

Australian Beverages Council

Submission

**Five Year Review of the
Health Star Rating system**

Consultation Paper: *Options for System Enhancement*

7 December 2018



Executive Summary

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

Chapter	ABCL Preferred Option	Amendments Requested
Chapter 3: Fresh or minimal processed	Option B – All fresh and minimally processed fruits and vegetables automatically receive an HSR of 5	With greater clarification that juice as defined by the FSC would score an automatic HSR of 4.5.
Chapter 3: Non-dairy beverages	Option E with amendments – Plain packaged water is the only non-dairy beverage to score an HSR of 5, combinations of juice and water with no other additives score an HSR of 4.5 and all other non-dairy beverages calculate their HSR using the HSR Calculator.	With the following amendments: 1. Product definitions aligning with those stated in the FSC; 2. Non-dairy beverages may display the current hierarchy of HSR system presentation outlined in the Style Guide; 3. The policy decision for water in combination with fruit and vegetable juices to remove the references to additives. HSR should not be referencing additives as the FSC regulates the permission for additives and no other category is penalised for containing additives in their overall HSR.
Chapter 4: Sugars	Option C - Increase the baseline points awarded for total sugars to reduce the HSRs for products relatively high in total sugars.	

It is the position of the ABCL that:

- The Health Star Rating [HSR] system is largely meeting its objectives, particularly:
 - To move away from polarised views and an often-divisive debate by building on the common ground among stakeholders;
 - To focus on addressing issues of concern, exploring new approaches and exploring possibilities for building on existing schemes;
 - To avoid the proliferation of different front-of-pack labelling [FoPL] systems and the potential for consumer confusion from conflicting or inconsistent nutrition messages;
 - To develop and maintain a robust FoPL system that rates the overall nutritional profile of packaged food, and assigns it a rating from ½ a star to 5 stars;

Executive Summary (continued)

- To offer meaningful and easy-to-understand information that helps consumers to make more informed choices in support of the Australia Dietary Guidelines [ADGs];
 - To enable a 'direct comparison' between individual foods that, within the overall diet, may contribute to risk factors associated with chronic disease;
 - To be 'readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups, and low literacy/low numeracy groups';
 - The system has clearly distinguished foods that are higher in positive nutrients and lower in risk nutrients that are linked to obesity and diet-related chronic diseases; (saturated fat, sodium (salt), sugars and energy), which has led to consumers choosing a balanced diet, which leads to better health;
 - To offer a collaborative labelling system where all stakeholders have developed and maintained the HSR.
- The HSR is widely trusted among consumers and industry;
 - The HSR should undergo minor changes to better meet its objectives, but it should not be overhauled. The HSR has not always been accompanied by 'a well-resourced, on-going social marketing program led by Government and supported by industry and the wider public health sector', and this should be revisited;
 - Greater consumer awareness is required and there is a requirement for both government and industry to play a part in supporting greater consumer awareness of the system;
 - Greater consumer awareness is required in relation to Option 5 (energy icon only) as outlined in the hierarchy of the HSR system presentation in the Style Guide, and there is broad support from industry to support Government in implementing consumer awareness campaigns focussed on Option 5;
 - 'At risk' groups, such as low Socioeconomic Status [SES] households, should be considered for targeted awareness campaigns;
 - The HSR was created without regard for levels of processing or other non-nutritional methods of treating foods and beverages in the manufacturing process and for the most part, it should continue to assess the complete nutritional profile of foods and beverages without regard for levels of processing;

Executive Summary (continued)

- It will be necessary to create exceptions to the HSR calculator for certain foods and beverages to favour their positive nutritional profile and encourage greater consumption to meet the overarching goals of the ADGs;
- Innovation, via individual product and portfolio renovation, should be encouraged;
- Any changes arising out of this important consultation should be implemented in a staged or staggered manner with special consideration given to:
 - Small and medium-sized enterprises [SMEs];
 - Other labelling changes currently under consideration;
 - The financial burden and consequences to industry and consumers of any changes;
- The review should give regard to similar labelling systems in other jurisdictions;
- Consider and recommend any changes based on detailed modelling and consultation;
- Added sugars may be distinguished from intrinsic sugars on food labels (on a voluntary basis), such as the Nutrition Information Panel [NIP], but these should not be distinguished as part of the HSR on the basis of nutritional scientific reason;
- It has a responsibility to improve the health of Australians together with other stakeholders, and the ABCL and the non-alcoholic beverage industry has introduced a range of voluntary initiatives to help improve the Australian diet, including:
 - ✓ Introducing Australia's first industry-wide sugar reduction pledge;
 - ✓ Ensuring clear FoPL of nutrition information via the HSR integrated approach;
 - ✓ Offering low and no kilojoule beverages through sweeping product reformulation and portfolio innovation;
 - ✓ Reducing portion and pack sizes across the non-alcoholic beverage industry;
 - ✓ Improving nutritional education, understanding, interpretation and awareness;
 - ✓ Undertaking responsible marketing and advertising practices;
 - ✓ Adhering to agreed codes of practice, policies and guidelines, including School Canteen Policies; and
 - ✓ Commissioning scientific research.

Executive Summary (continued)

- Consumer trends and initiatives led by the non-alcoholic beverage industry have contributed to a significant decline in the intake of free sugars over the 16-year period from 1995-1996 to 2011-12, with the largest decline recorded in children and teenagers (being a 23 per cent reduction). Almost all (94 per cent) of the decline in free sugars in children and teenagers comes directly from the reduction in non-alcoholic beverages;
- Further reductions in the intake of free sugars can be achieved, and the non-alcoholic beverage industry will further strive to reduce sugar across the industry's portfolio by an average of 10 per cent by 2020 and 20 per cent by 2025, as part of our recently announced Sugar Reduction Pledge;
- The causes of overweight, obesity and associated chronic disease are highly complex, and the key determinants include, but are not limited to, interactions between genetic, metabolic, cultural, environmental, socioeconomic and behavioural factors;
- All changes and recommendations related to the HSR and supporting structures, frameworks or programs, whether voluntary or mandatory, should be consistent with the objective to reduce the risk of diet related chronic diseases;
- HSR should not be referencing additives as the FSC regulates the permission for additives and no other category is penalised for containing additives in their overall HSR;
- The HSR has been widely supported by the non-alcoholic beverage industry with approximately 70 per cent of our industry's products carrying the HSR (integrated approach);
- Option 5, referred to as the integrated approach, should be maintained as an integral part of the HSR;
- The HSR enjoys widespread voluntary coverage and, as such, there are compelling reasons for maintaining its voluntary nature.

About the Australian Beverages Council

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

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

The unified voice of the ABCL offers Members a presence beyond individual representation to promote fairness in the standards, regulations, and policies concerning non-alcoholic beverages. The ABCL plays a role in educating consumers on making informed choices which encourages 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. The ABCL's Members listen to consumers and adapt their products accordingly by making positive changes and standing by a commitment to promote greater choice, appropriate portions and more low and no kilojoule products.

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

The ABCL introduced a dedicated juice division, **Juice Australia** (formerly Fruit Juice Australia), in 2009 and a dedicated water division, the **Australasian Bottled Water Institute** [ABWI], in 2011.

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Introduction

The ABCL and the Health Star Rating System in Context

The ABCL fully supports the Health Star Rating [HSR] system and has been actively involved in its creation, implementation, development, performance and review. In a recent survey of ABCL Members, 70 per cent of products manufactured and sold in Australia were found to display an element of the Health Star Rating scheme's display hierarchy. 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 considers several nutrients and other aspects pertaining to food.

Research has indicated that the current system:

- ✓ Closely aligns with the ADGs when used into a food category, a key focus of this consultation^{1 2 3 4 5};
- ✓ Has high awareness, and is well liked by the general public⁶;
- ✓ Is effective at guiding consumer choice⁷; and
- ✓ Can help to guide beneficial product reformulation^{8 9}.

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

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

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

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

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

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

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

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

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

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

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

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

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

Evidence suggests that most consumers use or at least refer to the information in the Nutrition Information Panel [NIP]¹⁰, with only 5 per cent of a sample analysed indicating that they never read it. The FoPL has been designed to meet the needs of time poor consumers¹¹ and the HSR has achieved substantial success in meeting its objectives based on the evidence provided.

It is the position of the ABCL that it would be counterproductive to make wholesale changes to the direction of food labelling strategy in Australia, including the development of a competing label or list, especially as a significant amount of resources have been invested by a range of stakeholders to ensure the ongoing success of the HSR.

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

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

Performance of the Health Star Rating

Evidence to support the continued and effective use of the HSR includes:

- ✓ awareness of the initiative has reached 75 per cent and this has had an appreciable effect on community behaviour¹²; and
- ✓ of those who are aware of the HSR, 35 per cent have bought a new product because of its higher HSR, instead of their usual product.¹³

A majority of grocery buyers state they would like the HSR on 'more' or 'all' packaged food products¹³. The ABCL supports consumer responses in relation greater use of the HSR within the industry guidelines as set out in the initiative currently.

The New Zealand Government's Ministry of Health is funding the Health Promotion Agency [HPA] to develop, implement, and monitor consumer marketing and education campaigns that aim to help consumers to understand what Health Stars mean, and how to use them when making purchasing decisions about packaged foods¹⁴.

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

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

In June 2018, the latest report findings were compiled and released for all three surveys. Comparisons were made between the 2018 survey and earlier ones, to help evaluate the impact of the HSR system and the campaign over time. The most notable findings of the survey include:

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

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

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

- ✓ High awareness of the HSR (75 per cent versus 40 per cent in 2015);
- ✓ Half of shoppers have an accurate understanding of the HSR;
- ✓ Correct use of the HSR is high at 68 per cent;
- ✓ 40 per cent trust the HSR (unchanged from 2015);
- ↑ Use of the HSR has increased from one in ten shoppers to almost three in ten shoppers; and
- ✓ The potential influence of the HSR on shopping behaviour is high, with 59 per cent of shoppers using the HSR, indicating it encouraged them to buy a product they would not normally purchase.

This HPA Commission was managed by Dr Rebecca Bell, Researcher.

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

The HSR, in supporting the ADGs, allows for water to score an automatic five stars to encourage consumers to drink plenty of water and ensure proper hydration. The ABCL recommends that potential, future amendments to the HSR algorithm be considered to encourage industry to continually innovate and develop new products that provide consumers with beverages (and foods) that offer varied consumer choice.

This could include revisiting the star rating for packaged flavoured water as an example, or a product that is simply water with the addition of flavouring but no kilojoules (energy) for improved palatability. Any future amendments to the HSR algorithm to encourage innovation would need to ensure that provisions within current food laws support this process. The ABCL will continue to work with existing and future key stakeholders on the HSR, and its necessary amendment, as required.

Health Star Rating System Purpose

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

- support and be consistent with the Australian Dietary Guidelines [ADGs] and the New Zealand Eating and Activity Guidelines;
- align with the Australia and New Zealand Food Standards Code [FSC] as the principle instrument for food regulation in Australia and New Zealand, particularly nutrition, health and related claims regulations;
- encourage reformulation to improve the healthiness of the food supply; and
- be based on robust data and strong scientific evidence¹⁵.

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

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

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

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

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

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

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

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

This is clearly outlined in the consultation paper associated with the five-year review of the HSR, stating the aims of the system are to:

1. Enable direct comparison between individual foods that, within the overall diet, may contribute to the risk factors of various diet related chronic diseases;
2. Be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups; and
3. Increase awareness of foods that, within the overall diet, may contribute positively or negatively to the risk factors of diet related chronic diseases¹⁷.

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

Australian Dietary Guidelines

The ADGs were created to provide guidance to Australians on dietary patterns that promote health and wellbeing and reduce the risk of chronic disease. The ADGs are fully supported by the ABCL and its Members.

The ADGs look at dietary patterns as opposed to recommending specific foods for consumption. Australians are also encouraged through additional advice provided by the Department of Health and others to increase their consumption of foods which are nutrient-dense and associated with a decreased risk in chronic disease, such as fruit, vegetables and legumes.

Foods that are encouraged (the so-called “eat more” foods) as part of the ADGs and other guidance consists of five food groups [FFG].

The FFG referred to as core foods and drinks in this document are:

- ✓ Vegetables;
- ✓ Fruit;
- ✓ Grain foods;
- ✓ Lean meat and poultry, fish, eggs, tofu, nuts and seeds, and legumes/beans; and
- ✓ Milk, yoghurt, cheese and/or their alternatives.

The so-called “eat less” group consists of food groups which contain saturated fat, added salt, added sugars and alcohol¹⁸. These are often referred to as discretionary foods and drinks which may be consumed occasionally as part of a balanced diet.

The ADGs also specifically stipulate the need to drink plenty of water to stay hydrated and maintain the balance of important bodily fluids, and it is important that any review of the HSR considers how to encourage more Australians to consume more water – in still, carbonate, flavoured and plain water forms. The functions of these bodily fluids include digestion, absorption, circulation, creation of saliva, transportation of nutrients, and the maintenance of

¹⁸ National Health and Medical Research Council (2013) Australian Dietary Guidelines Summary. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/content/The%20Guidelines/n55a_australian_dietary_guidelines_summary_131014_1.pdf

body temperature. For some Australians, the consumption of water may substitute the consumption of other non-alcoholic beverages and assist with managing a balanced diet.

The consumption of adequate water also:

- ✓ Helps to maintain healthy bowel movements and avoid constipation;
- ✓ Ensures healthy kidney function and decreases the likelihood of kidney stones;
- ✓ Assists muscles to function correctly by maintaining a balance of fluids and electrolytes¹⁹.

The ABCL is supportive of the HSR's objective to improve the diets of Australians in line with the ADGs, and water is an integral part of maintaining a healthy diet.

¹⁹ National Health and Medical Research Council, Nutrient Reference Values for Australia and New Zealand, Water, available from: <https://www.nrv.gov.au/nutrients/water>

Definitions and Defined Categories

The ABCL has used the following definitions and defined categories, outlined in the FSC, and suggests the use of these terms within the HSR system in order to create consistency, reduce the risk of potential ambiguity and to ensure greater stakeholder understanding.

Table 1. FSC Aligned Definitions.

Category/Reference	FSC Standard	Definition
Water	2.6.2 Schedule 15 – 14.1.1.1	Packaged water is permitted to contain: <ul style="list-style-type: none"> • Carbon dioxide, and • Fluoride (naturally occurring). Standard 2.6.2 stipulates the compositional permissions in association with Packaged water, whilst Schedule 15 regulates the additive permissions.
Flavoured water	Schedule 15 – 14.1.1.2	Water that may contain additives under section 14.1.1.2
Added Sugars	1.1.2 and Schedule 4 - 2	a. monosaccharides and disaccharides; and b. otherwise—means any of the following products, derived from any source: <ol style="list-style-type: none"> i. hexose monosaccharides and disaccharides, including dextrose, fructose, sucrose and lactose; or ii. starch hydrolysate; or iii. glucose syrups, maltodextrin and similar products; or iv. products derived at a sugar refinery, including brown sugar and molasses; or v. icing sugar; or vi. invert sugar; or

		<p>vii. fruit sugar syrup; derived from any source,</p> <p>but does not include –</p> <p>i. malt or malt extracts; or</p> <p>ii. sorbitol, mannitol, glycerol, xylitol, polydextrose, isomalt, maltitol, maltitol syrup or lactitol.</p>
Combination of water and fruit/vegetable juice only	2.6.1 & 2.6.2	Water in any combination with fruit and vegetable juices as defined in Standard 2.6.1 and 2.6.2
Juice	2.6.1	<p>a. means the liquid portion, with or without pulp, obtained from:</p> <p>i. a fruit or a vegetable; or</p> <p>ii. in the case of citrus fruit, other than lime—the endocarp only of the fruit; and</p> <p>b. includes a product that results from concentrating juice and then reconstituting it with water.</p> <p>Fruit juice means juice made from a fruit. Vegetable juice means juice made from a vegetable.</p>
100% fruit and vegetable juices (as stated in the consultation paper)	2.6.1	Propose change to “ <i>juice as defined in Standard 2.6.1 of the FSC</i> ” – as stated above.

The Australian Beverages Councils Position and Issues for Consideration

1. Fresh or minimally processed fruit and vegetables

Outline of Issue

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

It is important to note that, under the current provisions of the HSR, fruits and vegetables may attain varying star ratings. Fruits and vegetables star ratings may vary by type and level or type of processing, such as whether the product has been peeled, shaved, sliced or diced. There are circumstances under which fruit and/or vegetable juice may attain a higher HSR than when compared to the whole parent fruits or vegetables from which it is derived.

While it is incongruous for juice to attain a higher HSR than the originating fruit and/or vegetable, it is important to note that fruit juice can, and should, count as an occasional substitute for a piece of fruit according to the ADGs, particularly when too many Australians fail to consume sufficient amounts of fruits and vegetables.

Further, in 2014/15, almost half (49.8 per cent) or 8.8 million Australians aged 18 years and over reported that they consumed two or more serves of fruit per day (the recommended daily intake), while 7.0 per cent or 1.2 million met the guideline for daily vegetable intake²⁰. This means that approximately five per cent of Australians consume an adequate usual daily intake of fruit and vegetables²¹. Since 2001, the proportion of Australians 18 years and over, not meeting the recommended daily intake [RDI] for fruit and vegetables has increased significantly²². It is the ABCL’s position that juice should continue to be regarded as an

²⁰ National Heart Foundation of Australia, Fruit and vegetable consumption statistics, available from: <https://www.heartfoundation.org.au/about-us/what-we-do/heart-disease-in-australia/fruit-and-vegetable-consumption-statistics>

²¹ National Heart Foundation of Australia, Fruit and vegetable consumption statistics, available from: <https://www.heartfoundation.org.au/about-us/what-we-do/heart-disease-in-australia/fruit-and-vegetable-consumption-statistics>

²² National Heart Foundation of Australia, Fruit and vegetable consumption statistics, available from: <https://www.heartfoundation.org.au/about-us/what-we-do/heart-disease-in-australia/fruit-and-vegetable-consumption-statistics>

occasional alternative to a piece of fruit, and that the HSR should continue to encourage its consumption by permitting the product to attain the highest star rating of five.

Australian Beverages Council's Preferred Option

Option B – All fresh and minimally processed fruits and vegetables automatically receive a HSR of 5

With greater clarification that juice would score an automatic HSR of 4.5.

Impact of Option

It is important to encourage consumers to eat a variety of “*different types and colours*” of fruits and vegetables, according to the ADGs²³. The ABCL supports the HSR encouraging consumption of all fruits, vegetables and juice made from these fruit or vegetables or a blend of both, by permitting the highest score of five stars. By permitting a HSR score of up to 5, the system is clearly demonstrating to consumers the importance of eating a “*wide variety of nutritious foods*” in accordance with the ADGs²⁴.

The ABCL also supports the highest HSR score being attainable by minimally processed fruit and vegetables, as the ADGs also state that “*fresh, frozen, and canned*” vegetables and fruit without added salt or sugar are suitable.

The consultation paper defines ‘minimally processed’ as:

“frozen, cut, washed, canned, peeled and/or blanched to increase their functionality without significantly altering their nutrient content to other properties (through for example juicing, dehydration, addition of other ingredients) and/or preparations and interventions. This definition may also

²³ National Health and Medical Research Council (2013) Australian Dietary Guidelines Summary. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55a_australian_dietary_guidelines_summary_book.pdf

²⁴ National Health and Medical Research Council (2013) Australian Dietary Guidelines Summary. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55a_australian_dietary_guidelines_summary_book.pdf

allow for the addition of additives that do not influence the nutritional profile of fruit or vegetable.”

It is the position of the ABCL that it is imperative that a clearer definition and statement or guidance is provided, that has been created in close consultation with industry.

The ABCL acknowledges the consultation papers state that this has “*implications for the treatment of fruit juices*” and so, it is likely levels of processing will apply to the treatment of juice in the HSR.

It is important to emphasise the ABCL’s position on inter-category comparisons in the HSR. Commensurate with the original objectives of the HSR, consumers are encouraged to use the HSR to compare similar products within the same food category. While juice is permitted under the ADGs to comprise as a substitute for a piece of fruit on occasion, this permissible direct substitution should not be applied in the HSR. As with all non-alcoholic beverages, fruit and vegetable juices should be compared to other non-alcoholic beverages using the HSR on the basis of their positive nutritional profiles which are dense in important nutrients.

The ABCL supports consumers consuming more fruits and vegetables. As the Australian Health Survey [AHS] has shown Australians are not consuming sufficient amounts of fruits and vegetables²⁵. In 2014-15, 49.8 per cent of Australians aged 18 years and over met the guidelines for recommended daily serves of fruit (two or more serves), while only 7.0 per cent met the guidelines for serves of vegetables (five to six or more serves for men depending on age, and five or more for women). Only one in twenty (5.1 per cent) adults met both guidelines. These rates were similar to 2011-12 (48.5 per cent, 6.1 per cent and 4.2 per cent, respectively)²⁶.

In the NHMRC guidelines, the minimum recommended number of serves of fruit per day is one for children aged 2–3, 1½ for children aged 4–8, and two for people aged 9 and over. The minimum recommended number of serves of vegetables per day is 2½ for children aged 2–3;

²⁵ Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28>

²⁶ Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28>

4½ for children aged 4–8; 5 for children aged 9–11, females aged 12 and over and males aged 70 and over; 5½ for males aged 12–18 and 51–70 years; and 6 for males aged 19–50²⁷.

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

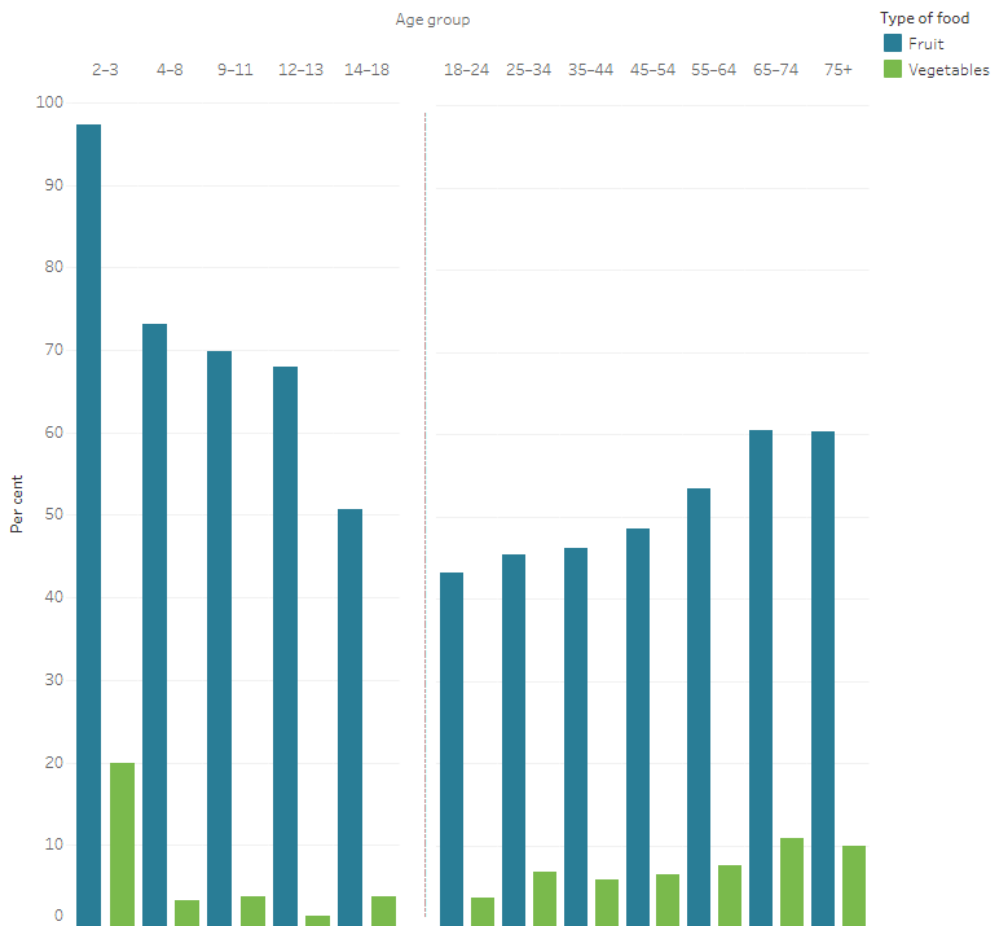


Figure 1. People aged 2 and over who ate the recommended daily intake of fruit and vegetables, by age, 2014-15

Source: *Australia’s health 2018*

It is the position of the ABCL that, by permitting juice to obtain a HSR score of 4.5, consumers will be encouraged to consume juice which will help contribute to their recommended daily serves of fruit, commensurate with the ADGs.

²⁷ Australian Institute of Health and Welfare, *Australia’s health 2018*, available from: <https://www.aihw.gov.au/reports/australias-health/australias-health-2018/contents/indicators-of-australias-health/fruit-and-vegetable-intake>

Summary

The ABCL supports Option B, allowing fresh and minimally processed fruits and vegetables to automatically receive an HSR of 5. This is consistent with the ADGs, acknowledging the value of the food category to the diet and wellbeing.

The ABCL notes that, although the ADGs allow for an occasional 125mL of fruit juice to count towards a piece of fruit, it is important to emphasise that fruit juice should not be classified in the same category as whole fruit and it should not substitute its consumption. The ABCL supports the consumption of fruit juice in addition to whole fruit. By permitting juice to gain a **HSR score of 4.5**, the system would easily encourage more consumption of all fruits and vegetables in a variety of forms and increase the likelihood of a greater percentage of Australians reaching their RDI. Juice will be discussed in more detail in the following section.

2. Non-dairy beverages

Outline of Issue

The integrated approach – Hierarchy of HSR System Presentation

The non-dairy beverage category uses mostly Option 4 (stars only) and Option 5 (energy icon only) of the hierarchy of presentation according to the Style Guide within the category. There is concern that this does not allow consumers to compare products sufficiently to make the best beverage choice in support of the ADGs.

Despite the energy icon being used on products for many years, there is some concern that it *“is not well understood by consumers”*²⁸.

It is important to highlight the development of the integrated approach, and that the structure developed with particular relevance to non-alcoholic beverages and confectionery.

Some fruit and vegetable juices receive HSRs that exceed their whole fruit equivalent

Despite fruit and vegetable juices being classified in a different category to the whole parent fruits or vegetables, concern has been raised over some isolated examples in which whole fruit scores lower than the juice of the fruit. This anomaly should be addressed in this consultation.

Ability to differentiate between low and no sugar vs regular sugar varieties

Many non-dairy beverages have been scored on sugar content alone as they do not contain other positive or negative nutrients used in the algorithm. It has been acknowledged that this has made it difficult to profile and encourage reformulation as there is not sufficient differentiation in the calculator’s levers to change the HSR score. Currently the algorithm does not allow for a spread of HSR scores making it difficult for consumers to make healthier choices.

Low score for flavoured water and water/ juice products

The ADGs recognise the important contribution of water and juice to the diet and encourage the consumption of these products for their positive benefits to health. It is the position of the

²⁸ Mpconsulting, Five Year Review of the Health Star Rating System – Consultation Paper: Options for System Enhancement October 2018, available from: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/news-20181510/\\$File/HSR%20System%20Consultation%20Paper%20-%20October%202018.pdf](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/news-20181510/$File/HSR%20System%20Consultation%20Paper%20-%20October%202018.pdf)

ABCL that consumers should not be discouraged from consuming water based products like flavoured water that have a close nutritional profile to water.

Australian Beverages Council's Preferred Option

Option E with amendments

Option E (as stated in the consultation paper): Plain packaged water is the only non-dairy beverage to score an HSR of 5, combinations of juice and water with no other additives score an HSR of 4.5 and all other non-dairy beverages calculate their HSR using the HSR Calculator.

ABCL Option:

Water: automatically score HSR 5

Flavoured water: automatically score HSR 4.5

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

Juice with no added sugar: automatically score HSR 4.5

All other non-dairy beverages use HSR calculator, but with a clear preference for low and now kilojoule beverages to support the ADGs.

Specific amendments:

1. Product definitions aligning with those stated in the FSC (please see definitions Table 1);
2. Non-dairy beverages may display the current hierarchy of HSR system presentation outlined in the Style Guide;
3. The policy decision for water in combination with fruit and vegetable juices to remove the references to additives. HSR should **not** be referencing additives as the FSC regulates the permission for additives and no other category is penalised for containing additives in their overall HSR.

Impact of Option

The non-alcoholic beverage industry includes beverages (water and juice) that are classified in the “*eat more of*”²⁹ category in the ADGs. There are also beverages in the foods that “*should be used only sometimes*”³⁰ as they are higher in added sugars and/or do not contain other positive nutrients. These are specifically outlined in the guidance to the ADGs and include beverages such as “*sweetened soft drinks and cordials*”³¹.

It is important that, through the HSR, consumers are able to differentiate between beverages that should be consumed more often for their positive nutritional profile and those that should be consumed on occasion for enjoyment and refreshment.

The integrated approach – Hierarchy of HSR System Presentation

The ABCL has advocated for Option 5 (energy icon) in the hierarchy of the HSR system presentation since the inception of the scheme. Prior to the introduction of the HSR, many non-alcoholic beverage manufacturers were already using the energy icon (via the DIG ‘thumbnail’) to demonstrate the contribution to the diet, see below pre-2009 energy icon as it appeared:



Source: Australian Beverages Council

Non-alcoholic beverages, are captured under the ‘integrated approach’. In practice, these categories display the energy icon (Option 5), which accurately displays the main nutrient (sugar) in products that do not contain significant other nutrients. It is important to note that all

²⁹ National Health and Medical Research Council, About the Australian Dietary Guidelines, available from: <https://www.eatforhealth.gov.au/guidelines/about-australian-dietary-guidelines>

³⁰ National Health and Medical Research Council (2013) Australian Dietary Guidelines Educator Guide Canberra: National Health and Medical Research Council.

³¹ National Health and Medical Research Council (2013) Australian Dietary Guidelines Educator Guide Canberra: National Health and Medical Research Council.

non-alcoholic, non-dairy beverages, excluding water, must at a minimum, display the energy icon. The last review of ABCL Members found 52 per cent of use Option 5 on their products.

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



Source: Australian Beverages Council

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

Currently the algorithm does not sufficient differentiate between some non-alcoholic beverage categories and therefore the HSR star icon is not the most appropriate way to present information to consumers to help them determine the healthier option. In these circumstances the ABCL supports Member's ability to use Option 5 to appropriately present energy content. With the current lack of an alternative option this easily presents the difference between products for consumers.

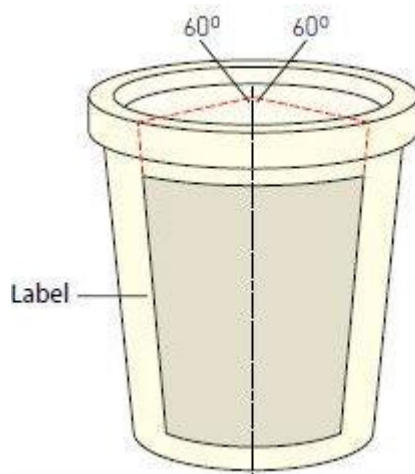
Members of the ABCL have indicated a preference for an Option that allows for non-alcoholic beverages to use any of the Options for displaying the HSR, as they currently exist, without limitation. It is important that the HSR continues to be as inclusive as possible with as many food categories using one of the five HSR Options as possible. The ABCL notes that the HSR Style Guide states:

“It is the responsibility of food companies to determine which presentation format is most suitable for their products, based on available pack size and label space.”³²

The ABCL supports food manufacturers determining the best Option to display the HSR. The ABCL notes that the non-alcoholic beverage industry currently has significant uptake of the HSR (approximately 70 per cent, according to a recent Member survey). One of the main reasons for this is the ability of food manufacturers to choose which is the best option for their products and it is important to note that the success of the HSR has been bolstered by the industry’s widespread support of the system.

The HSR system enables manufacturers to choose an Option most suited to their products, and the individual packaging, taking into account label size and available space. It should be noted that the packaging for beverage products is often unique and has limited ‘real estate’.

Option 5 supports the ADGs by offering a clear indication of the contribution to total sugars, the only nutrient of relevance in these products. It is only Option 5 that easily and conveniently fits on small label sizes, as per the 60-degree arc which labelling guidance determined by the National Measurement Institute (see below*)³³.



Source: National Measurement Institute, Department of Industry, Innovation & Science

*A 60-degree arc requirement has been determined as the front of pack for measurement, as above.

³² Health Star Rating System Style Guide, December 2017 Version 5, available from: [http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/651EEFA223A6A659CA257DA500196046/\\$File/HSR%20Style%20Guide-v5.pdf](http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/651EEFA223A6A659CA257DA500196046/$File/HSR%20Style%20Guide-v5.pdf)

³³ Department of Industry, Innovation and Science, National Measurement Institute, Guide to the Sale of Pre-packed Goods, available from: <https://www.measurement.gov.au/Industry/Business/Pages/Pre-packedGoods.aspx>

The cost of label changes

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

It is important to highlight the substantial costs incurred in making such label changes, including³⁴:

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

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.

The ABCL notes that Canada has allowed for a five-year transition period from 14 December 2016, for its recently mandated labelling changes related to ingredients lists, although an extension to 2022 is being considered³⁵. The ABCL encourages similar consideration to be given to Member companies in Australia to allow any HSR changes to be implemented gradually across all categories.

³⁴Pricewaterhouse Coopers. (2008). Cost schedule for food labelling changes. available from [http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20\(2\).pdf](http://www.foodstandards.gov.au/publications/documents/Final%20report-%20FSANZ%20-%207%20March%202008%20(2).pdf)

³⁵ Government of Canada. Regulations and compliance - nutrition labelling, available from <https://www.canada.ca/en/health-canada/services/food-nutrition/food-labelling/nutrition-labelling/regulations-compliance.html>

In Appendix A, 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 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 HSR should evaluate these when determining the timeframes proposed for reformulation.

Consumer Awareness of the HSR

The ABCL and its Members support greater consumer awareness of the HSR and the non-alcoholic beverage industry would welcome the opportunity to partner with Government and other stakeholders to create a comprehensive consumer campaign, particularly to support the use of the energy icon within the non-alcoholic beverage category.

The ABCL not only supports greater consumer awareness but recognises that some 'at risk' groups require targeted awareness campaigns.

The ABCL recommends national, state and local education programs on the HSR be considered and developed with regard given to:

- Remoteness and the distance from metropolitan areas³⁶;
- 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);

³⁶ Torrens University Australia. (2018). Social health atlas, accessed 19 October 2018: <http://phidu.torrens.edu.au/social-health-atlases>

- Income support recipients;
- Barriers to accessing transport, healthcare or similar services; and
- Highest education levels.

In order to better satisfy the HSR's objective to be 'readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups', there are compelling reasons for revisiting peripheral activities associated with the sustained and increased success of the HSR system.

Some fruit and vegetable juices receive HSRs that exceed their whole fruit equivalent

The ADGs explicitly accommodate an occasional substitution of a serving of fruit juice as a 'serve of fruit', and the ABCL supports this inclusion in the ADGs on the basis of strong nutritional science. It is vitally important that this guidance continues as many Australians do not consume the recommended daily amount of fruit and vegetables, as previously referenced. The ABCL has previously detailed the importance of fruit juice and the contribution fruit juice can make to a nutrient-rich and balanced diet.

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

Fruit and vegetable juices provide a wide variety of important nutrients, which support juice as a "core" food under the ADGs. The ADGs also clearly differentiate juice from other beverages that may be "*relatively low in nutrients*". The level of sugar in juice is considered in the calculator in the total sugar value, and the intrinsic sugar present in these products should be considered in the context of the broad array of important nutrients provided by consuming juice.

It is important that there is alignment with the ADGs to communicate the nutrients that juices can contribute to the diet. This is not only consistent with the ADGs, but also school canteen guidelines, such as the revised NSW Healthy School Canteen Strategy³⁷.

A 2017 review of the canteen criteria in schools and government adult health settings conducted by NSW, classified fruit juice as an ‘everyday’ product based on the nutrients provided by a 200mL portion size in schools, and 400mL in adult health settings³⁸. The NSW Healthy School Canteen Strategy, stated that this was due to these products containing nutrients that are “important for the healthy growth and development of children and adolescents”.³⁹

The importance of maintaining a high HSR score reflecting juice as part of the FFG was evidenced from the data of the last Australian Health Survey [AHS], incorporating the National Nutrition Survey. In a CSIRO secondary analysis of the AHS, results found that 81 per cent of children and 93 per cent of adults did not meet their daily fruit serves recommendations, from fruit alone (excluding fruit juice and dried fruit).⁴⁰

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

³⁷ NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: <https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy>

³⁸ NSW Ministry of Health, NSW Department of Education, Office of Sport and the Heart Foundation, Campaigns & Programs, available from: <https://www.healthykids.nsw.gov.au/campaigns-programs/nsw-healthy-school-canteen-strategy.aspx>

³⁹ NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: <https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy>

⁴⁰ Australian Bureau of Statistics, 4364.0.55.001 – National Health Survey: First Results, 2014-15, Daily intake of fruit and vegetables, available from: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2014-15~Main%20Features~Daily%20intake%20of%20fruit%20and%20vegetables~28>

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

- ↑ nearly tripled among children aged 9-13 years (rising from 12 to 33 per cent);
- ↑ quadrupled among young adults aged 19-30 years (rising from 4 to 18 per cent); and
- ↑ increased by almost five times among those who consumed the greatest amount (14-18 years, from 5 to 24 per cent).⁴¹

The secondary analysis of the AHS also found that consumers of fruit juice had better diet quality scores over non-consumers; consuming less kilojoules from discretionary foods and beverages per day; and there was no association between the consumption of fruit juice and weight status⁴².

The ABCL acknowledged that water should be presented as the best beverage choice for consumers. It is also important to highlight to consumers the nutrients present to juice and the positive contribution it can bring to the diet over other beverage choices. Based on this the ABCL recommend that juice as defined in the FSC be awarded an automatic 4.5 HSR score to recognise its position in the preferred beverage choices.

Ability to differentiate between low and no sugar vs regular sugar varieties

The ABCL notes the non-alcoholic beverage industry is in a unique position in that, for most beverages, there is mainly one nutrient that influences the HSR and differentiates between products – sugar. As such, the HSR, using Options other than Option 5 as part of the hierarchy of display options available in the Style Guide, is not always the most appropriate method to display differences between products and help consumers make healthier choices, particularly when consumers are already aware of the ‘treat’ nature of consuming sugar-sweetened beverages. Currently the algorithm does not allow for a spread of HSR scores across the non-alcoholic beverage categories that would help them make healthier choices. The ABCL believes that the energy icon in many cases is the best option.

⁴¹ Australian Beverages Council, The role of fruit juice in the Australian diet, A secondary analysis of the Australian Health Survey: National Nutrition and Physical Activity Survey (2011-12), available from: <http://fruitjuiceaustralia.org/wp-content/uploads/2015/08/FJA-Report-FA1.pdf>

⁴² Fruit Juice Australia. The Role of Fruit Juice in the Australian Diet. A secondary analysis of the Australian health survey. Page 3, 9. [Available from: <http://fruitjuiceaustralia.org/wp-content/uploads/2015/08/FJA-Report-FA1.pdf>]

The ABCL would support further discussion with the non-alcoholic beverage industry to determine alternative methods for presenting the HSR on non-dairy beverages. Although this review consultation has addressed some of the concerns further consultation could lead to an improved system which could support the ADGs, particularly in encouraging consumption of more low and no kilojoule beverages.

It is important to note that there has been a large change in the proportion of beverages sold that are sugar-sweetened. Shrapnel and Levy (2014) found a reduction in the proportion of sugar-sweetened versus non-sugar sweetened beverages purchased, with the non-sugar varieties such as no-sugar soft drinks and still water increasing to nearly one in two drinks consumed in 2011 (42 per cent volume share in 2011 vs. 30 per cent in 1997), as per below⁴³.

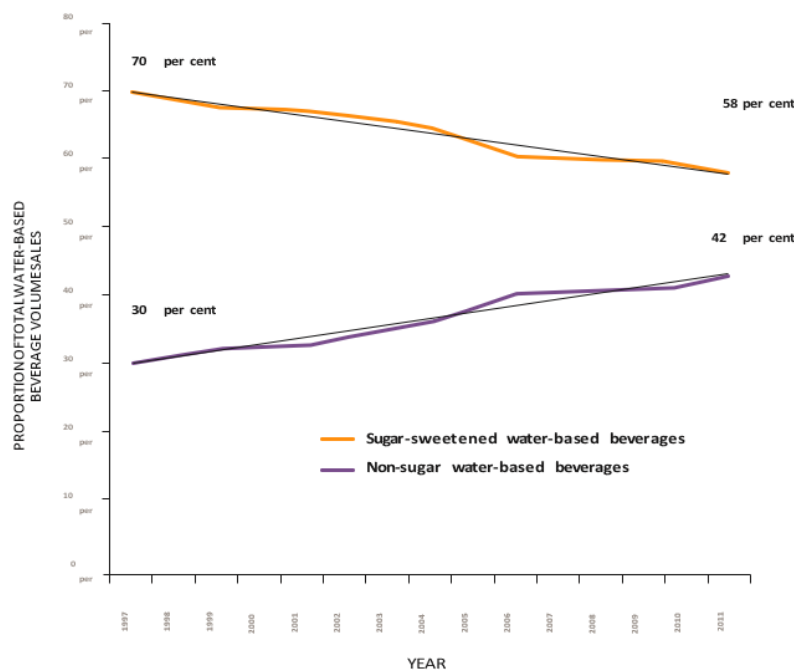


Figure 2. Volume share of sugar-sweetened and non-sugar water-based beverages, 1997-2011.

Source: Levy G, Shrapnel W. *Nutrition & Dietetics*. 2014; 4(71):193-200

The ABS also recently reported from nationally representative nutrition survey data that the total dietary intake of free sugars has declined considerably from 1995 to 2011-12, by about

⁴³ Australian Bureau of Statistics. Australian Health Survey: Consumption of added sugars, 2011-12 - 4364.0.55.011. Canberra 2016.

12 per cent in Australians two years and over and almost one-quarter (23 per cent) in children and teens⁴⁴:

- ↓ The free sugars intake has **declined** from 68.8 grams to 64.9 grams per 10 000 kJ in adults and has **declined** from 105.3 grams to 81.2 grams per 10 000 kJ in children and teens, from 1995 to 2011-12 (below).
- ↓ The proportion of energy from free sugars has **declined** from 12.5 per cent in 1995 to 10.9 per cent in 2011-12.
- ↓ The total intake has **declined** from 74.1 grams in 1995 to 59.6 grams in 2011-12.
- ↓ More than half (54 per cent) of Australians now have free sugars intake **below** the World Health Organisation guideline on any given day, compared to less than half (46 per cent) in 1995.

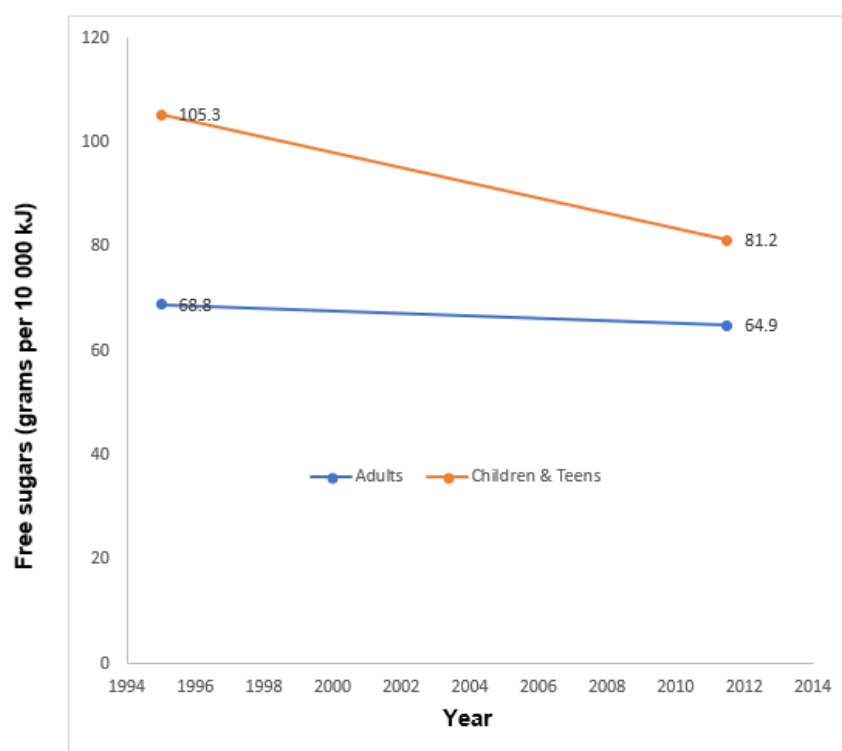


Figure 3. Intake of free sugars (grams per 10 000 kJ) for the total diet in Australian adults (19 years plus) and children (2-18 years), 1995 vs. 2011-12.

Source: ABS. *Australian Health Survey: Consumption of Added Sugars, 2011-12*

⁴⁴ Australian Bureau of Statistics. *Australian Health Survey: Consumption of added sugars, 2011-12* - 4364.0.55.011. Canberra 2016.

Almost all of this decline in free sugars intake can be accounted for by the reduction in the sugar consumed from non-alcoholic beverages⁴⁵:

- ↓ In all Australians, **90 per cent of the total decline** in free sugars came from a reduction in free sugars consumed in non-alcoholic beverages.
- ↓ In children and teens, the reduction in free sugars from non-alcoholic beverages accounted for **94 per cent of the total reduction** in free sugars (below).

These findings are in line with evidence from several different research groups, who have consistently reported a sharp decline in both the sales and intake of SSB and/or added or free sugars.^{46 47 48 49 50}

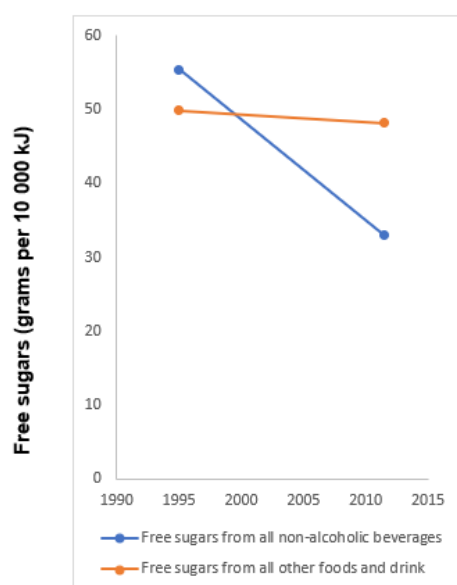


Figure 4. Change in the intake of free sugars (grams per 10 000 kJ) from non-alcoholic beverages and all other foods and drinks in all Australian children and teens, 2 – 18 years, 1995 vs. 2011-12

Source: ABS. Australian Health Survey: Consumption of Added Sugars, 2011-12

⁴⁵ Australian Bureau of Statistics. Australian Health Survey: Consumption of added sugars, 2011-12 - 4364.0.55.011. Canberra2016.

⁴⁶ Lei L, Rangan A, Flood VM, Louie JC. Dietary intake and food sources of added sugar in the Australian population. Br J Nutr. 2016;115(5):868-77.

⁴⁷ Brand-Miller JC, Barclay AW. Declining consumption of added sugars and sugar-sweetened beverages in Australia: a challenge for obesity prevention. Am J Clin Nutr. 2017;105(4):854-63.

⁴⁸ Australian Bureau of Statistics. Australian Health Survey: Consumption of added sugars, 2011-12 - 4364.0.55.011. Canberra2016.

⁴⁹ Levy G, Shrapnel W. Quenching Australia's thirst: A trend analysis of water-based beverages sales from 1997. Nutrition & Dietetics. 2014;4(71):193-200.

⁵⁰ 67. Ridoutt B, Baird D, Bastiaans K, Hendrie G, Riley M, Sanguansri P, et al. Changes in Food Intake in Australia: Comparing the 1995 and 2011 National Nutrition Survey Results Disaggregated into Basic Foods. Foods. 2016;5(2).

In these circumstances the easily recognisable way for consumers to decide between these products and enable to them to make informed decisions is to present the energy of the product. The non-alcoholic beverage industry supports the choice to determine which of the hierarchy of display option outlined in the Style Guide is most appropriate following consumers to make a healthier choice. The ABCL believes the current algorithm does not always sufficiently differentiate between many non-alcoholic sufficiently and therefore greater consideration of how to encourage consumers to choose low and no kilojoule beverages should be considered.

The non-alcoholic beverage industry would support and collaborate with Government to further educate consumers on how to use the energy icon to differentiate between products and also in relation to the rest of their diet.

Currently, the algorithm does not differentiate sufficiently between many other non-alcoholic beverages to allow consumers to make informed choices. The ABCL, therefore, supports the continuation of options (1 – 5) outlined in the Style Guide to allow for manufacturers to choose from the hierarchy of display and to encourage portfolio renovation through a flexible labelling system.

Low score for flavoured water and water /juice products

The ABCL is supportive of the policy-based decisions for HSR outlined in Option E, specifically:

- Water 5 stars;
- Flavoured water 4.5 stars;
- Juice and water in any combination 4.5 stars;
- Juice 4.5 stars;

The ABCL believes the above amendments will provide better alignment with the ADGs and ultimately, encourage more Australians to make healthier beverage choices.

It is accepted that products with a HSR score of 3.5 or more are considered healthy and are classified in the “eat more” category of the ADGs and supported in various canteen

guidelines^{51 52} and the National Healthy School Canteens guidelines, which recognise the ADGs⁵³.

Water is essential for good health and, therefore, it scores an automatic five stars as part of the HSR. Adult males require 3.4 litres of water per day, while females require 2.8 litres of water per day⁵⁴. In 2011-12, the average amount of plain water, either tap or bottled, usually consumed by Australians was 1,064 ml which is significantly less than the recommended amount⁵⁵. This level can change depending on the amount of water lost through perspiration caused by environmental conditions, physical activity and other factors, and it may be appropriate for some individuals to also consume electrolyte drinks based on their level of activity⁵⁶. It is vital that all Australians are encouraged through the HSR to consume more water, particularly as most do not consume sufficient amounts. In addition, this will also further support alternatives to sugar-sweetened beverages.

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 diminishing physical and mental performance⁵⁷.

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

⁵¹ NSW Department of Education, Healthy School Canteens, the revised healthy school canteen strategy, available from: <https://healthyschoolcanteens.nsw.gov.au/about-the-strategy/the-revised-strategy>

⁵² Victoria State Government, School policy, Canteen Operations, available from: <https://www.education.vic.gov.au/school/principals/spag/finance/Pages/canteen.aspx>

⁵³ Australian Government Department of Health, National Healthy School Canteens, Guidelines for healthy foods and drinks supplied in schools canteens, available from: [https://www.health.gov.au/internet/main/publishing.nsf/content/5ffb6a30ecee9321ca257bf0001dab17/\\$file/canteen%20guidelines.pdf](https://www.health.gov.au/internet/main/publishing.nsf/content/5ffb6a30ecee9321ca257bf0001dab17/$file/canteen%20guidelines.pdf)

⁵⁴ Victoria State Government, Better Health Channel, Water – a vital nutrient, available from: <https://www.betterhealth.vic.gov.au/health/healthyliving/water-a-vital-nutrient>

⁵⁵ Australian Bureau of Statistics, 4364.0.55.012 – Australian Health Survey: Consumption of Food Groups from the Australian Dietary Guidelines, 2011-12, Water, available from: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.012-2011-12-Main%20Features-Water-10001>

⁵⁶ Sports Dietitians Australia, Sports Drinks and performance, available from: <https://www.sportsdietitians.com.au/factsheets/fuelling-recovery/sports-drinks/>

⁵⁷ National Health and Medical Research, Nutrient Reference Values for Australia and New Zealand, Water, available from: <https://www.nrv.gov.au/nutrients/water>

The ABCL believes that it is important to encourage Australians to consume more water in all forms, including plain, carbonated and carbonated flavoured with no added sugar water products. 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.

Currently, flavoured and carbonated waters are only able to attain two stars in the HSR. It is the position of the ABCL that carbonated plain and carbonated flavoured waters with no added sugar should be encouraged to be consumed over other beverages and, therefore, these products should score significantly higher and the ABCL, therefore, supports an automatic HSR of 4.5 stars.

For clarity, the ABCL considers flavoured waters to be still or carbonated with no added sugar with flavourings as specifically defined in the FSC.

The ABCL would like to highlight that the ADGs recognise that fruit juice is dense in nutrients and provides important nutrients found in the parent fruit. There are allowances for the substitution of fruit juice for a whole piece of fruit in the diet. According to the ADGs, fruit juice “*is a good source of vitamins such as vitamin C and folate and also provides fibre and carbohydrates, particularly natural sugars*” and therefore the “*occasional use of fruit juice may assist with nutrient intake*”⁵⁸. Consumers understand that sugar is naturally found in fruit, vegetables and milk⁵⁹, but that the positive nutritional profiles of these products outweighs the intrinsic sugars present in them.

The ABCL also supports an amendment to the HSR to allow the combination of water and juice to receive a higher HSR and that it is also necessary to communicate this to consumers to make more and better-informed choices. Members of the ABCL also support an amendment that would permit any combination of water and juice to achieve an automatic 4.5 stars.

⁵⁸ National Health and Medical Research Council (2013) Australian Dietary Guidelines. Canberra: National Health and Medical Research Council. Available from: https://www.eatforhealth.gov.au/sites/default/files/content/n55_australian_dietary_guidelines.pdf

⁵⁹ FSANZ. 2017. Literature review on consumer knowledge, attitudes and behaviours relating to sugars and food labelling

In order for this Option to work successfully, definitions need to be clearly outlined in order for manufacturers to calculate and apply the correct HSR. It is the position of the ABCL that the best way to do this would be to align the definitions with the FSC, as technical and regulatory professionals within industry understand the FSC as it relates to products within their company's portfolio.

The ABCL and in particular, Members of Juice Australia, the ABCL's juice division, request that "100% fruit and vegetable juice" be changed to 'juice as defined in the FSC' to prevent confusion within the industry. The ABCL notes that certain ingredients are permitted in juice to allow for consistency in taste that may occur due to natural seasonal variety. This should be recognised within the HSR to prevent confusion this is clearly defined and well understood by industry.

Alignment Definitions with the FSC

Table 1. FSC Aligned Definitions

Category/Reference	FSC Standard	Definition
Water	2.6.2 Schedule 15 – 14.1.1.1	Packaged water is permitted to contain: <ul style="list-style-type: none"> • Carbon dioxide, and • Fluoride (naturally occurring). Standard 2.6.2 stipulates the compositional permissions in association with Packaged water, whilst Schedule 15 regulates the additive permissions.
Flavoured water	Schedule 15 – 14.1.1.2	Water that may contain additives under section 14.1.1.2
Added Sugars	1.1.2 and Schedule 4 - 2	a. monosaccharides and disaccharides; and b. otherwise—means any of the following products, derived from any source: <ol style="list-style-type: none"> i. hexose monosaccharides and disaccharides, including dextrose, fructose, sucrose and lactose; or ii. starch hydrolysate; or

		<ul style="list-style-type: none"> iii. glucose syrups, maltodextrin and similar products; or iv. products derived at a sugar refinery, including brown sugar and molasses; or v. icing sugar; or vi. invert sugar; or vii. fruit sugar syrup; derived from any source, but does not include – <ul style="list-style-type: none"> i. malt or malt extracts; or ii. sorbitol, mannitol, glycerol, xylitol, polydextrose, isomalt, maltitol, maltitol syrup or lactitol.
Combination of water and fruit/vegetable juice only	2.6.1 & 2.6.2	Water in any combination with fruit and vegetable juices as defined in Standard 2.6.1 and 2.6.2
Juice	2.6.1	<ul style="list-style-type: none"> a. means the liquid portion, with or without pulp, obtained from: <ul style="list-style-type: none"> i. a fruit or a vegetable; or ii. in the case of citrus fruit, other than lime—the endocarp only of the fruit; and b. includes a product that results from concentrating juice and then reconstituting it with water. <p>Fruit juice means juice made from a fruit. Vegetable juice means juice made from a vegetable.</p>
100% fruit and vegetable juices (as stated in the consultation paper)	2.6.1	Propose change to “ <i>juice as defined in Standard 2.6.1 of the FSC</i> ” – as stated above.

Summary

The ABCL supports Option E that would allow for an automatic HSR rating of:

- ✓ Water: 5 stars;
- ✓ Carbonated, flavoured water: 4.5 stars;
- ✓ Juice and water any combination: 4.5 stars; and
- ✓ Juice: 4.5 stars.

The non-alcoholic beverage industry should be given the same opportunity as other food categories to choose which is the most appropriate option of the HSR display hierarchy, including Option 5. At present, the industry the algorithm does not differentiate between some categories significantly enough to help consumers make the best beverage choice in support of the ADGs. Manufacturers are, therefore, required to determine which display option is most appropriate.

The ABCL requests that the HSR be amended to use and adhere to the definitions of beverages as outlined in the FSC, as specifically outlined within the definitions section of this submission. It is vitally important that the HSR does not reference additives as this is not in the scope of the system. This is governed by FSANZ through the FSC and no other category reference additives.

The ABCL feels that significant improvements would be made with the proposed option. However, further consultation with the non-alcoholic beverage industry could lead to even further improvements. The ABCL would encourage further engagement comments from Members greatly supports this.

3. Sugars

Outline of Issue

Sugar has the ability to perform several functions in food: improving palatability through sweetness, creating functional characteristics such as viscosity, texture, body and browning capacity, and possible preservation through the reduction of water activity⁶⁰. It is important to note that these functions will need to be considered and managed through other means if sugar is reduced or removed, or if labelling changes or other initiatives encourage sugar to be reduced or removed.

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

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

The European Food Safety Authority [EFSA] has been asked to determine a recommended intake for added sugar by 2020 and the ABCL requests this be considered in any relevant reviews or consultations under the Joint Food Regulation System.

There is no universally agreed definition for 'added sugars'.

One of the principles of the HSR system is to align with the ADGs. The ADGs does not talk about total sugar, instead it requires consumers to decrease their intake of added sugars. Currently there are a variety of definitions for added or free sugars.

⁶⁰ Cummings JH Stephen AM. (2007). Carbohydrate terminology and classification. European Journal of Clinical Nutrition. 61 (Suppl 1), S5–S18.

Table 2. Generally accepted definitions of total, added and free sugars⁶¹

	Definition
Total sugars	All mono- and disaccharides present in food, derived from any source. In practice, this primarily consists of sucrose (table sugar), fructose, glucose (dextrose), and lactose (milk sugar). “Sugar” usually refers specifically to sucrose (table sugar) but sometimes refers to all sugars.
Added sugars	Sugars added to foods during processing or preparation (e.g. brown sugar, corn sweetener, corn syrup, dextrose, fructose, glucose, sucrose, high-fructose corn syrup, honey, invert sugar, lactose, maltose, malt syrup, molasses, raw sugar, and naturally occurring sugars that are isolated from a whole food and concentrated so that sugar is the primary component, e.g. fruit juice concentrates). “Added sugars” excludes naturally occurring sugars present in intact fruit, vegetables, or dairy products or in juiced or pureed fruit and vegetables.
Free sugars	All mono- and disaccharides except those that are naturally occurring and present in whole (intact, cooked, or dried) fruit and vegetables or dairy products. “Free sugars” includes all sugars added by the manufacturer, cook, or the consumer as well as sugars that are naturally present in juiced or pureed fruit and vegetables.

Metabolising of intrinsic vs added sugar

There is concern that, although the ADGs state added sugars, there is no difference between the structure and how the body metabolises the same sugars that are intrinsically found in a food or added to it during processing. There is scant evidence to support any metabolic difference between intrinsic and added sugars.

Measuring added sugar

Currently, it is difficult to determine the amount of added sugar not only due to the definition, but also there are currently no analytical methods for determining added sugar content of foods.

⁶¹ Mela DJ Woolner EM. (2018). Perspective: total, added or free? What kind of sugars should we be talking. *Adv Nutr*; 9(20): 63-9

Perceived inappropriately high HSRs of some products with relatively high levels of added sugars

There is increased scrutiny of sugar over other nutrients in the diet. This has led to concern that some products that have relatively high sugar levels are able to gain a higher HSR than what is perceived to be acceptable.

Australian Beverages Council's Preferred Option

Option C - Increase the baseline points awarded for total sugars to reduce the HSRs for products relatively high in total sugars.

Impact of Option

The ABCL notes that Option C in the consultation paper states that the following beverages are impacted:

- Flavoured milks, fruit drinks and soft drinks.

Within the paper provided by TAG, the following changes are outlined through the 25pt rescaling the baseline points for total sugars:

Table 3. TAG Modelling of 25pt Table Rescaled.

AGHE category	AHS 5-digit classification name	Current	25pt table rescaled
Carbonated beverages	Soft drink, intense sweetened	2	1.5
Carbonated beverages	Soft drink, non-cola	1	0.5
Lifestyle	Energy drinks	1	0.5
Cordials	Cordial, made form concentrate (25% fruit juice recommended dilution)	2	1.5
Cordials	Cordial, made form concentrate (40% fruit juice recommended dilution)	1.5	1
Fruit - other juices	Fruit drinks (ready to drink or made from concentrate)	1	0.5
Fruit - whole juices	Fruit juices, commercially prepared	4	3.5
Fruit - whole juices	Fruit juices, commercially prepared	3.5	2.5

The ABCL notes that its Members have reported feedback that the rescaling detailed above would provide a better distribution of stars across multiple portfolios.

While the ABCL notes that the TAG provided input (see Table 3), it should also be noted that the ABCL supports a calculator for non-dairy beverages that provides an even greater spread of attainable stars, particularly in relation to low and no kilojoule beverages. Low and no kilojoule beverages should be encouraged in the HSR system as these do not, by definition, contain significant levels of additional energy. In support of the ADGs, the ABCL would advocate for these beverages to be more clearly demarcated as part of this review and recognised through the revised calculator.

Current research shows that ‘total sugar’ is the most important nutrient to include for most beverages, with consumers currently find it significantly more meaningful⁶².

It is clear from research that consumers do not understand the term “added sugars”⁶³. This is unsurprising given existing disparities within the industry on added sugars. It was found that, with the inclusion of added sugars in the nutrition information panel, consumers do not understand that these were included in the total value⁶⁴.

Further, from a consumer perspective, sugar in many popular beverages is a proxy for energy, and the algorithm already takes energy into account, which includes the contribution to energy from all sugars.

In the absence of any convincing evidence regarding the unique role of sugars in the aetiology of non-communicable diseases, the ABCL does not support that ‘sugars’ in the algorithm should receive any additional or modified treatment relating to the current risk rating, unless investigation or evidence was to demonstrate or raise fresh concerns and industry was appropriately consulted on these matters. It should be noted that the ABCL is open to engaging with stakeholders on other matters regarding sugar and sugar labelling outside of the scope of this review.

Total sugars would form part of the informational content of the HSR and hence use total sugar in the HSR algorithm for the following three reasons:

- agreement between the ADGs recommendation about sugar consumption and the legal requirements of the NIP could only be achieved by use of total sugars;
- claims regarding added sugar cannot be verified, either by industry or jurisdictions, and meaning fraudulent claims cannot be challenged;

⁶² Department of Health and Ageing. Proposed Front-of-Pack Food Labelling Designs: qualitative research outcomes. March 2013. [Available from: [http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/E6C6919B62C492BCCA257F720076F4C8/\\$File/FOPL%20Qualitative%20Report%20FINAL%20Accessible%20version%20\(D13-2197171\).pdf](http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/E6C6919B62C492BCCA257F720076F4C8/$File/FOPL%20Qualitative%20Report%20FINAL%20Accessible%20version%20(D13-2197171).pdf)]

⁶³ FSANZ. (2017). Literature review on consumer knowledge, attitudes and behaviours relating to sugars and food labelling. Canberra

⁶⁴ FSANZ. (2017). Literature review on consumer knowledge, attitudes and behaviours relating to sugars and food labelling. Canberra

- the seasonality of the natural sugars content of some ingredients requires variable compensation using added sugar in some foods, such that the added quantity cannot be consistently stated.

There is no universally agreed definition for 'added sugars'.

The ABCL does not support the inclusion of added sugar and it is important to raise concern over the different definitions of added sugar used by manufacturers and public health advocates alike. The ABCL supports the definition of 'added sugar' as outlined in the FSC. This is vital in ensuring that consumers are not confused.

It should also be noted that the ABCL supports the aligned the definition of sugars with the FSC. This definition is currently well understood by industry and this is important. Changing the definition would create greater confusion within the industry.

ABCL supports the definition of added sugar which is based upon the definition of "sugars" in Standard 1.1.2 of the FSC:

- a. *monosaccharides and disaccharides; and*
- b. *otherwise—means any of the following products, derived from any source:*
 - i. *hexose monosaccharides and disaccharides, including dextrose, fructose, sucrose and lactose; or*
 - ii. *starch hydrolysate; or*
 - iii. *glucose syrups, maltodextrin and similar products; or*
 - iv. *products derived at a sugar refinery, including brown sugar and molasses; or*
 - v. *icing sugar; or*
 - vi. *invert sugar; or*
 - vii. *fruit sugar syrup; derived from any source,*

but does not include –

- i. *malt or malt extracts; or*
- ii. *sorbitol, mannitol, glycerol, xylitol, polydextrose, isomalt, maltitol, maltitol syrup or lactitol.*

This definition does not align with the WHO definition of free sugars:

“All monosaccharide and disaccharides added to foods by the manufacturer, cook or consumer plus sugars naturally present in honey, syrups and fruit juices.”

The WHO define the term sugar as:

“Includes intrinsic sugars, which are those incorporated within the structure of intact fruit and vegetables; sugars from milk (lactose and galactose); and free sugars.”

Further consultation would be required on how ‘added sugars’ would be treated, and what impact this change would have on overall scores. Certainly, from an enforcement/traceability perspective, any regulatory agency or consumer group wanting to check the ratio of added sugars to total sugars in a final product against any declaration, would find this task impossible to undertake with any degree of accuracy.

Metabolising of intrinsic vs added sugar

Physiologically, the human body does not process intrinsic or added sugars differently. Therefore, considering added sugars distinctly to total sugars is illogical. The scientific basis for establishing a daily intake for added sugars is weak⁶⁵. This appears to be based on a premise that specific ‘risk-associated’ nutrients have ‘safe’ or ‘unsafe’ level in foods and, therefore, can be addressed by a regulatory approach. This is not the case, as acknowledged in the Blewett Report (para 4.63):

“...there is little evidence that label messages are effective in isolation and it is unfair to burden industry along with tasks relating to problems that are society wide...”⁶⁶.

The Joint FAO/WHO Codex Alimentarius Commission (the Commission) during the 38th Session of the Codex Committee on Food Labelling supported the labelling of total sugars, and not added sugars.

⁶⁵ FSANZ. (2017). International sugar labelling approaches. Canberra

⁶⁶ Blewett N Goddard N Pettigrew S Rayolds C Yeatman H. (2011). Labelling logic- review of food labelling law and policy. Commonwealth of Australia.

The assessment by the Commission found the body cannot differentiate between added and total sugars, and that there is no agreed analytical method for determining added sugars and total sugars, an important consideration for certain groups in society such as those with diabetes⁶⁷. 'Total sugars' has been described as the most useful way to measure and label sugars and has been accepted by a number of countries⁶⁸.

'Free sugars' was used in WHO/FAO Expert Consultation on 'Diet, Nutrition and the Prevention of Chronic Diseases'. This term has been used to varying degrees by different groups causing it to be a potential source of confusion⁶⁹. One concern with regards to the non-alcoholic beverage industry is the inclusion of fruit juice in the WHO free sugar definition.

It is commonly acknowledged that whole fruit juices comprising the totality of the edible fruit portions can be a meaningful source of beneficial nutrients⁷⁰. The nutrient density of the vehicle in which the sugar is carried must be considered in order to fully assess this.

Measuring added sugar

The ABCL would like to raise the practical application of calculating and enforcing labelling requirements in the context of the type of sugars being labelled. As stated in the consultation paper, there is "*no standard method for analysing the added sugars content of foods and beverage*". Total sugars can be easily tested and, therefore, it is relatively simple to ensure compliance, but added sugars require additional calculation. The additional calculation required to accurately measure the added sugars content would depend on the definition of added sugars.

Accurate information is required to determine the HSR and to ensure that consumers continue to respect the HSR system. Although the ABCL is aware of initiatives that may encompass added sugars in the NIP, this is still under consideration, and the definition and method of adding these is not clear. It will take some time to get industry to determine how this will be measured and considerable education will be needed.

⁶⁷ Joint FAO/WHO Codex Alimentarius Commission. (2010). Report of the Thirty-Eighth Session of the Codex Committee on Food Labelling. ALINORM 10/33/22. Rome (Italy).

⁶⁸ Mela DJ Woolner EM. (2018). Perspective: total, added or free? What kind of sugars should we be talking. *Adv Nutr*; 9(20): 639

⁶⁹ Mela DJ Woolner EM. (2018). Perspective: total, added or free? What kind of sugars should we be talking. *Adv Nutr*; 9(20): 639

⁷⁰ Byrd-Bredbenner C Ferruzzi MG Fulgoni VL Murray R Pivonka E Wallace TC. (2017). Satisfying America's fruit gap: summary of an expert roundtable on the role of 100% fruit juice. *J Food Sci*; 82(7):1523–34.

An additional calculation of added sugar would require significant additional technical expertise to determine accurately. In relation to the technical capabilities required for added sugars calculations to be accurate, it is highly likely that this would be challenging for small and medium-sized enterprises, and special financial and scheduling considerations should be made for these companies, as has been the case for those manufacturers adapting to similar changes in the United States⁷¹.

The guidance in that jurisdiction was amended in a final rule to extend the compliance dates for the Nutrition Facts and Supplement Facts label and Serving Size final rules from 26 July 2018 to 1 January 2020, for manufacturers with US\$10 million or more in annual food sales. Manufacturers with less than US\$10 million in annual food sales would have an additional year to comply – until 1 January 2021.

Perceived inappropriately high HSRs of some products with relatively high levels of added sugars

Currently, there is increased scrutiny of sugar over other nutrients in the diet. The ABCL does not support the demonization of one nutrient over others which are all known to cause issues within the diet.

The ABCL supports consumer choice and advocated for healthier dietary patterns as outlined by the ADGs. Consumers should be encouraged to consume more of the FFG, as opposed to removing or reducing one nutrient. The ABCL acknowledges that, by increasing consumption of FFG, many consumers would naturally decrease the sugar in their diet.

The ABCL Sugar Reduction Pledge

The ABCL would like to take this opportunity to highlight industry led initiatives to reduce sugar within the non-alcoholic beverage category by 20 per cent by 2025 through the ABCL Sugar Reduction Pledge.

⁷¹ U.S. Food & Drug Administration. (2016). Changes to the Nutrition Facts Label, accessed 23 August 2018: <https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm385663.htm>

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]⁷².

The Pledge is a commitment by the non-alcoholic beverage industry to 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 being made available.

⁷² 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 sales volumes of low and no sugar varieties;
- ✓ Introducing additional low and no sugar varieties into the market by 2020 and 2025;
- ✓ Encouraging sales through the promotion and marketing of low or no sugar varieties;
- ✓ Introducing smaller pack sizes or reducing average container sizes;
- ✓ Investing in improved nutritional literacy;
- ✓ Promoting the consumption of bottled water by young Australians, and only milk and water for the very young;
- ✓ A cap in sugar content on all existing drinks brands;
- ✓ A cap in sugar on new recipes launched in Australia; and
- ✓ Where practical, transitioning vending machines to include more, low or no sugar varieties.

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

While the intake of sugars comprise one part of the broader issue of obesity and chronic disease, monitoring the intake of sugars is an important part of maintaining a balanced diet, and the ABCL notes that greater consumer understanding of the appropriate intake of sugars has the potential to make small changes.

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

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

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

Summary

The ABCL supports Option C to increase the baseline points awarded for total sugars to reduce the HSRs for products relatively high in total sugars. The ABCL supports 'total sugars' as the correct representation of sugar for the algorithm. The 25pt table rescaling provides for better distribution of the non-alcoholic beverage category. However the ABCL would also encourage further consultation with the non-alcoholic beverage industry as further improvement is possible.

Conclusion

The ABCL would like to thank mpconsulting for the opportunity to provide a detailed submission as part of this important consultation. The ABCL is happy to receive requests for further information or modelling required as part of this consultation.

For further information:

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Appendix A: 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