

Australian Beverages Council

Submission to the Healthy Food Partnership Voluntary Food Reformulation Targets Public Consultation

22 October 2018



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Executive Summary

Given the complexity of this consultation, the Australian Beverages Council Limited [ABCL] has summarised its position in this Executive Summary. This submission, on behalf of the non-alcoholic beverage industry, presents a clear position in relation to the Healthy Food Partnership Voluntary Food Reformulation Targets Public Consultation.

It is the position of the ABCL that:

- ✓ The targets detailed in the consultation should be commensurate with the industry's Sugar Reduction Pledge;
- ✓ The timeframes detailed in the consultation paper should be commensurate with the industry's Sugar Reduction Pledge;
- ✓ The following categories should be excluded from the Reformulation Targets:
 - An alcohol replacement, such as de-alcoholised beer or wine;
 - Liquid drink flavouring, typically added to food or drinks like coffee or cocktails;
 - Cordials, concentrates and powders to be prepared;
 - Sports drinks under the current definition of electrolyte and isotonic drinks;
 - Sports drinks under any future definition provided by FSANZ following ongoing reviews;
 - Diet/low kilojoule drinks (drinks with <80kJ/100ml);
 - Fruit juices (including coconut water) or sparkling juices; and
 - Special purpose foods governed under Part 2.9 of the FSC and the Australian Register of Therapeutic Goods under the Therapeutic Goods Act 1989.
- ✓ Due consideration should be given to core foods, particularly dairy, as flavoured milk, as part of this consultation, commensurate with its positive nutritional contribution to the diet, and in line with the Australian Dietary Guidelines [ADGs];
- ✓ Flavoured milk, as a core food, should be excluded from the targets based on its positive nutrient density;
- ✓ The positive nutritional profile of dairy alternatives, in support of the ADGs, should be acknowledged;

Executive Summary (continued)

- ✓ The contribution to obesity and chronic disease as a result of the overconsumption of sugar as a single nutrient should not be overstated;
- ✓ Sugar is an important preservative and plays a role in the taste and texture profile of foods and beverages, and, as such, should not be discounted for its crucial functions;
- ✓ Sugar is one of the most suitable sweeteners in flavoured milk products and it is challenging to reformulate this core food with alternatives;
- ✓ Consideration should be given to the non-alcoholic beverage industry's existing initiatives, most notably the Sugar Reduction Pledge, Energy Balance, the introduction of smaller pack sizes and new product development of low and no kilojoule products;
- ✓ Sources of sugar in the diet should be fully assessed, with particular consideration given to the decreasing intake of sugar-sweetened beverages [SSBs] and their contribution to total sugars in the diet since 1997;
- ✓ Due consideration should be given to the cost burden of voluntary and mandatory changes, particularly for SMEs;
- ✓ The positive contribution to health and hydration offered by many products should be acknowledged and encouraged;
- ✓ The use of intense sweeteners in sugar reduction should be permitted under the Partnership's objectives;
- ✓ Small business exemptions, similar to small business exemptions in some FDA regulations¹, should be granted;
- ✓ Special funding grants and low or no interest credit facilities to support peak bodies in financially supporting reformulation programs should be offered.

About the Australian Beverages Council

The Australian Beverage Council has been the leading peak body representing the non-alcoholic beverage industry for more than 70 years, and the only dedicated industry representation of its kind in Australia.

The ABCL represents approximately 90 per cent of the industry's production volume and our 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 they employ over 50,000 people across the nation. The industry also pays \$1.2 billion in taxes per annum and for every one direct employee in the beverage manufacturing industry, there are 4.9 jobs required elsewhere in the economy to produce and retail beverages.

The ABCL strives to advance the industry as a whole, as well as successfully representing the range of beverages produced by our Members. These include carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, 100 per cent 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 which encourage balance, moderation and common sense.

The ABCL advocates on issues such as portion sizes, environmental sustainability, nutritional labelling, responsible industry marketing and advertising, and canteen guidelines, among others. Our Members listen to consumers and adapt their products accordingly by making positive changes and standing by a commitment to promote greater choice, appropriate portions and by developing 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 and Territory governments and Local Councils.

The ABCL introduced a dedicated juice division, Juice Australia [JA] (formerly Fruit Juice Australia), in 2009 and a dedicated water division, the Australasian Bottled Water Institute [ABWI], in 2011. Through these divisions, and various committees, our organisation and Members continue to adapt and flourish.

Preamble

The Healthy Food Partnership's (the Partnership) goals, particularly in recognition of existing and future reformulation and supporting these efforts, are broadly supported by the ABCL and its Members.

It is understood that the Partnership's Reformulation Working Group has developed draft reformulation targets for sodium, sugars and/or saturated fats, in 36 sub-categories of food. The Partnership is now seeking feedback on the feasibility of the draft targets, appropriateness of the draft category definition, and the proposed implementation period.

It is important to note that, while the goals of the Reformulation Working Group are important, they remain aspirational. Due consideration should be given to the feasibility of implementing these with particular consideration given to the financial implications to companies of making any necessary changes required to reach the goals. It is imperative that Members of the ABCL are supported in their existing reformulation programs and other activities while not being faced with unachievable targets as part of the Partnership's work.

For the purposes of this consultation, the ABCL will focus on sugar as the nutrient of greatest relevance to the industry, although it is important to note some of the other nutrients in products manufactured and sold by the non-alcoholic beverage industry.

The Australian Beverages Council's Position and Issues for Consideration

For the purposes of this consultation, the ABCL will focus on sugar as the nutrient of greatest relevance. The ABCL will provide detailed analysis and commentary on the reformulation targets relating to:

- Flavoured milk – Mammalian milks (Sugar);
- Flavoured milk – Dairy alternatives (Sugar);
- Beverages – Soft drinks (Sugar); and
- Beverages – Flavoured water, flavoured mineral water, soda water and iced tea (Sugar).

The ABCL has attached this complete submission as a PDF and will respond to each question by filling the text boxes, as appropriate.

Demographics

Do you give permission for your submission to be published in whole or in part?

Yes

What is your name?

Mr Shae Courtney Public Affairs Manager Australian Beverages Council	Ms Melanie Pauga Technical & Regulatory Affairs Manager Australian Beverages Council
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Are you answering on behalf of an organisation and have authorisation to do so?

Yes

If you answered yes to the question above, please provide your organisation's name.

Australian Beverages Council Ltd [ABCL]

Where do you live or where is your organization based?

NSW

What is your background/interest group?

Industry

General Questions

Do you support nutrient reformulation as a public health measure?

Yes

The Australian Beverages Council [ABCL] fully supports reformation as part of our ongoing commitment to encourage more Australians to make healthier choices in support of the Australian Dietary Guidelines [ADGs].

Reformulation, as part of a multifaceted approach¹ to the Australian diet, can play an important part in encouraging individuals to make healthier choices. Against this backdrop, the ABCL would like to highlight the complexity of diet-related conditions and chronic disease in Australia and comparable countries.

The Partnership has recognised the need for a multifaceted approach and that '*dietary choices are determined through a complex interplay of factors and thus there is not one single policy measure that can be introduced to shift populations onto a healthier dietary trajectory.*' The ABCL fully supports the multifaceted nature of the Partnership and would encourage an even greater level of engagement with industry via periodic or quarterly State and Territory consultations.

The ABCL believes reformulation is one of many levers that can be used to encourage healthier consumer behaviour, as corroborated by 16 obesity levers identified in research by the McKinsey Global Institute (see excerpt, Appendix A)². Reformulation in isolation or the reformulation of an industry's or category's products, however, would be insufficient to make measurable changes to obesity and chronic disease in Australia.

¹ McKinsey Global Institute. Overcoming obesity: An initial economic analysis, page 17, accessed 19 October 2018: https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Economic%20Studies%20TEMP/Our%20Insights/H ow%20the%20world%20could%20better%20fight%20obesity/MGI_Overcoming_obesity_Full_report.ashx

² McKinsey Global Institute. Overcoming obesity: An initial economic analysis, page 17, accessed 19 October 2018: https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Economic%20Studies%20TEMP/Our%20Insights/H ow%20the%20world%20could%20better%20fight%20obesity/MGI_Overcoming_obesity_Full_report.ashx

Numerous models of obesity have been proposed to conceptualise, in greater detail, the many factors that contribute to poor nutritional understanding and, ultimately, energy imbalance.^{3,4,5,6.}

The most comprehensive model conceptualising obesity is considered to be the ‘obesity systems map’, published by the Foresight Programme of the Government Office for Science in the United Kingdom (Appendix A)⁴. This model describes 108 distinct variables that can affect energy balance, including poor nutritional understanding, and, by extension, increase the risk of obesity and chronic disease.

These variables extend across the following ten categories:

1. **Media** (e.g. media consumption, tv watching, exposure to food advertising);
2. **Social** (e.g. perceived lack of time, parental modelling of activity, sociocultural valuation of food);
3. **Psychological** (e.g. stress, self-esteem, conscious control of accumulation);
4. **Economic** (e.g. cost of physical exercise, dominance of sedentary employment, societal pressure to consumer);
5. **Food** (e.g. nutritional quality of food and drink, portion size, rate of eating, convenience of food offerings);
6. **Activity** (e.g. access to opportunities for physical exercise, level of occupational activity, opportunity for team-based activity);
7. **Infrastructure** (e.g. perceived safety of unmotorised transport, walkability of living environment, dominance of motorised transport);
8. **Developmental** (e.g. appropriateness of maternal body composition, quality and quantity of breastfeeding, appropriateness of embryonic and foetal growth);
9. **Biological** (e.g. resting metabolic rate, genetic and/or epigenetic predisposition to obesity, level of adipocyte metabolism); and
10. **Medical** (e.g. level of infections, reliance on surgical infections, reliance on pharma remedies).

³ Kumanyika S. Minisymposium on obesity: overview and some strategic considerations. *Annu Rev Public Health*. 2001; 22:293–308.

⁴ Vandenbroeck IP GJ, Clemens M. Foresight Tackling Obesities: Future choices—building the obesity system map: Government Office for Science, UK Government’s Foresight Programme; 2007, accessed 19 October 2018: <http://www.foresight.gov.uk/Obesity/12.pdf>.

⁵ National Preventative Health Taskforce. Australia: The healthiest country by 2020. National preventive health strategy – the roadmap for action. Barton 2009.

⁶ VicHealth. Influencing children’s health: critical windows for intervention. Research highlights. Carlton South 2015.

A broader nutrition policy, consisting of multiple instruments, such as parental education, inclusion in the school curriculum, workplace wellness, industry initiatives and industry self-regulation⁷, is required⁸.

Case Study: Sugar Reduction Pledge

In June 2018, after more than two years of planning, the ABCL and its Members formally announced a commitment to reformulation as an industry by announcing the Sugar Reduction Pledge [the Pledge]⁹.

The Pledge is a commitment by the non-alcoholic beverage industry to a reduce sugar across the industry's product portfolio by 10 per cent on average by 2020, with a further commitment to reduce sugar by a total of 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 made available.

⁷ Organisation for Economic Co-operation and Development (OECD). (2015). Industry self-regulation: role and use in supporting consumer interest, accessed 22 October 2018: [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP\(2014\)4/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP(2014)4/FINAL&docLanguage=En)

⁸ Grunert KG Wills JM Frenandez-Celemin L. Nutrition knowledge and use and understanding of nutrition information on food labels among consumers in the UK. *Appetite*. 2010; 55(22): 177-89

⁹ Australian Beverages Council. Sugar reduction pledge, accessed 19 October 2018: <http://www.australianbeverages.org/industry-sugar-pledge>

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

- ✓ Reformulating existing products;
- ✓ Increasing the volume sales 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, transition 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.

The ABCL's Sugar Reduction Pledge was created in conjunction with Members, and the ABCL would urge the Partnership to fully acknowledge the initiative and incorporate this into the Partnership's objectives as part of this consultation. Ensuring continuity between the industry's targets and the Partnership's objectives would be essential to achieve the common goal of supporting Australians to make healthier choices about their diet.

While the intake of sugars comprise a 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 make small changes.

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

1. Increase the likelihood that consumers choose foods and beverages that are lower in sugar, or do not contain any sugar at all;
2. Encourage food and beverage manufacturers to reformulate to lower sugar products;

3. Encourage food and beverage manufacturers to increase sales of low and no kilojoule products; and
4. Reduce pack sizes further, where this has not already occurred, to provide portion sizes which are commensurate with the ADGs.

Further consultation between the Partnership and the non-alcoholic beverage industry is required to ensure clear and useable beverage category definitions and realistic timeframes are created as part of the Partnership's activities.

Currently, the ABCL and its Members are not satisfied with the definitions as they appear and apply to the non-alcoholic beverage industry in the consultation document and the targets set by the Partnership are both arbitrary and, in many instances, unrealistic. The ABCL and the wider industry would welcome working closely with the Partnership to address these concerns and develop a more meaningful joint strategic approach.

The ABCL suggests categorising beverages in a similar manner to the CSIRO's secondary analysis of the Australian Health Survey 2011-12¹⁰. Key findings from the secondary analysis of the Australian Health Survey 2011-12 can be found in Appendix B and should be considered as part of the Partnership's targets.

Case Study: The role of self-regulation

The ABCL supports many other codes of practice that have been developed and implemented by the industry, including: responsible marketing and advertising codes, commitments by energy drink manufacturers in the manner products are marketed and sold, dental guidelines, vending machine protocols, and school canteen guidelines, among others.

In 2010, the OECD's Committee on Consumer Policy published a *Consumer Policy Toolkit* which noted that industry self-regulation can play an important role in addressing consumer issues, particularly when business codes of conduct and standards are involved¹¹. It is in this light that self-regulation should not be seen as a lesser alternative to other implementation

¹⁰Australian Beverages Council. The role of beverages in the Australian diet, accessed 19 October 2018: <http://www.australianbeverages.org/wp-content/uploads/2017/02/The-role-of-beverages-in-the-Australian-diet.compressed.pdf>

¹¹ Organisation for Economic Co-operation and Development (OECD). Industry self-regulation: role and use in supporting consumer interest, accessed 22 October 2018: [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP\(2014\)4/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP(2014)4/FINAL&docLanguage=En)

mechanisms, as corroborated by a Deloitte Access Economics report on self-regulation of Australia's advertising industry:

Industries self-regulate for a number of reasons; such as, to improve an industry's image, promote consumer confidence, or to avoid direct regulation from the government¹².

According to an OECD report from March 2015¹³, some of the core advantages of industry self-regulation include:

1) Consumers can potentially benefit from:

- ✓ Improved information. Advertising codes can reduce the risk that consumers encounter misleading and fraudulent advertisements. Trustmarks can help consumers identify products that meet certain standards, or companies that have subscribed to important commercial principles. Rating schemes can help consumers identify products that meet desired criteria.
- ✓ More effective dispute resolution. Industry self-regulation (ISR) that provides specialised, independent, low-cost dispute resolution mechanisms can facilitate problem-solving and increase consumer confidence.
- ✓ Combatting unfair or abusive practices. ISR can provide mechanisms through which businesses can tackle specific problems. This was done successfully in the case of spam. As ISR dealing with telemarketing and charges telecommunications indicates, its effectiveness depends on subscription by a sufficient number of firms, and their commitment to the prescribed actions.
- ✓ Enhanced consumer rights. Some ISR agreements contain provisions which provide consumers with stronger protection and rights. In addition to improved dispute handling (described above), this could include additional product guarantees and more favourable return policies.

¹² Deloitte. Assessing the benefits of a self-regulatory advertising complaints handling system. August 2017. Sydney.

¹³ Organisation for Economic Co-operation and Development (OECD). Industry self-regulation: role and use in supporting consumer interest, accessed 22 October 2018: [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP\(2014\)4/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/CP(2014)4/FINAL&docLanguage=En)

2) Potential benefits of ISR to industry include:

- ✓ Enhancing consumer confidence/improving the image of businesses. Most of the ISR agreements reviewed indicate the value that the instruments have played in building consumer confidence by helping to ensure product quality and good commercial practices. The value of trustmarks in improving the image of ISR members was noted in this regard.
- ✓ Disciplining businesses that fail to meet commitments. Many of the ISR agreements mention the importance of the instruments in helping to maintain a level playing field. Provisions that impose a cost on those businesses that do not adhere to the ISR can play an important role in discouraging violations.
- ✓ Improving complaint handling. Participants in ISR agreements have noted the efficiency and effectiveness of external dispute resolution mechanisms in addressing complaints, and the positive responses from consumers using low-cost, independent authorities for addressing issues.
- ✓ Pre-empting formal government regulation. In a number of instances, ISR agreements were developed with a view toward avoiding more direct intervention by government. The ISR was viewed as a more flexible instrument that could be adapted more easily to deal with changing conditions.
- ✓ Providing instructional resources. Well established ISR agreements can provide centralised services for members, providing, for example, opportunities for training and information sharing.

Case Study: Self-regulation: Children's Food and Beverage Advertising Initiative in the United States

The Children's Food and Beverage Advertising Initiative [CFBAI] is a voluntary self-regulation program that involves 18 of the United States largest food and beverage companies (as of September 2013), covering approximately 80 per cent of the child-directed food advertising market. The CFBAI is designed to influence the advertising of foods targeting children under 12, to encourage healthier dietary choices and healthy lifestyles.

The CFBAI provides for company-specific nutrition standards governing what foods participants advertise to children. On 31 December 2013, new CFBAI-developed uniform nutrition criteria went into effect and became the new foundation for child-directed food advertising.

The CFBAI is entirely funded by participants and overseen by the Better Business Bureau [BBB], which is a non-profit organisation supported by business to foster honest and responsive relationships between businesses and consumers.

Case Study: Self-regulation: Consumer Codes Approval Scheme in the United Kingdom

The Consumer Codes Approval Scheme [CCAS] was originally launched in 2001, by the Office of Fair Trading [OFT]. OFT had for many years been charged with encouraging trade and professional associations to prepare and disseminate codes of practice for guidance in safeguarding and promoting the interests of consumers. Over time it became apparent that the codes of practice supported by the OFT were not delivering the benefits envisaged. It needed a scheme where only strong codes that gave real benefits to consumers were given OFT approval; this led to the launch of CCAS. From April 2013, the management of CCAS transferred to a new Consumer Codes Approval Board operated by the Trading Standards Institute [TSI]. The CCAS aims to promote consumer interests by setting out the principles of effective customer service and protection.

Case Study: Health Star Rating

The ABCL has supported the Health Star Rating [HSR] System from the outset and was, in conjunction with other organisations, actively involved in its creation, implementation, performance and review. In a recent survey of our ABCL Members, it was found that 70 per cent of products in Australia display the HSR (through the integrated approach which includes Option 5, the energy icon). Moreover, a wealth of research, has shown consumers understand, support and value the scheme.

The HSR does not require high levels of literacy and can be used quickly to determine the nutritional value of the product. Sugar is already considered in the calculation, as the HSR consider several nutrients and aspects of food.

Research has indicated that the current system:

- Closely aligns with the ADGs, a key focus of this consultation^{14 15 16 17 18} ;
- Has high awareness, and is well liked among the general public¹⁹;
- Is effective at guiding consumer choice²⁰ ; and
- Can help to guide beneficial product reformulation^{21 22}.

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.

It is the position of the ABCL and its Members, that the HSR encourages Member companies to reformulate their products to be more closely aligned with the Partnership's reformulation targets and to support the ADGs.

The HSR is cited by the Partnership as lending support to the objectives of the Partnership's Reformulation Working Group, but it is the position of the ABCL that, in the current period of formal review of the HSR, greater synergy and collaboration between the HSR and the Partnership has not been sufficiently explored.

¹⁴ 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.

¹⁵ 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).

¹⁶ 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.

¹⁷ Menden 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.

¹⁸ 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).

¹⁹ Parker G. HSR system: campaign evaluation report. Pollinate Research; 2017.

²⁰ 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.

²¹ 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).

²² 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).

The ABCL is fully supportive of the ADGs, although it is the position of the ABCL to support further education on the ADGs and HSR for adults and children to truly realise their full potential in supporting healthier diets.

The current proposal implies that organisations which are part of the Partnership must obtain 100 per cent compliance and would be given a pass or fail based on this compliance.

The ABCL and its Members **do not** support absolute compliance with the targets detailed in this consultation, and it is recommended that the Partnership consider percentage adoption levels across categories.

The ABCL would like the Partnership to consider the adoption of coverage or adoption percentages, as used by the New Zealand Heart Foundation's Food Reformulation Programme, and notably used in the recently adopted Country of Origin Labelling [CoOL] framework. The New Zealand example aims for 80 per cent (by market share) of a food category to achieve the nutrition target. The ABCL would support a similar target if implemented over the years through to 2025, commensurate with the industry's Sugar Reduction Pledge.

Other considerations

The ABCL has worked with its Members to support a range of initiatives in the past. While the industry welcomes a collaborative and supportive approach in relation to the Partnership's targets, the following should be considered when measuring the impact of the consultation process:

- Collaborative, co-created initiatives between the public and private sectors;
- Detailed consumer research to be carried out across the nation in conjunction with a reputable Health Information Unit²³ or similar ahead of the development of any nationwide education program;
- National, state and local education programs to be considered and developed with regard given to:

²³ Torrens University Australia. Social health atlas, accessed 19 October 2018: <http://phidu.torrens.edu.au/social-health-atlases>

- Remoteness and the distance from metropolitan areas²⁴;
 - Socio-economics;
 - The summary measure of disadvantage;
 - Occupation or industry of occupation;
 - Casual employees and shift or night workers;
 - Indigenous Australians (Indigenous Status);
 - Non-English speaking background [NESB];
 - Income support recipients;
 - Barriers to accessing transport, healthcare or similar services; and
 - Highest education levels.
- Additional Marketing and Communications activities implemented in collaboration with the public, private and not-for-profit sectors;
 - Small business exemptions, permitted in a similar manner to small business exemptions in some FDA regulations²⁵;
 - Special funding grants and low or interest free loans to support peak bodies to contribute financially to any reformulation program.

Attachments:

Appendix C: Obesity Systems Map

Appendix D: Australian Beverages Council Pledge Factsheet

²⁴ Torrens University Australia. Social health atlas, accessed 19 October 2018: <http://phidu.torrens.edu.au/social-health-atlases>

²⁵ U.S. Food & Drug Administration. Guide to nutrition labelling and education act requirements FDA – guide for review of nutrition labels, accessed 23 August 2018: <https://www.fda.gov/iceci/inspections/inspectionguides/ucm074948.htm#GUIDE%20FOR%20REVIEW%20OF%20NUTRITION>

Are you aware of any general public health risks associated with reformulation of select nutrients (i.e. sodium, saturated fat, sugars)?

Yes

The ABCL is an ardent advocate for consumer choice, and it is the position of the ABCL that consumers should be provided with sufficient information in order to make informed choices based on detailed nutritional information and clear understanding of the ADGs.

It is also the position of the ABCL that consumers should have a right to choose from a variety of non-alcoholic beverages, some of which may be sweetened by sugar, and many of which will be low or no kilojoule products.

The Partnership should, in its review of submissions to this consultation, give regard to the potential for any harm caused by the overconsumption of sugar as a single nutrient, but that this harm should not be overstated.

The ABCL does not support overemphasising the potential for harm caused by the overconsumption of any single nutrient, including sugar. The overemphasis of single nutrients is evident in previous public health campaigns, particularly those targeting saturated fat and sodium. Prior public health campaigns on saturated fat and sodium have caused varying degrees of confusion among consumers and there is the potential for this to occur again in reference to sugar. Ultimately, it should be the Partnership's prerogative to support consumer understanding of sugar in the diet in support of the ADGs as opposed to discourage all consumption of sugar.

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. The ABCL supports education at 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.

Case Study: Flavoured milk

Flavoured milk, for example, is a core food and it is, therefore, important that the Partnership gives regard to its nutrient density while reviewing submissions and formulating recommendations as part of this consultation. The ADGs encourage Australians to increase those foods which are nutrient-dense and associated with a decreased risk of chronic disease.

Accordingly, as per the ADGs, there are five core food groups which Australians are encouraged to eat more of because of their positive contribution to the diet. One of these categories is dairy, which includes milk, yoghurt, cheese and/or alternatives, such as flavoured milk.

The Australian Health Survey found that many Australians are not consuming the recommended daily number of servings of this category²⁶. It is important that targets set by the Partnership align with consumer expectations and support the increased consumption of milk as a nutrient-rich food with important benefits to the diet.

Case Study: Sports drinks (electrolyte and isotonic drinks)

The ABCL also represents Member companies that manufacture and market sports drinks, such as electrolyte and isotonic drinks, for active Australians.

The sports drinks category includes beverages designed specifically for the rapid replacement of fluid, carbohydrates, and electrolytes before, during or after exercise. Athletes and highly active members of the public are the main consumers of these products and the composition of these drinks is important as a functional beverage. These drinks are designed to promote the availability of energy and to prevent or treat mild dehydration, through the delivery of essential ingredients, which may occur as a result of sustained strenuous physical activity.

Electrolyte drinks are regulated by the Food Standards Code [FSC], and beverages which are marketed as electrolyte drinks in Australia must meet the compositional standards set out in the FSC, such as maximum and minimum levels of carbohydrates, and must comply with labelling requirements.

²⁶Australian Bureau of Statistics. 4364.0.55.012 – Australian health survey: consumption of food groups from the Australian dietary guidelines, 2011-12, accessed 19 October 2018: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.012~2011-12~Main%20Features~Milk,%20yoghurt,%20cheese%20and%20alternatives~17>

Carbohydrates provide fuel for muscles and the brain, as well as contributing to the flavour of a sports drink. At law, Standard 2.6.2 of the FSC requires electrolyte drinks to contain between 5g and 10g of sugar/100mL. There is also a minimum sodium content requirement to help in replacing electrolytes lost through sweat, and to enhance absorption of both carbohydrates and water. The main electrolyte components include sodium and potassium.

Although Member companies may choose the amounts of each ingredient, within the ranges permitted in the FSC, a number of bottlers have formulated their products to provide a beverage, as an isotonic drink, that is as close to normal body fluids as possible.

Isotonic drinks contain the electrolytes in the same concentration as in the body. Under the FSC, a claim that an electrolyte drink is isotonic may only be made if the electrolyte drink has an average osmolality of 250-340 mOsm/L.

It should be noted that 'sports waters', 'fitness waters' and 'vitamin waters' do not currently fall under the category of a 'sports drink' (electrolyte drink), and instead, these beverages are considered water-based formulated beverages in most circumstances. Food Standards Australia and New Zealand [FSANZ], is currently reviewing how electrolyte drinks are governed under the FSC.

It is the position of the ABCL that sports drinks, as electrolyte and isotonic drinks under the current definition, should be excluded from this consultation and targets. At present, the current regulation does not permit for the reformulation of these products as they must contain a specific level of carbohydrate as sugar.

It is also important that the Partnership, in reviewing beverages for specific purposes, gives regard to, and excludes, a number of other beverages which are for specific purposes, including:

- a. An alcohol replacement, such as de-alcoholised beer or wine;
- b. Liquid drink flavouring, typically added to food or drinks like coffee or cocktails;
- c. A product sold as a powder, to be prepared by reconstitution; and
- d. Special purpose foods governed under Part 2.9 of the FSC and the Australian Register of Therapeutic Goods under the Therapeutic Goods Act 1989.

Recommendations:

1. Sugar's contribution to obesity and chronic disease should not be overstated as a single nutrient causing more harm than can be corroborated.
2. The Partnership should give due consideration to core foods, particularly dairy, as part of this consultation, commensurate with their positive nutritional contribution to the diet, and in line with the ADGs, and flavoured milk should be excluded from the targets.
3. Consideration be given to excluding sports drinks, as electrolyte and isotonic drinks, and other beverages considered as special purpose foods, as identified in the response.

Flavoured milk – Mammalian milks (Sugars)

FLAVOURED MAMMALIAN MILK TARGET: A reduction in sugar across defined products 9g/100g by the end of 2022.

Is the definition appropriate?

No

The ABCL believes the terminology should align with the FSC to prevent confusion. The term “ready-to-drink” requires greater clarification and could cause confusion among consumers and industry players, particularly as there are products deemed to be “ready-to-drink” which are excluded.

The ABCL notes that breakfast beverages and ready-to drink smoothies are excluded. Further clarification on where these excluded products are captured in the reformulation targets is requested and required by the ABCL.

It is important to reference the non-alcoholic beverage industry's Sugar Reduction Pledge in the context of the above definition as it applies to flavoured milk – mammalian milks (sugars):

The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: 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 ABCL requests that the Partnership considers excluding flavoured milk – Mammalian milks from the targets detailed in the consultation because of the positive nutritional contribution to the diet as a core food and the challenges associated with reformulating flavoured milk with sweeteners other than sugar.

Recommendation:

1. The Partnership should give due consideration to core foods, particularly dairy, as part of this consultation, commensurate with their positive nutritional contribution to the diet and in line with the ADGs, and exclude all flavoured milk from the targets.

Are you aware of any technical constraints with meeting the reformulation target, in this timeframe, in this food category?

Yes

Technical issues

The ABCL represents approximately 90 per cent of flavoured milk processors across Australia and it is the view of ABCL Members involved in the processing of mammalian milks for flavoured milk that there are some significant challenges to reformulating products within the category.

Sugar as a sweetener

Reformulation is complex and can affect numerous aspects of foods and beverages. Sugar is an important ingredient in food because of its functional contribution to taste, texture and preservation.

Currently, sugar is one of the most important and suitable sweeteners available in the flavoured milk category. Alternatives have been trialled, but consumer research carried out by Members of the ABCL has indicated a preference for sugar as the sweetener in flavoured milk.

The Partnership should give due consideration to small and medium-sized enterprise [SME] and the technical capability required to undertake reformulation. We would encourage the Partnership to provide support to these manufacturers with technical expertise, grants and low or no interest credit facilities. Technical expertise could be made available through resources and/or training to upskill staff in SMEs which would enable them to retain the palatability of their products with lower sugar content. As with changes required in other jurisdictions, such as the United States, the ABCL believes SMEs should be afforded additional time to comply with voluntary targets and mandatory requirements.

Intrinsic sugars

Mammalian milks contain intrinsic sugars in the form of lactose. Although the ABCL notes that the target for mammalian milks is higher than for dairy alternatives, the ABCL believe that this target should not apply to mammalian milks where there is a strong case for them to be promoted in the Australian diet as a core food.

It is important to consider that flavoured milks are a core food according to the ADGs, and that these milk products fall within the dairy category, a category which Australians do **not** currently consume in sufficient quantities. Therefore, one method of encouraging consumption of more core foods would be to exclude flavoured milk from the targets.

It is the position of the ABCL that, should mammalian milks not be excluded from the targets set by the Partnership, it would be important to set targets while ensuring they are achievable.

Global recipes

Many Members of the ABCL are global companies which use uniform recipes across the world. Often these Member companies do not have the ability to change the formulation of their products for the Australian market because of the uniformity of recipes across markets in which the company operates.

To cater for this situation, our industry has used other methods to decrease the total amount of sugar companies supply through their products sold in Australia, including through the industry's Sugar Reduction Pledge, introducing smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar, and supporting greater consumer awareness as a key vehicle of informed choice.

Case Study: Energy Balance

As an industry that produces a range of non-alcoholic beverages to suit a range of lifestyles, the ABCL recognises energy balance as one of the most important issues in maintaining a healthy Body Mass Index [BMI]. Regular physical activity is an essential part of maintaining the correct energy balance, and therefore a healthy BMI.

When considering what people should eat or drink, the ABCL advocates for greater understanding of individual's energy requirements to help people meet their desired, healthy BMI. Part of the industry's activity on greater awareness of balanced diets, where all foods and drinks can be consumed in moderation, is promoting the combination of a healthy diet alongside plenty of physical activity, particularly if reducing BMI is required.

Our advocacy and advice on exercise, alongside energy balance to manage BMIs outside the healthy range, is commensurate with the ADGs, and guidance from leading authorities such as the World Health Organisation, the National Health and Medical Research Council and the National Heart Foundation of Australia.

All non-alcoholic beverages, both sugar-sweetened and non-sugar, are a refreshing and pleasant addition to a balanced diet when consumed in moderation. The ABCL has encouraged its Members to offer beverages in a range of pack sizes and taste profiles. Our organisation has also advocated for new product development that favours low or no kilojoule options, and new functional purposes, such as electrolyte drinks to support strenuous exercise regimes.

Alignment with the ABCL Sugar Reduction Pledge

The ABCL supports the aims of the Partnership, particularly:

The Healthy Food Partnership (Partnership) recognises that many companies are already reformulating their products to improve the nutritional quality and aims to build on (rather than replicate) these efforts. It is not the intention of the Partnership to disadvantage companies that are already reformulating, but to recognise and support their efforts to date, and encourage those companies that are yet to engage in reformulation activities to move towards improving the nutritional profile of their products.

In order to truly 'build on (rather than replicate) these efforts', the ABCL would encourage the Partnership to consider aligning, or at a minimum recognising, the targets detailed in this consultation with the industry's Sugar Reduction Pledge. This would encourage non-alcoholic beverage manufacturers to pursue a course of action that meets the objectives of the Partnership while supporting the recently announced Sugar Reduction Pledge. It would also have the additional benefit of reduced costs to manufacturers and, ultimately, consumers.

The cost of label changes

Reformulation would require another change to the label for each product that is reformulated.

The food and beverage industry in Australia has experienced significant mandatory changes to labelling in recent years, most recently with the introduction of Country of Origin Labelling and Container Deposit Schemes. In addition to these mandated changes, the majority of Members of the ABCL have included the HSR (as the integrated 'energy' approach) on their products.

It is important to highlight the substantial investment required in making such label changes, including²⁷:

- **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 graphics 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.

The above list of core considerations reinforces the significant 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.

²⁷Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. accessed 19 October 2018: [http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20\(2\).pdf](http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20(2).pdf)

The ABCL notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recent mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered²⁸. The ABCL encourages similar consideration to be given to Member companies in Australia to allow and encourage reformulation across all categories.

In Appendix E, 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 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.

With several different initiatives being considered by Government in relation to food labelling, such as the labelling of sugar and the HSR, manufacturers potentially 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 Partnership should evaluate these when determining the timeframes proposed for reformulation.

Do you have other concerns or challenges associated with this reformulation target?

Yes

Cost Capacity Consumer acceptance

How can the challenges be overcome?

The ABCL believes that aligning the Partnership's reformulation targets with the ABCL Sugar Reduction Pledge would help overcome many potential challenges, particularly those related to cost, capacity and ease of consumer acceptance.

²⁸ Government of Canada. Regulations and compliance - nutrition labelling, accessed 19 October 2018: <https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html>

It is the position of the ABCL that organisations should be able to choose from a suite of options in order to meet reformulation targets, and all Members of the ABCL support the organisation's Energy Balance position, and the ADGs.

It is also the position of the ABCL that the 2022 timeframe detailed by the Partnership is unachievable and should be reconsidered in order to align with the industry's Sugar Reduction Pledge. The Partnership should consider the initiatives of the industry, particularly the introduction of smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar, and supporting greater consumer awareness as a key vehicle of informed choice.

As flavoured milk is a core food according to the ADGs, it is important to ensure that consumers continue to consider these products as palatable and desirable for consumption. If alignment with the industry's Sugar Reduction Pledge cannot be achieved, core foods should be omitted from the targets of the Partnership in order to continue to encourage consumption of these by Australians based on their nutrient density.

Recommendations:

1. The Partnership should consider aligning its targets to the industry's Sugar Reduction Pledge.
2. Due consideration should be given to core foods, particularly dairy, as part of this consultation, commensurate with their positive nutritional contribution to the diet and in line with the ADGs, and exclude flavoured milk from the targets.

Is the time frame suggested (4 years) to meet the target for this category, reasonable?

No.

The ABCL has significant concerns with the timeframe detailed in this consultation.

The Partnership has not adequately detailed which products are affected by this timeframe, under the description of the category, and the ABCL seeks further clarity in this regard.

The ABCL also seeks clarity on whether it is the Partnership's expectation that all products on shelf would meet the targets, or that manufacturers would be given advanced notice to manufacture product to meet these targets.

As previously stated in response to this consultation, there are significant transition times associated with reformulation and labelling changes, particularly with supply of existing label stock that would need to be exhausted (approximately 12-18 months' supply) in addition to domestic and international supply chain considerations and agreements that require ingredients and labels to be manufactured and distributed many months in advance.

The current targets detailed by the Partnership do not align with the industry's Sugar Reduction Pledge, despite alluding to the initiative in the consultation paper. It is the position of the ABCL that the industry should be afforded the opportunity to meet the targets set in the Sugar Reduction Pledge while being unencumbered by the targets detailed in competing initiatives.

As the Partnership's targets currently appear, the non-alcoholic beverage industry would need to reformulate for the Partnership's targets and develop their business units to meet the targets of the Sugar Reduction Pledge. The ABCL does not believe the two initiatives are mutually exclusive, and is seeking alignment from this consultation process to ensure the Partnership's targets are achievable in line with the activities of our Members as part of the Sugar Reduction Pledge.

Recommendation:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.

To what degree are you considering implementing this category target?

N/A I'm not a manufacturer

Flavoured milk – Dairy Alternatives (Sugars)

FLAVOURED DAIRY ALTERNATIVES TARGET: A reduction in sugar across defined products 4g/100g by the end of 2022.

Is the definition appropriate?

No

The ABCL believes the terminology should align with the FSC to prevent confusion. The term “ready-to-drink” requires clarity as it could cause confusion among consumers and industry players. It is necessary to clarify the use of this within the context of these targets, particularly when other beverages considered as “ready-to-drink” have been excluded from the flavoured milk categories of this consultation.

The ABCL notes that breakfast beverages and ready-to drink smoothies are excluded. Further clarification on how these excluded products are captured in the reformulation targets is requested and required by the ABCL.

It is important to reference the inclusive nature of the non-alcoholic beverage industry’s Sugar Reduction Pledge in the context of the above definition as it applies to flavoured milk – Dairy Alternatives (Sugars):

The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: 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.

Recommendations:

1. The Partnership should give consideration to the nutrient density of many dairy alternatives.
2. The ABCL believes the terminology should align with the FSC to prevent confusion.

Are you aware of any technical constraints with meeting the reformulation target, in this timeframe, in this food category?

Yes

Technical issues

The ABCL represents a number of Member companies that produce dairy alternatives, such as plant milks.

Importance of Nutrient Profile

As dairy alternatives are not as nutrient dense as mammalian milks, we suggest that the Partnership consider the calcium levels of these products. The ABCL believes it is important, as this category grows due to consumer demand, to assess the nutrients that are no longer present in these products which were in the categories they are replacing, such as calcium.

Global recipes

Many Members of the ABCL are global companies which use uniform recipes across the world. It is often the case that these Member companies do not have the ability to change the formulation of their products in the Australian market. For this reason, the ABCL has developed other strategies to decrease the total amount of sugar companies supply through their products sold in Australia, such as the industry's Sugar Reduction Pledge, introducing smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar and supporting greater consumer awareness in adults and in the school curriculum as a key vehicle of informed choice.

Case Study: Energy Balance

As an industry that produces a range of non-alcoholic beverages to suit a range of lifestyles, the ABCL recognises energy balance as one of the most important issues in maintaining a healthy Body Mass Index [BMI]. Regular physical activity is part of maintaining the correct energy balance, and therefore a healthy BMI.

When considering what people should eat or drink, the ABCL advocates for a greater understanding of an individual's energy requirements to help people meet their desired, and healthy BMI. Part of the industry's activity on greater awareness of balanced diets, where all foods and drinks can be consumed in moderation, is promoting the combination of a healthy diet alongside plenty of physical activity, particularly if reducing BMI is required.

Our advocacy and advice on exercise, alongside energy balance to manage BMIs outside the healthy range, is commensurate with the ADGs and guidance from leading authorities such as the World Health Organisation, the National Health and Medical Research Council and the National Heart Foundation of Australia.

All non-alcoholic beverages, both sugar-sweetened and non-sugar, are a refreshing and pleasant addition to a balanced diet when consumed in moderation. The ABCL has encouraged its Members to offer beverages in a range of pack sizes and taste profiles. Our organisation has also advocated for new product development that favours low or no kilojoule options and new functional purposes, such as electrolyte drinks to support strenuous exercise regimes.

Alignment with the ABCL Sugar Reduction Pledge

The ABCL supports the aims of the Partnership, particularly:

The Healthy Food Partnership (Partnership) recognises that many companies are already reformulating their products to improve the nutritional quality and aims to build on (rather than replicate) these efforts. It is not the intention of the Partnership to disadvantage companies that are already reformulating, but to recognise and support their efforts to date, and encourage those companies that are yet to engage in reformulation activities to move towards improving the nutritional profile of their products.

In order to truly 'build on (rather than replicate) these efforts', the ABCL would encourage the Partnership to consider aligning the targets detailed in this consultation with the industry's Sugar Reduction Pledge. This would encourage non-alcoholic beverage manufacturers to pursue a course of action that meets the objectives of the Partnership while supporting the recently announced Sugar Reduction Pledge. It would also have the additional benefit of reduced costs to manufacturers and, ultimately, consumers.

The cost of label changes

Reformulation would require another change to the label for each product that is reformulated.

The food and beverage industry in Australia have seen significant mandatory changes to labelling in recent years, most recently with the introduction of Country of Origin Labelling and Container Deposit Schemes. In addition to these mandated changes, the majority of Members of the ABCL have included the HSR (integrated 'energy' approach) on their products.

It is important to highlight the substantial investment required in such changes, including²⁹:

- **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 graphics 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.

The above list of core considerations reinforces the significant transition times for labelling changes, particularly with supply of existing label stock that would need to be exhausted (with most companies maintaining 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.

²⁹Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. accessed 19 October 2018: [http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20\(2\).pdf](http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20(2).pdf)

The ABCL notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recent mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered³⁰. The ABCL encourages similar consideration be given to Member companies operating in Australia to allow and encourage reformulation across categories.

In Appendix E, the ABCL has estimated the 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 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.

With several different initiatives being considered by the Government in relation to food labelling, such as the labelling of sugar and the HSR, manufacturers 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 Partnership should appraise these when determining the timeframes proposed for reformulation.

Do you have other concerns or challenges associated with this reformulation target?

Yes

Cost Capacity Consumer acceptance

How can the challenges be overcome?

The ABCL believes that aligning the Partnership's reformulation targets with the ABCL Sugar Reduction Pledge would help overcome many of these potential challenges, particularly those related to cost, capacity and ease of consumer acceptance.

³⁰ Government of Canada. Regulations and compliance - nutrition labelling, accessed 19 October 2018: <https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html>

We believe that organisations should be able to choose from a suite of options in order to meet the reformulation targets, and all Members of the ABCL support the organisation's Energy Balance position and the ADGs.

It is also the position of the ABCL that the 2022 timeframe detailed by the Partnership is unachievable and should be reconsidered in order to align with the industry's Sugar Reduction Pledge. We do not believe that the timeframe (of 2022) is long enough to be able to undertake and incorporate the changes. The Partnership should consider the industry's other initiatives, particularly the introduction of smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar, and supporting greater consumer awareness as a key vehicle of informed choice.

Recommendations:

1. The Partnership should consider aligning its targets with the beverage industry's Sugar Reduction Pledge.
2. Due consideration should be given to the positive nutritional profile of dairy alternatives, commensurate with the ADGs.

Is the time frame suggested (4 years) to meet the target for this category, reasonable?

No

The ABCL has significant concerns with the timeframe detailed in this consultation.

The Partnership has not adequately detailed which products are affected by this timeframe, under this category description, and the ABCL is seeking further clarity in this regard.

The ABCL is also seeking clarity on whether it is the Partnership's expectation that all products on shelf, would meet the targets or that manufacturers would be producing product that meet these targets.

As previously stated in response to this consultation, there are significant transition times associated with reformulation and labelling changes, particularly with supply of existing label stock that would need to be exhausted (which in most cases is approximately 12-18 months' supply) in addition to domestic and international supply chain considerations and agreements that require ingredients and labels to be manufactured and distributed many months in advance.

The current targets detailed by the Partnership do not align with the industry's Sugar Reduction Pledge, despite alluding to the initiative in the consultation paper. It is the position of the ABCL that the industry should be afforded the opportunity to meet the targets set in the Sugar Reduction Pledge while being unencumbered by the targets detailed in competing initiatives.

As the Partnership's targets currently appear, the non-alcoholic beverage industry would need to reformulate for the Partnership's targets and develop their business units to meet the targets of the Sugar Reduction Pledge. The ABCL does not believe the two initiatives are mutually exclusive and is seeking alignment from this consultation process to ensure the Partnership's targets are achievable in line with the activities of Members as part of the Sugar Reduction Pledge.

Recommendation:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.

To what degree are you considering implementing this category target?

N/A I'm not a manufacturer

Beverages – Soft drinks (Sugars)

SOFT DRINKS TARGET: A 10% reduction in sugar across defined products ABOVE 10g/100g by the end of 2022.

Is the definition appropriate?

No

The ABCL believes the terminology should align the FSC to prevent confusion. The term “ready-to-drink” requires greater clarification as it could cause confusion in its current form. The Beverages Subcategories 2 also contains ready-to-drink products in its definition.

The ABCL believes that these categories should align with those in Schedule 15-5 of the FSC:

Water based flavoured drinks (including formulated caffeinated beverages and iced teas), fruit drinks, formulated beverages and brewed soft drinks (kombucha).

It is the position of the ABCL that the following categories should be excluded:

- a. An alcohol replacement, such as de-alcoholised beer or wine;
- b. Liquid drink flavouring, typically added to food or drinks like coffee or cocktails;
- c. Cordials, concentrates and powders to be prepared;
- d. Sports drinks under the current definition of electrolyte and isotonic drinks
- e. Sports drinks under any future definition provided by FSANZ following current reviews;
- f. Diet/low kilojoule drinks (drinks with <80kJ/100ml).
- g. Fruit juices (including coconut water) or sparkling juices; and
- h. Special purpose foods governed under Part 2.9 of the FSC and the Australian Register of Therapeutic Goods under the Therapeutic Goods Act 1989.

Electrolyte drinks are often referred to by consumers as sports drinks (see below). These products currently require a level of sugar to legally be referred to as electrolyte drinks.

Fruit juices as a natural product, have intrinsic sugars, and therefore the capacity to remove or reduce sugar content to reach a required target is not possible.

Diet and low kilojoule drinks is the ABCL preferred terminology over artificially sweetened drinks. These products already meet the target determined by the Partnership. The current

terminology used within this consultation paper may imply that intense sweeteners are not permitted for the reduction of sugar in products and this should be revised.

Case Study: Sports drinks (electrolyte and isotonic drinks)

The ABCL also represents Member companies that manufacture and market sports drinks, such as electrolyte and isotonic drinks, for active Australians.

Sports drinks includes beverages designed specifically for the rapid replacement of fluid, carbohydrates, and electrolytes before, during or after exercise. Athletes and highly active members of the public are the main consumers of these products and the composition of these drinks is important as a functional beverage. These drinks are designed to promote the availability of energy and to prevent or treat mild dehydration that may occur as a result of sustained strenuous physical activity.

Electrolyte drinks are regulated by the FSC. Beverages which are marketed as electrolyte drinks in Australia must meet the compositional standards set out in the FSC such as maximum and minimum levels of carbohydrates and must comply with the labelling requirements.

Carbohydrates provide fuel for muscles and the brain, as well as contribute to the flavour of a sports drink. By law under Standard 2.6.2 of the FSC, electrolyte drinks must contain between 5g and 10g of sugar/100mL. There is also a minimum sodium content to help in replacing electrolytes lost through sweat, and to enhance absorption of both carbohydrate and water. The main electrolyte components include sodium and potassium.

Although beverage manufacturers may choose the amounts of each ingredient, within the range permitted in the FSC, a number of bottlers have formulated their products to provide an isotonic beverage that is as close to normal body fluids as possible.

Isotonic drinks contain the electrolytes in the same concentration as in the body. Under the FSC, a claim that an electrolyte drink is isotonic may only be made if the electrolyte drink has an average osmolality of 250-340 mOsm/L.

It should be noted that 'sports waters', 'fitness waters' and 'vitamin waters' do not currently fall under the category of a 'sports drink' (electrolyte drink), instead they are considered water-

based formulated beverages in most circumstances. Food Standards Australia New Zealand [FSANZ] is currently reviewing how electrolyte drinks are governed under the FSC.

It is the position of the ABCL that sports drinks, as electrolyte and isotonic drinks under the current definition, should be excluded from this consultation and targets. At present, the current regulation does not permit for the reformulation of these products as they must contain a specific level of carbohydrate as sugar.

Case Study: Energy Balance

As an industry that produces a range of non-alcoholic beverages to suit a range of lifestyles, the ABCL recognises energy balance as one of the most important issues in maintaining a healthy Body Mass Index [BMI]. Regular physical activity is part of maintaining the correct energy balance, and therefore a healthy BMI.

When considering what people should eat or drink, the ABCL advocates for greater understanding of individual's energy requirements to help people meet their desired, healthy BMI. Part of the industry's activity on greater awareness of balanced diets, where all foods and drinks can be consumed in moderation, is promoting the combination of a healthy diet alongside plenty of physical activity, particularly if reducing BMI is required.

Our advocacy and advice on exercise, alongside energy balance to manage BMIs outside the healthy range obesity, is commensurate with the ADGs and guidance from leading authorities such as the World Health Organisation, the National Health and Medical Research Council and the National Heart Foundation of Australia.

All non-alcoholic beverages, both sugar-sweetened and non-sugar, are a refreshing and pleasant addition to a balanced diet when consumed in moderation. The ABCL has encouraged its Members to offer beverages in a range of pack sizes and taste profiles. Our organisation has also advocated for new product development that favours low or no kilojoule options and new functional purposes, such electrolyte drinks, to support strenuous exercise regimes.

Case Study: Sugar Reduction Pledge

In June 2018 after more than two years of planning, the ABCL and its Members formally announced its commitment to reformulation as an industry by announcing the Sugar Reduction Pledge³¹.

While the intake of sugar sweetened beverages [SSBs] and their contribution to total sugars has been decreasing since 1997³², the ABCL recognises that the average Australian intake of sugar from discretionary foods remains too high.

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

It is important to reference the inclusive nature of the non-alcoholic beverage industry's Sugar Reduction Pledge in the context of the above definition as it applies to beverages – Soft drinks (Sugars):

The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: 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 non-alcoholic beverage industry's Sugar Reduction 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

³¹ Australian Beverages Council. Sugar reduction pledge, accessed 19 October 2018: <http://www.australianbeverages.org/industry-sugar-pledge>

³² Levy GS Shrapnel WS. Quenching Australia's thirst: a trend analysis of water-based beverage sales from 1997 to 2011. Nutrition & Dietetics. 2014.

Australians. It will be monitored and audited by an independent assessor with public reports on its progress made available.

The pledge will be achieved by a range of instruments, including:

- ✓ Reformulating existing products;
- ✓ Increasing the volume sales 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;
- ✓ Where practical, transition vending machines to include more, low or no sugar varieties.

The ABCL believes it is necessary to provide industry with a variety of methods to reduce sugar. To ensure the success of sugar reduction targets within the food supply, it is vitally important to work with industry to develop meaningful targets that are realistic. The ABCL's Sugar Reduction Pledge was created in conjunction with our Members, and the ABCL would urge the Health Food Partnership to fully acknowledge the initiative and incorporate this into the Partnership's objectives as a result of this consultation. Ensuring continuity between the industry's targets and the Partnership's objectives would be essential to achieve the common goal of supporting Australians to make healthier choices about their diet.

While sugars comprise a 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 make small changes.

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

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

Recommendations:

1. The Partnership give due consideration to the excluded beverages detailed in the response.
2. The use of intense sweeteners in sugar reduction.
3. Align the targets in relation to beverages – soft drinks (sugars) with the industry's Sugar Reduction Pledge.

Are you aware of any technical constraints with meeting the reformulation target, in this timeframe, in this food category?

Yes

Technical issues

The ABCL represents approximately 90 per cent of carbonated soft drink production across Australia. It is the view of ABCL Members that the industry's Sugar Reduction Pledge addresses the targets detailed in the Partnership's consultation paper. The following should be considered in the context of soft drinks.

Sugar as a sweetener

Reformulation is complex and can affect a variety of aspects of food and beverages. Sugar is an important ingredient in food for its functional contribution to taste, texture and preservation.

The Partnership should give due consideration to small and medium-sized enterprise [SME] and the technical capability required to consider reformulation. The ABCL would encourage the Partnership to provide support to these manufacturers via technical expertise, grants and low or no interest credit facilities. Technical expertise could be made available through resources and/or training to upskill staff in SMEs which would enable them to retain the palatability of their products with lower sugar content. As with changes required in other jurisdictions, such as the United States, the ABCL believes SMEs should be afforded additional time to comply with voluntary targets and mandatory requirements.

Global recipes

Many Members of the ABCL are global companies which use uniform recipes across the world. Many of these Member companies have no ability to change the formulation of their products for the Australian market. For this reason, the ABCL has developed other strategies to decrease the total amount of sugar companies supply through their products sold in Australia, such as the industry's Sugar Reduction Pledge, introducing smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar and supporting greater consumer awareness as a key vehicle of informed choice.

Alignment with the ABCL Sugar Reduction Pledge

The ABCL supports the aims of the Partnership, particularly:

The Healthy Food Partnership (Partnership) recognises that many companies are already reformulating their products to improve the nutritional quality and aims to build on (rather than replicate) these efforts. It is not the intention of the Partnership to disadvantage companies that are already reformulating, but to recognise and support their efforts to date, and encourage those companies that are yet to engage in reformulation activities to move towards improving the nutritional profile of their products.

In order to truly 'build on (rather than replicate) these efforts', the ABCL would encourage the Partnership to consider aligning the targets detailed in this consultation with the industry's Sugar Reduction Pledge. This would encourage non-alcoholic beverage manufacturers to pursue a course of action that meets the objectives of the Partnership while supporting the recently announced Sugar Reduction Pledge. It would also have the additional benefit of reducing costs to manufacturers and, ultimately, consumers.

The cost of label changes

Reformulation would require another change to the label for each product that is reformulated. The food and beverage industry in Australia has seen significant mandatory changes to labelling in recent years, most recently with the introduction of Country of Origin Labelling and Container Deposit Schemes. In addition to these mandated changes, the majority of Members of the ABCL have included the HSR (integrated 'energy' approach) on their products.

It is important to highlight the substantial investment required in such changes, including³³:

- **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 graphics 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.

The above list of core considerations reinforces the significant transition times for labelling changes, particularly with supply of existing label stock that would need to be exhausted (which in most cases is approximately 12-18 months supply) in addition to supply chain

³³Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. accessed 19 October 2018: [http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20\(2\).pdf](http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20(2).pdf)

considerations and agreements that require labels to be manufactured and distributed many months in advance.

The ABCL notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recent mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered³⁴. The ABCL encourages similar consideration be given to Member companies in Australia to allow for reformulation targets across categories.

In Appendix E, 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 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.

With several different initiatives being considered by the Government in relation to food labelling, such as sugar labelling and the HSR, manufacturers 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 Partnership should consider these when determining the timeframes proposed for reformulation.

Recommendations:

1. Sugar is an important preservative and plays a role in the taste and texture profile of foods and beverages, and, as such, should not be discounted for its function.
2. The ABCL's existing initiatives, including most notably the Sugar Reduction Pledge, should be aligned with the objectives of the Partnership.
3. Due consideration to the cost burden of voluntary and mandatory changes should be considered, particularly for SMEs.

³⁴ Government of Canada. Regulations and compliance - nutrition labelling, accessed 19 October 2018: <https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html>

Do you have other concerns or challenges associated with this reformulation target?

Yes

Cost

Capacity

Consumer acceptance

How can the challenges be overcome?

The ABCL believes that aligning the Partnership's reformulation targets with the ABCL Sugar Reduction Pledge would help overcome many of potential challenges, particularly those related to cost, capacity and ease of consumer acceptance.

It is the position of the ABCL that organisations should be able to choose from a suite of options in order to meet reformulation targets, and all Members of the ABCL support the organisation's Energy Balance position and the ADGs for all consumers

It is also the position of the ABCL that the 2022 timeframe detailed by the Partnership is unachievable and should be reconsidered in order to align with the industry's Sugar Reduction Pledge. The Partnership should consider the initiatives of the industry, particularly the introduction of smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar and supporting greater consumer awareness as a key vehicle of informed choice.

Recommendation:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.

Is the time frame suggested (4 years) to meet the target for this category, reasonable?

No.

The ABCL has significant concerns with the timeframe detailed in this consultation. The Partnership has not adequately detailed which products are affected by this timeframe, under this category description, and the ABCL is seeking further clarity in this regard.

The ABCL is also seeking clarity on whether it is the Partnership's expectation that all products on shelf would meet the targets or whether manufacturers would be given sufficient time to meet these targets.

As previously stated in response to this consultation, there are significant transition times associated with reformulation and labelling changes, particularly with supply of existing label stock that would need to be exhausted (which in most cases is approximately 12-18 months' supply) in addition to supply chain considerations and agreements that require ingredients and labels to be manufactured and distributed many months in advance.

The current targets detailed by the Partnership do not align with the industry's Sugar Reduction Pledge, despite alluding to the initiative in the consultation paper. It is the position of the ABCL that the industry should be afforded the opportunity to meet the targets set in the Sugar Reduction Pledge while being unencumbered by the targets detailed in competing initiatives.

As the Partnership's targets currently appear, the non-alcoholic beverage industry would need to reformulate for the Partnership's targets and develop their business units to meet the targets of the Sugar Reduction Pledge. The ABCL does not believe the two initiatives are mutually exclusive and is seeking alignment from this consultation process to ensure the Partnership's targets are achievable in line with the activities of Members as part of the Sugar Reduction Pledge.

Recommendation:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.

To what degree are you considering implementing this category target?

N/A I'm not a manufacturer

Beverages – Flavoured water, flavoured mineral water, soda water and iced tea (Sugars)

FLAVOURED WATER, FLAVOURED MINERAL WATER, SODA WATER AND ICED TEA
TARGET: A reduction in sugar across defined products to 5g/100g by the end of 2022.

Is the definition appropriate?

No

The ABCL believes the terminology should align the FSC to prevent confusion. The term “ready-to-drink” is ambiguous and could cause confusion. Further clarification on the use of this in the context of these targets is required. The beverages subcategories 1 contains ready-to-drink products in its definition also.

The ABCL believes that these categories should align with those in Schedule 15-5 of the FSC:

Water/mineral water/carbonated, mineralised and soda waters (including flavoured waters)

We do not believe that coconut water should be included this category. Under the FSC, it is considered a juice. Coconut water contains intrinsic sugars at levels of 6.6g per 100mL according to NUTTAB. The ABCL believes that coconut water should be included under the exclusions under Beverages Subcategories 1, along with other juice.

The ABCL also does not believe that kombucha should be in this category. It is a brewed soft drink and is best included in Beverages Subcategories 1.

As our Members continue to innovate to provide consumers with a variety of low and no kilojoule products, there has been an increase in water and juice products with no added sugar. Based on the descriptions of the categories provided, it appears that these products would be considered in this category. The ABCL notes that the end product will have a considerably lower sugar level than juice with no added sugar, however it would be higher than a flavoured water. The ABCL encourages the Partnership to consider these products in their categorisations.

It is important to highlight the ABCL’s Sugar Reduction Pledge in the context of Beverages – Flavoured water, flavoured mineral water, soda water and iced tea (Sugars).

Case Study: Sugar Reduction Pledge

In June 2018 after more than two years of planning, the ABCL and its Members formally announced its commitment to reformulation as an industry by announcing the industry Sugar Reduction Pledge³⁵.

While the intake of SSBs and their contribution to total sugars has been decreasing since 1997³⁶, the ABCL recognises that the average Australian intake of sugar from discretionary foods remains too high.

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

It is important to reference the inclusive nature of the non-alcoholic beverage industry's Sugar Reduction Pledge in the context of the above definition as it applies to beverages – Soft drinks (Sugars):

The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: 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 non-alcoholic beverage industry's Sugar Reduction 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.

³⁵ Australian Beverages Council. Sugar reduction pledge, accessed 19 October 2018: <http://www.australianbeverages.org/industry-sugar-pledge>

³⁶ Levy GS Shrapnel WS. Quenching Australia's thirst: a trend analysis of water-based beverage sales from 1997 to 2011. Nutrition & Dietetics. 2014.

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 made available.

The pledge will be achieved by a range of instruments, including:

- ✓ Reformulating existing products;
- ✓ Increasing the volume sales 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;
- ✓ Where practical, transition vending machines to include more, low or no sugar varieties.

The ABCL believes it is necessary to provide industry with a variety of methods to reduce sugar. To ensure the success of sugar reduction targets within the food supply, it is vitally important to work with industry to come up with meaningful targets that are realistic. The ABCL's Sugar Reduction Pledge was created in conjunction with Members, and the ABCL would urge the Health Food Partnership to fully acknowledge the initiative and incorporate this into the Partnership's objectives as a result of this consultation. Ensuring continuity between the industry's targets and the Partnership's objectives would be essential to achieve the common goal of supporting Australians to make healthier choices about their diet.

While sugars comprise a 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 make small changes.

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

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

Recommendations:

1. The Partnership give due consideration to the use of intense sweeteners in sugar reduction.
2. Align the targets in relation to beverages – Flavoured water, flavoured mineral water, soda water and iced tea (Sugars) with the industry's Sugar Reduction Pledge.

Are you aware of any technical constraints with meeting the reformulation target, in this timeframe, in this food category?

Yes

Technical Issues

The ABCL represents approximately 90 per cent of flavoured water, flavoured mineral water, soda water and iced tea production across Australia, and it is the view of ABCL Members that the industry's Sugar Reduction Pledge addresses the targets detailed in the Partnership's consultation paper. The following should be considered in the context of soft drinks.

Sugar as a sweetener

Reformulation is complex and can affect a variety of aspects of food and beverages. Sugar is an important ingredient in food for its functional contribution to taste, texture and preservation.

The Partnership should give due consideration to small and medium-sized enterprise [SME] and the technical capability required to consider reformulation. The ABCL would encourage the Partnership to provide support to these manufacturers via technical expertise, grants and low or no interest credit facilities. Technical expertise could be made available through resources and/or training to upskill staff in SMEs which would enable them to retain the palatability of their products with lower sugar content. As with changes required in other jurisdictions, such as the United States, the ABCL believes SMEs should be afforded additional time to comply with voluntary targets and mandatory requirements.

Global recipes

Many Members of the ABCL are global companies which use uniform recipes across the world. Many of these companies do not have the ability to change the formulation of their products in the Australian market. For this reason, the ABCL has allowed other methods to decrease the total amount of sugar companies supply through their products sold in Australia, such as the industry's Sugar Reduction Pledge, introducing smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar and supporting greater consumer awareness via adult education and the school curriculum as a key vehicle of informed choice.

Alignment with the ABCL Sugar Reduction Pledge

The ABCL supports the aims of the Partnership, particularly:

The Healthy Food Partnership (Partnership) recognises that many companies are already reformulating their products to improve the nutritional quality and aims to build on (rather than replicate) these efforts. It is not the intention of the Partnership to disadvantage companies that are already reformulating, but to recognise and support their efforts to date, and encourage those companies that are yet to engage in reformulation activities to move towards improving the nutritional profile of their products.

In order to truly 'build on (rather than replicate) these efforts', the ABCL would encourage the Partnership to consider aligning the targets detailed in this consultation with the industry's Sugar Reduction Pledge. This would encourage non-alcoholic beverage manufacturers to pursue a course of action that meets the objectives of the Partnership while supporting the recently announced Sugar Reduction Pledge. It would also have the additional benefit of reduced costs to manufacturers and, ultimately, consumers.

The cost of label changes

Reformulation would require another change to the label for each product that is reformulated.

The food and beverage industry in Australia has seen significant mandatory changes to labelling in recent years, most recently with the introduction of Country of Origin Labelling and Container Deposit Schemes. In addition to these mandated changes, the majority of Members of the ABCL have included the HSR (integrated 'energy' approach) on their products.

It is important to highlight the substantial investment required in such changes, including³⁷:

- **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 graphics 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.

³⁷Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. accessed 19 October 2018: [http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20\(2\).pdf](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 significant transition times for labelling changes, particularly with supply of existing label stock that would need to be exhausted (which in most cases is 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 notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recent mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered³⁸. The ABCL encourages a similar concession be provided in Australia by the Partnership to allow for reformulation targets across categories.

In Appendix E, 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 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.

With several different initiatives being considered by the Government in relation to food labelling, such as sugar labelling and the HSR, manufacturers 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 Partnership should consider these when determining the timeframes proposed for reformulation.

³⁸ Government of Canada. Regulations and compliance - nutrition labelling, accessed 19 October 2018: <https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html>

Recommendations:

1. Sugar is an important preservative and plays a role in the taste and texture profile of foods and beverages, and, as such, should not be discounted for its function.
2. The ABCL's existing initiatives, including most notably the Sugar Reduction Pledge, should be aligned with the objectives of the Partnership.
3. Due consideration to the cost burden of voluntary and mandatory changes should be considered, particularly for SMEs.

Do you have other concerns or challenges associated with this reformulation target?

Yes

Cost

Capacity

Consumer acceptance

How can the challenges be overcome?

The ABCL believes that aligning the Partnership's reformulation targets with the ABCL Sugar Reduction Pledge would help overcome many of potential challenges, particularly those related to cost, capacity and ease of consumer acceptance.

We believe that organisations should be able to choose from a suite of options in order to meet reformulation targets, and all Members of the ABCL support the organisation's Energy Balance position and the ADGs.

It is also the position of the ABCL that the 2022 timeframe detailed by the Partnership is unachievable and should be reconsidered in order to align with the industry's Sugar Reduction Pledge. The Partnership also should consider the initiatives of the industry, particularly the introduction of smaller pack sizes, encouraging moderate consumption of beverages that are sweetened by sugar and supporting greater consumer awareness as a key vehicle of informed choice.

Case Study: Water

Water is essential for good health. Adult males require 3.4 litres of water per day, while females require 2.8 litres of water per day. This level can change depending on the amount of water lost through perspiration caused by environmental conditions, physical activity and other factors. It is vital that all Australians are encouraged through the Partnership, the HSR and other initiatives to consume more water.

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

The ABCL fully supports water as the healthiest beverage option for consumers and, therefore, it is essential for these products be encouraged wherever possible, including as part of the Partnership's work.

The ABCL believes that it is important to encourage Australians to consume more water in all forms, including plain, carbonated and carbonated flavoured water products. 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.

Recommendations:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.
2. The positive contribution to healthy hydration offered by many products in this category should be acknowledged and encouraged.

Is the time frame suggested (4 years) to meet the target for this category, reasonable?

No

The ABCL has significant concerns with the timeframe detailed in this consultation.

The Partnership has not adequately detailed which products are affected by this timeframe, under this category description, and the ABCL is seeking further clarity in this regard.

The ABCL is also seeking clarity on whether it is the Partnership's expectation that all products on shelf would meet the targets or whether manufacturers would be given sufficient notice to meet these targets.

As previously stated in response to this consultation, there are significant transition times associated with reformulation and labelling changes, particularly with supply of existing label stock that would need to be exhausted (which in most cases is approximately 12-18 months' supply) in addition to international and domestic supply chain considerations and agreements that require ingredients and labels to be manufactured and distributed many months in advance.

The current targets detailed by the Partnership do not align with the industry's Sugar Reduction Pledge, despite alluding to the initiative in the consultation paper. It is the position of the ABCL that the industry should be afforded the opportunity to meet the targets set in the Sugar Reduction Pledge while being unencumbered by the targets detailed in competing initiatives.

As the Partnership's targets currently appear, the non-alcoholic beverage industry would need to reformulate for the Partnership's targets and develop their business units to meet the targets of the Sugar Reduction Pledge. The ABCL does not believe the two initiatives are mutually exclusive, and is seeking alignment from this consultation process to ensure the Partnership's targets are achievable in line with the activities of Members as part of the Sugar Reduction Pledge.

Recommendation:

1. The Partnership should consider aligning its targets with the industry's Sugar Reduction Pledge.

To what degree are you considering implementing this category target?

N/A I'm not a manufacturer

Further Information and Contact

We thank the Healthy Food Partnership for the opportunity to provide this submission on the feasibility of the draft targets, appropriateness of the draft category definition and the proposed implementation period. Specifically, on reformulation targets for sugars in:

- Flavoured milk – Mammalian milks
- Flavoured milk – Dairy alternatives
- Beverages – Soft drinks
- Beverages – Flavoured water, flavoured mineral water, soda water and iced tea

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

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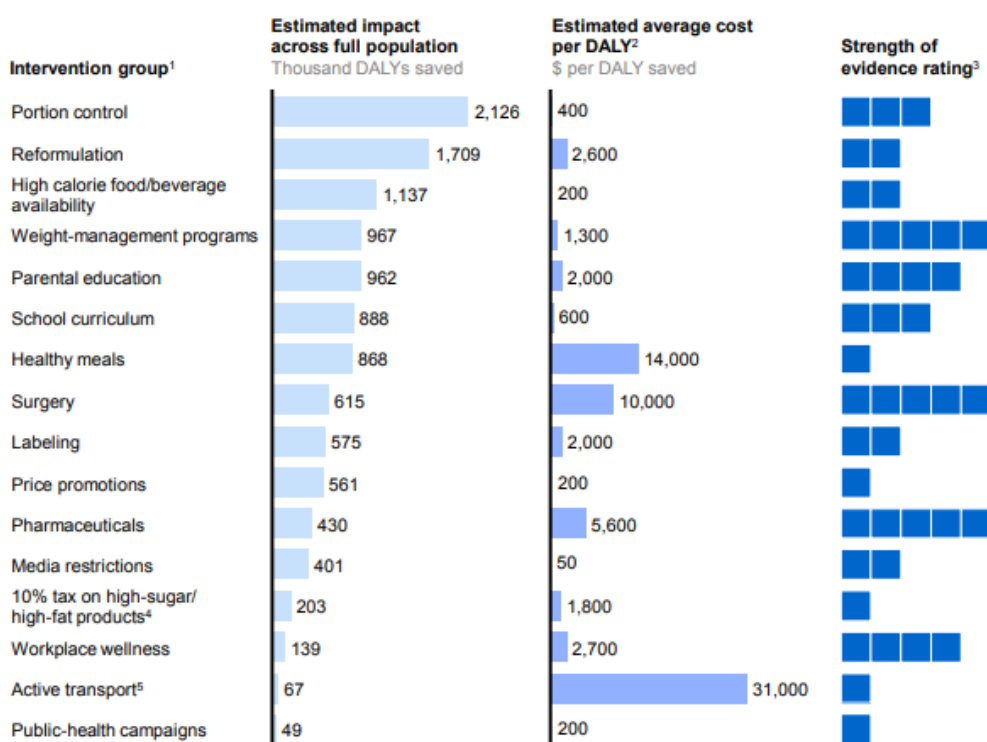
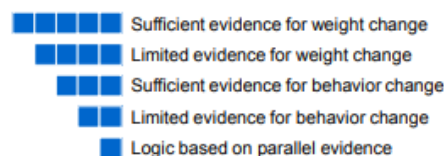
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Appendix A: Excerpt on multi-factorial approach to obesity

Exhibit E3

There is considerable scope to have high impact on obesity in a cost-effective way

Cost-effectiveness and impact of obesity levers, United Kingdom



1 Includes only non-overlapping levers in each category. Where two levers overlapped, such as plain and engaging labeling or gastric banding and bariatric surgery, the higher-impact lever was chosen.

2 Impact and cost over lifetime of 2014 population; uses UK-specific cost-effectiveness calculated using GDP and World Health Organization methodology.

3 Based on the evidence rating system of the Oxford Centre for Evidence-Based Medicine.

4 All intervention impact modeling was subject to scalable assumptions on potential reach. Tax levers are also subject to scalability of levy incurred. In this case, MGI modeled a 10 percent tax on a set of high-sugar and high-fat food categories, based on empirical precedents and size of levy often studied. It is scalable, and impact would increase close to directly with increase in levy.

5 Impact assessed here is only from reduced body mass index (BMI), not full health benefits of some interventions (e.g., cardiovascular health, mental health). For example, active transport health benefits are higher when all of these benefits are taken into account.

NOTE: We do not include health-care payors because this is a less relevant intervention in the United Kingdom context. There are insufficient data to quantify urban-environment interventions.

SOURCE: Literature review; expert interviews; McKinsey Global Institute analysis

Appendix B: Key findings from the CSIRO's secondary analysis of the Australian Health Survey 2011-12



What are Australians consuming?

- Across the population, the most commonly consumed non-dairy, non-alcoholic beverages were water, followed by sugar-sweetened soft drinks and fruit juice.
- In general, women consume more non-dairy, non-alcoholic beverages than men, though men consume more sugar-sweetened beverages than women.
- Across the population, teenagers, especially males, are the highest consumers of sugar-sweetened beverages.
- Among adult consumers, the average daily volume of sugar-sweetened beverages consumed was similar to low-kJ beverages (~670mL for males and ~485mL for females).
- Among children, both the percentage consuming and mean intakes of soft drinks/flavoured water appear to have decreased between 1995 and 2011-12.
- Among children, both the percentage consuming and mean intake of fruit and vegetable juices/drinks appear to have decreased between 1995 and 2011-12.



Contribution to energy intake

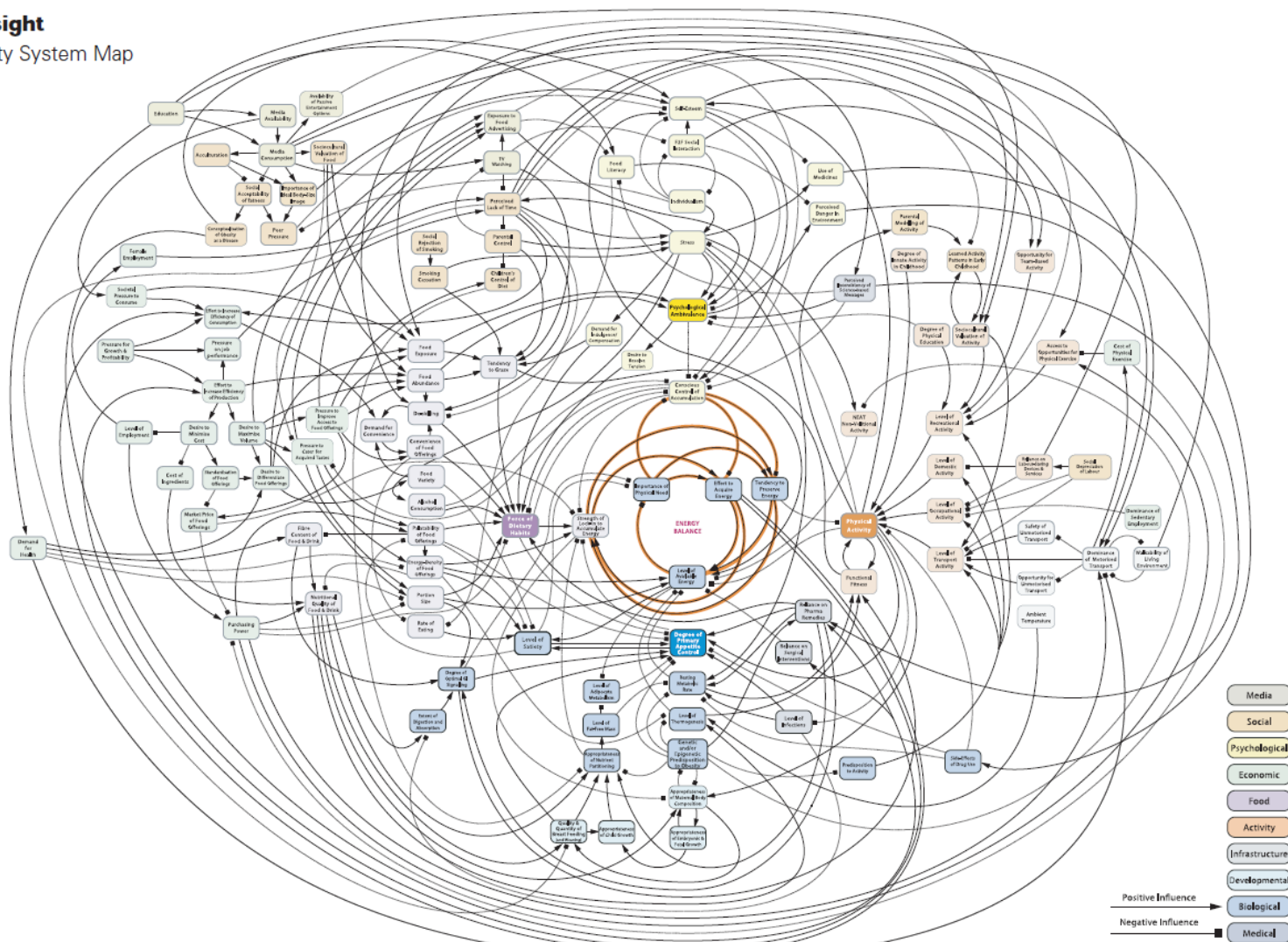
- The contribution of beverages to total energy intake is relatively low across the population – 4% of adults' and 6% of children's intake.
- The contribution of sugar-sweetened beverages to total energy intake increased with age to a peak in 14-18 year olds, before declining through adulthood.
- Overall, soft drinks contributed <2% to the total energy intakes of Australian adults and children.
- Discretionary foods and drinks contribute significantly to the total energy intake of the population – 36% for adults and 42% for children.
- **ADULTS:** Choices contributing the most to total dietary energy from the discretionary food and drink category are: confectionery & chocolates (18% of total discretionary kilojoules), sweet biscuits & cakes (13%) and alcoholic beverages (13%), followed by burgers/pizza/tacos (7%), sweet & savoury pies & pastries (6%) and fried potatoes & crisps (5%). Soft drinks provide 4% of discretionary kilojoules, ranked 7th.
- **CHILDREN:** Choices contributing the most to total dietary energy from the discretionary food and drink category are: confectionery & chocolates (17% of total discretionary kilojoules), sweet biscuits & cakes (16%) and fried potatoes & crisps (11%), followed by burgers/pizza/tacos (10%), savoury biscuits (6%) and sweet & savoury pies & pastries (5%). Soft drinks provide 4% of discretionary kilojoules, ranked 7th.
- Among discretionary beverages, alcoholic beverages were the highest contributor to total energy intake at 5.3% for adults, followed by soft drinks at 1.7%.

The Australian Health Survey 2011-2012 is the largest and most comprehensive health survey ever conducted in Australia

Appendix C: Obesity Systems Map

Foresight

Obesity System Map



Australian Beverages Council Pledge

FACT SHEET

**20%
by 2025**

The Australian Beverages Council Limited (ABCL) has announced a pledge that will see the non-alcoholic beverage industry commit to a 20 per cent reduction in sugar across the industry's portfolio by 2025.

**Industry
1st**

The ABCL pledge to reduce total sugar across the sector is the first such instance in Australia where an industry has self-regulated on sugar reduction in this way.



Australia's leading beverage companies including Coca-Cola South Pacific, Coca-Cola Amatil, PepsiCo, Asahi Beverages and Frucor Suntory have committed to the pledge with more Members of the ABCL expected to join in the coming months.



The pledge will see a reduction in sugar across the industry by 10 per cent on average by 2020, with a further commitment to reduce sugar by a total of 20 per cent on average over the full period of the pledge by 2025, and will be achieved by average reductions in total grams of sugar per 100mL.



The pledge will be independently appraised with the appointment of an auditor made in the coming months.



All products represented by the ABCL Members who sign the pledge are included in the commitment with the reduction in total sugar measured across all Members party to the pledge.



The commitment applies to all categories of non-alcoholic drinks represented by Members of the Australian Beverages Council who have signed the pledge, including: 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.



Total sugar is quantified by aggregated sales weighted volume data across all ABCL Members who sign the pledge and will be assessed from 1 January 2016.

How the pledge commitment will be achieved

Some of the measures ABCL Members may use to contribute to the industry's pledge include:

- Increasing volume sales of low and no sugar varieties
- Introducing additional low and no sugar varieties onto the market by 2020 or 2025
- 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
- Where practical, transition vending machines to include additional low/no sugar varieties
- Existing category and product reformulation
- Implementing a cap in sugar content on all existing drinks brands
- Implementing a cap in sugar on new recipes and new products launched in Australia.

Some signatories will use a variety of measures to reduce sugar consumption while others may use one or two of the measures.



Audit process

- An independent auditor will evaluate the success of the commitment and individual Members' progress. The ABCL will appoint an independent auditor following a rigorous selection and appraisal process which will evaluate success of the commitment and report aggregated results.
- The auditing will be carried out in two key stages: ongoing evaluation of progress towards the 10 per cent reduction in 2020, and a subsequent evaluation in the years to 2025 to provide a report on the 20 per cent reduction goal. The base year for the evaluation is 2016, [based on sales data as of 1 January 2016] when the reporting framework was established.
- Individual company contributions to the targets will be monitored by the auditor and reported by ABCL by the end of 2020 and the end of 2025.

Rationale and consultation process

- The beverage industry acknowledges community concern around sugar and the role it can play in helping to tackle obesity levels in Australia.
- The ABCL has listened to consumers, consulted across the health sector and beverage industry and responded by formulating this pledge commitment to further reduce the amount of sugar individuals consume from non-alcoholic beverages.
- The ABCL has consulted with health bodies, NGOs and Government departments over the last two years to reach this position. The targets set are a reflection of the various consultations the ABCL has had with those key stakeholders.
- The pledge represents part of an ongoing commitment by the non-alcoholic beverage industry to encourage more Australians to make healthier choices. Whilst this commitment has been made, the industry will continue to provide consumers with a choice of beverage options.
- As the industry's peak body, the ABCL and its members will continue to advocate for consumer choice. It will also continue to work with various key health stakeholders to participate in a constructive way to help improve the health of all Australians by reducing their sugar intake.

Supporting Government health policy initiatives

This ABCL's sugar reduction pledge complements a number of the Federal Government's existing health programs, including:

- The **Health Star Rating system** which helps consumers make healthier choices through easy-to-read front-of-pack labelling while encouraging reformulation of products by ABCL members
- The **Healthy Food Partnership** to increase consumer knowledge in conjunction with public health advocates and industry
- The **Healthy Weight Guide website** which provides plans to facilitate health goals and particularly, to maintain a healthy weight.

Further information about the pledge can be found on the Australian Beverages Council website.

Overview of the non-alcoholic beverage industry in Australia

Right across the country, the Australian non-alcoholic beverages industry is a key contributor to local, state and national economies. It is a significant employer of Australians and each year the industry supports direct employment of more than 46,000 people. It also contributes almost \$7 billion to the national economy and collectively pays more than \$1.2 billion in taxes per annum along its supply chain. For more information on the impact of the non-alcoholic beverage industry on the Australian economy, download the report [Refreshing our economy – the economic contribution of the Australian Beverages Industry](#).



IBISWorld report - Soft Drink Manufacturing in Australia, May 2018

[From IBISWorld summaries - IBISWorld Industry Report C1211a]

According to IBISWorld, the Soft Drink Manufacturing industry generated its revenue in 2017-18 across more than 300 businesses. Compound annual growth in the years 2012-13 to 2017-18 was 1.8 per cent with annual growth in the years 2017-18 to 2022-23 anticipated to reach 1.3 per cent.

New South Wales has the greatest share of manufacturing sites at 36.4 per cent, followed by Victoria at 22.2 per cent and Queensland at 20.7 per cent. Western Australia has 9.4 per cent and South Australia has 7.9 per cent share of soft drink manufacturing sites, according to IBISWorld.



Appendix E: 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