Australian Beverages Council

Formal review of the system after five years of implementation (June 2014 to June 2019)

Response to the Health Star Rating System Five Year Review Draft Report

22 March 2019

About the Australian Beverages Council [ABCL]

The ABCL is the leading peak body representing the non-alcoholic beverage industry, and the only dedicated industry representative of its kind in Australia.

The ABCL proudly represents approximately 90 per cent of the industry's production volume and Member companies are some of Australia's largest drinks manufacturers. The ABCL also represents many small and medium-sized companies across the country. Collectively, the ABCL's Members contribute more than $7 billion to the Australian economy and nationally they employ approximately 50,000 people. The industry also pays in excess of $1.2 billion in taxation per annum along its supply chain, and for each and every direct employee in the beverages manufacturing industry, there are 4.9 jobs required elsewhere in the Australian economy to produce and retail the beverages.

The ABCL strives to advance the industry as a whole, as well as successfully representing the range of beverages produced by Members. These include carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, flavoured milk products and flavoured plant milks.

The unified voice of the ABCL offers Members a presence beyond individual representation to promote fairness in the standards, regulations, and policies concerning non-alcoholic beverages. The ABCL plays a role in educating consumers on making informed choices by encouraging balance, moderation and good nutritional literacy.

The ABCL advocates on issues such as portion sizes, environmental sustainability and stewardship, nutritional labelling, responsible industry marketing and advertising, and school canteen guidelines, among others. The ABCL's Members listen to consumers and adapt their products accordingly by making positive changes and standing by a commitment to promote greater choice, offer appropriate portion sizes and introduce more low and no kilojoule products.

The ABCL is an important conduit between the non-alcoholic beverage industry and governments, supporting the Australian Government, State/Territory Government and Local Councils.

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Introduction

The ABCL and the Health Star Rating System in Context

The ABCL fully supports the Health Star Rating [HSR] system and has been actively involved in its creation, implementation, development, performance and review. A survey in 2018 of ABCL Members showed 70 per cent of non-alcoholic beverage products manufactured and sold in Australia display the Health Star Rating scheme's display hierarchy (integrated approach). A wealth of research has shown consumers understand, support and value the scheme. ABCL Members continue have indicated strong support for the continuation of the scheme into the future and a desire for governments and other stakeholders to support the initiative with similarly strong backing and investment.

The HSR does not require high levels of literacy and can be used quickly to determine the complete nutritional value of the product. Sugar is considered in this calculation, as the HSR considers several nutrients and other aspects pertaining to food by assessing the complete nutritional profile.

Research has indicated that the current system:

- ✓ Closely aligns with the ADGs[1] [2] [3] [4] [5];
- ✓ Has high awareness, and is well liked by the general public[6];
- ✓ Is effective at guiding consumer choice[7]; and

[1] Carrad AM, Louie JC, Yeatman HR, Dunford EK, Neal BC, Flood VM. A nutrient profiling assessment of packaged foods using two star-based front-of-pack labels. Public Health Nutr. 2016;19(12):2165-74.

[2] Jones A, Radholm K, Neal B. Defining 'Unhealthy': A Systematic Analysis of Alignment between the Australian Dietary Guidelines and the HSR System. Nutrients. 2018;10(4).

[3] Wellard L, Hughes C, Watson WL. Investigating nutrient profiling and HSRs on core dairy products in Australia. Public Health Nutr. 2016;19(15):2860-5.

[4] Menday H, Neal B, Wu JHY, Crino M, Baines S, Petersen KS. Use of Added Sugars Instead of Total Sugars May Improve the Capacity of the HSR System to Discriminate between Core and Discretionary Foods. J Acad Nutr Diet. 2017;117(12):1921-30 e11.

[5] Peters SAE, Dunford E, Jones A, Ni Mhurchu C, Crino M, Taylor F, et al. Incorporating Added Sugar Improves the Performance of the HSR Front-of-Pack Labelling System in Australia. Nutrients. 2017;9(7).

[6] Parker G. HSR System: Campaign Evaluation Report. Pollinate Research; 2017.

[7] Talati Z, Norman R, Pettigrew S, Neal B, Kelly B, Dixon H, et al. The impact of interpretive and reductive front-of-pack labels on food choice and willingness to pay. Int J Behav Nutr Phys Act. 2017;14(1):171.

- ✓ Can help guide beneficial product reformulation[8] [9].

The development of the HSR system, including its technical design, style guide and implementation framework, has been overseen by the collaborative efforts of:

- Australian Beverages Council;
- Australian Chronic Disease Prevention Alliance;
- Australian Food and Grocery Council;
- Australian Industry Group;
- Australian Medical Association;
- Australian National Retail Association;
- CHOICE;
- Obesity Policy Coalition; and the
- Public Health Association of Australia.

In its support for the initiative, the ABCL indicated that any Front of Pack Labelling [FoPL] scheme should:

- Be evidence-based and effective at achieving its well-defined objectives;
- Not impose unjustifiable regulatory burdens on business;
- Be collaborative in nature; and
- Be capable of being enforced in an effective, proportionate and consistent manner.

Evidence suggests that most consumers use or at least refer to the information in the Nutrition Information Panel [NIP][10], with only 5 per cent of a sample analysed indicating that they never read it. The FoPL system has been designed to meet the needs of time poor consumers[11] and the HSR has achieved substantial success in meeting its objectives based on the evidence provided. Further research should be carried out following the five-year review of the HSR to determine the uptake, compliance and consumer understanding of changes to the system.

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[8] Mantilla Herrera AM, Crino M, Erskine HE, Sacks G, Ananthapavan J, Mhurchu CN, et al. Cost-Effectiveness of Product Reformulation in Response to the HSR Food Labelling System in Australia. Nutrients. 2018;10(5).

[9] Mhurchu CN, Eyles H, Choi YH. Effects of a Voluntary Front-of-Pack Nutrition Labelling System on Packaged Food Reformulation: The HSR System in New Zealand. Nutrients. 2017;9(8).

[10] Viola GCV Bianchi F Croce E Ceretti. (2016). Are food labels effective as a means of health prevention? J Public Health Res. 5(3):768

[11] Andrews JC Lin CTJ Levy AS Lo S (2014). Consumer research needs from the food and drug administration on front-of-package nutritional labelling. Journal of Public Policy & Marketing; 31 (1): 10-6

Executive Summary

The Australian Beverages Council Ltd [ABCL] has summarised its position on the recommendations detailed in the consultation paper below:

Recommendation	ABCL Position	Amendment Notes
Recommendation 1	*The ABCL supports the long-term continuation of the HSR.*	*It is necessary to fund and support the HSR beyond four years.*
Recommendation 2	*The ABCL supports the use of Option 5 (energy icon).*	*It is necessary to consider a transition period to allow for label changes to 2023. Some products may continue to use Option 5, if necessary.*
Recommendation 3	*The ABCL supports the continued promotion of the HSR.*	*Promotion of the HSR should be long-term and give consideration to 'at risk' groups. Peak bodies should support the promotion and rollout out of these campaigns, where possible.*
Recommendation 4	*A) The ABCL supports an automatic 5 stars for whole or minimally processed fruits and vegetables;* *B) The ABCL has proposed an amended calculator (Appendix A-C).*	*A) Parent fruit or vegetable to score more stars than the juice product to rectify the current anomaly of some parent fruit/vegetables scoring lower than the juice product. The ABCL has proposed an amended calculator in Appendix A and rationale in response to Recommendation 4. The ABCL supports juice with no added sugar (see definitions) scoring an automatic 4 stars.*
Recommendation 5	*The ABCL is largely supportive of the proposed changes to the calculation applied to non-dairy beverages (see proposed calculator as Appendix A-C).* ***Water:** automatically score HSR 5* ***Flavoured water:** automatically score HSR 4.5* ***Fruit and vegetable juice with no added sugar:** automatically score HSR 4* *All other non-dairy beverages should use a revised HSR calculator (see Appendix A) as suggested by the ABCL which clearly preferences low and no kilojoule beverages in support of the ADGs.*	*It is necessary to encourage continued reformulation across the non-alcoholic beverage industry to support the reformulation targets and strategic intent of the HSR. The ABCL has proposed a revised calculator as Appendix A.*

Executive Summary

Recommendation	ABCL Position	Amendment Notes
Recommendation 6	*The ABCL supports the continued implementation by the Australian, State and Territory and New Zealand governments.*	*The HSR should be funded on a long-term basis for more than four years.*
Recommendation 7	*The ABCL is largely supportive of the individual elements of this recommendation.*	*If management of the HSR Calculator and TAG database is to be transferred to FSANZ, it is essential that FSANZ be appropriately resourced and funded to carry out this oversight.* *The ABCL does not believe the HSR lacks transparency.*
Recommendation 8	*The ABCL supports a more regular Australian Health Survey and a review of the Australian Dietary Guidelines.*	*It is essential that the Australian Health Survey is carried out on a more regular basis, as comparable surveys are in other jurisdictions. Regular surveys should be considered as an effective way to update the Australian Dietary Guidelines and to support the review of the HSR and other consultations.*
Recommendation 9	*The ABCL partially agrees with this recommendation.*	*The ABCL fully supports the voluntary nature of the HSR and transition period of current stock by 2023. It may take longer for 70 per cent of the industry's products to display the HSR, although the ABCL will support its Members to achieve this target where possible.*
Recommendation 10	*The ABCL supports a necessary update of the HSR Calculator and Style Guide*	*Further details are required to full respond to this recommendation. A revised calculator appears in Appendix A. The ABCL recommends that the update of the Style Guide and Calculator be carried out as part of a separate but related eight-week consultation with industry and related stakeholders.*

Performance of the Health Star Rating

There is significant evidence to support the continued and effective use of the HSR this includes:

- ✓ awareness of the initiative has reached 75 per cent and this has had an appreciable effect on community behaviour[12]; and
- ✓ of those who are aware of the HSR, 35 per cent have bought a new product because of its higher HSR, instead of their usual product.[13]

A majority of grocery buyers state they would like the HSR on 'more' or 'all' packaged food products[13]. The ABCL supports consumer responses in relation to the greater use of the HSR.

The New Zealand Government's Ministry of Health is funding the Health Promotion Agency [HPA] to develop, implement, and monitor consumer marketing and education campaigns that aim to help consumers to understand what Health Stars and the HSR mean, and how to use them when making purchasing decisions about packaged foods[14]. The ABCL supports this activity and notes ABCL Members' desire for sustained and greater financial investment by governments in consumer awareness of the system.

The HPA commissioned Colmar Brunton to conduct a baseline survey on the HSR in 2015, with two subsequent surveys in 2016 and 2018. All three surveys have monitored awareness, recognition, understanding and the correct use of the HSR.

The 2016 and 2018 surveys also measured awareness, perceptions and the possible impacts of the HSR campaign.

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[12] Health Star Rating System, Campaign Evaluation Report 2017, available from http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/8240FC006B958E48CA257FB000190995/$File/HSR-Campaign-Evaluation-Report-2017.pdf

[13] Health Star Rating System, Campaign Evaluation Report 2017, available from http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/8240FC006B958E48CA257FB000190995/$File/HSR-Campaign-Evaluation-Report-2017.pdf

[14] Health Star Rating System - monitoring and evaluation, health promotion agency 2018, available from https://www.hpa.org.nz/sites/default/files/Final20Report-HSR20monitoring20and20evaluation202018.pdf

The ABCL would like to highlight that voluntary labelling initiatives, of which the HSR is the most significant and most prominent, are preferable in many instances because of the high levels of coverage while balancing the costs incurred by government and industry to implement such schemes. It is against this backdrop that the ABCL reiterates the industry's widespread use of the HSR, which in a 2018 survey of Members covered more than 70 per cent of the industry's products.

Health Star Rating System Purpose

The ABCL would like to highlight the principles of the HSR system, as outlined by the HSR Technical Advisory Group [TAG] in order to clearly determine the best outcomes for non-dairy beverages within the system. These foundation principles are to:

- support and be consistent with the Australian Dietary Guidelines [ADGs] and the New Zealand Eating and Activity Guidelines;
- align with the Australia and New Zealand Food Standards Code [FSC] as the principle instrument for food regulation in Australia and New Zealand, particularly nutrition, health and related claims regulations;
- encourage reformulation to improve the healthiness of the food supply; and
- be based on robust data and strong scientific evidence[15].

Further, at the time the HSR system was approved by Ministers in June 2014, it was agreed that the system would comprise several core foundational principles, including:

- being referred to as 'Health Star Rating' system;
- being supported by a nutrition database;
- having a five-star rating scale using half star increments;
- being rolled out as voluntary system in first instance; and
- having an integrated approach for confectionary and non-alcoholic (non-dairy) beverages.

Consumers should be able to make a decision based on what is presented to them on the shelf. This information should be a clear, simple to use label that can be viewed at a glance. According to the Forum of Food Regulation [FoFR]:

> *'The system should enable appropriate comparisons between foods based on agreed and consistent measures'*[16].

[15] Health Star Rating System, Overarching Principles for Health Star Rating Technical Advisory Group, available from: http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/content/8FFF69B2B1EC99D5CA2581BD007CAEDB/$File/Principles%20-%20TAG.pdf

[16] Food Regulation, Project committee objectives and principles, available from: http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/frontofpackobjectives

The HSR system is not meant to compare different categories of foods—an apple is not meant to be compared with a chocolate bar, for instance. Nor is it intended as a 'silver bullet' to ensure healthier food selection and consumption. Instead, it should be seen as a guide and one component part of a set of broader initiatives to encourage healthier choices.

The ABCL is a strong advocate of balanced diets and healthy lifestyles. The ABCL maintains that overall good health is achieved through a nutritious diet in combination with a proper exercise regime, appropriate sleep patterns and requisite hydration.

The public consultation to the five year review on the HSR system in 2017 stated the aims of the system are to:

1. Enable direct comparison between individual foods that, within the overall diet, may contribute to the risk factors of various diet related chronic diseases;
2. Be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups, and low literacy/low numeracy groups; and
3. Increase awareness of foods that, within the overall diet, may contribute positively or negatively to the risk factors of diet related chronic diseases[17].

The Navigation Paper in early 2018 stated the object of the HSR system is:

> *"To provide convenient, relevant and readily understood nutrition information and/or guidance on food packs to assist consumers to make informed food purchases and healthier eating choices"*[18]

[17] Department of Health Australian Government, Public submissions to the five year review of the Health Star Rating system, available from: https://consultations.health.gov.au/population-health-and-sport-division/five-year-review-of-the-health-star-rating-system/

[18] Navigation Paper http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/D1562AA78A574853CA2581BD00828751/$File/Navigation%20Paper.pdf

HSR Review

In 2014 the FoFR agreed that the HSR should be implemented voluntarily over five years. A review of the progress of implementation would be conducted after two years and a formal review of the system after five years.

A detailed plan was started for the five-year review of the HSR system in 2016 with mpconsulting engaged as the independent reviewer of the system.

During this time the two year review report was published (2017) which considered:

- Outcomes of the monitoring of the HSR system undertaken by the National Heart Foundation of Australia, including analysis of the three areas of enquiry:
    - label implementation and consistency with the HSR system Style Guide;
    - consumer awareness and ability to use the HSR system correctly; and
    - nutrient status of products carrying a HSR system label.
- Outcomes of the monitoring of the HSR system in New Zealand.
- An update on the social marketing campaigns in Australia and New Zealand, including outcomes of the campaign evaluations.
- A summary of anomaly and dispute submissions considered by the HSRAC; stakeholder engagement activities; requests for information from stakeholders; media commentary; and issues that have been raised for inclusion in the formal review at five years.
- Changes to governance arrangements.
- Proposed activities to continue support for the implementation of the HSR system[19].

The two-year progress review report on the implementation of the Health Star Rating system concluded that the uptake of the HSR system is tracking well[20].

[19] http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/review-of-the-progress-of-implementation-after-two-years

[20] http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/673FC1FC9C6446C3CA2581BD00777FE8/$File/Two%20year%20progress%20review%20of%20HSR%20system%20-%20update%20report%20V2.pdf

The purpose of the formal review of the system after five years of implementation is to consider:

- *how well the objectives of the HSR System are being met, with reference to the impact of the HSR System*
- *options for enhancing the HSR System, should continuation of the System be recommended.*

mpconsulting has also been asked to consider HSR System communications, monitoring and governance[21], and the ABCL sees the improvement of these elements as integral to the ongoing success of the HSR.

During the 2017 public submission process for the five year review, the ABCL:

1) provided comment on the integrated approach (energy icon, 'shield' or option 5) adoption by ABCL Members;
2) highlighted the importance of the voluntary nature of the scheme;
3) outlined the importance of juice to the quality of the diet, commensurate with the ADGs; and
4) showed support for the use of total sugars over added sugars.

Following receipt of public submissions, mpconsulting provided a 'Navigation Paper' for comment which identified ten key issues. During this period, the ABCL surveyed its Members to understand the use of the HSR and provided this information to mpconsulting for consideration. This largely showed continued support for, and use of, the energy icon. In addition to this, the ABCL provided mpconsulting with information on the importance of juice to the quality of the diet, as per the ADGs which indicate an occasional glass of juice with no added sugar can count towards an individual's daily intake of fruit.

The ABCL continued to consult with its Members, the reviewer and other stakeholders regarding the ability of the calculator to differentiate between non-dairy beverages. Additionally, the ABCL has canvassed HSR calculators that permit a greater and more accurate range of ratings to recognise reformulation efforts and new product development which have occurred over the last five years, as well clearly defining different categories within non-dairy beverages.

[21] HSR Five Year Review Draft Report

At the end of 2018, mpconsulting sought stakeholders' views on their *Consultation Paper: Options for System Enhancement* and their preferred options. The ABCL provided a detailed submission to this consultation and advocated the following options:

- ✓ All fresh and minimally processed fruits and vegetables automatically receive an HSR of 5;
- ✓ Plain packaged water is the only non-dairy beverage to score an HSR of 5, combinations of juice and water with no other additives score an HSR of 4.5 and all other non-dairy beverages calculate their HSR using the HSR Calculator, underscoring the need for a revised HSR Calculator to be adopted
- ✓ Increase the baseline points awarded for total sugars to reduce the HSRs for products relatively high in total sugars.

The ABCL was largely supportive of mpconsulting's recommended Options but believed further improvements could be made to non-dairy beverages.

Following this consultation, the ABCL and its Members have continued to consider how system improvements can be made without seeking special considerations beyond those that are absolutely necessary. Detailed modelling and revised definitions have been provided in conjunction with the ABCL's submissions on the review of the HSR.

The Health Star Rating System Five Year Review Draft Report was published for public comment on 25 February 2019 with ten recommendations. These highlight opportunities for improvement which includes:

- a package of adjustments to the HSR Calculator to better align with the ADGs to reflect emerging evidence; address consumer concerns; and encourage positive reformulation
- improving the management and monitoring of the HSR System;
- optimising uptake of the HSR System, including through setting uptake targets[22];
- continuing a sustained national consumer awareness campaign over the next five years.

Following this consultation, a final report will be provided to the FoFR in mid-2019. The ABCL and its Members welcome this report and look forward to working with stakeholders to improve the HSR.

[22] HSR Five Year Review Draft Report

Definitions

The ABCL has used the following definitions and defined categories, as per the Australia New Zealand Food Standards Code [FSC]. The ABCL suggests the use of these terms within the HSR system in order to create consistency, reduce the risk of potential ambiguity and to ensure greater stakeholder understanding. The FSC is the most important and relevant legislative reference point for the effective implementation of changes to the HSR.

Category/Reference	FSC Standard	Definition
Water	2.6.2 Schedule 15 – 14.1.1.1	Packaged water is permitted to contain: • Carbon dioxide, and • Fluoride (naturally occurring). Standard 2.6.2 stipulates the compositional permissions in association with packaged water, whilst Schedule 15 regulates the additive permissions.
Flavoured water	Schedule 16	A food sold as a *flavoured water* must be a flavoured water as appropriate and can be uncarbonated, carbonated, mineralised or soda water with the addition of substances at GMP (as per schedule 16 of the Food Standards Code) with nothing else added, including no added sugar.

Added Sugars	1.1.2 and Schedule 4 - 2	a. monosaccharides and disaccharides; and b. otherwise—means any of the following products, derived from any source: i. hexose monosaccharides and disaccharides, including dextrose, fructose, sucrose and lactose; or ii. starch hydrolysate; or iii. glucose syrups, maltodextrin and similar products; or iv. products derived at a sugar refinery, including brown sugar and molasses; or v. icing sugar; or vi. invert sugar; or vii. fruit sugar syrup; derived from any source, but does not include – i. malt or malt extracts; or ii. sorbitol, mannitol, glycerol, xylitol, polydextrose, isomalt, maltitol, maltitol syrup or lactitol.

Juice	2.6.1	a. means the liquid portion, with or without pulp, obtained from: i. a fruit or a vegetable; or ii. in the case of citrus fruit, other than lime—the endocarp only of the fruit; and b. includes a product that results from concentrating juice and then reconstituting it with water. *Fruit juice* means juice made from a fruit. A food that is sold as fruit juice or as the juice of a specified fruit or fruits must be fruit juice or a blend of fruit juices, and may contain any of the following additional ingredients: (a) no more than 40 g/kg of sugars; (b) salt; (c) herbs and spices. Vegetable juice means juice made from a vegetable. A food that is sold as vegetable juice or as the juice of a specified vegetable or vegetables must be vegetable juice, or a blend of vegetable juices, and may contain any of the following additional ingredients: (a) sugars; (b) salt; (c) herbs and spices.
Fruit and vegetable juices (no added sugar)	2.6.1	Propose change to "*juice as defined in Standard 2.6.1 of the FSC*" – as stated above.

Fruit drink	2.6.2	*Fruit drink* means a product that is prepared from: (a) one or more of the following: (i) fruit juice; (ii) fruit purée; (iii) concentrated fruit juice; (iv) concentrated fruit purée; (v) comminuted fruit; (vi) orange peel extract; and (b) one or more of the following: (i) water; (ii) mineralised water; and (iii) sugars.
Fruit drink (no added sugar)	2.6.2 1.1.2 and Schedule 4 - 2	*Fruit drink* as defined in Standard 2.6.2 of the FSC with no added sugar as defined in the FSC

Other terms used in the Draft Report

There are some terms used in the Draft Report which are not in the FSC. For clarity and consistency the ABCL requests the following terms are discontinued in place of the following terms:

1) "*Fruit nectar*" is stated as an example of beverages on page 66 of the draft report. This is not a term in the FSC. The ABCL would support "*fruit juice*" being used in its place.

2) The ABCL proposes using "*fruit drinks*" instead of "*diluted juices*" as these products would be categorised as such under the FSC.

3) The ABCL would support removing the term "unsweetened" from flavoured waters, as it is our understanding that the intent of this definition is to exclude those products which contains sugars, as opposed to sweeteners.

ABCL Positions in Response to the Recommendations

Recommendation 1: The HSR System be continued.

The ABCL has supported the HSR Scheme from the outset and has worked with other stakeholders to create and implement a successful Scheme. The ABCL and its Members are fully supportive of the ongoing maintenance and improvement of the HSR in the future.

As noted in the introduction, the Scheme has largely been successful, has formed the basis of other policy documents and continues to be referenced in discussions with stakeholders at home and abroad.

The ABCL supports the continuation of the Scheme with changes including:

- ✓ greater alignment with the ADGs;
- ✓ clearer differentiation between products, as per the definitions in the FSC (see earlier table) to allow consumers to better compare and decipher products within a category;
- ✓ a broader range of HSRs to recognise the reformulation efforts and new production development of the last five years;
- ✓ a sustained consumer awareness campaign spanning at least five years (see further detail under Recommendation 3).

Recommendation 2: Option 5, the energy icon be removed from the HSR graphic options.

The non-dairy beverage category uses mostly Option 4 (stars only) and Option 5 (energy icon, also known as the energy shield) of the hierarchy of presentation according the Style Guide.

Some stakeholders have raised concerns that the use of both Option 4 and Option 5 by the industry does not allow consumers to compare products sufficiently and, therefore, make the healthiest beverage choice in support of the ADGs. Despite the energy icon being used on products for many years, there is some evidence that shows it "*is not well understood by consumers and does not provide sufficient information to support choice*"[23].

The ABCL has advocated for Option 5 (energy icon) in the hierarchy of the HSR system presentation since the inception of the scheme. Prior to the introduction of the HSR, many non-alcoholic beverage manufacturers were already using the energy icon (via the DIG 'thumbnail') to demonstrate the contribution to the diet.

The pre-2009 energy icon:

Source: *Australian Beverages Council*

Non-alcoholic beverages, are captured under the 'integrated approach'. In practice, these categories display the energy icon (Option 5), which accurately displays the major nutrient (sugar) of relevance in products which do not contain other significant nutrients.

[23] Mpconsulting, Five Year Review of the Heath Star Rating System – Consultation Paper: Options for System Enhancement October 2018, available from: http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/news-20181510/$File/HSR%20System%20Consultation%20Paper%20-%20October%202018.pdf and HSR Five Year Review Draft Report

It is important to note that all non-alcoholic, non-dairy beverages should, at a minimum, display the energy icon. The most recent survey of ABCL Members in 2018 found 52 per cent of Members use Option 5 on their products and ABCL Members have indicated this will continue on many products even if Option 5 is removed from the HSR system.

Reporting the energy value in kilojoules is an internationally recognised unit of measurement which helps consumers determine the appropriate energy balance in order to maintain a healthy weight. That unit of measurement is also consistent with the FSC and is duplicated on the NIP. Moreover, most energy icons also contain a '%DI' calculation, as seen below.

Source: *Australian Beverages Council*

Consumers can use the energy icon to make a direct comparison between individual beverages based on energy content, particularly when consumers are choosing beverages based on refreshment and taste, rather than on positive nutritional profile, such as with juice.

It is important that the HSR continues to be as inclusive as possible with as many food categories using one of the HSR Options as possible, including the HSR + energy icon or the energy icon as a standalone feature of the broader HSR system, as below:

HSR + energy icon

Source: *Health Star Rating Style Guide*

Energy Icon (standalone)

Source: *Health Star Rating Style Guide*

The ABCL notes that the HSR Style Guide states:

> "*It is the responsibility of food companies to determine which presentation format is most suitable for their products, based on available pack size and label space*."[24]

The ABCL supports food manufacturers determining the best Option to display the HSR. The ABCL notes that the non-alcoholic beverage industry currently has significant uptake of the HSR integrated approach (approximately 70 per cent, according to a 2018 ABCL Member survey). One of the main reasons for this is the ability of manufacturers to choose which is the best option for their products based on nutritional profile, available pack size and label space. It is important to note that the success of the HSR has been bolstered by the industry's widespread support of the system with non-dairy beverages the leading category for uptake of the HSR.

Consideration for electrolyte drinks

The proposed calculator provides an appropriate rating for most non-alcoholic, non-dairy beverages, although the ABCL has proposed a slightly revised calculator as Appendix A.

The ABCL is supportive of electrolyte drinks using Option 4 under the revised calculator, but it should be noted that FSANZ is currently considering P1030. The purpose of this Proposal is to undertake an assessment of the compositional and labelling requirements for electrolyte drinks.

Should P1030 be successfully approved by FSANZ and a greater carbohydrate range be permitted under the FSC, manufacturers of electrolyte drinks would be encouraged to reformulate to attain a higher HSR score.

[24] Health Star Rating System Style Guide, December 2017 Version 5, available from: http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/651EEFA223A6A659CA257DA500196046/$File/HSR%20Style%20Guide-v5.pdf

Recommendation 3: Governments, industry, public health and consumer bodies continue to promote the HSR System.

The ABCL recognises that it is uniquely placed to act as a conduit between governments, stakeholders and the non-alcoholic beverages industry. The draft report references this several times, highlighting the role of industry bodies in providing support for their Members in using and promoting the HSR system. The ABCL will continue to provide support for the use of the HSR to its Members and encourage them to adopt it on as many SKUs as possible.

Matters related to the HSR have been, and will continue to be, handled by the ABCL's dedicated HSR Working Group. As well as supporting communication of "*reason for the changes to the HSR System*", positioning "*the HSR System in the context of broader healthy eating messages*"[25] and supporting any government campaigns.

The ABCL and its Members support efforts to improve consumer awareness of the HSR and the opportunity to partner with Government and other stakeholders to create a comprehensive consumer awareness campaign for the HSR on non-alcoholic beverages. It is vitally important that greater investment in a long-term consumer awareness campaign, continuing to the next review period in five years' time, is seriously considered and included in the final report to the FoFR.

It is not only greater consumer awareness that must be considered as part of this review, but the ABCL recognises that some 'at risk' groups require targeted awareness campaigns. The ABCL recommends national, state and local education programs on the HSR be considered and developed with regard given to:

- Remoteness and the distance from metropolitan areas[26];
- Socio-economics;
- Age and infirmity;
- Summary measure of disadvantage;
- Occupation or industry of occupation;
- Casual employees and shift or night workers;
- Indigenous Australians (Indigenous Status);

[25] Health Star Rating System – Five Year Review Draft Report

[26] Torrens University Australia. (2018). Social health atlas, accessed 19 October 2018: http://phidu.torrens.edu.au/social-health-atlases

- Non-English-speaking background (NESB);
- Culturally and linguistically diverse (CALD) communities
- Emerging communities;
- Income support recipients;
- Barriers to accessing transport, healthcare or similar services; and
- Education levels.

As corroborated in a report by Queensland University of Technology for Diversicare in 2011, it is clear that certain groups have very specific requirements: '*CALD aged and in particular, new and emerging communities and refugees have been identified as vulnerable groups who require targeted assistance to ensure optimal health and wellbeing outcomes.*'[27] To date, the HSR has not targeted 'at risk' groups or products aimed at these groups sufficiently.

In order to better satisfy the HSR's objective to be 'readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups'[28], there are compelling reasons for revisiting activities associated with the sustained and increased understanding, awareness and use of the HSR system by a range of consumers.

The ABCL recognises that a wide-ranging and ambitious consumer awareness campaign will require significant financial investment over a number of years. It is important that this consumer campaign considers a number of factors, including:

1) Engagement of public relations, advertising and marketing agencies (following competitive tender process);
2) Detailed consumer research with consideration for 'at risk' groups to support robust 'marcomms' plans 2019-2024);
3) Detailed national advertising and marketing campaigns;
4) Sustained measurement of consumer perceptions and understanding of the HSR;
5) Annual or biannual reviews of the 'marcomms' plan in conjunction with industry leaders.

[27] Meeting the Food Needs of Queensland's Culturally and Linguistically Diverse (CALD) Aged Population: A Review of the Literature, Anna Millichamp, Dr Danielle Gallegos, November 2011, accessed 14 March 2019, http://www.diversicare.com.au/wp-content/uploads/2015/09/Food-Project-LiteratureReview.pdf

[28] Project committee objectives and principles, Forum of Food Regulation, accessed 14 March 2019, http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/frontofpackobjectives

Recommendation 4A: Eligible fruits and vegetables automatically receive an HSR of 5

The original purpose of the HSR system was to enable consumers to easily compare "processed packaged foods" within categories, among other considerations. Increasingly, however, fruits and vegetables are packaged, particularly in prepared form, ready for consumption, such as salads, cauliflower rice, diced onions and pre-pared fruit packs.

It is important to encourage consumers to eat a variety of "*different types and colours*" of fruits and vegetables, according to the ADGs[29]. Under the current provisions of the HSR, fruits and vegetables may attain varying star ratings. Fruits and vegetables star ratings may vary by type and level or type of processing, such as whether the product has been peeled, shaved, sliced or diced.

It is essential consumers are encouraged to consume more fruits and vegetables. As the Australian Health Survey [AHS] demonstrated, Australians do not consuming sufficient amounts of fruits and vegetables[30]. In 2014-15, 49.8 per cent of Australians aged 18 years and over met the guidelines for recommended daily serves of fruit (two or more serves), while only 7.0 per cent met the guidelines for serves of vegetables (five to six or more serves for men depending on age, and five or more for women). Only one in twenty (5.1 per cent) adults met both guidelines. These rates were similar to 2011-12 (48.5 per cent, 6.1 per cent and 4.2 per cent, respectively)[31].

In the NHMRC guidelines, the minimum recommended number of serves of fruit per day is one for children aged 2–3, 1½ for children aged 4–8, and two for people aged 9 and over. The minimum recommended number of serves of vegetables per day is 2½ for children aged 2–3; 4½ for children aged 4–8; 5 for children aged 9–11, females aged 12 and over and males aged 70 and over; 5½ for males aged 12–18 and 51–70 years; and 6 for males aged 19–50[32].

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[29] National Health and Medical Research Council (2013) Australian Dietary Guidelines Summary. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55a_australian_dietary_guidelines_summary_book.pdf

[30] Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28

[31] Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28

[32] Australian Institute of Health and Welfare, Australia's health 2018, available from: https://www.aihw.gov.au/reports/australias-health/australias-health-2018/contents/indicators-of-australias-health/fruit-and-vegetable-intake

Low consumption of fruits and vegetables is corroborated in the Australian Institute of Health and Welfare 16th biennial report, *Australia's Health 2018*, and is detailed in the graphic below:

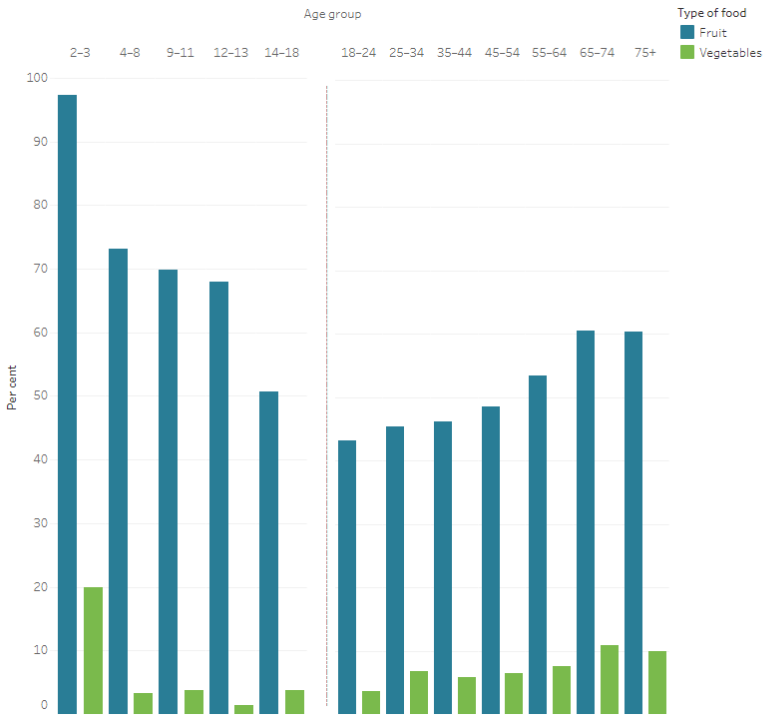

Figure 1. People aged 2 and over who ate the recommended daily intake of fruit and vegetables, by age, 2014-15

***Source**: Australia's health 2018*

The ABCL supports the HSR clearly demonstrating to consumers the importance of eating a "*wide variety of nutritious foods*" in accordance with the ADGs[33], through encouraging consumption of a variety of fruits and vegetables. The ABCL believes allowing all fruits and vegetables to score an automatic 5 HSR would support this objective.

The ABCL also supports those eligible fruits and vegetables to mean:

- *Unprocessed fruits and vegetables (including legumes); and*
- *Fruits and vegetables (including legumes) that have been processed only to the extent they have been peeled, blanched, chopped or frozen such that their nutritional profile has not change.*

This could be with no additions other than additives ad defined by Standard 1.3.1 of the FSC[34].

[33] National Health and Medical Research Council (2013) Australian Dietary Guidelines Summary. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55a_australian_dietary_guidelines_summary_book.pdf

[34] Health Star Rating System – Five Year Review Draft Report pg 51

This definition is clearer than the minimally processed definition that was presented in the previous consultation and reflects broad new product development that has been undertaken by the food and drink industry over the last five years.

The previous consultation also raised circumstances under which fruit and/or vegetable juice may attain a higher HSR than when compared to the whole parent fruits or vegetables from which it is derived.

While it is incongruous for juice to attain a higher HSR than the originating/parent fruit and/or vegetable, it is important to note that fruit juice can, and should, count as an occasional substitute for a piece of fruit according to the ADGs, particularly when many Australians fail to consume sufficient amounts of fruits and vegetables. Currently, the ADGs allow fruit juice (no added sugar) to count as a serve of fruit occasionally[35].

The ABCL supports the consumption of fruit and vegetable juice with no added sugar in addition to whole fruit, and would support a similar policy decision being set for juice. This would result in the HSR clearly promoting higher consumption of all fruits and vegetables in a variety of forms, and increase the likelihood of a greater percentage of Australians reaching their RDI.

Fruit and vegetable juice will be discussed in more detail in the following sections.

[35] What's in the fruit group?, Eat for Health, accessed 14 March 2019, https://www.eatforhealth.gov.au/food-essentials/five-food-groups/fruit

Recommendation 4B: Total sugars be more strongly penalised by revising the sugars table for Categories 1, 1D, 2 and 2D to a maximum of 25 points for > 99g/100g

Sugar has the ability to perform several functions in food: improving palatability through sweetness, creating functional characteristics such as viscosity, texture, body and browning capacity, and possible preservation through the reduction of water activity[36]. It is important to note that these functions will need to be considered and managed through other means if sugar is reduced or removed, or if labelling changes or other initiatives encourage sugar to be reduced or removed.

The non-alcoholic beverage industry in Australia has actively worked for a number of years to help consumers reduce sugar in the diet resulting from beverage consumption, by providing a wider range of low and no kilojoule products. The ABCL notes that this has resulted in a long-term decline in the population's intake of sugar sweetened beverages [SSBs], and this decline in SSBs has been particularly pronounced in children and teenagers.

To be able to provide useful context for consumers regarding the maximum amount of sugar in products, a comparison needs to be made with how much they should be consuming in relation to their total diet, their level of physical activity and other variables.

The ABCL supports the use of total sugar as the current research shows that 'total sugar' is the most important nutrient to include for most non-alcoholic beverages, with consumers currently finding it meaningful[37].

Currently, there is increased scrutiny of sugar in the diet, although the ABCL supports methods, such as a higher HSR, to encourage reformulation or portfolio renovation to encourage consumers to choose products that are lower in sugar. The ABCL does not support greater weighting of one at risk nutrient over others such as sodium and saturated fat which are also highlighted in the ADGs.

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[36] Cummings JH Stephen AM. (2007). Carbohydrate terminology and classification. European Journal of Clinical Nutrition. 61 (Suppl 1), S5–S18.

[37] Department of Health and Ageing. Proposed Front-of-Pack Food Labelling Designs: qualitative research outcomes. March 2013. [Available from: http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/E6C6919B62C492BCCA257F720076F4C8/$File/FOPL%20Qualitative %20Report%20FINAL%20Accessible%20version%20(D13-2197171).pdf]

The ABCL supports consumer choice and advocates for healthier dietary patterns which are commensurate with the ADGs. Consumers should be encouraged to consume more from the five food groups, as opposed to removing or reducing one nutrient. The ABCL acknowledges that, by increasing consumption of products or produce from the five food groups, many consumers would naturally decrease the sugar in their diet.

The ABCL Sugar Reduction Pledge

The ABCL and its Members have committed to reduce sugar within the non-alcoholic beverage category by 20 per cent by 2025 through the ABCL Sugar Reduction Pledge.

Case Study: Sugar Reduction Pledge

In June 2018, the ABCL and its Members formally announced a commitment to reformulation as an industry, by announcing the Sugar Reduction Pledge [the Pledge][38].

The Pledge is a commitment by the non-alcoholic beverage industry to a reduce sugar across the industry by 10 per cent on average by 2020, with a further commitment to reduce sugar by 20 per cent on average in the period to 2025. This will be achieved by average reductions in total grams of sugar per 100mL.

All drinks represented by the ABCL are included in the Pledge, including all carbonated drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, flavoured milk products and flavoured plant milks.

The non-alcoholic beverage industry's Pledge allows for the reduction of sugar across the industry's portfolio through a variety of key mechanisms. The ABCL believes that providing the food industry with a suite of options to enable them to reduce the overall sugar consumed through non-alcoholic beverages is both practical and reflects the complexity of sugar in food and beverage products.

This significant and important initiative, the first in Australian history, demonstrates the continued commitment of the non-alcoholic beverage industry to improve the diets of Australians. It will be monitored and audited by an independent assessor with public reports on its progress to be made available.

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[38] Australian Beverages Council. Sugar reduction pledge, accessed 19 March 2019: https://www.australianbeverages.org/initiatives-advocacy-information/sugar-reduction-pledge/

The Pledge will be achieved through a range of actions, including:

- ✓ Reformulating existing products;
- ✓ Increasing the sales volumes of low and no sugar varieties;
- ✓ Introducing additional low and no sugar varieties into the market by 2020 and 2025;
- ✓ Encouraging sales through the promotion and marketing of low or no sugar varieties;
- ✓ Introducing smaller pack sizes or reducing average container sizes;
- ✓ Investing in improved nutritional literacy;
- ✓ Promoting the consumption of bottled water by young Australians, and only milk and water for the very young;
- ✓ A cap in sugar content on all existing drinks brands;
- ✓ A cap in sugar on new recipes launched in Australia; and
- ✓ Where practical, transitioning vending machines to include more, low or no sugar varieties.

The ABCL believes that it is necessary to provide industry with a variety of methods to reduce sugar use across the industry's portfolio. To ensure the success of sugar reduction targets, it is vitally important to work with industry to develop meaningful targets that are realistic and achievable.

While the intake of sugars comprises one part of the broader issue of obesity and chronic disease, monitoring the intake of sugars is an important part of maintaining a balanced diet, and the ABCL notes that greater consumer understanding of the appropriate intake of sugars has the potential to cause positive change to the Australian diet.

The ABCL is supportive of the following measures, many of which are already being undertaken by its Members:

- ✓ Increasing the likelihood that consumers choose foods and beverages that are lower in sugar, or do not contain any sugar at all;
- ✓ Encouraging food and beverage manufacturers to reformulate to lower sugar products;
- ✓ Encouraging food and beverage manufacturers to increase the sales of low and no kilojoule products; and
- ✓ Reducing pack sizes further, where this has not already occurred, to provide portion sizes which are commensurate with the ADGs.

The ABCL supports reformulation to provide consumers with better choices, but it is important that this is communicated correctly to ensure that consumers do not avoid certain food categories as a result of the overemphasis of harm caused by overconsumption of one nutrient. The ABCL supports education at an adult level and in the school curriculum to ensure consumers understand the difference between core and discretionary food items and by extension, understand the importance of consuming discretionary food items in moderation, and as part of a balanced diet.

The ABCL supports the use of total sugar and not added sugar in the calculation. We support the report's view that positive points from FVNL offset the negative points received from intrinsic sugars and therefore added sugars are not required. The ABCL believes that currently the FVNL points in the non-dairy beverage category do not sufficiently offset the negative points. This will be discussed in further details in the following sections.

Recommendation 5: Changes be made to the way the HSR is calculated for non-dairy beverages, based on adjusted sugars, energy and FVNL points, to better discern water (and drinks similar in nutritional profile to water) from high energy drinks.

The non-alcoholic beverage industry includes beverages (water and juice) that are classified in the "*eat more of*"[39] category in the ADGs. There are also beverages in the foods that "*should be used only sometimes*"[40] as they are higher in added sugars and/or do not contain other positive nutrients. These are specifically outlined in the guidance to the ADGs and include beverages such as "*sweetened soft drinks and cordials*"[41].

It is accepted that products with a HSR score of 3.5 or more are considered healthier. These products are classified in the "eat more" category of the ADGs, supported in various canteen guidelines[42] [43] and by the National Healthy School Canteens guidelines, which recognise the ADGs[44].

It is important that, through the HSR, consumers are able to differentiate between beverages that should be consumed more often for their positive nutritional profile and those that should be consumed on occasion for enjoyment and refreshment, as part of a balanced diet in support of the ADGs.

The ABCL notes the non-alcoholic beverage industry is in a unique position in that, for most beverages, there is mainly one nutrient that influences the HSR and differentiates between products – sugar. Currently the algorithm does not allow for a range of HSR scores across non-alcoholic beverage categories.

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[39] National Health and Medical Research Council, About the Australian Dietary Guidelines, available from: https://www.eatforhealth.gov.au/guidelines/about-australian-dietary-guidelines

[40] National Health and Medical Research Council (2013) Australian Dietary Guidelines Educator Guide Canberra: National Health and Medical Research Council.

[41] National Health and Medical Research Council (2013) Australian Dietary Guidelines Educator Guide Canberra: National Health and Medical Research Council.

[42] NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy

[43] Victoria State Government, School policy, Canteen Operations, available from: https://www.education.vic.gov.au/school/principals/spag/finance/Pages/canteen.aspx

[44] Australian Government Department of Health, National Healthy School Canteens, Guidelines for healthy foods and drinks supplied in schools canteens, available from: https://www.health.gov.au/internet/main/publishing.nsf/content/5ffb6a30ecee9321ca257bf0001dab17/$file/canteen%20guidelines.pdf

The proposed calculator, with some revisions for juice products, would permit a greater range or spread of HSRs and support consumers to make healthier choices.

The ABCL's position during the previous consultation:

ABCL positions in 2018

Water: automatically score HSR 5

Flavoured water: automatically score HSR 4.5

Water in any combination of fruit &/or vegetable juice: automatically score HSR 4.5

Juice with no added sugar: automatically score HSR 4.5

All other non-dairy beverages use the HSR calculator, but with a clear preference for low and no kilojoule beverages to support the ADGs.

The ABCL has revised its position and, in consultation with Members, has revised the preferred policy options for certain categories as follows:

ABCL positions in 2019

Water: automatically score HSR 5

Flavoured water: automatically score HSR 4.5

Juice with no added sugar: automatically score HSR 4

All other non-dairy beverages, including combinations of juice and water, should use a revised HSR calculator (see Appendix A) as suggested by the ABCL which clearly preferences low and now kilojoule beverages to support the ADGs.

Appendices B and C shows the spread of non-dairy beverages using the revised HSR calculator.

Although this review consultation has addressed some of the concerns, further consultation could lead to an improved system which could better support the ADGs, particularly for juice, juice drink and fruit juice drinks with no added sugar products.

Adjusted Sugars & Energy

Many non-dairy beverages have been scored on sugar content alone as they do not contain other positive or negative nutrients used in the HSR algorithm. It has been acknowledged that this has made it difficult to profile and encourage reformulation as there is insufficient differentiation in the calculator's levers to change the HSR score.

Currently the HSR algorithm does not allow for a spread of HSR scores or a clear differentiation between healthier beverages, making it more challenging for consumers to make choices commensurate with the ADGs.

The ABCL has proposed its own calculator which delivers the outcomes as outlined above.

FVNL Points

While fruit and vegetable juices are classified differently to the whole parent fruit or vegetable, concern has been raised over some isolated examples of whole fruit/vegetable scoring a lower HSR than the juice of the fruit/vegetable. The ABCL believes that this has been addressed in the previous recommendation allowing a policy decision for fruit and vegetables (excluding juice) to gain an automatic 5 stars as part of the HSR.

It should be highlighted that the ADGs recognise the important, nutrient-dense profiles of both fruit juice and the parent fruit. Fruit and vegetable juices provide a wide variety of important nutrients, which support juice as a "core" food under the ADGs. The ADGs also clearly differentiate juice from other beverages that may be "*relatively low in nutrients*". There are allowances for the substitution of fruit juice for a whole piece of fruit in the diet. According to the ADGs, fruit juice "*is a good source of vitamins such as vitamin C and folate and also provides fibre and carbohydrates, particularly natural sugars*" and therefore the "*occasional use of fruit juice may assist with nutrient intake*"[45]. Consumers understand that sugar is naturally found in fruit, vegetables and milk[46], and that the positive nutritional profile of these products outweighs the intrinsic sugars present in them.

The level of sugar in juice is considered in the calculator in the total sugar value, and the intrinsic sugar present in these products should be considered in the context of the broad array of important nutrients provided by consuming juice.

[45] National Health and Medical Research Council (2013) Australian Dietary Guidelines. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/content/n55_australian_dietary_guidelines.pdf

[46] FSANZ. 2017. Literature review on consumer knowledge, attitudes and behaviours relating to sugars and food labelling

We note that fruit juices are considered to be non-discretionary[47] and that a principle in the development of the HSR System was to ensure, where possible, that products eligible to carry a health claim and FFG foods score an HSR ≥ 3, while discretionary foods score an HSR < 3.[48]

To be aligned with the ADGs, juice with no added sugar should be seen as a healthy alternative to other beverages and its consumption should be encouraged. The ABCL believes that juice with no added sugar should be able to score 4 stars and other juice drinks should be eligible to attain up to 4 stars.

The ABCL notes and would support the "*potential to reduce the impact on fruit juices by making a policy decision that juices (as defined under Standard 2.6.1) and fruit drinks (with > 25% fruit and vegetable content) with no added sugars receive an HSR of 4. However, this removes differentiation between juices with significantly different energy contents*."[49] This argument is similar to the policy decision for fresh fruit and vegetables gaining an automatic 5 stars. Consumers should be encouraged to consume a range of fruit and vegetables, including juice with no added sugar, as part of a varied diet and in pursuit of the RDI, and not view any as inherently better or worse. The ABCL would support a policy discussion that would allow fruit and vegetable juices and fruit drinks with no added sugar to attain an automatic 4 stars while fruit drinks should attain up to 4 stars.

The ABCL supports a policy-based decision to encourage the consumption of juice with no added sugar and a decision that incentivises juice processors to raise FVNL content in products while decreasing added sugars altogether. The draft report suggests minimum FVNL content required to attract modify points at 40 per cent, but the ABCL supports a 25 per cent juice content, commensurate with guidance in the FSC.

The ABCL notes that fruit drinks with no added sugar under the proposed calculator score 2 – 2.5 despite having less sugar and, by extension, less energy. The ABCL does not believe that this is a suitable outcome for these products. These products provide important nutrients found in juice and the parent fruit or vegetable from which they are derived, with lower sugar.

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[47] http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4363.0.55.001Chapter65062011-13

[48] TAG technical paper, October 2018, *History and development of the HSR algorithm*, p.11

[49] Health Star Rating System – Five Year Review Draft Report

This category is increasing in the number of products present and we believe that manufactures must be encouraged under a revised HSR system to reformulate products to be lower in energy.

While it is understood that the greater than 40 per cent FVNL content helps to ensure that manufacturers cannot add small amounts of FVNL ingredients (or juice) to disproportionately increase a products HSR, it is unclear how the greater than 40 per cent threshold has been determined. It is understood this threshold has been borrowed from the fruit and vegetable content thresholds of the European NutriScore system in place in Spain, France and Belgium. The greater than 40 per cent threshold appears to be inconsistent with Australian and New Zealand legislation. It is important to acknowledge differences in dietary patterns between the three European countries using NutriScore and Australia and New Zealand.

While FSANZ defines fruit drinks (Standard 2.6.2) as beverages with no less than 5 per cent fruit content (or no less than 3.5 per cent for passionfruit juice drink), under Schedule 17, fruit drinks, vegetable drinks and fruit and vegetable drinks containing at least 250mL/L of the juice, puree or comminution of the fruit or vegetable or both are permitted to make certain vitamin claims. Additionally, permissions to make many comparison nutrition content claims under Schedule 4 of the FSC, such as 'reduced sugar' or 'increased fibre', also require at least a 25 per cent difference to the reference food.

Non-dairy beverages can receive the maximum number of modifying points for FVNL content at greater than 99 per cent juice. Given Standard 2.6.1 of the FSC defines a product as a juice at 96 per cent or more juice content, it is appropriate to allow all 'juices' to receive the maximum number of modifying points. This would also mean the upper and lower FVNL content for non-dairy beverages would be grounded in current food regulations.

Basing technical decisions in the FSC was a central tenet of the HSR when it was developed and implemented over five years ago, and a feature that must continue into the future for a variety of reasons, including:

- ✓ Ease of reference for food and beverage manufacturers and their Technical and Regulatory Affairs staff;
- ✓ Simplicity in the communication of changes as part of the formal five-year review;
- ✓ Necessary sovereignty of, and oversight by, the appropriate legislators and regulators in these jurisdictions;
- ✓ Managing the integrity of the Australian and New Zealand joint food system.

The ABCL strongly proposes that the modifying points must be reduced from 40 per cent to 25 per cent, with the highest modifying FVNL points being 96 per cent.

The report under the removing barriers to uptake of the HSR System, noted some respondents stated there were "*no tangible benefit to their business*". At present and under the proposed system, there is limited, if any, benefit in creating innovative products within the fruit drinks category. Moreover, many consumers support the presentation of these products as "natural" products, but under the current system and after proposed changes, a low HSR would be seen as contradictory to the positioning of the product and its nutritional profile. Other than blending juice with different sugar contents, adding water to juice is another way for manufacturers to 'reformulate' these products to reduce the sugar content, and such reformulation in a challenging category should be supported under the proposed changes.

The ABCL understands that some stakeholders have expressed concern over the maximum attainable HSR of juice with no added sugar, under the current algorithm. Under the proposed revisions as a result of this consultation, juice with no added sugar would attain a maximum of four stars which clearly recognises its positive nutritional profile and encourages the consumption of juice with no added sugar, while balancing its HSR with the 5 stars attained by many parent fruits under a revised system.

The ABCL's revised calculator (Appendix A) shows most fruit drinks on the market sit within a range of ½ to 3 stars. Fruit drinks with added sugar score between ½ to 2 stars, while those with no added sugar score 3 stars. This calculator clearly communicates to the consumer which product is "healthier" and aligns with the ADGs. It also encouraged reformulation by encouraging fruit juice drink processors to reformulate their products to remove added sugar.

Waters

Water is essential for good health and therefore, it scores an automatic 5 stars as part of the HSR. Adult males require 3.4 litres of water per day, while females require 2.8 litres of water per day[50].

[50] Victoria State Government, Better Health Channel, Water – a vital nutrient, available from: https://www.betterhealth.vic.gov.au/health/healthyliving/water-a-vital-nutrient

In 2011-12, the average amount of plain water, either tap or bottled, usually consumed by Australians was 1,064 ml, which is significantly less than the recommended amount[51]. This level can change depending on the amount of water lost through perspiration caused by environmental conditions, physical activity and other factors, and it may be appropriate for some individuals to also consume electrolyte drinks based on their level of activity[52]. It is vital that all Australians are encouraged through the HSR to consume more water, particularly as most do not consume sufficient amounts. In addition, this will also further support alternatives to SSB.

Even chronic mild dehydration has been found to increase disease and complications such as kidney stones, urinary tract cancers, colon cancer and mitral valve prolapse as well as diminishing physical and mental performance[53].

The ABCL fully supports water as the healthiest beverage option for consumers and, therefore, it is essential for these products to score the maximum number of stars. Water is currently defined according to the FSC. The FSC includes a very narrow definition of water, not allowing for additives other than fluoride.

The ABCL believes that it is important to encourage Australians to consume more water in all forms, including plain, carbonated and carbonated flavoured with no added sugar water products. In future, it may be necessary to apply to change the definition of water in the FSC to reflect a changing market and changing consumer preferences.

One of the factors recognised as increasing the risk of chronic mild dehydration is "*dissatisfaction with the taste of water*". Flavouring of water can help increase the palatability of the product and it is appropriate to consider no or low kilojoule waters in helping consumers to remain hydrated and healthy as part of the HSR review.

The HSR, in supporting the ADGs, allows water to score an automatic 5 stars to encourage consumers to drink plenty in order to achieve appropriate hydration.

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[51] Australian Bureau of Statistics, 4364.0.55.012 – Australian Health Survey: Consumption of Food Groups from the Australian Dietary Guidelines, 2011- 12, Water, available from: http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.012~2011-12~Main%20Features~Water~10001

[52] Sports Dietitians Australia, Sports Drinks and performance, available from: https://www.sportsdietitians.com.au/factsheets/fuelling-recovery/sports-drinks/

[53] National Health and Medical Research, Nutrient Reference Values for Australia and New Zealand, Water, available from: https://www.nrv.gov.au/nutrients/water

The ABCL strongly supports the recommendation "*that changes [should] be made to the HSR Calculator such that those products closest in nutritional profile to water, with the same hydrating qualities and no or low calories (for example, unsweetened flavoured waters) would score high HSRs*[54]" This would not only encourage innovation within this category, but would also incentivise manufacturers to use the HSR star icon on their products.

The ABCL supports flavoured waters with no added sugar scoring an automatic HSR of 4.5 stars.

For clarity, the ABCL requests further alignment with the definitions contained in the FSC, specifically the reference to "unsweetened flavoured waters". In reviewing the appropriate HSR for this category, the ABCL believes the definition should be amended to reflect "no added sugar" instead of "unsweetened", as these are different in the FSC. Other permitted ingredients have been clearly defined in the definitions section of this submission.

The ABCL supports the statement outlined that issues raised with intense sweeteners are not supported by scientific evidence, particularly that their safety is closely and appropriately managed by FSANZ via a recognised dietary exposure assessment[55], and are not considered in any other food category[56].

Summary of ABCL's position in relation to recommendation 5:

Water: automatically score HSR 5

Flavoured water: automatically score HSR 4.5

Juice with no added sugar: automatically score HSR 4

All other non-dairy beverages should use a revised HSR calculator (see Appendix A) as suggested by the ABCL which clearly preferences low and no kilojoule beverages to support the ADGs.

Appendices B and C shows the spread of non-dairy beverages using the revised HSR calculator.

[54] Health Star Rating System – Five Year Review Draft Report

[55] Sweeteners, Food Standards Australia New Zealand, accessed 19 March 2019, http://www.foodstandards.gov.au/consumer/additives/Pages/Sweeteners.aspx

[56] Health Star Rating System – Five Year Review Draft Report

Recommendation 6: HSR System implementation to be jointly funded by Australian, State and Territory and New Zealand governments for further four years.

The ABCL supports the long-term continuation of the HSR, having worked in conjunction with a range of stakeholders to implement it from June 2014.

It is vitally important that the HSR continues to be well-funded and supported by all governments. The ABCL advocates for additional funding for the HSR over the long term, particularly for greater investment in consumer awareness campaigns and in bolstering awareness among 'at risk' groups (see response to recommendation 3).

Recommendation 7: Minor changes be made to the governance of the HSR System.

The ABCL supports the management of the HSR calculator and TAG database to FSANZ, but recognises this must be accompanied by adequate capital and human resources. The ABCL recognises FSANZ as a highly respected and trusted organisation with the technical expertise and knowledge of the regulatory landscape to oversee these important elements of the HSR.

The ABCL does not support the view that there is an inherent lack of transparency in the HSR system. The non-alcoholic beverage industry is supportive of continued, effective management of the initiative in conjunction with a range of stakeholders.

In support of improve monitoring of the HSR system, the ABCL encourages regular liaison with FSANZ (under the proposed structure) to support the collation of ABCL Member data on HSR uptake and, crucially, reformulation. This is commensurate with the work of many ABCL Members who support the strategic intent of the HSR and the industry's important progress as part of the sugar reduction pledge.

Recommendation 8: Enhance the critical infrastructure to support implementation and evaluation of food and nutrition-related public health initiatives, including the HSR System, through regular updates to Dietary Guidelines and national health and nutrition surveys and the establishment of a comprehensive, dataset of branded food products.

National Health and Nutrition Survey

The ABCL believes it is vitally important when determining nutrition policy to understand the current dietary patterns of the population as a starting point. The last Australian Health Survey [AHS] was carried out in 2011-12, and the ABCL gathered a significant amount of valuable data that the industry continues to use regarding the consumption of products manufactured and sold by non-alcoholic beverage industry in Australia. The ABCL and its Members strongly support the funding of another AHS, and believe this should be the starting point for a phased updated of the ADGs.

The NHIS in Context

In other jurisdictions, such as the United States, similar health surveys are integrated into the work of the Census Bureau or similar. The US Congress authorised the NHIS data collection in Section 306 of the Public Health Service Act (42 United States Code 242k). The U.S. Census Bureau conducts this survey on behalf of the National Center for Health Statistics [NCHS] under the authority of Title 13, United States Code (U.S.C.), Section 8(b).

The NHIS has consistently monitored the health of the American people since 1957. The survey is an annual, cross-sectional survey intended to provide nationally representative estimates on a wide range of health status and utilisation measures among the non-military, non-institutionalised population of the United States.

The ABCL supports a move towards an annual Australian Health Survey.

Juice and the AHS

The importance of maintaining a high HSR score reflecting juice as part of the FFG was evidenced by data in the last AHS, incorporating the National Nutrition Survey. In a CSIRO secondary analysis of the AHS, results found that 81 per cent of children and 93 per cent of adults did not meet their daily fruit serves recommendations, from fruit alone (excluding fruit juice and dried fruit).[57]

Further analysis showed that, by including fruit juice as a serve of fruit, the number of those who met their daily fruit recommendations as per the ADGs (rose from 10 to 24 per cent) more than doubled (all age groups).

Specifically, when fruit juice was included as a serve of fruit, compliance with the ADGs fruit intake target:

- ✓ nearly tripled among children aged 9-13 years (rising from 12 to 33 per cent);
- ✓ quadrupled among young adults aged 19-30 years (rising from 4 to 18 per cent); and
- ✓ increased by almost five times among those who consumed the greatest amount (14-18 years, from 5 to 24 per cent).[58]

The secondary analysis of the AHS also found that consumers of fruit juice had better diet quality scores over non-consumers; consuming less kilojoules from discretionary foods and beverages per day; and there was no association between the consumption of fruit juice and weight status[59].

The ABCL has been very supportive of previous AHS and found this very important in understanding the role of non-alcoholic beverages in the diet. The ABCL is very supportive of gathering further information to understand the latest information. It is important that this information is gathered before determining what information is provided in the potential to review the ADGs.

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[57] Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28

[58] Australian Beverages Council, The role of fruit juice in the Australian diet, A secondary analysis of the Australian Health Survey: National Nutrition and Physical Activity Survey (2011-12), available from: http://fruitjuiceaustralia.org/wp-content/uploads/2015/08/FJA-Report-FA1.pdf

[59] Fruit Juice Australia. The Role of Fruit Juice in the Australian Diet. A secondary analysis of the Australian health survey. Page 3, 9. [Available from: http://fruitjuiceaustralia.org/wp-content/uploads/2015/08/FJA-Report-FA1.pdf]

Australian Dietary Guidelines

The ABCL fully supports the recommendation of a "*regular update to the Dietary Guidelines*"[60], noting that the last update was six years ago and the science regarding preferred dietary patterns has developed. The ABCL supports a review every five years.

Fruit juice provides many of the nutrients also provided by the whole fruit, as previously discussed. Juice with no added sugar has an important place and function in the Australian diet which was shown in the secondary analysis carried out by the ABCL.

The ADGs explicitly accommodate an occasional substitution of a serving of fruit juice as a 'serve of fruit' by 125mL of juice with no added sugar, and the ABCL supports this inclusion in the ADGs on the basis of strong nutritional science. It is vitally important that this guidance continues as many Australians do not consume the recommended daily amount of fruit and vegetables, as previously referenced. The ABCL has detailed the importance of fruit juice and the contribution fruit juice can make to a nutrient-rich and balanced diet.

In order to align with the principles of the HSR and to support the ADGs, the system must recognise and differentiate between fruit and vegetable juice, and other beverages consumed for refreshment, based on their positive nutritional profile and inclusion in the ADGs. As the juice category continues to adapt and change, it is important that the category, which today includes vegetable juice and fruit-vegetable blends, is permitted to attain a high score as part of the HSR, particularly as the category continues to innovate. It is appropriate for these products continue to attain a high HSR to encourage consumers to choose these products as part of their core diet, and as an alternative to products that do not have a profile comprised of important micro-nutrients.

The ABCL supports the role of juice as a nutritionally valuable part of the Australian diet which will be highlighted through the review of the ADGs.

Public Health Initiatives

The ABCL believes in updating the National Health and Nutrition Survey and the ADGs as an important base to support robust public health policies in which the trusted HSR also plays a central part.

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[60] Health Star Rating System – Five Year Review Draft Report

It is important that there is alignment between the AHS, the ADGs and the HSR to communicate the nutrients that juices can contribute to the diet. This is not only consistent with the ADGs, but also school canteen guidelines, such as the revised NSW Healthy School Canteen Strategy[61].

A 2017 review of the canteen criteria in schools and government adult health settings conducted by NSW, classified fruit juice as an '*everyday*' product based on the nutrients provided by a 200mL portion size in schools, and 400mL in adult health settings[62]. The NSW Healthy School Canteen Strategy, stated that this was due to these products containing nutrients that are *"important for the healthy growth and development of children and adolescents"*.[63]

[61] NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy

[62] NSW Ministry of Health, NSW Department of Education, Office of Sport and the Heart Foundation, Campaigns & Programs, available from: https://www.healthykids.nsw.gov.au/campaigns-programs/nsw-healthy-school-canteen-strategy.aspx

[63] NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy

Recommendation 9: The HSR System remain voluntary, but with clear uptake targets set by governments (the HSR must be displayed on 70% of target products by end 2023) and all stakeholders working together to drive uptake.

The ABCL supports the voluntary continuation of the HSR System. Industry has been shown to have considerable uptake of the System and recognises that greater use of the HSR is highly likely as a result of the changes in this five-year review. The ABCL believes further consideration needs to be given to the transition period, in relation to the intended implementation level of 70 per cent.

The cost of label changes

The ABCL has consulted with its Members in relation to label changes emanating from this and other recent and ongoing consultations, including Country of Origin Labelling [CoOL] and mandatory refund marks related to the introduction of Container Deposit Schemes across Australia.

It is important to highlight the substantial costs incurred in making such label changes, including[64]:

- Label design – the cost of engaging designers to make changes to, or redesign the label (or package for direct print labels);
- Label production – the costs associated with the production of labels over and above printing, such as new printing plates;
- Proofing – the cost of viewing incorporated text, colour and/or graphical changes to the label, to ensure that the label is how it should be before printing. This may include the testing of new plates;
- Package redesign – the costs associated with changing the shape, or size of packaging. The direct costs include packaging redesign costs (including production lines costs) and packaging proofing costs; and
- Labour – the labour inputs involved in responding to regulatory changes, such as marketing, management, administration, technical and regulatory expertise.

[64]Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. available from http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20(2).pdf

The above list of core considerations reinforces the necessary transition times required for labelling changes, particularly to utilise and deplete the supply of existing label stock that would need to be exhausted (approximately 12-18 months' supply), in addition to supply chain considerations and agreements that require labels to be manufactured and distributed many months in advance.

The ABCL has estimated current costs for label changes based on credible 2008 calendar year data commissioned by FSANZ in conjunction with PwC, adjusted for inflation over nine years at an average annual inflation rate of 2.2 per cent. The total change over the period 2008 to 2017 is 21.2 per cent (see Appendix D).

The estimates provided are intended as a guide and actual costs may be higher depending on the individual organisation's scale of operations and other cost structure benchmarks.

The ABCL notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recently mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered[65]. The ABCL encourages similar consideration to be given to our Member companies in Australia to allow any HSR changes to be implemented gradually across all categories.

The ABCL supports a transition period to 2023 for existing stock and products using the HSR, as detailed in the submission, but the industry may need additional time to reach the implementation target of 70 per cent.

With several different initiatives being considered by Government in relation to labelling, such as the labelling of sugars on packaged foods and drinks[66] and the HSR, manufacturers may face a number of required changes to labels in the coming months and years. As a result of the impact of other changes, some of which are currently being considered as part of other formal consultations, the HSR should evaluate these when determining the timeframes proposed for reformulation.

[65] Government of Canada. Regulations and compliance - nutrition labelling, available from https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html
[66] http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/labelling-of-sugars-on-packaged-foods-and-drinks

Recommendation 10: The existing *Guide for Industry to the Health Star Rating Calculator* and the *Health Star Rating System Style Guide* be combined, revised and strengthened, providing greater certainty for stakeholders.

As the Style Guide and Calculator were created some years ago, the ABCL is very supportive of these being revised and strengthened. The ABCL has suggested a revised HSR Calculator in Appendix A of this submission.

The ABCL would need additional information about this recommendation and its impact on non-alcoholic beverages before providing more detailed feedback. The ABCL would recommend a strengthening of the Style Guide and Calculator as part of a short eight-week consultation with industry stakeholders with specific knowledge of each relevant food category.

The ABCL understands that, should the recommendations be implemented as suggested in this submission, a considerable amount of change may take place in non-dairy beverages. Additional guidance and resources would be required to support Technical and Regulatory Affairs professionals to manage these changes and to comprehensively understand the new requirements.

Conclusion

The ABCL would like to recognise mpconsulting for its diligence and care in carrying out the formal review of the system after five years of implementation (June 2014 to June 2019).

Thank you for the opportunity to submit a detailed response to this consultation.

Requests for further information or clarification of the details contained in this submission are welcomed by the ABCL.

For further information:

To discuss this submission or any aspect contained therein, please contact:

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Appendix A: The ABCL's Preferred Calculator

The below table is taken from Appendix E of the Draft Report. The ABCL has also amended the spreadsheet calculator with the FVNL points outlined below.

Baseline points	Current energy (kJ/100g)	Proposed energy (kJ/100g)	Current total sugars (g/100g)	Proposed total sugars (g/100g)	Modifying points	Current fruit and vegetable content (%)	Proposed fruit and vegetable content (%)	Proposed ABCL fruit and vegetable content (%)
0	≤335	0	≤5.0	0	0	≤40		
1	>335	≤ 30	>5.0	≤ 1.5	1	>40		<25
2	>670	≤ 60	>9.0	≤ 3	2	>60	> 40	≥25
3	>1005	≤ 90	>13.5	≤ 4.5	3	>67		>32
4	>1340	≤ 120	>18.0	≤ 6	4	>75	> 60	>39
5	>1675	≤ 150	>22.5	≤ 7.5	5	>80		>46
6	>2010	≤ 180	>27.0	≤ 9	6	>90		>53
7	>2345	≤ 210	>31.0	≤ 10.5	7	>95		>60
8	>2680	≤240	>36.0	≤ 12	8	=100		>67
9	>3015	≤ 270	>40.0	≤ 13.5	9			>74
10	>3350	> 270	>45.0	> 13.5	10		> 80	>81
11	>3685		>49.0		11			>88
12			>54.0		12		> 99	≥96
13			>58.0					
14			>63.0					
15			>67.0					
16			>72.0					
17			>76.0					
18			>81.0					
19			>85.0					
20			>90.0					
21			>94.0					
22			>99.0					

Appendix B: Non-dairy beverages – products and impacts

The below table is taken from Appendix F of the Draft Report. It illustrates the impact of Recommendation 5 and the ABCL proposal on the HSRs of a selection of non-dairy beverages. That is:

Water: automatically score HSR 5

Flavoured water: automatically score HSR 4.5

Juice with no added sugar: automatically score HSR 4

All other non-dairy beverages should use a revised HSR calculator (see Appendix A) as suggested by the ABCL

Food	Energy (kJ/100 mL)	Total Sugars (g/100mL)	FVNL (%)	Current HSR	Proposed HSR	ABCL Proposed HSR
plain still/carbonated water	0	0.0	0.0	★★★★★	★★★★★	★★★★★
flavoured water	2	0.0	1.0	★★	★★★★☆	★★★★☆
vegetable juice	90	2.6	99	★★★★★	★★★★	★★★★
coconut water	136	5.8	100.0	★★★★★	★★★★	★★★★
fruit and vegetable juice	136	7.2	100.0	★★★★★	★★★★	★★★★
fruit juice	180	10.0	100.0	★★★★★	★★★☆	★★★★
no sugar energy drink	13	0.0	0.0	★★	★★★☆	★★★☆
no sugar soft drink	6	0.0	0.0	★★	★★★☆	★★★☆
no sugar iced tea	3	0.0	0.1	★★	★★★☆	★★★☆
diet cordial	12	0.5	25.0	★★	★★★	★★★★
reconstituted fruit juice	185	9.5	99.7	★★★★★	★★★	★★★
diluted fruit juice (65%)	152	1.8	65.0	★★★	★★☆	★★★☆
diluted fruit juice (46%)	95	3.8	46.0	★★☆	★★☆	★★★
kombucha, lower sugar	48	1.9	1.6	★★	★★☆	★★☆
coconut water (70%)	141	7.0	70.0	★★★	★★	★★★
iced tea, lower sugar	77	4.2	2.0	★★	★★	★★
kombucha, higher sugar	100	3.2	0.0	★★	★★	★★
regular cordial	133	7.2	35.0	★☆	★	★★
iced tea, higher sugar	128	8.0	0.1	★☆	★	★
fruit drink	153	8.7	25.0	★☆	☆	★
regular soft drink	180	10.6	0.0	★	☆	☆

regular energy drink	194	11.0	0.0	★	☆	☆

NB: The attached spreadsheet calculator does not include fruit and vegetable juices with no added sugar as the ABCL favours a policy decision – automatic 4 stars for this category.

The ABCL notes the following issues with the highlighted values:

- the sugar level for the diluted fruit juice (65%) low;
- The FVNL for the diet cordial is high.

Appendix C: Non-dairy beverages – spread of HSR Scores

The below table illustrates the impact of the ABCL proposal for Recommendation 5 on the HSRs of a selection of non-dairy beverages. Please note the Fruit Drinks were calculated from an average from information provided from our Members.

☆	★	★☆	★★	★★☆	★★★	★★★☆	★★★★	★★★★☆	★★★★★
Regular Carbonated Soft Drinks	Regular Iced Tea	Electrolyte Drinks	Cordial	Kombucha	Fruit Drink **no** added sugar (fvnl 40%)	Low and no kJ Beverages	**Juice**	**Flavoured Water**	**Water**
Fruit Drink with added sugar (fvnl 20%)	Fruit Drink with added sugar (fvnl 25%)		Fruit Drink with added sugar (fvnl 30%)		Fruit Drink **no** added sugar (fvnl 50%)				
Fruit Drink with added sugar (fvnl 35%)			Plant Milks		Fruit Drink with added sugar (fvnl 75%)				

Appendix D: Cost of Label Changes

The ABCL has estimated current costs for label changes based on credible 2008 calendar year data commissioned by FSANZ in conjunction with PwC, adjusted for inflation over nine years at an average annual inflation rate of 2.2 per cent. The total change over the period 2008 to 2017 is 21.2 per cent.

NB: the estimates provided below are intended as a guide and actual costs may be higher depending on the individual organisation's scale of operations and other cost structure benchmarks.

Cost of Label Changes per SKU

Minor change:

	Packaging sub-category	Non-labour costs (AU$)	Labour costs (AU$)	Total estimated cost (AU$)
Glass	Bottle	1290.48	3516.4	4806.88
	Jar	2242.89	2374.96	4617.85
Metal	Aluminium can	1309.87	4486.99	5796.86
	Steel can	1703.67	2536.12	4239.79
Plastic	Tub	2410.1	1153.55	3563.65
	Bottle	1753.35	3924.75	5678.1
	Jar	1393.47	4362.18	5755.65
Fibre	Folding carton	1698.83	1796.98	3495.81
	Corrugated carton	3135.92	557.39	3693.31
	Liquid paperboard	2348.31	1938.75	4287.06
Flexible	Pouch/bag	1822.42	2050.22	3872.64

Medium change:

	Packaging sub-category	Non-labour costs (AU$)	Labour costs (AU$)	Total estimated cost (AU$)
Glass	Bottle	5548.45	6161.58	11710.03
	Jar	5777.46	4301.59	10079.05
Metal	Aluminium can	3146.86	7809.51	10956.37
	Steel can	7333.31	4408.23	11741.54
Plastic	Tub	7178.21	3614.55	10792.76
	Bottle	6170.06	8214.23	14384.29
	Jar	4241.01	7997.33	12238.34
Fibre	Folding carton	5111.02	3158.95	8269.97
	Corrugated carton	6983.12	803.37	7786.49
	Liquid paperboard	10076.64	4625.12	14701.76
Flexible	Pouch/bag	5865.92	3590.32	9456.24

Major change:

	Packaging sub-category	Non-labour costs (AU$)	Labour costs (AU$)	Total estimated cost (AU$)
Glass	Bottle	8925.5	6567.5	15493
	Jar	10687.34	12844.2	23531.54
Metal	Aluminium can	5761.71	5078.3	10840.01
	Steel can	18839.77	9653.75	28493.52
Plastic	Tub	22747.56	13510.64	36258.2
	Bottle	19950.91	12073.54	32024.45
	Jar	9390.8	12844.2	22235
Fibre	Folding carton	10612.21	6304.56	16916.77
	Corrugated carton	11541.6	1726.7	13268.3
	Liquid paperboard	26443.29	11430.12	37873.41
Flexible	Pouch/bag	16086.75	7448.42	23535.17