

30 March 2012

Mr Steve McCutcheon
Chief Executive Officer
Food Standards Australia New Zealand
PO Box 7186
Canberra BC ACT 2610

Dear Mr McCutcheon

Re: Proposal P293 - Nutrition, Health and Related Claims

Woolworths Limited welcomes the opportunity to comment on the consultation paper *Proposal P293: Nutrition, Health & Related Claims*. Woolworths understands the purpose of the paper is to consider changes in relation to the regulation of fat free claims and the introduction of a mandated Nutrient Profiling Score Criterion (NPSC).

Woolworths Limited is made up of some of the most recognisable and trusted brands in retailing, serving millions of customers every day with great choice, value and excellent quality. As a group across Australia and New Zealand, Woolworths Limited has more than 3100 stores and 190,000 employees.

We recognise poor nutrition is a major health problem in Australia for individuals. Woolworths supports consumer, health profession and government initiatives to help consumers make informed food choices. As grocery shopping is at the heart of family life and as a leading grocery retailer in Australia, we believe we have an important role to play in promoting balanced and healthy eating habits that support a healthy lifestyle.

Woolworths is committed to empowering our customers to make informed choices when selecting grocery products. Indeed, we have already made significant steps to promote healthy diets to Australian shoppers by adapting our store format, improving the availability and affordability of fresh food, and educating parents and children about the importance of a balanced diet. We have also adopted the Australian Food and Grocery Council's (AFGC) Daily Intake Guide (DIG), which provides consumers with easy to digest information about their food choices. This helps customers understand whether a food is providing a little or a lot of key nutrients and how it fits into their daily requirements. This is part of an industry-wide commitment which allows them to make a quick and direct comparison between brands.

Woolworths is also part of the Australian Government's Food and Health Dialogue, which is a joint government-industry-public health initiative aimed at addressing poor dietary habits and making healthier food choices easier and more accessible for all Australians. Woolworths is involved in all levels of the Dialogue including the Executive Group, a Reformulation Working Group and industry roundtables. Woolworths participates in a voluntary reformulation program across a range of commonly consumed foods for key nutrients including sodium, saturated fat, sugar, fibre, fruit and vegetables.

Own Brand

Woolworths own brands provide a wide variety of convenient and affordable food which covers everything needed to make up a healthy diet including fruit, vegetables, cereals, dairy, nuts, legumes, meat, seafood & poultry. Within this range there are lean, reduced fat & lower or no added salt options to choose from.

We support product labelling which clearly details ingredients and nutrition content. Woolworths' own brand labels aim to exceed regulatory standards and provide as much information and transparency as possible. This includes providing a full fat breakdown including trans fat content where applicable. Although it is not mandatory for companies to declare trans fats on product labels in Australia or New Zealand, we have decided to voluntarily incorporate trans fat values on the label of the majority of Woolworths own brand products to assist customers in making informed choices.

Woolworths own brands include Woolworths, Select, Homebrand and Macro. Our in-house Quality Assurance experts review every specification and ingredient list to ensure each product meets food legislation requirements as well as our high quality standards. We also aim to minimise the use of artificial colourings, additives and preservatives.

Woolworths continues to develop and improve a range of products across our brands which have been carefully selected to care for our customers' health and wellbeing. Developments include improving salt, sugar and fat levels and minimising the use of additives. This includes our Macro brand which aims to offer alternatives to satisfy dietary or lifestyle choices. The range includes nuts, dried fruits, seeds and cereals, spreads, beverages, biscuits, meat and poultry, seafood, produce, dairy, eggs, cooking and baking needs.

Woolworths currently has nutrition content claims in place on a number of our own brand products. These include labelling such as 'Good Source of Protein' and 'Low Salt'. These are consistent with the voluntary industry *Code of Practice on Nutrient Claims in Food Labels and in Advertisements* which is administered by the AFGC.

Nutrient Profiling Score Criterion

Woolworths has some concerns about the methods proposed for the NPSC and how they will limit the health claims we will potentially be able to place on our products. The NPSC will only calculate the entitlement of a health claim solely based on macronutrient profile. Such calculations limit the consideration of a number of other important components in food such as the micronutrient profile. The majority of the proposed permitted health claims are related to micronutrients such as folate, calcium, iron and zinc, however the NPSC does not take these into consideration when determining the eligibility of foods to carry claims relating to these nutrients.

The NPSC does not therefore fully assess the complete nutrient profile of the food. As a result, an unintended consequence of this method could be to discourage nutritional improvement and innovation in products which are ineligible for health claims. We strongly believe our customers should have access to a full suite of nutritional information to enable them to make informed decisions when selecting groceries. Unfortunately, we do not believe the use of these limited criteria will empower customers in such a manner.

Fat-Free and % Fat-Free Claims

Woolworths supports Option 1 the regulation of fat-free claims, whereby % fat-free claims would be regulated under Standard 1.2.7 (instead of a voluntary code of practice as is current practice), and fat-free claims would continue to be regulated under Australian and New Zealand Consumer Law.

This option will enable the provision of consistent fat-free claims for the first time across all categories and will enable consumers to make decisions based on their individual requirements and preferences. We believe this would also enable consistency across the food industry and would avoid potentially misleading consumers with varying claims and interpretations across different products/categories of food. Imported food products would then also be required to comply (as presently they are not required to) and would once again ensure consumers are presented with consistent and meaningful information.

Another advantage of this approach is it would not require additional conditions for fat-free claims, such as the NPSC. As noted above, Woolworths has concerns with the NSPC due to the way it would restrict the use of health claims on products.

Option 1 would also mean customers would not be presented with an overload of information on the front of labels concerning sugar that would potentially be confusing. At present, the majority of products across the industry are labelled with the front of pack DIG thumbnails. These DIGs already detail the quantity of sugar per serve and its contribution to an adult's daily intake.

In contrast, we have concerns about the proposals outlined in Options 2 and 3. Our primary concern is the proposals will not allow for consumer choice across food and beverage categories based on individual dietary requirements.

At present, there does not appear to be evidence that consumers purchase foods of lower nutritional quality as they are misled by fat free claims, a view supported by the FSANZ Evaluation Report. Instead, there are many other factors which contribute to consumer food choices including price, availability and taste preference.

Both Options 2 and 3 place an overemphasis on fat at the expense of other nutrients. As with the NPSC, this neglects the importance of micronutrients and their role in a healthy diet. We believe category specific approach is inappropriate as there are other important nutrients which need to be considered to define a category.

Another consequence of these proposals is they will potentially result in removal of fat-free and %fat-free claims on labels across an organisation's portfolio. For some organisations this will require the review of more than 4000 individual product lines. This may lead to the requirement to develop new labels, and/or the potential removal of products from the market which will reduce consumer choice.

Finally, the use of sugar as a disqualifying criterion is not suitable in assessing the overall nutritional quality of a food or beverage. There are additional ingredients which are used as fat replacers in place of sugar in processed foods, which also contribute to overall energy, and provide a similar nutrient profile as sugar. Sugar alone does not promote health related issues and its presence over a yet to be determined threshold should not indicate that a product is an unhealthy option, as it may contribute other important micronutrients to the diet such as vitamins, minerals and antioxidants.

Summary

In summary, Woolworths welcomes the moves by FSANZ to put in place consistent labelling requirements for health claims across the food and beverage industry. This will provide consumers with important information to help them make informed food choices. However, we remain concerned Proposal P293 has the potential to limit the nutritional information available on product labels and may limit the capacity of consumers to make decisions across categories based on their individual requirements and preferences. We encourage FSANZ to review the criterion in P293 to take into account broader nutritional concerns and recommend FSANZ pursue option 1 as outlined in the Proposal.

Once again, thank you for the opportunity to comment on Proposal P293. Should you have any additional questions please do not hesitate to contact Cassandra Simpson, Public Policy Manager, on 02 8885 9133 or at csimpson@woolworths.com.au.

Yours sincerely

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Woolworths Limited