

## **Position Statement**

### **Restricting Unhealthy Food and Beverage Marketing to Children**

As leaders in the Canadian sport community, the Sport Matters Group, which is a coalition of over 80 sport, physical activity and recreation organizations, welcomes the federal government's efforts to improve the health of our children and youth by protecting them from marketing tactics that promote unhealthy foods. While we fully support any government effort to help young Canadians make better nutrition choices, there will be serious repercussions if the new legislation prevents some companies from investing in sport programming for children and youth. We welcome the opportunity to work with officials to consider options that support the federal government's efforts but limits the negative impact of losing private sector supporters.

#### **Background**

The Senate has endorsed Bill S-228 An Act to amend the Food and Drugs Act (prohibiting food and beverage marketing directed at children). The Bill, sponsored by former Olympic hero Senator Nancy Greene Raine, passed Third Reading on September 28, 2017. Liberal MP Doug Eyolfson has sponsored the Bill and introduced it in the House of Commons on October 6, 2017.

Bill S-228 paves the way for Health Canada to ban any form of marketing (advertising, sponsorship and promotions) of what it deems to be unhealthy food to children under the age of 17 by food and beverage companies by as early as 2019. This could have serious consequences for professional and amateur sport organizations, leagues and teams in terms of future access to sponsorship dollars from food and beverage companies and advertising revenues from TV, Radio and Print partners. Regulations being considered by Health Canada could go as far as prohibiting corporate sponsors or advertisers from promoting their corporate brand if it is deemed by Health Canada that the company offers unhealthy foods and beverages in its product mix.

With implementation of the Bill and the regulations possibly coming into effect by 2019, sport organizations and sponsored athletes could feel the impact in the coming months as contracts come up for renewal with sponsors and advertisers looking to other channels to invest their marketing dollars.

Approximately \$1.98B is spent on sponsorship in Canada. Together, professional and amateur sport, account for 53% of the sponsorship industry<sup>1</sup>. Partners such as Tim Hortons, McDonalds, Coca Cola, General Mills, Pepsi, Danone, to name a few, play a significant role in sport sponsorship. It is anticipated that the number of children and youth participating in sport programs will be directly impacted if the new legislation prevents some companies from investing in sport programming.

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<sup>1</sup> Canadian Sponsorship Landscape Study: <http://www.sponsorshiplandscape.ca>

## Key Messages

Governments have supported sport programs for a long time because sport is widely recognized as a powerful way for people of all ages to improve their health and overall well-being. For children and youth sport plays a vital role in their growth and development.

We fully support the goals of the new legislation and applaud the leadership of Senator Nancy Greene-Raine, one of Canada's greatest Olympians, who is spearheading this campaign. We share the Senator's desire to see a steady decline in the number of overweight and obese young people in Canada through a combination of better nutrition choices and greater involvement in physical activity and sport.

As sport organizations, one of the ways that we're able to get more Canadian children and youth involved in sport is through partnerships with like-minded companies. Through a range of customized programs – like sports leagues and camps – we're able to engage thousands and thousands of kids who might not otherwise have the opportunity to be active.

Unlike advertising, these sponsorship programs – like Timbits Soccer and Hockey – contribute in direct and obvious ways to the health of the children and youth who participate. Sponsorship creates real opportunities for kids of all ages and backgrounds to get involved in sport. Sponsorship promotes and celebrates participation and excellence in sport. It helps to advance key principles of the Canadian Sport Policy by making sport activities more available and more inclusive. It encourages collaboration between sport organizations, governments and the private sector – with a shared goal of improving the health of our young people.

Some of the sport sector's biggest private sector supporters – like Tim Horton's, McDonald's, Danone, General Mills, and Coca Cola – have clearly demonstrated over many years that they share a common interest in advancing sport and physical activity. Sponsorships also play a pivotal role in making sport programs more sustainable since there are limits on the amount of available government funding.

While we fully support any government effort to help young Canadians make better nutrition choices, there will be serious repercussions if the new legislation prevents some companies from investing in sport programming for children and youth.

First and foremost, it will mean a substantial drop in private sector contributions to sport at every level, from grassroots to high performance. This will mean cutting off sport programs to thousands of children and youth right across the country – the opposite effect from what the legislation is intended to do. If the goal is to develop healthier kids, then the government should be working to encourage *more* private sector sponsorship, not *less*.

There may be other negative consequences that might not have been contemplated when drafting the legislation. For example, if Canadian companies cut back on their investments in high performance sport, it will be that much more difficult to prepare our best athletes for top-flight international competition.

Every Canadian Olympian and Paralympian has been inspired by an Olympian or Paralympian that came before them. Any loss of private sector support may mean fewer role models and a long-term ripple effect that may see fewer Canadian podium performances.

In terms of overall economic impact, the following sports offered an estimate of sponsorship revenue that could be jeopardized if the new legislation prevents some companies from investing in sport programming:

Soccer Canada affiliates from across Canada estimate that approximately \$12M of investment in programming at the provincial and local level would be lost impacting approximately 470,000 children. Additionally, Soccer Canada estimates that a third of their sponsorship revenue would be in jeopardy from

existing partners and that number would likely go higher in the future.

Hockey Canada, who estimates approximately 420,000 number of participants in registered programs, projects a financial impact on grassroots hockey community of \$6M - \$7.5M. This includes national programs under Hockey Canada management, direct investment with Hockey Canada Branches and impact at the local Minor Hockey Association and individual team level. This does not include full value of national programs outside of Hockey Canada such as Timbits Hockey, which is managed directly by Tim Hortons.

Swimming Canada, who estimates approximately 85,000 registered members and 2.8M swimmers who participate in registered swimming programs, is projecting a loss of 10% of existing sponsorship revenue. When they look at the amount of projected future revenue lost, it is believed that the organization would lose another 5% of their total budget and 25% of sponsorship revenues, which would have a significant impact on programming.

The Canadian sport community welcomes the opportunity to work with officials to consider options that support the federal government's efforts protect children and youth from marketing tactics that promote unhealthy foods but limits the negative impact of losing private sector supporters.

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