interact with approximately half the population. This is an excellent channel for communication, research and product sampling.



Attachments and Supporting Documents

1. CODE FOR ADVERTISING OF FOOD

April 2006

INTRODUCTION

All advertisements for food and beverages consumed by humans ("food") shall adhere to the Principles and Guidelines set out in this Code. The purpose of the Code is to ensure that advertising of food will be conducted in a manner that is socially responsible and does not mislead or deceive the consumer. *Advertisements should not undermine the Healthy Eating, Healthy Action (HEHA) policy of Government, the Ministry of Health 'Food and Nutrition Guidelines' nor the health and wellbeing of individuals. The key applicable messages in the HEHA policy are the need for people to eat a variety of nutritious foods, less fatty, salty and sugary foods and more vegetables and fruits.*

In interpreting the Code emphasis will be placed on the Principles and the spirit and intention of the Code. An advertisement that does or does not adhere to the letter of a particular law or Guideline nevertheless may or may not be in breach of the Code, depending on its compliance with the Principles and respect of the spirit and intention of the Code.

DEFINITION

For the purposes of this Code:

"Appropriate industry Code of Ethics" includes the New Zealand Infant Formula Marketers' Association "Code of Practice for the Marketing of Infant Formula" and any other industry Code endorsed by the ASA.

"Food and Nutrition Guidelines" are the Food and Nutrition Guidelines published by the Ministry of Health.

"Social Responsibility" is not defined in order not to confine its meaning and hamper the discretion of the Advertising Standards Complaints Board. A list of precedents of the Board is contained on the ASA website www.asa.co.nz.

"Treat food" is food high in fat, salt, or sugar and intended for occasional treats. (Refer to Ministry of Health's 'Food and Nutrition Guidelines for Healthy Children aged 2-12 years')

Principle 1

Advertisements should comply with the laws of New Zealand and appropriate industry Code of Ethics.

Guidelines

1(a) In addition to food related legislation advertisers should be familiar with the restrictions on advertising in the Food Act 1981, New Zealand (Australia New Zealand Food Standards Code) Food Standards 2002 (Food Standards Code), and the requirements of the Fair Trading Act 1986.

1(b) The Food Standards Code has labelling requirements. Pictorial depictions, names, descriptions and other information in advertisements should not be inconsistent with labelling requirements.

Principle 2

All food advertisements should be prepared with a due sense of social responsibility to consumers and to society. However advertisements containing nutrient, nutrition or health claims*, should observe a high standard of social responsibility.



Guidelines

2(a) Nutrient, nutrition and health claims should not be inconsistent with national health and nutrition policy and should comply with the requirements of the Food Standards Code.

Note; The Food Standards Code is in a state of change. Please refer to the ASA website for information. The Food Standards Code is available on www.foodstandards.govt.nz

Principle 3

Advertisements directed at children should observe a high standard of social responsibility.

Guidelines

3(a) *Advertisements for treat foods directed at children should not actively encourage children to eat or drink them inappropriately or in excess.*

3(b) *Advertisements for treat food, snacks or fast food should not encourage children to consume them in substitution for a main meal on a regular basis.*

3(c) Advertisements for nutritious foods important for a healthy diet as stipulated in the Food and Nutrition Guidelines for children are encouraged to advocate the benefits of such foods, particularly when directed at children. A large and liberal but commonsense interpretation is allowed. However, benefits should not be exaggerated and should not imply that a single food should replace a healthy diet.

3(d) *Advertisements should not encourage excessive consumption or inappropriately large portions of any particular food nor should they undermine the Food and Nutrition Guidelines for children.*

3(e) Advertisements for slimming products or foods sold as an aid to slimming should not be directed at children.

3(f) *Persons, characters or groups who have achieved particular celebrity status with children shall not be used in advertisements to promote food in such a way so as to undermine a healthy diet taking into account Food and Nutrition Guidelines for children.*

3(g) Attention is drawn to the Code for Advertising to Children.

Principle 4

Advertisements should not by implication, omission, ambiguity or exaggerated claim mislead or deceive or be likely to mislead or deceive consumers, abuse the trust of or exploit the lack of knowledge of consumers, exploit the superstitious or without justifiable reason play on fear.

Guidelines

4(a) *All nutrient, nutritional and health claims* should be factual, not misleading, and able to be substantiated. Claims should be compliant with the requirements of the Food Standards Code.*

4(b) The nature of the audience should be taken into account particularly when advertisements contain nutrient, nutritional and health claims*.

4(c) Food advertisements containing obvious hyperbole, identifiable as such are not considered misleading.

4(d) Claims in an advertisement should not be inconsistent with information on the label or packaging of the food.

4(e) Advertisements should not claim or imply endorsement by any government agency, professional body or independent agency unless there is prior consent, the claim and the endorsement verifiable, current and the agency or body named.

4(f) *Care should be taken to ensure advertisements do not mislead as to the nutritive value of any food. Foods high in sugar, fat and/or salt, especially those marketed to and/or favoured by children, should not be portrayed in any way that suggests they are beneficial to health.*

*Note: The law currently prohibits health claims, but is under review.

INTRODUCTION

The purpose of the Code is to serve as a guide to advertisers and agencies in preparing advertising messages which adequately recognise the special characteristics of the children's audience and in particular their vulnerability and to properly safeguard their interests.

Responsible advertising of products and services normally used by children, and the depiction of children in advertising in general, can serve not only to inform children of these products and services but also about many aspects of society and the world in which they live.

Special care should be taken in advertising to children.

Children are entitled to certain rights and protection pursuant to the United Nation's Convention on the Rights of the Child ("Convention"). Article 13 recognises the child's right to freedom of expression. "This right shall include the freedom to seek, receive and impart information and ideas of all kinds." Children therefore have the right to receive all kinds of information including advertisements. However, there are various fetters to that right; for instance Article 17(e) calls for "appropriate guidelines for the protection of the child from information and material injurious to his or her well-being." This Code provides the "appropriate guidelines" for advertisements directed at children. *Furthermore, special notice is to be taken of Article 3 of the Convention, which states, "the best interests of the child shall be a primary consideration" and therefore the need to extend a duty of care to protect children.*

All advertisements shall adhere to the Principles and Guidelines set out in this Code. The Code is designed to ensure that advertising to children will be conducted in a manner that is socially responsible and does not mislead or deceive children.

In interpreting the Code emphasis will be placed on the Principles and the spirit and intention of the Code. An advertisement that does or does not adhere to the letter of a particular guideline nevertheless may or may not be in breach of the Code, depending on its compliance with the Principles and respect of the spirit and intention of the Code.

DEFINITION

For the purposes of this Code:

The term "children" means all persons below the age of 14.

"Advertisement" includes all advertisements in all forms of media directed at children whether contained in children's media or otherwise. Reference should be made to the Interpretation section of the Codes of Practice.

"Appropriate media and industry Codes" includes the Television Broadcasters' Council, Children's Broadcasting Code, and any other industry Code endorsed by the ASA.

Principle 1.


Advertisements should comply with the laws of New Zealand and appropriate media and industry Codes.

Principle 2.

Advertisements should observe a high standard of social responsibility.

Guidelines

2(a) Advertisements should not portray violence, undue aggression, or menacing or horrific elements likely to disturb children.



2(b) Advertisements should not encourage anti-social behaviour or depict children behaving in an anti-social manner, eg. vindictiveness and bullying, unless the purpose of the advertisement is to discourage such behaviour.

2(c) Children in advertisements should not behave in a socially unacceptable manner, bearing in mind their age, unless the purpose of the advertisement is to discourage such behaviour.

2(d) Children should not be urged in advertisements to ask their parents, guardians or caregivers to buy particular products for them.

2(e) Advertisements should not suggest to children any feeling of inferiority or lack of social acceptance for not having the advertised product.

2(f) Advertisements, except safety messages, should not contain any statement or visual presentation that could have the effect of portraying children in unsafe acts, showing them in unsafe situations, encouraging them to consort with strangers, or behaving in an unsafe way.

2(g) Advertisements, except safety messages, should not show products being used in an unsafe or dangerous manner, or which would be unsafe if used by children without proper supervision.

2(h) Advertisements should not depict toy weapons which are realistic (in size, shape and colour) and can be confused with real weapons.

2(i) Advertisements should not portray sexually suggestive images, or images that are degrading to any individual or group.

2(j) *Children should not be encouraged in advertisements to participate in gambling or gaming. (Refer to the Code for Advertising Gaming and Gambling)*

2(k) *Advertisements should not undermine the role of parents in educating children to be healthy and socially responsible individuals.*

2(l) *Persons, characters or groups who have achieved particular celebrity status with children shall not be used in advertisements to promote food or drink in such a way so as to undermine a healthy diet taking into account the Ministry of Health's 'Food and Nutrition Guidelines' for children.*

Principle 3.

Advertisements should not by implication, omission, ambiguity or exaggerated claim mislead or deceive or be likely to mislead or deceive children, abuse the trust of or exploit the lack of knowledge of children, exploit the superstitious or without justifiable reason play on fear.

Guidelines


3(a) Advertisements must be clearly recognisable as such by children and separated from editorial, programmes or other non-advertising material. If there is any likelihood of advertisements being confused with editorial or programme content, they should be clearly labelled "advertisement" or identified in a clear manner.

3(b) *Advertisements should take into account the level of knowledge, sophistication and maturity of the intended audience. In particular advertisements should not be directed at younger children who may have a lack of ability to comprehend the purpose of advertising and differentiate between it and non-advertising messages.*

3(c) Care should be taken to ensure that advertisements are able to be understood by children to whom the advertisements are directed, are not ambiguous, do not mislead as to the true size, value, nature, durability and performance of the advertised product and contain warning information if the product is unsafe when used by younger children.

3(d) If extra items are needed to use the product (eg. batteries) to produce the result shown or described (eg. paint, dolls clothes) this should be made clear. A product that is part of a series should be clearly indicated as such as well as the method of acquiring the series.

3(e) In the case of a product that must be assembled, this should be made clear, and where appropriate, the source of power and performance should be indicated.



3(f) If price is mentioned, the complete price of the product should be made clear, and advertisements should clearly indicate the cost of those items that constitute the original purchase and additional items that must be purchased separately.

3(g) Where reference is made to a competition the rules should be made clear and the value of prizes and the chances of winning should not be exaggerated.

3(h) Any reference to a premium (eg. an additional product or service offered free, at a reduced price or as a prize) should be clearly displayed and conditions relating to it should be clearly represented.

3(i) Care should be taken to ensure advertisements do not mislead as to the nutritive value of any food. Foods high in sugar, fat and/or salt, especially those marketed to and/or favoured by children, should not be portrayed in any way that suggests they are beneficial to health.

Principle 4.

Advertisements should not encourage inappropriate purchase or use including excessive consumption.

Guidelines

4(a) Children are not a homogeneous group but have varying levels of maturity and understanding. Care needs to be taken that the product advertised and style of advertisement are appropriate for the audience to whom it is primarily directed.

4(b) Advertisements soliciting responses incurring a fee to telephone or text should state, "Children ask your parents first" or similar words.

4(c) Extreme care should be taken in requesting or recording the names, addresses and other personal details of children to ensure that children's privacy rights are fully protected and the information is not used in an inappropriate manner.

Note; Notice should also be taken of Principle 3 of the Privacy Act 1993.

4(d) Care should be taken with advertisements promoting a premium or loyalty/continuity programme to ensure that inappropriate purchase or excessive consumption was not a likely outcome.

4(e) For advertisements for food or beverages attention is drawn to the Code for Advertising Food and in particular Principle 3.

Note: Attention is drawn to the New Zealand Television Broadcasters code "Getting it Right for Children" which deals with such issues as the number of television advertisements in children's programmes. The code is available on www.nztlbc.co.nz.