

Submission on the Review of Labelling of Sugars on Packaged Foods and Drinks

Question 1: Do you support the statement of the problem in the consultation paper: Information about sugars provided on food labels in Australia and New Zealand does not provide adequate contextual information to enable consumers to make informed choices in support of dietary guidelines.

- The Global Obesity Centre welcomes the opportunity to provide input into the policy options for labelling of sugars on packaged foods and drinks. We acknowledge the work that has gone into the Consultation Regulation Impact Statement to date. We endorse policy changes to improve the labelling of sugars on packaged food and drinks and acknowledge the complexities in such policy design. This submission reflects the views of GLOBE and has been prepared in consultation with other public health organisations including The George Institute.
- We support the statement of problem, including the use of “free sugars” in the definition of added sugar. Free sugars, including from fruit juice, fruit juice concentrates and honey, are key sources of excess sugar intake in the Australian diet. According to the Australian Health Survey 2011-12, 6.2% of free sugar intake was from fruit and vegetable juices and drinks for Australians 2 years and older, 8.1% for children and adolescents 2 to 18 years (Australian Bureau of Statistics 2016).
- To address this problem, we believe the preferred policy option should involve, at a minimum, improvements to sugars labelling via the ingredients list (Option 3) and the NIP (Option 4) to enable consumers to make informed choices in support of dietary guidelines.
- Given promising evidence supporting the utility of advisory, warnings or pictorial labels for consumers, and the recognised interest of consumers in sugars information specifically, Options 5 and 6 are also likely to be effective in achieving the desired outcome and warrant further consideration of their feasibility.

Question 2: Are you aware of any form of information about added sugars that is provided on food labels in addition to those identified in Section 1.6 of the Consultation RIS?

Some manufacturers are distinguishing between added sugars and natural sugars from whole foods by making nutrient claims on their product labels, e.g. Tip Top Raisin toast states it is “Made with No Added Sugar”.

Question 3: Are you aware of other sources of information (publically available or otherwise) on the added sugars content of foods available in Australia and New Zealand, beside those described in Section 1.8 of the Consultation RIS?

Question 4: Do you agree with the proposed desired outcome of this work? (Food labels provide adequate contextual information about sugars to enable consumers to make informed choices in support of the dietary guidelines). If not, please suggest an alternate desired outcome and justify your suggestion.

- We entirely support the proposed desired outcome of this work, that food labels provide information that will better enable consumers to make informed choices in support of the dietary guidelines.
- Australians are over-consuming added sugars. In 2011-12 Australians consumed on average 60 grams or 14 teaspoons of added sugars a day (Australian Bureau of Statistics 2016).

- The Australian Health Survey found that over half of Australians exceed the WHO's recommendation to reduce added sugars to 10% of daily energy intake (World Health Organization 2015).
- The over-consumption of added sugars presents a serious health risk to Australia. Diets high in added sugars may displace nutritious foods and increase energy-dense, nutrient poor foods, associated with weight gain and dental caries (tooth decay).
- Both Australian and New Zealand dietary guidelines recommend to limit foods containing added sugars, but information on added sugars on food labels is currently limited (National Health and Medical Research Council 2013).
- To address added sugars consumption and the detrimental associated health impacts, we need food labels that will enable consumers to follow dietary guidelines.
- At a minimum, added sugars needs to be included in the NIP and better identified in the ingredients list.

Option 2: Education on how to read and interpret labelling information about sugars

Question 5: How effective would this option be in addressing the policy issue and achieving the desired outcome? Please provide evidence to justify your views.

- Not effective
- We note that the option presented in the Consultation Regulation Impact Statement relates to education on how to read and interpret current labelling about sugars, explicitly noting that it would not result in any changes to current food labels.
- Education on existing labels is not a feasible solution because current labels don't give people the information they need to follow dietary advice on added sugars. To ensure consumers have the information they need to make informed decisions, we must first reform our labelling requirements for sugars.
- As per GLOBE's endorsement of the Tipping the Scales suite of policy options, we note that successful education campaigns need to be maintained over time to be effective (and therefore need consistent funding over time).
- Education may be a useful accompaniment if implemented in combination with improvements to food labels to provide adequate contextual information on sugars. Older consumers, and those with lower levels of education and income have been found to have the greatest difficulty interpreting nutrition labels (Cowburn and Stockley 2005). Any education campaigns on new or existing sugar labelling should particularly target these consumer groups.

Question 6: How would this option impact you? Please provide impacts and cost relevant to you (required)

- Not at all

- Education on existing labels will have no direct impact on the work of GLOBE but note the following impacts on consumers and those involved in delivering the education.
- Education on the current label will have no beneficial impact for consumers as current labels do not give people the information needed to make informed choices.
- Costs of education are typically borne by government, or other non-profit health organisations. Given that this option is likely to be ineffective, this is not an efficient allocation of resources.
- The cost to consumers of not having the additional information on sugars could manifest in a variety of ways, including: uncertainty about the amount of risk-associated sugars in the product they have purchased and the lost utility this information would provide; not being able to purchase their most preferred product relative to if this information was provided; and increased time spent attempting to find and understand information on the type and amount of sugars in food. While difficult to estimate the overall size or cost of this confusion, there is sufficient information in the Consultation RIS prepared by FSANZ to suggest that consumers are dissatisfied with current sugars labels and want more information by which to make informed choices.

Option 3: Change to statement of ingredients

Question 7: How effective would this option be in addressing the policy issue and achieving the desired outcome? Please provide evidence to support your view.

- Effective in combination with another option
- A 2017 nationally representative CHOICE survey found that Australians support this option with 68% in favour of grouping added sugars in the ingredient list (CHOICE 2017).
- Currently identifying added sugars in the ingredient list is extremely challenging. A cross-sectional study of ultra-processed food labelling in Australia by Pulker et al. 2 noted that added sugar was described in 34 different ways (Pulker, Scott et al. 2018). This not only disguises added sugars in foods but results in sugars being dispersed throughout the ingredient list which makes it difficult for consumers to identify the relative contribution of sugars in a product. The example of Kellogg's Nutri-Grain bars below shows how several different names can be used to refer to sugar in the ingredients list.

Kellogg's® Nutri-Grain® Bar Original



Kellogg's® Nutri-Grain® bars contain corn, oats and wheat.

INGREDIENTS:

Cereals (30%)(wheat flour, oatmeal, maize flour, rice flour), choc compound (20%) (sugar, hydrogenated vegetable fat, milk solids, cocoa powder, emulsifiers [soy lecithin, 492, 476]), sugar, glucose syrup, invert syrup, glucose solids, wheat protein, sunflower oil, barley malt extract, molasses, humectant (glycerol), salt, caramelised sugar, skim milk powder, raising agent (sodium bicarbonate), natural flavour, emulsifier (soy lecithin), colours (paprika, turmeric), rosemary extract.



SEND A QUESTION



- Option 3 would clearly identify which ingredients are added sugars and would group multiple sugars-based ingredients together, pushing the combined group of sugars towards the front of the ingredient list.
- The adoption of this option in Canada demonstrates its practical feasibility. We recommend a similar bracketing approach, which will not compromise the current bolding approach used to highlight allergens on food labels.
- While we support this option, taken alone it will still not allow consumers to see the *amount* of sugars that has been added to products, nor allow them to make easy comparisons between products. For this reason we strongly support its implementation in combination with improvements to the Nutrient Information Panel (Option 4).

Question 8: How would this option impact you? Please provide impacts and cost relevant to you (required)

- A lot
- This option will not directly impact GLOBE's current work but note the following benefits to consumers.
- Consumers would receive significant benefit from this option, through the improved utility it provides on food labels. Consumer confusion should be reduced by being able to identify which ingredients are added sugars and assess the relative contribution of added sugars to the product in comparison to other ingredients.
- These improvements have potential to save consumers time trying to identify multiple sugars-based ingredients while shopping, and to support them to purchase their preferred product on the basis of this improved information.
- While difficult to know how much consumers would value this information on a dollar basis, there is clear indication from both FSANZ and CHOICE (CHOICE 2017) research that they would value it.

Question 9: Referring to Table 1 in Section 3.1, which implementation mechanism would be most appropriate for this policy option? Please provide the pros and cons of your selected implementation mechanism.

- Regulatory
- Updating of existing regulation of the statement of ingredients through Standard 1.2.4 of the Food Standards code offers the most appropriate implementation mechanism for this option.
- Use of regulation for the existing ingredients list recognises this is the best way to ensure consistent and compliant delivery of this information to consumers across the food supply.

The benefits of regulatory approach is that it would:

- provide clear, mandatory requirements creating a consistent format that would be easy for consumers to use to compare all products and assist them to make informed choices about the products they buy. This is in contrast to voluntary systems like the Health Star Rating (HSR) system which is selectively applied to products, with food manufacturers often choosing to display HSR on products that score more highly, thereby failing to provide uniform information to consumers across the food supply.
- make informing and educating the population about the change much easier, as the change would be uniform and apply to all packaged products.
- apply to all manufacturers, creating a level playing field, unlike voluntary regulation, which potentially places first-movers at a market disadvantage.
- be more likely to be trusted by consumers. By comparison, consumer trust in the voluntary HSR as reported in official government monitoring reports remains suboptimal.
- be the most appropriate mechanism to implement this option, given that the requirements for the statement of ingredients are currently provided by the FSANZ Code, which could be amended to require clearer identification of sugars based ingredients, using existing administrative and enforcement processes.

There would not seem to be any significant negative impacts of this proposal for consumers. While the RIS is focused primarily on informing consumers only, it is likely that the measure would assist consumers to make healthier choices in line with dietary guidelines, thereby having flow on benefits for public health.

Beyond the necessary cost of a label update where a product currently contains multiple sugars-based ingredients, this change is likely to be relatively easy for industry to implement, requiring only reordering of existing ingredients based on known recipes and thereby not requiring any additional analysis or change to the layout of the label. Costs of a label change can be minimised by allowing these to be incorporated as part of regular label updates over a reasonable time period.

Option 4: Added sugars quantified in the nutrition information panel (NIP)

Question 10: How effective would this option be in addressing the policy issue and achieving the desired outcome? Please provide evidence to justify your views.

- Effective.

- The NIP is one of the most important communication tools available to inform consumers of a product's nutritional composition.
- FSANZ's own research suggests that the NIP is consistently the most commonly used information for choosing one product over another. They also found that the most commonly checked information in the NIP was the amount of sugars, with 60% of Australians looking for this information.
- As identified by FSANZ (Food Standards Australia New Zealand 2015), the NIP is the label element most commonly used by consumers to select a healthier (lower sugar) product. Therefore, leveraging current consumer behavioral practices may reduce the burden on consumers to generate awareness, knowledge and use of a new label element.
- Research from the George Institute suggests around 70 percent of packaged foods contain added sugars in the Australian food supply: including 87 percent of discretionary foods and 52 percent of core foods as classified by the Australian Dietary Guidelines suggesting the widespread utility of this additional information (Peters, Dunford et al. 2017).
- Quantification of added sugars in the NIP would allow people to identify products with added sugars and make effective comparisons within and across product categories to support informed choices in line with dietary guidance to limit added sugars intake.
- In a 2017 nationally representative CHOICE survey, 72% of consumers supported listing added sugars in the NIP (CHOICE 2017).
- Planned implementation of this option in the United States demonstrates its practical feasibility and offers useful insight into appropriate definitions, and monitoring and compliance strategies.
- Quantification of added sugars in the NIP is also likely to offer benefit to the implementation of other public health programs and campaigns which seek to assist consumers to make healthier choices in line with the dietary guidelines. This could include easier identification of foods to restrict in setting such as schools or hospitals, as well as improvements to the Health Star Rating algorithm to incorporate added sugars information. It may also facilitate more sugar reformulation targets being set in the Healthy Food Partnership currently under review.
- Disclosure of added sugars information also provides an important incentive for manufacturers to reduce added sugars content through reformulation to obtain a competitive advantage. These effects have been demonstrated in the other jurisdictions, for example with labelling requirements for trans fatty acids to reduce population intake, and appear particularly promising given Australian consumers stated interest in sugars information. Reformulation is frequently considered a 'best buy' approach to reducing intakes of nutrients associated with chronic disease, and it is an equitable approach because it benefits the whole population.
- Failure to quantify added sugars on nutrition labels will make it difficult to compare intakes in Australia with other countries, to monitor national intake trends over time, and to assess industry's positive reformulation efforts.
- We support both possible approaches to this option identified in the Consultation RIS, while noting that provision of enhanced contextual information (e.g. high/medium/low) may require additional preparatory work that should not delay disclosure of the quantified amount of added sugars as an important first step. If contextual information is added, we recommend use of contextual information high/medium/low should also be provided for other relevant nutrients (such as sodium, fat and dietary fibre), to avoid giving undue emphasis to added sugar content.
- This option would complement improvements to the ingredients list by allowing consumers to see the *amount* of added sugars in combination with their ingredient-source.
- To assist consumers with low numeracy and to provide a more salient prompt for consumers, we recommend Option 4 be implemented in combination with a front-of-pack labelling such as Option 5 or 6.

Question 11: How would this option impact you? Please provide impacts and cost relevant to you (required)

- A lot.
- This option would be of significant value to GLOBE and other independent and government researchers seeking to monitor the presence of added sugars in the Australian food supply and compare trends across time and other jurisdictions.
- The inclusion of added sugars in the NIP provides an outcome measure that researchers can use to evaluate the effectiveness of interventions to reduce the availability or intake of added sugars. This also improves the feasibility of such interventions as foods and drinks high in added sugars could easily be identified.
- In addition, the following benefits would be seen for consumers:
- Consumers would receive significant benefit from this option, through the improved utility it provides on food labels in informing their choice. It will reduce current confusion caused by the inability to easily derive added sugars data on a product from the current label despite dietary guidance to limit intake of these sugars specifically.
- Quantification in the NIP will also provide important opportunities to compare products within and between categories to make informed choices better aligned with personal preferences.
- The standardized presentation of this information on the NIP has potential to save consumers time when shopping.
- While difficult to quantify how much consumers would value this information on a dollar basis, there is clear indication from both FSANZ and CHOICE research that they would value it.
- As noted above, public availability of this information across the food supply may enhance the implementation of related public health initiatives and campaigns which offer further benefits to consumers and Australia's health.
- The incentive provided to industry to reformulate to reduce added sugars may have potential to deliver widespread benefit across the population on an equitable basis, even among those consumers who do not use food labels. Reformulation is recognised as a 'best-buy' for improving population health.
- While this option would require updating labels, there is some evidence to suggest that consumers are willing to pay higher prices for low sugar items, suggesting there may also be marketing benefit for some products in disclosing this information (Karpaviciute 2018).

Question 12: How would the proposed option impact existing elements of a food label (both mandatory and voluntary)? Would adopting this option require another element of a food label to be removed from the package? If so, which labelling elements would be removed?

- This option would require one additional line in the current mandatory NIP, as regulated by the Food Standards Code. This is a minimal change, unlikely to negatively impact other existing elements of the food label.
- Earlier cost-benefit analysis prepared by PwC for the Commonwealth Department of Health in 2014 ahead of Health Star Rating implementation suggested that a label change of 'minor complexity' such as amendment of one line on the NIP without a change to label layout, would cost \$2490.39 per SKU (PwC 2014).
- Adoption of this option offers potential benefits to other elements of the food label - for example, by providing transparent information that may be incorporated into the algorithm underpinning the voluntary Health Star Rating system to improve its alignment with the dietary guidelines.

Question 13: Referring to Table 1 in Section 3.1, which implementation mechanism would be most appropriate for this policy option? Please provide the pros and cons of your selected implementation mechanism.

- Regulatory.
- Updating of existing regulatory requirements for the Nutrient Information Panel through the Food Standards Code offers the most appropriate implementation mechanism for this option.
- Use of regulation for the existing NIP recognises this is the best way to ensure consistent and compliant delivery of this information to consumers across the food supply (Jones, Shahid et al. 2018).
- Voluntary implementation would not deliver sufficient benefit to consumers. This is in effect the status quo, with such information only provided on a very small proportion of products.
- A code of practice is unlikely to drive sufficient uptake to allow consumers to make informed choices. Examples such as HSR have demonstrated that four years since implementation started, the logo is still not used on a sufficiently widespread and consistent basis to allow consumers to make a fully informed choice.

The benefits of regulatory approach here include:

- provide clear, mandatory requirements creating a consistent format that would be easy for consumers to use to compare all products and assist them to make informed choices about the products they buy.
- support a simple education campaign, given the uniform change and its application to all packaged products.
- apply to all manufacturers, thereby creating a level playing field, unlike voluntary regulation, which potentially places first-movers at a market disadvantage.
- meaningful sanctions for non-compliance
- be the most appropriate mechanism to implement this option, given that the requirements for the NIP are currently provided by the FSANZ Code, which could be relatively simply amended to require added sugars quantification and draw upon existing administrative and enforcement provisions.
- a government-led regulatory approach is also more likely to be trusted by consumers. By comparison, consumer trust in the voluntary HSR as reported in official government monitoring reports remains suboptimal.

Potential negative aspects of this regulatory approach:

- As discussed above there is a small cost to manufacturers per food label change

Option 5: Advisory labels for foods high in added sugars

Question 14: How effective would this option be in addressing the policy issue and achieving the desired outcome? Please provide evidence to justify your views.

- Effective in combination with another option.

- This option is likely to be effective in addressing the policy issue, building on information about the quantity of added sugars by providing additional contextual information to allow at-a-glance judgment of whether a product is high in added sugars. It overcomes the need for consumers to make that evaluation themselves by interpreting the NIP to identify foods which are high in added sugars. It thereby allows easy identification of products that would not meet dietary guideline recommendations.
- While changing behaviour is not the direct objective of this work, there is evidence already acknowledged in the RIS that nutrient-specific labelling on the front-of-pack can assist consumers to identify healthier choices.
- We note that an advisory statement could build upon underutilised existing provisions allowing these kinds of statements in Standard 1.2.3 of the Food Standards Code. However, we also note that these provisions are for text only statements without prescribed wording. Evidence already cited in the RIS suggests advisory statements are likely to be most valuable to consumers where they appear in a prescribed form on the front-of-pack and utilise a combination of words and easily understood symbols.
- The adoption of nutrient-specific front-of-pack warnings is no longer limited to Chile as suggested in the Consultation RIS. Israel is also implementing similar labels, Peru has also now passed legislation adopting a Chilean-style label, and Canada and Brazil are in the final stages of consultation of their own warning-style labels. There is also precedent in effective single nutrient advisory statements in the example of Finland, which has had a high salt warning since the 1990s. Each of these examples offer support for the practical, political and legal feasibility of similar measures.
- An advisory or 'warning' style label also has potential to incentivise reformulation by manufacturers to avoid display of the label. Reformulation has potential to deliver equitable benefits from added sugars reduction across the food supply, regardless of consumer motivation to use labels.
- Recent research has also focused on the effectiveness of interpretive labelling of sugary drinks specifically. The findings of this research is noted in the impact section below.

Question 15: How would this option impact you? Please provide impacts and cost relevant to you (required)

- A lot.
- This option will not directly impact on GLOBE's work but note the following benefits to consumers and public health in general in reducing the burden of added sugars in the diet.
- As acknowledged in evidence cited in the Consultation RIS, interpretive labels such as advisory statements offer consumers additional utility beyond the NIP and ingredients list in quickly identifying healthier choices.
- Simple labels that utilise shapes and symbols that are already meaningful to consumers offer additional benefits, particularly to those from linguistically diverse backgrounds, and across age groups.
- The potential time saving that generates from the use of interpretive, and potentially visual elements of the label in this option is likely to be of significant value to consumers and must be balanced against the cost to industry of providing this information.
- The value of this kind of labelling to consumers has also been recognised in developing the HSR system. However, feedback to the 5 year review of that system suggests continuing consumer concern that in its current form it does not sufficiently penalise products high in added sugars.

- Where this option incentivises reformulation, there are potential benefits to all consumers in reducing added sugars in the food supply, regardless of whether they use labels.
- There is a growing body of research that demonstrating that graphic health messages, similar to those used on cigarette packages, could be an effective way to both inform consumers of health risks and help people make healthier food choices. Recent research has been conducted into the impact of graphic health warning labels on the packaging of unhealthy foods. The results demonstrated that brief exposure to food product health warnings enhanced dietary self-control and this was substantiated by neurological imaging (Rosenblatt, Summerell et al. 2018). Researchers found that using negative pictorial images combined with negative text (graphic text warning) were the most effective way of persuading people to avoid the unhealthy options and choose healthier food (Rosenblatt, Bode et al. 2018).
- Research has also been conducted which supports the effectiveness of graphic warning labels on sugary drinks specifically. The study evaluated the effectiveness of several different types of warning labels on sugary drinks, including graphic warnings, text warnings, information on the amount of sugars in the product (with the number of teaspoons of added sugar), and Health Star Rating on young Australian adults (Billich, Blake et al. 2018). All the interventions significantly reduced selection of a sugary drink, however the magnitude of effect was greatest for the graphic warning label. Further, a recent American study also found graphic warning labels to be most effective in reducing the sales of sugary drinks in a hospital cafeteria (Donnelly, Zatz et al. 2018).

Question 16: How would the proposed option impact existing elements of a food label (both mandatory and voluntary)? Would adopting this option require another element of a food label to be removed from the package? If so, which labelling elements would be removed?

- Adoption of this option has potential to displace other voluntary labels on the front-of-pack, for example, the Health Star Rating logo. This would require balancing of the potential benefits of a single front-of-pack label for all foods and beverages - i.e. a mandatory HSR logo - against the effectiveness of an alternate sugar-specific warning or advisory. However we also note that added sugar labelling could complement the HSR which currently does not contain added sugar in the algorithm.
- In relation to the specific application of advisory statements on sugary drinks and/or confectionery, we note that uptake of HSR in this categories is currently low and restricted primarily to the permitted 'energy icon only' variant. There is little evidence to support the utility of this form of labelling to consumers (c.f. use of the Health Star logo), suggesting the need for reform. While HSR remains voluntary and mainly restricted to the energy icon, this also suggests very few manufacturers would be required to remove a HSR logo to implement this option.

Question 17: Referring to Table 1 in Section 3.1, which implementation mechanism would be most appropriate for this policy option? Please provide the pros and cons of your selected implementation mechanism.

- Regulatory. The only appropriate way to implement this option is through regulation, given the business disincentive for companies to adopt an advisory label voluntarily.
- Existing examples in other jurisdictions such as Chile, and older examples such as Finland's high salt warning label demonstrate the feasibility of implementing these kinds of labels through regulation.
- Existing provisions of the Food Standards Code relating to advisory statements could be utilised, noting that to maximise benefits to consumers presentation should be standardised on packaging and involve

prescribed wording and format beyond the minimum requirements for advisory labels currently prescribed in the Code.

- General benefits of a regulatory approach here include provision of clear, mandatory requirements for industry and consumers alike, promoting uniform change. They would also apply to all manufacturers, creating a level playing field.
- A regulatory approach, potentially incorporating an official government endorsement as done with Chile's label, would also enhance consumer trust in the label, strengthening its effect.

While a mandatory advisory may necessitate procedural steps to be followed at the World Trade Organization, successful passage of similar examples internationally and the effective passage of Australia's updated Country of Origin label through this process suggest this should not be a barrier to adopting a regulatory approach.

Option 6: Pictorial approaches to convey the amount or types of sugars in a serving of food.

Question 18: How effective would this option be in addressing the policy issue and achieving the desired outcome? Please provide evidence to justify your views.

- Effective in combination with another option
- Visual representation of complex information helps engage consumers and representing added sugars using a visual symbol, such as teaspoons of sugar, could greatly help consumers identify the amount of sugars in high sugar products. The Consultation RIS acknowledges the additional utility of this kind of labelling to consumers beyond in the NIP and ingredients list.
- Labelling of sugars as units of teaspoons is highly supported by consumers. In a 2017 nationally representative CHOICE survey, 75% of consumers supported providing images of teaspoons of sugar reflecting the teaspoons of added sugars within the product (CHOICE 2017).
- A study by GLOBE researchers on the effect of sugar-sweetened beverage (SSB) front-of-pack labels on drink selection demonstrates that front-of-pack graphic warning labels, text warning labels, sugars information labels (with the number of teaspoons of added sugar) and HSR labels all have the potential to reduce intended selection of SSBs for young adults (Billich, Blake et al. 2018).
- Both advisory labels and pictorial approaches would help consumers make informed choices in support of the dietary guidelines. A decision on whether added sugars content is best communicated through advisory labels or pictorial approaches should be evaluated based on evidence of efficacy and consumer testing of these approaches.

Question 19: How would this option impact you? Please provide impacts and cost relevant to you (required)

- A lot.
- Assuming it doesn't displace the HSR. This option will not directly impact on GLOBE's work but note the following benefits to consumers.
- As acknowledged in evidence cited in the Consultation RIS, interpretive labels which may include pictorial approaches offer consumers additional utility beyond the NIP and ingredients list in quickly identifying healthier choices.

- Simple labels that utilise shapes and symbols that are already meaningful to consumers offer additional value, particularly to those from linguistically diverse backgrounds, and across age groups.
- The potential time saving that generates from the use of interpretive, and potentially visual elements of the label in this option is likely to be of significant value to consumers and must be balanced against the cost to industry of providing this information.
- The value of this kind of labelling to consumers has also been recognised in developing the HSR system. However, feedback to the 5 year review of that system suggests continuing consumer concern that in its current form HSR does not sufficiently penalise products high in added sugars. Pictorial approaches may thereby offer an additional tool for consumers.

Question 20: How would the proposed option impact existing elements of a food label (both mandatory and voluntary)? Would adopting this option require another element of a food label to be removed from the package? If so, which labelling elements would be removed?

- Adoption of this option has potential to displace other voluntary labels on the front-of-pack, for example, the Health Star Rating logo. This would require balancing of the potential benefits of a single front-of-pack label for all foods and beverages - i.e. a mandatory HSR logo - against the effectiveness of an alternate sugar-specific front-of-pack label. However we also note that added sugar labelling could complement the HSR which currently does not contain added sugar in the algorithm.
- In relation to the specific application of pictorial symbols on sugary drinks and/or confectionery, we note that uptake of HSR in this categories is currently low and restricted primarily to the permitted 'energy icon only' variant. There is little evidence to support the utility of this form of labelling to consumers (c.f. use of the Health Star logo), suggesting the need for reform. While HSR remains voluntary and mainly restricted to the energy icon, this also suggests very few manufacturers would be required to remove a HSR logo to implement this option.

Question 21: Referring to Table 1 in Section 3.1, which implementation mechanism would be most appropriate for this policy option? Please provide the pros and cons of your selected implementation mechanism.

- Regulatory.
- As with advisory statements, the only feasible way to implement this option is through regulation, given the obvious business disincentive for companies to adopt a pictorial label voluntarily.

The benefits of regulatory approach is that it would:-

- provide clear, mandatory requirements creating a consistent format that would be easy for consumers to use to compare all products and assist them to make informed choices about the products they buy. This is in contrast to voluntary systems like the Health Star Rating (HSR) system which is selectively applied to products, with food manufacturers often choosing to display HSRs on products that score more highly.

- ensure that informing and educating the population about the change would be much easier, as the change would be uniform and apply to all applicable products.
- create a level playing field, unlike voluntary regulation, which potentially places first-movers at a market disadvantage.

While a mandatory pictorial label may necessitate procedural steps to be followed at the World Trade Organization, successful passage of similar examples internationally and the effective passage of Australia's updated Country of Origin label through this process suggest this should not be a barrier to adopting a regulatory approach.

Option 7: Digital linking to off label web-based information about added sugars content

- Not effective.
- Not effective because unlikely to be used, particularly by those with less motivation to improve their diets.
- Also pragmatic factor of wi-fi/reception not working in supermarkets meaning unlikely to be used at point of purchase/to make an informed choice.
- Consumers often shop in a hurry and most shoppers spend fewer than ten seconds selecting each item — not enough time to review.
- Are less likely to reach people who experience socioeconomic disadvantage, or are from linguistically diverse backgrounds given the additional barriers to access - many of these groups suffer disproportionately from diet-related disease, and would most benefit from improved easy to understand food labels. Health equity should be considered in food and health policy.
- We note that digital based solutions were considered for Country of Origin Label reform in Australia in 2016. While acknowledged as a future direction for product information, the Explanatory Memorandum for that legislation acknowledged that neither industry nor consumers are ready for a solution that relied solely on digital information. Consumer research referred to showed that most consumers did not want to use digital solutions when shopping, and businesses also felt their IT systems were not equipped to disseminate this level of information and would require significant investment to do so. Ultimately, both mandatory and voluntary options to introduce digital information provision for the proposed Country of Origin Labelling requirements were not considered feasible alternatives to requiring on-label information (The Parliament of the Commonwealth of Australia 2016).

Question 23: How would this option impact you? Please provide impacts and cost relevant to you (required)

- Not at all.
- This option would not address the consultation's objective as it will not allow the majority of consumers to make informed choices.
- As with the option of education on existing labels, consumers will continue to bear the cost of information asymmetry on the sugars content of their food.

The cost to consumers of not having the additional information on sugars could manifest in a variety of ways, including: uncertainty about the amount of risk-associated sugars in the product they have purchased and the lost utility this information would provide; not being able to purchase their most preferred product relative to if this information was provided; and increased time spent attempting to find and understand information on the type and amount of sugars in food. While not possible to estimate the overall size or cost of this confusion, there is sufficient information in the Consultation RIS prepared by FSANZ to suggest that consumers are dissatisfied with current sugars labels and want more information by which to make informed choices.

Question 24: How would the proposed option impact existing elements of a food label (both mandatory and voluntary)? Would adopting this option require another element of a food label to be removed from the package? If so, which labelling elements would be removed?

N/A if barcode itself linked to digital information.

Question 25: Referring to Table 1 in Section 3.1, which implementation mechanism would be most appropriate for this policy option? Please provide the pros and cons of your selected implementation mechanism. (required)

- Voluntary.
- Manufacturers could choose to include this as a complement to recommended regulatory options.

Questions about all proposed options

Question 26: Are there additional options that should be considered to address the policy issue and achieve the desired outcome? If so, please describe your suggested option and how it addresses the policy issue and would achieve the desired outcome? Please also describe the cost of implementing your proposed option.

Is the description of the strengths and weaknesses of the proposed options (compared to the status quo) accurate? Please justify your response with evidence.

We do not propose any additional options and believe that amongst the suggested options there are effective solutions to achieve the desired outcome as outlined in this submission.

Consultation question 27: Is the description of the strengths and weaknesses of the proposed options (compared to the status quo) accurate? Please justify your response with evidence.

Overall the strengths and weaknesses of the options have been described well. There are however some gaps as described in the response to Q28 below.

Consultation question 28: Are there additional strengths and weaknesses associated with the proposed options (compared to the status quo)? Please describe what these are?

Option 2: As described in Q5, current emphasis on education and use of nutrition labelling approaches may preferentially benefit those of higher socioeconomic status (Cowburn and Stockley 2005), potentially increasing the existing inequalities in dietary intake of sugar. For instance, in 2011-12, 38% of Australians 2 years and older in the most disadvantaged area quintile had consumed SSBs in the previous 24 hours compared with 31% in the least disadvantaged (Australian Bureau of Statistics 2016).

Consultation question 29: If you proposed a different option at question 26, please detail the strengths and weaknesses of you proposed option, compared to the status quo.

N/A

Question 30: Should the proposed options apply to all packaged foods in the Australian and New Zealand food supply, or only particular foods or food categories? If so, which option(s) should apply to particular foods or food categories and what would these foods or food categories be?

Options 3 & 4 to apply to all packaged foods

- The application of both options to all foods would ensure a clear, uniform label which consumers have advised that they prefer.

Options 5 & 6 to apply to sugary drinks and confectionery only

- This suggestion is primarily made given the additional evidence supporting interpretive, warning style labels on these products globally.
- We also note that uptake of HSR in these categories is currently low and restricted primarily to the permitted 'energy icon only' variant. There is little evidence to support the utility of this form of labelling to consumers (c.f. use of the Health Star logo), nor does it provide meaningful information about added sugars content. Accordingly we suggest that HSR be strengthened to deliver more useful information to consumers in these categories, or that alternative forms of interpretive labels such as advisory or pictorial labels be considered in these categories.
- An additional targeted approach to added sugars in these categories may also be justified given the dominant role of sugars in their nutritional composition, and their significant contribution to excess sugar and energy intake in both the Australian and New Zealand diet as associated health risks.
- The Australian Bureau of Statistics analysis of consumption of 'free', and 'added' sugars in the Australian population in 2011-12 revealed that the leading contributors towards intakes of free sugars were soft drinks and sports and energy drinks, accounting for 19% of free sugars intake in the population, followed by fruit and vegetable juices and drinks (13%) (Australian Bureau of Statistics 2016). In particular, 14-18 year old males obtained approximately 35% of their free sugars intakes from soft drinks and sports and energy drinks.

Question 31: Is the description of the pros and cons of the different implementation mechanisms in Table 1 accurate? Please justify your response with evidence.

While broadly agreeing with Table 1, we make the following additional comments:

- Key examples from other areas of food policy in Australia highlight the limitations of co-regulatory or Code of Practice arrangements for consumers in particular.
- In the area of restrictions on advertising unhealthy food and drink to children, many food companies have refused to sign up to current voluntary codes, meaning codes do not apply to a significant number of food, beverage and fast food companies marketing to Australian children. Even where companies do partake, weaknesses in monitoring and enforcement reduce the efficacy of the codes in protecting Australian children from unhealthy advertising (Hickey, Mandelbaum et al. 2018).
- Australia's Health Star Rating is listed in the Consultation RIS as an example of a government led Code of Practice. Despite being formally branded 'as a joint Australia, state and territory governments initiative in partnership with industry, public health and consumer groups', government monitoring suggests many consumers are still not sure who is behind the system, and a lack of transparency during development and implementation has allowed speculation of undue industry influence to jeopardise consumer trust in the system. Despite a growing body of independent evidence supporting HSR's efficacy, consumer trust remains suboptimal.
- While peak industry bodies support HSR publically, four years since implementation commenced, uptake of HSR remains low (estimated at 28% of eligible products), and skewed towards those products which receive higher ratings (Jones, Shahid et al. 2018). Among manufacturers, only the retailers appear to be applying the label consistently across their entire product range. Perhaps unsurprisingly, most manufacturers are only using HSR where it is an effective marketing tool. This is limiting HSR's utility to consumers. The same inconsistencies in application are likely to occur with any of the above options for improved sugars labelling that are not implemented on a regulatory basis.
- The table also highlights that both voluntary implementation and codes of practice have lower compliance costs for business. This lower cost will only occur where businesses elect not to participate, and must be balanced against the ongoing costs to consumers of not having improved sugars information to make informed choices.
- We also strongly resist assertion that Codes of Practice or voluntary arrangements are necessarily more flexible, responsive or easier to modify than regulatory approaches. The ongoing review of HSR and parallel efforts to address well known anomalies like the 'as prepared' loophole are testament that Codes of Practice can be equally, or potentially even more difficult to update in response to consumer feedback. This is because of the necessity of maintaining industry cooperation and continued buy-in for the viability of the scheme. By contrast, industry endorsement is not a necessary pre-requisite to implementing evidence-informed regulatory updates.
- Given that many of the options proposed relate to existing provisions of the Food Standards Code, we believe the standardised procedures for updating that Code provide appropriate flexibility for these kinds of labelling changes.

- We agree with the listed benefits of regulation: notably consistent information being provided to consumers; high compliance and coverage; meaningful sanctions for non-compliance; a joint approach between both jurisdictions; lack of confusion amongst consumers as all labels would look similar; and agreement on technical challenges such as a clear definition of added sugars.
- We welcome mechanisms for minimising unnecessary costs to business in complying with new regulation such as reasonable timelines for implementation. The Explanatory Memorandum for new Country of Origin Labelling requirements suggest that both business and other stakeholders agreed that two years was reasonable for that updated label (The Parliament of the Commonwealth of Australia 2016). While imported products would need to comply, that Memorandum also suggests these comprise only around 4% of the food supply. Accommodations such as allowance for use of stickers may assist manufacturers to meet requirements during a transition period. The example of Country of Origin in Australia and also mandatory changes to sugars labelling in other countries demonstrates that WTO notification imposes certain procedural requirements but is unlikely to provide any substantive barrier to the regulation being implemented.

Question 32: Are there other pros and cons associated with the different implementation mechanisms? Please describe what these are.

- A regulatory approach has the additional benefit of providing a level playing field for all businesses, in contrast to voluntary approaches where adopting manufacturers may be subject to additional costs.

Question 33: Are there any other benefits or costs associated with the proposed labelling options which have not been identified above?

- While the desired outcome of this work relates to provision of information, there may be additional associated benefits of this work to the community.
- As noted above, the potential of several of the above options to incentivize reformulation have potential to deliver small but meaningful reductions in added sugars across the food supply with potential benefits to population health without requiring behaviour change.
- Beyond providing information, many of the above options also have potential to support consumers to make not only informed, but healthier choices, particularly where information is placed on the front-of-pack and utilises graphics and/or symbols. Particularly given acknowledgement in the Consultation RIS of widespread consumer interest in sugars information particularly. Over time, these healthier choices will contribute to reducing the huge burden of diet-related disease on both individual Australians and our health system.

Question 34: Should there be exemptions or other accommodations (such as longer transition periods) made for small businesses, to minimise the regulatory burden? If so, what exemptions or other accommodations do you suggest?

- We note that the Explanatory Memorandum for Country of Origin Labelling addressed this issue, with the majority of small businesses agreeing that a 24 month transition period represented the best opportunity to minimise cost to business while still ensuring consumers would start to see new labels on the shelf as soon as possible. Widespread uptake of this initiative can be compared with lower uptake of the voluntary HSR over a four year period.
- Administrative burden to business may also be minimised by a cooperative approach to sharing of data and technology that may assist manufacturers to calculate the added sugars content of their products and facilitate label uptake.

Question 35: What would be the cost per year for the industry to self-regulate (e.g. voluntary code of practice- industry driven)? Please justify your response with hours of time, and number of staff required. Please specify which country (Australia or New Zealand) your evidence is based on.

N/A

Question 36: Would industry pass any of the costs associated with implementing the proposed options on to consumers? What is the basis for your view?

N/A

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