

**GLOBE Submission on the Health Star Rating system - Draft Five Year Report  
March 2019**

**Recommendation 1: The HSR System be continued.**

**Do you have any comments regarding Recommendation 1?**

The Global Obesity Centre (GLOBE) supports the need for standardised, interpretive front of pack labelling (FoPL) and agrees the HSR System should be continued in Australia and New Zealand. Interpretive FoPL, such as HSR, is a useful tool to help promote a healthier diet and has been recommended by the World Health Organization.<sup>1 2</sup> Australia and New Zealand are now among more than 30 countries worldwide who have implemented these kinds of simple, graphical labels in a variety of formats.<sup>3</sup> Together with France, Australia now leads a WHO Network of Practice on FoPL, making it incumbent that we demonstrate global leadership in this area.<sup>4</sup>

As noted in the review report, there is now a considerable body of evidence that consumers can understand and use HSR, and that it is superior to the Daily Intake Guide which it essentially replaced. To build upon this progress it is essential that HSR continue, and that attention be directed to maximising its public health impact by adopting the recommendations set out in the review report and ensuring alignment with the Australian Dietary Guidelines.

In particular, we reiterate our position from our previous submissions and responses to the recommendations below, that we strongly support:

- Implementing strong recommendations from this Review Report - particularly steps that reinforce and bolster government leadership, and protect HSR governance processes from commercial conflicts of interest
- Maximising uptake, particularly through taking steps to make the system mandatory and strongly incentivising uptake
- Applying lessons learned from global innovation in FoPL as further evidence emerges
- Situating HSR within broader nutrition policies and directing resources to develop and implement them
- Ensuring that the HSR complements the Australian Dietary Guidelines

We are aware that objections to several of the above-mentioned points and other proposed changes to the algorithm have been made on the basis that they necessitate significant label modifications and the attendant cost. In relation to this argument, it is important to note that less than one third of HSR-eligible products are currently displaying the label.<sup>5</sup> Any modelling or judgment on the impact of changes to the algorithm must take note of the percentage of products affected that are actually carrying an HSR label. This has implications for both consumer messaging and industry costs. It is critical to the integrity of the review that changes are grounded in public health evidence, not determined by their impact on a number of products deemed 'acceptable' to industry.

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<sup>1</sup> World Health Organization. Global Action Plan for the Prevention and Control of Noncommunicable Diseases 2013-2020. 2013.

<sup>2</sup> World Health Organization. 'Best buys' and Other Recommended Interventions for the Prevention and Control of Noncommunicable diseases, Updated (2017) Appendix 3 of the Global Action Plan for the Prevention and Control of Noncommunicable Diseases 2013-2020; Geneva, Switzerland, 2017.

<sup>3</sup> World Cancer Research Fund International. Building momentum: Lessons on implementing a robust front-of-pack food label; London, UK, 2019.

<sup>4</sup> A global action network on nutrition labelling: taking action for better informed consumers' choices in the Decade of Action on Nutrition - September 2018 (draft online: <https://www.who.int/nutrition/events/2019-inaugural-meeting-nutrition-labelling-conceptnote-6to7feb.pdf?ua=1>)

<sup>5</sup> Jones A, Shahid M & Neal B. Uptake of Australia's Health Star Rating System, Nutrients, July 2018

**Recommendation 2: Option 5, the energy icon be removed from the HSR graphic Options**  
**Do you have any comments regarding Recommendation 2?**

GLOBE strongly supports the energy icon be removed from the HSR graphic options.

- Evidence indicates that the energy icon is poorly understood by consumers<sup>6</sup> and does not provide the interpretive labelling that the HSR System is intended to provide.
- The review report noted poor consumer acceptability for the energy icon. Evidence indicates that the energy icon is rarely noticed and not considered an important feature of the HSR, whereas the star icon is reported as useful for consumers.<sup>7 8</sup>
- Furthermore, as the report notes, the energy icon is disproportionately used on products, such as confectionery and non-dairy beverages that score a lower HSR. Consumers would benefit from use of the star icon, in that it would better highlight the poor nutritional quality of these products.
- The review report noted it is not viable to educate consumers on both the stars and the energy icon. Removing the energy icon makes it easier to broadly educate and promote the HSR System when there is a consistent approach and more products displaying an HSR rating.

**Recommendation 3: Governments, industry, public health and consumer bodies continue to promote the HSR System. Government promotion over the next two years should:**

- **Communicate the reason for the changes to the HSR System**
- **Target specific areas of consumer misunderstanding or gaps in awareness**
- **Highlight government endorsement of the HSR System**
- **Position the HSR System in the context of broader healthy eating messages.**

**Do you have any comments regarding Recommendation 3?**

GLOBE supports the ongoing promotion of the HSR System and specifically highlights the need to position the HSR System in the context of broader healthy eating messages. In particular, it is important to focus on key messages from the Australian Dietary Guidelines, as part of ongoing promotion of the HSR System. We also agree that promotion messages should highlight government endorsement of the system to promote consumer trust.

In the wake of the 5 year review it will be essential that the campaign explain to consumers that changes to stars reflect changes that have been made to ensure that HSR better meets their needs. We recommend HSR education strategies be targeted towards key demographic groups with low awareness and understanding of the HSR system, including more vulnerable groups, e.g. those with higher BMI, lower socioeconomic status, and English as a second language.

At the same time, monitoring of the implementation of HSR suggests most people are aware of the system from 'seeing it on pack', making it arguably more worthwhile for government to focus on increasing HSR uptake, rather than on awareness campaigns. Continued investment of government resources on campaigns while uptake by industry remains low is arguably an inefficient use of government resources- i.e. priority should be given to investing resources in increasing HSR uptake.

Integration of HSR into other health initiatives, such as NSW's integration of HSR into food procurement criteria in schools and hospitals shows potential to further increase the policy's reach.<sup>9</sup>

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<sup>6</sup> Watson WL, Chapman K, King L, Kelly B, Hughes C, Yu Louie JC, et al. How well do Australian shoppers understand energy terms on food labels? *Public Health Nutrition*. 2013 03;16(3):409-17.

<sup>7</sup> Pettigrew S, Talati Z, Miller C, Dixon H, Kelly B, Ball K. The types and aspects of front-of-pack food labelling schemes preferred by adults and children. *Appetite*. 2017;109:115-23.

<sup>8</sup> Talati Z, Pettigrew S, Kelly B, Ball K, Dixon H, Shilton T. Consumers' responses to front-of-pack labels that vary by interpretive content. *Appetite*. 2016;101:205-13.

<sup>9</sup> NSW Ministry of Health. NSW Healthy School Canteen Strategy, 2017. Available from: <https://www.health.nsw.gov.au/health/Pages/healthy-school-canteens.aspx>

The use of HSR in the Eat Well @ IGA research conducted by Deakin University, where high HSR products were promoted in supermarkets, is another practical example of utilising the system to promote healthier choices.<sup>10 11</sup>

**Recommendation 4: A package of changes be made to the way the HSR is calculated for foods to better align with Dietary Guidelines; reflect emerging evidence; address consumer concerns and encourage positive reformulation.**

**Do you have any comments regarding Recommendation 4?**

A. fruits and vegetables that are fresh, frozen or canned (with no additions of sugar, salt or fat) should automatically receive an HSR of 5

GLOBE supports that all fruits and vegetables (with no additions of sugar, salt or fat) receive an HSR of 5. The Australian Dietary Guidelines recommend people consume a variety of fruits and vegetables to meet the recommended 2 and 5 serves per day respectively, which most Australians do not meet.<sup>12</sup> Adopting this recommendation would help to further promote fruits and vegetables as a healthy choice, and provide retailers the opportunity to utilise the HSR System in promoting these products.

GLOBE reiterates the importance of including unpackaged fruits and vegetables in this recommendation to avoid the unintended consequence of increasing packaging and the environmental impact from this. While we note that it is not an explicit objective of the HSR System, this recommendation would also allow retailers to promote all fruit and vegetables as 5 stars, for example through posters. Research from Deakin University already accepted by the review suggested that this kind of promotion had potential to increase sales and consumption of fruits and vegetables, and was positively supported by consumers.<sup>13 14</sup>

We support the definition of fruits and vegetables that this will apply to, highlighting that this excludes products that have been processed in a way that alters their nutrient content or other properties (for example through juicing, pureeing, dehydrating, adding ingredients that contain salt, fats or sugars). Specifically that dried fruits, juice, and pickled vegetables are not included as they are recommended as foods to limit in the Australian and New Zealand Dietary Guidelines.

B total sugars should be more strongly penalised, lowering the HSR of 5% of products (including breakfast cereals, snack bars, sweetened milks, ice creams and sugar based confectionary)

GLOBE supports that total sugars should be more strongly penalised as part of the algorithm but reiterate our preference for added sugars to be included. However, in lieu of including added sugars, we are concerned that the justification of the use of a 25 point total sugar table over a 30 point table was weak. Whilst the review report acknowledged the small number of products that would be affected by the change to a 25 point sugars table, GLOBE notes that the focus should be on the evidence base and ensuring the algorithm reflects this, regardless of the number of products affected. If total sugars (as opposed to added sugars, discussed below) are included in the algorithm, we recommend the adoption of a 30 point sugar table over the proposed 25 point table. This is noted as

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<sup>10</sup> Cameron A, Sacks G, Brown A, Ngan W, Isaacs J. Customer and staff perceptions of a supermarket marketing intervention to promote healthy eating. Paper presented at: 15th World Congress on Public Health; 2017 Apr 3-7; Melbourne.

<sup>11</sup> Cameron A, et al. Health Star Ratings on supermarket shelf tags to promote sales of the healthiest products store-wide. Manuscript in preparation.

<sup>12</sup> Australian Bureau of Statistics, 4364.0.55.001 - *National Health Survey: First Results, 2014-15*

<sup>13</sup> Cameron A, Sacks G, Brown A, Ngan W, Isaacs J. Customer and staff perceptions of a supermarket marketing intervention to promote healthy eating. Paper presented at: 15th World Congress on Public Health; 2017 Apr 3-7; Melbourne.

<sup>14</sup> Cameron A, et al. Health Star Ratings on supermarket shelf tags to promote sales of the healthiest products store-wide. Manuscript in preparation.

having been considered, but that it impacted on a number of Five Food Group foods, including processed fruits, breakfast cereals, yoghurts and processed vegetables in the TAG database. Without transparency on what these products are, it is difficult to assess whether this change is genuinely problematic or reasonably justified from a public health perspective. We remain concerned that too many high sugar products including breakfast cereals still score highly.

However, we note that, as per our previous submissions, our preferred option is to include added sugars (rather than total sugars) in the algorithm in line with the Australian Dietary Guidelines and the evidence base showing the health risks of added sugars.<sup>15 16</sup> We note that in the Review Report the Australian Dietary Guidelines were misquoted in regards to this on page 11 where it was stated that Australians should eat less 'sugar' - this should in fact refer to 'added sugar'.

The modelling of added sugars in the HSR algorithm, including the appropriate scaling of an added sugars points table, does not appear to have been thoroughly investigated. As noted by the TAG paper on sugars in November 2018, it is not scientifically justifiable to incorporate added sugars simply by substituting added sugar values for total sugars with the same points table. Added sugar content is necessarily equal to or less than total sugars content, meaning a simple substitute would result in baseline points remaining unchanged or lowered (i.e. a result which would make HSRs go up). We acknowledge that a potential reason that detailed consideration of including added sugars as part of the algorithm may have been because added sugars are not yet required in the NIP in Australia. This further highlights the need for mandatory labelling of added sugars in the NIP. With the Forum on Food Ministers currently considering including added sugars in the NIP in Australia, it is imperative that the HSR Review Report recommend that added sugars in the HSR algorithm must be reconsidered after any change to added sugar labelling.

C. sodium sensitivity should be improved for products high in sodium, reducing the HSR of 1% of products (all with sodium in excess of 900mg/100g)

We support this proposal to improve treatment of products very high in sodium, but note it will not impact the 93% of products in the TAG database that have a sodium content <900mg and therefore strongly support the additional option. Many products have relatively high sodium content yet still receive relatively high HSRs, e.g. the TAG modelling noted a significant number of processed meat 'outliers' that had a mean HSR of 3.3 and a mean sodium content of 740mg/100g.

As noted by the Review Report, this proposed change fails to address the issue of relatively high HSR for some salty snacks.

**An 'additional option' to more strongly penalise sodium by revising the sodium points table for all HSR categories to align with the 2017 update to the sodium Nutrient Reference Value has been outlined on pages 57-58 of the Draft Review Report. Please provide your comments on this additional option below.**

We strongly support progression of the additional option for sodium, in light of revision of Australia and New Zealand's NRV for sodium. Overall, the products impacted match well with those identified as sodium 'outliers' in a previous analysis i.e. those products scoring HSR>3.5 but qualifying for a 'red' traffic light in the UK system. We also reiterate that changes should be based on the science and not on the number of affected products.

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<sup>15</sup> Guideline: Sugars intake for adults and children. Geneva: World Health Organization; 2015.

<sup>16</sup> 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 Health Star Rating System to Discriminate between Core and Discretionary Foods. J Acad Nutr Diet. 2017;117(12):1921-30 e11.

### **Relationship to HFP targets**

The Draft Review Report posits that a disadvantage of this option is that it 'would impact on 76% (23/30) of the draft sodium reformulation targets of the HFP.' It is suggested that this may reduce incentives for manufacturers to reformulate to reduce sodium unless further changes were made to the targets.

We disagree. As noted above in relation to the current sodium proposal, feedback from manufacturers has been that large gaps in baseline points are *less* likely to encourage reformulation as the change required to pass cut-points is not practically or technologically feasible. The effect of this proposal is to narrow the gaps in baseline points in products with sodium <900mg, making it easier to obtain a benefit from sodium reformulation.

### **Relationship to other policies**

We note potential concern that this change to the sodium table could impact Five Food Group (FFG) foods in a way that brought unintended consequences, for example, if a product scored below 3.5 and was therefore no longer eligible to be sold in NSW Hospitals or School Canteens. For that purpose, we remind the Reviewer that FFG (or 'Everyday foods' in that policy) are *not* subject to a HSR cut-off of 3.5. This cut-off only applies to discretionary foods (e.g. muesli bars can be sold if they obtain a HSR  $\geq$  3.5). We do not therefore believe that this change is likely to bring any undesirable outcomes in this area.

#### D. dairy categories should be redefined to increase the HSRs of FFG dairy foods (such as cheeses and yoghurt) and decrease the HSRs of some dairy desserts and other chilled dairy products, improving comparability between dairy products

GLOBE supports the recommendation to redefine the dairy category to ensure that less healthy dairy dessert products do not receive higher HSRs than yoghurts with additional nutritional value.

We note that this 'anomaly' was created as an unintended side effect of creating the additional dairy categories in HSR and would strongly caution against the creation of any further new categories in the review.

We support the rescaling of this category but note that details on the modelling and impact of this has not been included in the review, and as such, cannot comment on the suitability or potential for unintended effects. In particular, we are concerned that products low in calcium may benefit from an improved HSR score. We also note the definition refers to 'refrigerated' products and recommend this be removed so comparable shelf stable dairy desserts such as custard are also included in Category 2D.

#### E. the HSR for healthier oils and oil-based spreads should be increased and range narrowed to enable better discernment from products higher in saturated fats

We believe the new proposed scaling of the oils category is an improvement on the current system, however, we believe it unnecessarily penalises olive oil. We recommend increasing the saturated fat threshold for HSR of 5 from 12% to 15%. This is based on Heart Foundation modelling using FoodTrack™ that showed that a baseline of 15% saturated fat would rank olive oil with an equal HSR to canola oil, reflecting the evidence base for these monounsaturated fat rich oils.

It would also rank flaxseed, grapeseed, corn, soybean, safflower and sunflower oils with HSRs equivalent to canola and olive oils. Oils higher in saturated fats such as palm and coconut oil would

receive lower HRSs. Blended vegetable oils, peanut oil, pumpkin seed oil, sesame oil, rice bran oil and cottonseed oil would fall in the mid-range.

F. jellies and water-based ice confections should be recategorised to decrease their HSRs.

GLOBE supports recategorisation of jellies and water-based ice confections to the non-dairy beverages category and highlight the need to specify in the definition that this include products sold as both liquid and frozen ice confections. This provides a more appropriate HSR and greater alignment with the Australian Dietary Guidelines.

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

**Do you have any comments regarding Recommendation 5?**

We do not support the proposed options.

We acknowledge that the current proposed changes are an improvement for reflecting the range of nutrient profiles of products in this food category. These improvements include that fruit juices would score <5 stars, and that higher sugar content products would rate lower. However, we remain concerned that some fruit juices still score relatively highly (i.e. 4 HSR). The Australian Dietary Guidelines note that fruit juices should be consumed only 'occasionally and in small amounts' as they are energy dense and lack dietary fibre.<sup>17</sup> They are acidic and frequent consumption may contribute to an increased risk of dental erosion.<sup>18</sup>

We recommend three adjustments to the current proposed options:

1. Rescale FVNL points to be aligned with Nutriscore, specifically setting a maximum modifying points of 10 for products with >80% FVNL (removing the additional points for fruit juice >99% fruit juices). This would ensure that high sugar fruit juices receive a maximum HSR of 3.
2. Re-categorise carbonated waters into the 4.5 stars policy category, based on the potential negative impact of carbonated drinks on dental health,<sup>19 20</sup> and the desire to encourage tap water as the norm, as recommended by the ADGs.<sup>21</sup>
3. Clarify the additives that are allowed for flavoured waters to be eligible to receive a HSR of 4.5. Specifically, we are concerned about the broad range of additives allowed for products automatically receiving a HSR of 4.5 and exempt from the algorithm. We are concerned this could have unintended consequences by allowing non-nutritive sweeteners that make the beverage unlike water. Therefore in regard to excluding sweeteners, we recommend that 4.5 stars should apply to all carbonated or non-carbonated waters with additions of substances in Schedule 16 at GMP except those labelled as 'sweetener' under Schedule 7 – Food additive class names.

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<sup>17</sup> National Health and Medical Research Council. Eat for Health Australian Dietary Guidelines: Providing the scientific evidence for healthier Australian diets. Commonwealth of Australia, 2013.

<sup>18</sup> National Health and Medical Research Council. Eat for Health Australian Dietary Guidelines: Providing the scientific evidence for healthier Australian diets. Commonwealth of Australia, 2013.

<sup>19</sup> Brown C, et al. The erosive potential of flavoured sparkling water drinks. International Journal of Paediatric Dentistry 2007; 17: 86–91.

<sup>20</sup> Cochrane N, Cai F, Yuan Y, Reynolds E. Erosive potential of beverages sold in Australian schools. Aust Dent J. 2009;54(3):238-44; quiz 77.

<sup>21</sup> National Health and Medical Research Council. Eat for Health Australian Dietary Guidelines: Providing the scientific evidence for healthier Australian diets. Commonwealth of Australia, 2013.

Finally, we recommend advisory labels for foods high in added sugar, in combination with other added sugar labelling information including addition in NIP, as per GLOBE's submission to the recent added sugar labelling review.

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

**Do you have any comments regarding Recommendation 6?**

GLOBE strongly supports the need for further funding of the HSR System and believe a commitment beyond four years is warranted to alleviate industry concerns over the longevity of the system. Government funding is crucial to support the ongoing implementation, monitoring and evaluation of the system along with the proposed enhancements to the infrastructure outlined in recommendation 8. Funding for the HSR System and associated infrastructure will also benefit other nutrition initiatives, research and public health organisations. It is also important that funding be directed to broader healthy eating initiatives, including a National Nutrition Policy as the HSR System is not sufficient as the sole healthy eating strategy funded by the government.

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

- **Support greater consumer confidence in the System by transferring management of the HSR Calculator and TAG database to FSANZ**
- **Clarify the role of the committees**
- **Increase transparency of the System**
- **Improve monitoring enabling the System to be more responsive**

**Do you have any comments regarding Recommendation 7?**

Broadly speaking, GLOBE supports anything that increases government leadership of HSR and removal of commercial conflicts of interest from its governance. Specifically, we support FSANZ ownership of the algorithm and database. The WHO EURO HEN report recently noted that the nutrient profile models (i.e. HSR algorithm) of FoPL are generally controlled and amended by government or independent bodies.<sup>22</sup> This supports that industry should no longer be involved in the leadership of the HSR System in Australia.

Furthermore, in relation to HSRAC we recommend:

- Ensuring that 'public health' and 'consumers' are separately represented (not grouped together as one group).
- Changes to improve the transparency of the system such as making HSRAC meeting minutes and agendas public in a timely manner.
- HSRAC decisions on arising issues (e.g. algorithm decisions in emerging food trends) must have clear and transparent processes for decision-making.
- Consideration of the appropriateness of the requirement for a consensus on decisions.
- Funding be extended for longer than 2 years, given that new issues may arise from the adoption of these recommendations.

We agree that robust monitoring and evaluation continue and the database proposed could be a critical component of this to provide timely updates.

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<sup>22</sup> Kelly B, Jewell J. What is the evidence on the policy specifications, development processes and effectiveness of existing front-of-pack food labelling policies in the WHO European Region? Health Evidence Network Synthesis Report, No. 61. Copenhagen: WHO Regional Office for Europe; 2018.

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

**Do you have any comments regarding Recommendation 8?**

GLOBE strongly supports this recommendation. Further investment in the critical infrastructure that supports the HSR System would have significant benefits to public health beyond improving the HSR System.

There is a clear need for investment in this area as noted in the review report, with recommendations also echoing those from the Select Committee into the Obesity Epidemic in Australia.<sup>23</sup> Specifically GLOBE highlights our support for:

- regular updates to the Australian Dietary Guidelines, such as five year reviews as recommended by the Senate Select Committee into the Obesity Epidemic in Australia
- regular health and nutrition surveys conducted in Australia. This is a crucial reference for the development and monitoring of public health interventions.
- a comprehensive centralised dataset of branded food products, which would not only benefit the HSR System but also be of great value for public health organisations and researchers in the development and evaluation of their interventions.

We also acknowledge the need for a National Nutrition Policy to provide a coordinated and comprehensive response to improving the nutritional health of Australians.

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

**Do you have any comments regarding Recommendation 9?**

GLOBE supports the need for monitoring uptake of the HSR System and setting clear targets, but believe the system must be made mandatory to truly drive uptake and provide optimal benefit for consumers.

During the development of the HSR system, Food Ministers noted that to remain voluntary, HSR uptake should be 'consistent and widespread'.<sup>24</sup> This has not occurred to date, and if the system remains voluntary, is unlikely to do so without extremely strong incentives in place. The HSR System has been voluntary for 5 years and only appears on 31% of products in Australia<sup>25</sup> and implementation is skewed to products with a higher HSR.<sup>26</sup> To meet its purpose of helping people eat a healthier diet, the HSR needs to be displayed on all products. Mandatory implementation would ensure that, and also ensure a 'level playing field' for businesses, whilst limiting any potential market disadvantages to those manufacturers that have voluntarily put the HSR on their products.

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<sup>23</sup> Senate Select Committee into the Obesity Epidemic in Australia. Final report. Commonwealth of Australia; 2018. Available from:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Obesity\\_epidemic\\_in\\_Australia/Obesity/Final\\_Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Obesity_epidemic_in_Australia/Obesity/Final_Report):

<sup>24</sup> Department of Health. Front-of-pack labelling updates Canberra: Australia; 14 June 2013. Available from: <http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/front-of-pack-labelling-1#u140613>

<sup>25</sup> National Heart Foundation 2019, Report on the monitoring of the implementation of the HSR System in the first four years of implementation: June 2014 to June 2018, prepared for the Commonwealth Department of Health, Canberra.

<sup>26</sup> Jones A, Shahid M & Neal B. Uptake of Australia's Health Star Rating System, Nutrients, July 2018

If a mandatory system is not adopted, voluntary adoption targets should consider the following:

- That they relate to ALL categories
- In line with the recommendations of other public health groups, a higher target of 90% should be adopted, as the HSR will be most effective for consumers when it is on most or all products.
- Identified pathway with clear consequences if targets are not met, such as commencing the process to integrate HSR into the Food Standards Code to make the system mandatory
- Transparent public reporting to improve accountability, including by company, category and HSR.

The timeframe for compliance should be limited to two years, in alignment with the period allowed for the implementation period for country of origin labelling requirements. Moreover, if voluntary adoption is continued, it is absolutely imperative that strong incentives are put into place. We believe that the companies most likely to voluntarily implement the system (in the absence of stronger incentives) have already done so, including the biggest supermarket chains. For an individual company, an overall government target for voluntary adoption is likely to be insufficient to provoke change. The government needs to identify powerful incentives for individual companies. Suggested incentives include:

- Companies will only be entitled to tax deductions for product packaging expenses if they have fully implemented HSR on all company products
- Companies will only be eligible to apply for government subsidies (e.g. R&D grants) if they have fully implemented HSR on all company products

We acknowledge issues with the HSR algorithm and anomalies has justified the HSR remaining voluntary, however these issues have the potential to be resolved with the adoption of the recommendations in the Review Report and from public health groups. The feasibility of mandatory FoPL has been shown internationally with six countries that have mandatory FoPL and recently in Australia with the mandatory requirements for country of origin labelling.

The Review Report also raises the issue of high costs associated with requiring industry implementation within a certain time period, monitoring and enforcing compliance, and ongoing administrative costs to business in demonstrating compliance. This is not a strong argument against making the system mandatory as industry is being asked to implement the HSR system anyway voluntarily, so it wouldn't necessarily cost more to implement just because it's mandatory. In relation to monitoring and compliance costs, the Review Report recommends monitoring so this would not be an additional cost of making the system mandatory.

One of the key issues that requires consideration in international trade law, as highlighted in the draft report, is whether a measure discriminates between domestic and imported products. A mandatory HSR system that applies equally to all products would not discriminate between international and domestic products. In addition, we note that only a small proportion of Australia's food supply is imported.

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

**Do you have any comments regarding Recommendation 10?**

GLOBE supports this recommendation and agrees the HSR documents could be improved to be clearer for stakeholders. This should be led by government and the HSR Secretariat. They are well placed to lead this as they take most enquiries from users. Appropriate consultation can ensure that end-users views are taken into account from industry and public health stakeholders.

## **Do you have any final comments regarding the Health Star Rating system- Draft Five Year Report?**

### **Protein**

We do not support reversal of the option to change the protein tipping point since the November consultation.

We do not accept justification for this decision in the Draft Review that proposed changes to sugar and sodium will 'better target products of concern'. In particular, current proposals for those nutrients will not significantly impact major groups of outliers such as salty snacks and processed meats.

A single example of two breakfast cereals is used to suggest that changing the tipping point would unduly reduce 'differentiation' in this category. There is no public health justification for differentiating between cereals on the basis of protein content, given nearly all Australians and New Zealanders have sufficient protein intake. There is also arguably already a lack of differentiation in this category.

The protein tipping point is essentially a 'gatekeeper' to stop unhealthy products (based on their salt, sugar, saturated fat and energy content) benefiting from protein modifying points. As previously noted by the TAG, the products that would be impacted by a tipping point change include: dips, snacks (muesli bars, potato crisps, extruded snacks), breakfast cereals, bakery/cake mixes, biscuits, cream and ice cream and processed meats. With the exception of some breakfast cereals - whose categorisation as Five Food Group foods up to a sugar content of 30g/100g is currently contested by public health stakeholders - these foods are predominantly discretionary. Using a tipping point of 11, as per the UK model, the TAG has estimated this change will impact 3% of products that are relatively high in risk nutrients from continuing to claim protein points.

We believe this is a reasonable, evidence-based and targeted change that will be well accepted by consumers.

Again, we also highlight the misquote of the Australian Dietary Guidelines in the Review Report where it refers to the ADG recommending Australians eat more protein which is incorrect.

### **Wholegrains**

We agree with the rationale proposed by the Reviewer on page 49 of the Review Report. Namely, that while wholegrain foods are recommended in the Australian Dietary Guidelines, no workable options have been put forward for incorporating wholegrain content into the algorithm.

### **Salty snacks**

We note remaining concern that the changes proposed will not impact salty snacks, which remain a major outlier identified.

While some of these products may be marginally healthier choices within this category due to lower sodium and saturated fat content, over half (53%) of this category receive a HSR $\geq$ 3.0 (TGI 2017 Monitoring Database, 409 savoury snacks, 216 HSR $\geq$ 3.0) despite being a well-accepted discretionary choice. Products with HSR $\geq$ 3.0 include a wide variety of plain and flavoured potato chips, corn chips and other vegetable and legume-based snacks.

Earlier work by NSW Health also found that 40% of salty snacks, chips and pretzels received a HSR $\geq$ 3.5.<sup>27</sup> The differences between these figures and the TAG figures (where only 20% of salty snacks received a HSR $\geq$ 3.0) suggest the TAG database is under-representative of the food supply in this category.

Our preferred option to impact salty snacks involved reconsidering the definition of FVNL to remove fried vegetables. This doesn't appear to have been taken further. Addressing salty snack outliers requires at a minimum the additional sodium option (which would change 30% of them by 0.5 stars), and/or ideally the protein tipping point change. There is no justification for allowing fried potato to obtain protein points.

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<sup>27</sup> Dunford, E, Cobcroft, M, Thomas, M, & Wu, J.H. 2015, Technical Report: Alignment of NSW Healthy Food Provision Policy with the Health Star Rating System, NSW Ministry of Health, Sydney.