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## **Submission to ANZFA**

### **Proposal P235**

## **REVIEW OF FOOD-TYPE DIETARY SUPPLEMENTS**

**Comments on Initial Assessment Report**

**Due date: Wednesday 7 August 2002**

**From**

**Murray Goulburn Co-operative**

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# 1 Summary

The MGC comments on the Initial Assessment Report of P235 in summary are:

- ❑ The present inequitable position between Australian and New Zealand markets and export opportunities must cease as soon as possible.
- ❑ It is timely for FSANZ to consider the paradigm shift towards optimal nutrition as a rationale for FTDS as opposed to the present '*conservative approach (that) has traditionally been taken in both Australia and New Zealand with respect to the addition of nutritive substances, predominantly vitamins and minerals, to foods.*' The Ministerial Council as part of the policy decision-making process should also consider this change.
- ❑ The traditional approach has caused a division between foods on the one hand, and supplements and therapeutics on the other, decreasing the status of food as a contributor to optimal health in favour of costly alternatives.
- ❑ The management framework for FTDS must consider both the protection of public health and safety AND the opportunity for improvement of the public health status in Australia and New Zealand.
- ❑ The management framework for FTDS must encourage innovation in the context of sound science, opportunities from new and established technologies and a comprehensive understanding of consumer needs.
- ❑ The management framework of FTDS should use a risk-based approach.
- ❑ We recommend the regulatory option 2b. FTDS can fit within Part 2.9 of the Food Standards Code as a separate standard.
- ❑ The mechanism for the management framework for FTDS must incorporate simple, effective processes to clarify product acceptability and to encourage innovation.
- ❑ A system for permitting substantiated claims is required.
- ❑ 'Nutritive substances' should be permitted for use in FTDS.

## 2 Background

Murray Goulburn Co-operative Co Ltd welcomes the opportunity to present our comments on the Initial Assessment Report of P235.

Murray Goulburn Co-operative Co Ltd (MGC) was formed in 1950 and has grown to be Australia's leading dairy company and the largest exporter of processed food. MGC is a co-operative with over 3,200 suppliers/shareholders. The Company's milk intake is in excess of 2.7 billion litres which accounts for approximately 30% of Australia's annual milk production. The Company's international sales represent over 40% of total dairy exports. Quality is the foundation of MGC's reputation as a global supplier of dairy ingredients and all manufacturing facilities have ISO 9002 certification. Research and development is central to MGC's business and includes process improvement, product innovation and ingredient applications.

Recently MGC has formed MG Nutritionals, a wholly owned subsidiary of MGC, to further develop and market the range of products incorporating the inherent benefits of bioactives present in dairy products.

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## 3 Rationale for FTDS Regulation

### 3.1 *Present inequitable situation*

Foods such as those manufactured in or imported into New Zealand under the NZDSR and then imported into Australia, disadvantage Australian food producers and manufacturers. Potentially Australian consumers are also disadvantaged due to the increased cost of transport and storage.

FTDS, which have been safely marketed in New Zealand, should be permitted to be manufactured, distributed and sold in and exported from both countries under the joint Food Standards Code.

### 3.2 *Paradigm shift to optimal nutrition*

It is timely for FSANZ and the Ministerial Council to consider the paradigm shift towards **optimal nutrition** and **preventive nutrition** as a rationale for FTDS as opposed to the present

*‘...conservative approach (that) has traditionally been taken in both Australia and New Zealand with respect to the addition of nutritive substances, predominantly vitamins and minerals, to foods.’*

(Initial Assessment Report P235 Clause 2.4, page 19).



This conservative approach has caused a division between foods on the one hand, and supplements and therapeutics on the other, decreasing the status of food as a contributor to optimal health and a

significant factor in reducing the risk of health problems in favour of more costly and higher risk alternatives. The high cost of pharmaceuticals (much of which is for diet-related disease) has recently received widespread publicity in Australia.

*It would be irresponsible for the Federal Government to sit back and not tackle the unsustainable growth in the Pharmaceutical Benefits Scheme (PBS), the Minister for Health and Ageing, Senator Kay Patterson, said today.*

*"Sitting back and waiting for two or three years could be too late. The scheme has grown by \$1.5 billion over the past two years. It just cannot keep growing at the rate of 14% every year if we are going to provide affordable access to PBS medicines to Australians," she said.*

(Media release from Senator the Hon Kay Patterson Minister for Health and Ageing, June 17, 2002)

Example:

Two of the highest costing drugs in the PBS are statins used for the reduction of serum lipids. Last year the cost rose \$96.3 million to \$591.9 million. FTDS containing components such as plant sterols, beta-glucan and policosanols are effective in helping people maintain desirable serum cholesterol levels.

*While 15,000 men died of coronary heart disease in 1998, over 12,000 women also died of the disease. In fact coronary heart disease is the leading cause of death for women in Australia.*

*"Heart attack is mostly preventable," Senator Patterson said. "I would like to see women - as well as men, adopting healthy lifestyle practices which as well as reducing their chance of suffering heart attack will also lead to an overall sense of well being."*

(Media release from Senator the Hon Kay Patterson Minister for Health and Ageing, May 2, 2002)

A move to the appropriate use of FTDS for people who want to reduce their risk of health problems, as opposed to the use of therapeutics to cure or manage an established problem, has the potential to reduce costs and improve quality of life. Many people do not want the drug option and would find it more acceptable to include a suitable FBDS as part of a healthy diet.

### **3.3 A risk-benefit consideration**

The management framework for FTDS must consider both the protection of public health and safety AND the opportunity for improvement of the public health status in Australia and New Zealand in the light of the new paradigm of optimal health.

### **3.4 Encourage true innovation**

The management framework for FTDS must encourage innovation in the context of sound science, opportunities from new and established technologies and a comprehensive understanding of consumer needs. Government



has clearly identified ‘innovation’ as a key driver of food industry competitiveness:

*The first meeting of the National Food Industry Council has set the direction for future growth in Australia’s multi-billion dollar food industry, the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss, announced today.*

*Mr Truss said the Council, which he chairs and is comprised of key industry and government leaders, will oversee the development of the industry and implementation of the Government’s \$102.4 million, five-year National Food Industry Strategy.*

*“The National Food Industry Strategy will boost industry competitiveness by focusing on important areas such as **innovation**, trade, supply chains and environmental sustainability.”*

Media release from the Hon Warren Truss MP Minister for Agriculture, Fisheries and Forestry, 26 June 2002

In the area of dairy foods, nutritional science continues to elucidate the functions of components of dairy foods such as growth factors, lactoferrin and peptides. Technological advances permit the fractionation of the dairy bioactive components. These widely and traditionally consumed components can now be concentrated to provide specific nutritional benefit to meet consumer needs. They can be incorporated into other foods to be in a more acceptable format (delivery form, taste, texture, etc).

Dairy foods such as milk and cheese also offer a nutritionally sound vehicle for ‘functional’ ingredients and may form the basis of FTDS.

The policy decision-making process should consider technological changes, which offer an opportunity to improve the health of Australians.

With the changing profile of the Australian population, consumer needs shift. For example, the increasing proportion of older Australians is placing pressure on resources to manage health problems such as osteoporosis, digestive disorders and arthritis. Technological and product innovations should be encouraged to better cope with the rising demands of the aging population. Highly acceptable FTDS can specifically target at need consumer groups, for example, a bar containing significant levels of bioactive components to help enhance the immune system, a drink to help maintain joint health or a crispbread to increase satiety.

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## 4 Regulatory Framework for FTDS

### 4.1 A risk-based approach

The management framework of FTDS should use a risk-based approach through compositional safety assessments and the use of labelling provisions as a risk management tool. This approach has already been adopted in relation to formulated caffeinated beverages and has been suggested by Government for the regulation of health claims.

### 4.2 Develop a new food standard



FTDS can fit within Part 2.9 of the Food Standards Code as a separate standard. FTDS are Special Purpose Foods but do not fit with

Formulated Supplementary Foods nor are they covered by the Novel Foods Standard. It may be that a Special Purpose Food contains an ingredient, which is a novel food and must undergo due process.

### **4.3 An effective mechanism**

The mechanism for the management framework for FTDS must incorporate simple, effective processes to clarify product acceptability and to encourage innovation. Consumers must be confident that the product is safe and manufacturers must be confident that their product is safe from prosecution. Lengthy approval procedures will inhibit innovation. A model along the lines of the Complementary Medicines Evaluation Committee should be considered for approval of FTDS.

### **4.4 A system for claims**

A system for permitting claims regarding the amount of active components in the product is required particularly in the case of components, which do not have an RDI or ESADDI.

Function claims should be based on sound scientific evidence, which is held by the manufacturer in case of dispute.

Similarly a manufacturer should hold sound scientific evidence to support a risk reduction claim based on the use of the FTDS in the context of a healthy diet.

FSANZ is in a position to provide guidelines for the requirements of the scientific evidence.

### **4.5 Nutritive substances**

This aspect of the Food Standards Code requires further development as presently *‘nutritive substances must not be added to food unless expressly permitted in this Code’*.

A new standard for FTDS should include nutritive substances presently permitted elsewhere in the Food Standards Code and those permitted as Complementary Medicines as these substances have already been assessed as safe, and permitted amounts have been determined where necessary.

Issues relating to composition, minimum quantities (for nutritional significance), maximum quantities (where safety is an issue) or maximum amounts for claims should be included in the Standard as part of the risk based approach.

### **4.6 Other labelling issues**

The need for labelling requirements as per other foods is reasonable. The addition of a statement regarding the use of FTDS as a ‘dietary supplement’ would also seem useful to differentiate these products from conventional foods.



Consumers need to know how much of the FTDS to take to have a significant effect. This will depend on the recommended number of serves per day and should be clearly stated on the label.

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## 5 Conclusions

MGC is supportive of the proposal to develop regulations to permit the manufacture and sale of FTDS in Australia and New Zealand. Our preferred option is 2b: a vertical approach whereby FTDS are included in Part 2.9 Special Purpose Foods.

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Murray Goulburn Co-operative Limited  
August 2002