SUBMISSION TO PUBLIC CONSULTATION:

LABELLING OF SUGARS ON PACKAGED FOODS AND DRINKS

The George Institute for Global Health

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The George Institute for Global Health

food policy

Contents

The George Institute for Global Health

The George Institute for Global Health's mission is to improve the health of millions of people worldwide.

The George Institute's Food Policy Division works in Australia and internationally to reduce rates of death and disease caused by diets high in salt, harmful fats, sugar and excess energy, by undertaking research and advocating for a healthier food environment.

The Food Policy Division's main areas of activity are monitoring changes in the food supply including through reformulation, and developing and testing innovative approaches to encourage consumers towards better food choices.

The George Institute has been designated a World Health Organization Collaborating Centre on Population Salt Reduction, with remit to support countries to achieve global targets for reducing salt by 30% by 2025.

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Introduction

The George Institute supports improvements to the labelling of sugars on packaged foods and drinks to enable consumers to make informed choices in support of dietary guidelines.

Foods and drinks can contain both naturally occurring and added sugars. Foods high in added sugars may displace more nutritious foods in the diet, and contribute to dental caries, unhealthy weight gain and associated non-communicable diseases (NCDs).

Both the Australian Dietary Guidelines (ADGs) and the World Health Organization (WHO) suggest limiting added sugars to avoid these adverse health outcomes, yet national nutrition surveys suggest more than half of Australians still exceed recommended intakes. While overweight and obesity and poor dental health are not solely attributable excess added sugar consumption, these conditions place a significant burden on individuals and health systems.

Food labels are an important tool to enable consumers to make informed and healthier choices, however current sugars information on labels is difficult and time-consuming to interpret, making it difficult to follow dietary advice.

Recognising this problem, our preferred policy solution involves the following minimum improvements:

- **Statement of ingredients updated to overtly identify sugars-based ingredients (Option 3)**
  and
- **Added sugars quantified in the Nutrient Information Panel (NIP) (Option 4)**

We also recognise a growing body of evidence to support the utility of interpretive nutrition labels on the front-of-pack for consumers. This evidence supports further exploration of Option 5 and 6, but also suggests a strengthened and mandatory Health Star Rating (HSR) could perform this role, provided concerns about HSR's treatment of sugar receive adequate attention in the current five-year review.

To achieve maximum benefit for consumers and public health, these options should be implemented through mandatory regulation. While a matter for later determination, we support development of an expansive definition of added sugars in the implementation phase.

Our answers to this consultation are informed by systematic monitoring of sugars in the Australian food supply via The George Institute's FoodSwitch database and app. Given limited current availability of added sugars information, we calculate detailed added sugars estimates for a large range of products for our research.

We welcome the opportunity to contribute to the public consultation, and provide further detailed answers to specific review questions below.

Responses to Specific Review Questions

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.***

   ☑ **Yes**

   ☐ No

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?**

   ☐ Yes

   ☑ **No**

   Inclusion of added sugars information on labels is currently a business decision made by manufacturers. FoodSwitch data suggests only a very small proportion of manufacturers provide this information, in various

formats (e.g. the NIP, ingredients list or as a nutrient content claim), usually where this confers marketing benefit.

Without a comprehensive definition of added sugars, these voluntary pieces of information about added sugars may also be applied inconsistently, causing further confusion for consumers.

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?

- ☑ Yes
- ☐ No

In cases where manufacturers provide added sugars information in the NIP, The George Institute holds this information in its FoodSwitch database.

Where manufacturers provide only total sugars information on the label, The George Institute have sometimes generated estimates of added sugar content [1, 2]. While powerful for research purposes, this information currently does not provide consumers with the information they need on added sugar content at the point of purchase.

4. Do you agree with the proposed desired outcome of this work?

- ☑ Yes
- ☐ No

We support the proposed desired outcome of this work.

Australians are over-consuming added sugars. In 2011-12 Australians consumed on average 60 grams or 14 teaspoons of added sugars a day, some groups consumed much more than this [3]. The Australian Health Survey found that over half of Australians exceed the WHO's recommendation to reduce intake of free sugars to less than 10% of total energy intake [3, 4].

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). Action on added sugars in the US has relied strongly on recognition by the Food and Drug Administration that where added sugars are consumed in excess it becomes difficult to also eat foods with sufficient dietary fibre and essential vitamins and minerals and still stay within energy limits [5].

Both Australian and New Zealand dietary guidelines recommend limiting foods containing added sugars, but lack of added sugars information on food labels makes it difficult to follow this guidance. To address added sugars consumption and the detrimental associated health impacts, we need food labels that enable consumers to follow dietary guidelines. We believe that at a minimum, Options 3 and 4 must be implemented through regulation to achieve this goal.

Benefits and costs of proposed options

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

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

- ☐ Effective
- ☑ Not effective
- ☐ Partially effective
- ☐ No opinion
- ☐ Effective in combination with another option

The option presented in the RIS 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.

This option is not a feasible solution because information on current labels does not provide people the information they need to follow dietary advice on added sugars.

Education would be a useful accompaniment to uptake of any/all of Options 3-6 to assist consumers to use new information correctly.

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

- ☐ A lot
- ☑ Somewhat
- ☐ Not at all

This option will allow negative impacts on consumers to persist.

The cost to consumers of not having additional sugars information on manifests in a variety of ways. These could include uncertainty about the amount of risk-associated sugars in the product purchased and the lost utility of this information ; not being able to purchase their 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 RIS prepared by FSANZ to suggest consumers are dissatisfied with current sugar labels and want more information by which to make informed choices.

This option would also have somewhat negative impacts for researchers, by continuing current information asymmetry – currently only manufacturers know the exact content of sugar in their recipes, while others are denied the ability to accurately monitor and evaluate the presence of added sugars in the food supply.

As this option is likely to be ineffective, but typically requires resourcing by government or other non-profit health organisations, we also suggest this option will not be an efficient allocation of resources.

In the event that this option is updated to relate to education accompanying labelling changes, it may be useful in increasing understanding and awareness of changes among all stakeholders. We note however, that education campaigns typically have a limited reach, and require sustainable resourcing. It is also difficult for campaigns to compete with the large marketing resources of the food industry.

Option 3: Change to statement of ingredients

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

- ☐ Effective
- ☐ Not effective
- ☐ Partially effective
- ☐ No opinion
- ☑ Effective in combination with another option

This Option has a long history, stemming from recommendations in the 2011 Review of Food Labelling Law and Policy (Blewett Review). That Review suggested where sugars are added as separate ingredients in a food, the term ‘added sugars’ be used in the ingredient list as the generic term, followed by a bracketed list.

We support work by CHOICE suggesting the majority of Australians support this Option [6]. Ingredients lists currently allow a multitude of names for added sugars. This not only disguises added sugars in foods, but results in their dispersion throughout the ingredient list, making it difficult to identify the relative total relative contribution of sugars in a product.

This solution 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. Use of grouping in the Canadian regulation supports the adoption of the bracketing option here.

This option alone will still not allow consumers to see the *amount* of sugars added to products, nor allow easy comparisons between products. For this reason, we strongly support implementation of Option 3 in combination with Option 4 improvements to the Nutrient Information Panel.

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

- ☑ A lot
- ☐ Somewhat
- ☐ Not at all

Consumers would receive significant benefit from this option, through improved utility of food labels.

Confusion will be reduced by being able to identify which ingredients are added sugars and assess their relative contribution in comparison to other ingredients. They will save time previously spent trying to identify multiple sugars-based ingredients while shopping, and be supported to purchase their preferred product on the basis of this improved information.

While difficult to place a dollar value on how much consumers would value this information, there is clear indication from both FSANZ and CHOICE research that they would value it.

Although the RIS focuses primarily on informing consumers, it is likely this Option would also assist consumers to make healthier choices, 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. It should not require additional nutritional analysis or any significant change to the layout of the label. Industry costs can be minimised by allowing changes to be incorporated as part of regular label updates.

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.

- ☐ Voluntary implementation
- ☐ Code of practice - Industry driven
- ☐ Code of practice - Government driven
- ☑ Regulatory

Please provide the pros and cons of your selected implementation mechanism, using evidence to justify your view.

Use of regulation for the existing ingredients list recognises this is the best way to ensure consistent provision of this information across the food supply. This option could be implemented by a relatively simple update to Standard 1.2.4 of the Food Standards Code, and draw upon existing administrative and enforcement mechanisms.

For consumers, the benefits of a regulatory approach includes creation of a clear and consistent format that is easy to understand and use. Compared to voluntary labels such as HSR which is still used selectively, a mandatory approach is more likely to be trusted by consumers.

For manufacturers, a mandatory approach creates a level playing field for all companies, and a clear framework with meaningful sanctions for non-compliance.

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

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
- ☐ Not effective
- ☐ Partially effective

☐ No opinion

☐ Effective in combination with another option

The NIP is one of the most important communication tools available to inform consumers of a product's nutritional composition.

- **Consumers want this information**

FSANZ's own research suggests the NIP is consistently the most used information for choosing one product over another. FSANZ also found the most commonly checked information in the NIP was the amount of (total) sugars, with 60% of Australians looking for this information. However, without further context, consumers cannot use this information to make decisions consistent with dietary guideline recommendations on added sugars.

Our George Institute research suggests around 70 percent of packaged foods contain added sugars in the Australian food supply [2]. This includes 87 percent of discretionary foods and 52 percent of core foods using Australian Dietary Guideline classifications. These figures suggest the widespread utility of providing consumers this additional information.

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.

Research by CHOICE in both 2017 and 2018 suggests the vast majority of Australians support this Option [6].

- **Implementation in the US demonstrates this option is feasible**

Uptake of added sugars on the US Nutrition Facts Panel demonstrates this Option's practical feasibility. It also provides useful insight into appropriate definitions and monitoring/compliance mechanisms.

The George Institute supports an expansive definition of added sugars, drawing upon that used in the WHO Guideline i.e. 'free sugars' which includes not only monosaccharides and disaccharides, but also sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates. In the US, where any of these sugars are added during the processing of foods, or are packaged as such (e.g. a bag of sugar), they must be quantified in the NIP as added sugars.

We also support establishment of a daily intake reference or upper limit for added sugars and/or cut-offs for high/medium/low messaging, but suggest that determination of these objective reference points not delay uptake of quantified added sugar information in the NIP as an important first step.

- **Benefits to other public health programs and campaigns**

Quantification of added sugars in the NIP will also benefit implementation of other public health programs and campaigns which seek to assist consumers to make healthier choices in line with dietary guidelines. This could include easier identification of foods to restrict in setting such as schools or hospitals, as well as improvements to the HSR. Our research particularly supports incorporation of added sugars information into the HSR algorithm [2].

- **Incentive for reformulation**

Disclosure of added sugars information also provides an important incentive for manufacturers to reformulate. 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 [7]. Reformulation is frequently considered a 'best buy' approach to reducing intakes of nutrients associated with chronic disease, and it is an equitable approach because improvements to the food supply benefit the whole population.

- **Facilitate monitoring of added sugars across the food supply**

Failure to quantify added sugars on nutrition labels makes it difficult to evaluate the presence of added sugars in the food supply, to compare intakes in Australia with other countries, to monitor national intake trends over time, and to assess industry's positive reformulation efforts.

11. How would this option impact you? Please provide impacts and cost relevant to you

☑ A lot

☐ Somewhat

☐ Not at all

Consumers would benefit significantly from this option through improved utility of food labels to inform choices. It will reduce current confusion between competing information on total sugar on food packages, and added sugars in the dietary guidelines.

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.

Though not the primary focus of this RIS, it is likely that the measure would also have public health benefits, by assisting consumers to make healthier decisions in accordance with dietary guidelines and by incentivizing industry reformulation. Reformulation has potential to deliver widespread benefit across the population on an equitable basis, even among those consumers who do not use food labels.

This option would also be of significant value to researchers (within and outside government) seeking to monitor the presence of added sugars in the Australian food supply and compare trends across time and other jurisdictions. As noted above, public availability of this information may enhance the implementation of related public health initiatives and campaigns which offer further benefits to consumers and Australia's health.

While this option would require updating labels, there is some evidence to suggest consumers are willing to pay higher prices for low sugar items, suggesting potential marketing benefit for at least some products in disclosing this information [8].

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 Stock Keeping Unit (SKU) [9].

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 HSRto improve its alignment with the dietary guidelines.

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.

☐ Voluntary implementation

☐ Code of practice - Industry driven

☐ Code of practice - Government driven

☑ Regulatory

Please provide the pros and cons of your selected implementation mechanism, using evidence to justify your view.

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. This option could be implemented by a relatively simple update to Food Standards Code (Standard 1.2.8 and Schedule 12) requirements for the NIP. It could draw upon existing administrative and enforcement mechanisms for those provisions.

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 government driven Code of Practice (similar to HSR) is unlikely to drive sufficient uptake of this Option, given its potential negative impact on sales of items high in added sugars. In the case of the HSR, our research suggests that four years after implementation it is still only on 28% of products, predominantly those that receive a HSR of 3.0 or above. This means uptake is not sufficiently widespread to allow consumers to make a truly informed choice [10]. A voluntary option would also greatly reduce the incentive for reformulation.

As noted in our answers to Option 3, the benefits of a regulatory approach here include creation of a consistent and clear format, with an evidence-informed and government-led definition of added sugars underpinning it. This is more likely to be trusted by consumers.

For industry, a mandatory approach would create a level playing field, and clear mechanisms for non-compliance.

Option 5: Advisory labels for foods high in added sugars

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
- ☐ Not effective
- ☐ Partially effective
- ☐ No opinion
- ☑ Effective in combination with another option

This option builds on the utility of providing consumers information about the quantity of added sugars by putting that information in context based on agreed benchmarks and providing that in 'at-a-glance' form.

While changing behaviour is not the direct objective of this work, there is evidence acknowledged in the RIS that nutrient-specific labelling on the front-of-pack can assist consumers to identify healthier choices.

An advisory statement could build upon existing provisions of the Food Standards Code (Standard 1.2.3). However, these provisions allow for text-only statements without prescribed wording. Evidence already cited in the RIS suggests advisory statements are most valuable to consumers where they appear in a prescribed form on the front-of-pack and use 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 RIS. Israel, Peru and Uruguay have now passed similar legislation. Canada and Brazil are also consulting on advisory/warning-style labels. There is also precedent for single nutrient advisory statements from Finland, which has had a high salt warning since the 1990s. Each of these examples support the practical, political and legal feasibility of similar measures.

Beyond its impact on individuals, an advisory or 'warning' style label 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 focused on the effectiveness of advisory or warning-style labels on sugary drinks specifically. The findings of this research is noted in the impact section below.

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

- ☑ A lot
- ☐ Somewhat
- ☐ Not at all

As acknowledged in the 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 use shapes and symbols that are already meaningful (e.g. stop signs) offer additional benefits, particularly to those from linguistically diverse backgrounds, and across age groups.

The time saved by using interpretive labels 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 interpretive-style labelling is recognised in Australia and New Zealand through creation of the HSR system. However, feedback to the HSR 5 year review suggests continuing consumer concern that it does not sufficiently penalise products high in added sugars. This leaves space for consideration of additional labelling options if the review cannot resolve these concerns [11].

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 growing evidence 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 Australian research found brief exposure to health warnings enhanced dietary self-control and this was substantiated by neurological imaging. 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 [12, 13].

The use of graphic warning labels on sugar-sweetened beverages (SSBs) specifically has also been evaluated in Australia. Graphic warnings, text warnings, information on the amount of sugars in the product (with the number of teaspoons of added sugar), and the HSR all reduced intended selection of an SSB among young Australian adults. The biggest effect was found with graphic warning labels [14]. A recent American study also found graphic warning labels to be most effective in reducing the sales of SSBs in a hospital cafeteria [15].

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?

The most obvious potential impact of this option is on the voluntary display of HSR.

We believe there is significant utility for consumers in a single front-of-pack label for all foods and beverages, and that a strengthened and mandatory HSR could achieve the role of an advisory or warning label at the conclusion of the five year review provided significant attention is directed at addressing remaining concerns about sugar.

While the decision to make HSR mandatory remains unclear, this option is warrants further consideration.

The HSR Style Guide currently allows manufacturers to display HSR in a 'hierarchy' of formats – all of which use the HSR 0.5-5.0 logo except for the 'energy icon only' format. This option is small, and displays kilojoule content only. While originally intended for small packages, use of the energy icon is in practice widespread on confectionery and non-dairy beverages [10]. Given that most drinks are not displaying an actual star rating, and that sugary drinks are a particular category of concern with respect to diets, a sugar-specific advisory may be warranted in this category in particular.

We also note that to the extent this option encourages removal of the Daily Intake Guide, this would be a beneficial outcome for consumers as there is no good evidence supporting its utility [16].

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.

- ☐ Voluntary implementation
- ☐ Code of practice - Industry driven
- ☐ Code of practice - Government driven
- ☑ Regulatory

Please provide the pros and cons of your selected implementation mechanism, using evidence to justify your view.

The only appropriate way to implement this option is through regulation, given the business disincentive for companies to adopt an advisory label voluntarily. Eexamples from other jurisdictions such as Chile, and older examples such as Finland's high salt warning label demonstrate the feasibility of these regulations.

Existing provisions of the Food Standards Code relating to advisory statements could be used, noting that to maximise consumer benefit, evidence suggests presentation should be standardised on packaging and

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

An official government endorsement (similar to that incorporated on Chile's label) would also enhance consumer trust in the label, strengthening its effect.

The example of Country of Origin in Australia and mandatory changes to sugars labelling in other countries suggest that notification to the World Trade Organization (WTO) notification may impose procedural requirements, but is unlikely to provide a substantive barrier to this kind of regulation being implemented.

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

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
- ☐ Not effective
- ☐ Partially effective
- ☐ No opinion
- ☑ 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 RIS acknowledges the usefulness of this kind of labelling to consumers in addition to the NIP and ingredients list.

Labelling of sugars as units of teaspoons is highly supported by consumers. Two surveys by CHOICE in 2017 and 2018 have consistently found that a label incorporating teaspoons of added sugar had the highest approval of the proposed options [6]. Media engagement by The George Institute during the consultation period also suggested that public interest was highest in a label that incorporated teaspoon information.

As noted above, a study of front-of-pack labels on SSBs found that 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 [14].

Both advisory labels and pictorial approaches would likely be effective in guiding consumers make informed choices in support of the dietary guidelines.

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

- ☑ A lot
- ☐ Somewhat
- ☐ Not at all

As acknowledged in the RIS, interpretive labels (including pictorial labels) offer consumers additional utility beyond the NIP and ingredients list in quickly identifying healthier choices.

Simple labels using shapes and symbols that are already meaningful to consumers offer additional value, particularly to those from linguistically diverse backgrounds, and across age groups. The time saving from using these at-a-glance cues is likely to be of significant value to consumers.

The value of this kind of interpretive-style labelling is recognised in Australia and New Zealand through creation of the HSR system. However, feedback to the HSR 5 year review suggests continuing consumer concern that it does not sufficiently penalise products high in added sugars. This leaves space for consideration of additional labelling options if the review cannot resolve these concerns [11].

While the primarily objective of this consultation relates to informing consumers, this Option is also likely to encourage consumers to make healthier choices.

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?

We reiterate our comments from Question 16. The most obvious potential impact of this option is on the voluntary display of HSR.

Our preference is to strengthen HSR – in particular, by attending to concerns that it does not sufficiently penalise added sugars– and then make it mandatory to ensure it delivers full benefits across the food supply.

Where it remains voluntary and predominantly displayed in the 'energy icon only' form on SSBs in particular, a sugar-specific advisory or warning as proposed in Option 5 and 6 may be warranted.

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.

- ☐ Voluntary implementation
- ☐ Code of practice - Industry driven
- ☐ Code of practice - Government driven
- ☑ Regulatory

Please provide the pros and cons of your selected implementation mechanism, using evidence to justify your view.

As with Option 5, the only feasible way to implement this option is through regulation.

The benefits of a mandatory approach for consumers has been discussed above in Questions 9, 13 and 17.

The example of Country of Origin in Australia and mandatory changes to sugar labels in other countries demonstrate that World Trade Organization (WTO) notification imposes procedural requirements, but is unlikely to provide any substantive barrier to regulations that pursue legitimate health objectives.

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

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

- ☐ Effective
- ☑ Not effective
- ☐ Partially effective
- ☐ No opinion
- ☐ Effective in combination with another option

This option would not be effective because it is unlikely to be used, particularly by those who experience socioeconomic disadvantage or are from linguistically diverse backgrounds. Many of these groups already suffer disproportionately from diet-related disease. The additional barriers to accessing information created by this option do not promote health equity.

As a pragmatic factor, supermarkets frequently have issues with wi-fi connectivity which limit the ability of this option to be used at the point of purchase to inform choice. As most shoppers spend a very short amount of time selecting each item, they are unlikely to use online review. Our experience with the FoodSwitch app also suggests frequent issues with different phone models being able to successfully scan the barcode or QR code.

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 showed 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 [17]. We suggest the same reasoning be applied here.

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

- ☑ A lot
- ☐ Somewhat
- ☐ Not at all

This option would not address the consultation's objective. Consumers will continue to bear the cost of information asymmetry on the sugars content of their food.

As noted above in Question 6, the cost to consumers of not having improved information could manifest in a variety of ways. These include uncertainty about the amount of risk-associated sugars in the product purchased and the lost utility this information; not being able to purchase their 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 challenging to estimate the overall size or cost of this confusion, there is sufficient information in the RIS to suggest consumers are dissatisfied with current labels and want more information by which to make informed choices.

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?

This is unclear. However, if the label required instructions or a QR code for consumers to follow to obtain additional information on sugars, this would potentially take up more space than providing the sugars information on the label itself.

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 implementation
- ☐ Code of practice - Industry driven
- ☐ Code of practice - Government driven
- ☐ Regulatory

Please provide the pros and cons of your selected implementation mechanism, using evidence to justify your view.

Not answered.

Questions about all proposed options

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.

The options on the table are evidence-informed and we believe sufficient to address the problem.

[Please note questions 27 and 28 incorporated into each option answers]

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

We believe the strengths and weaknesses proposed are accurate. Where relevant we have added additional strengths and weaknesses in our answers above.

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?

	All packaged foods	Particular foods or food categories
Option 3 - Change to statement of ingredients	☑	☐
Option 4 - Added sugars quantified in NIP	☑	☐
Option 5 - Advisory labels for foods high in added sugars	☐	☑
Option 6 - Pictorial approaches to convey the amount or types of sugars in a serving of food.	☐	☑

If you have selected particular foods or food categories in the question above, please specify which foods or food categories where the option should apply. Please provide evidence to justify your response.

Options 3 and 4 should apply to all packaged foods to ensure a clear, uniform label consistent with the current approach to the ingredients list and NIP.

As noted in the relevant sections, our preferred approach is for a single, mandatory front-of-pack nutrition labelling system across all products, potentially delivered by a strengthened and mandatory HSR.

In the current policy context, we support consideration of Options 5 and 6 on the categories of SSBs and confectionery given the existing preference of manufacturers to use the 'energy icon only' variant of HSR on these products, and the limited utility of this label in informing consumer choice.

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.

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

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

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

- **Little evidence to suggest Australian examples of co-regulatory or code of practice approaches achieving desired health objectives**

For example, 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.

The HSR is listed in the 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', official monitoring suggests many consumers are still not sure who is behind the system [18].

Despite a growing body of independent evidence supporting HSR's efficacy, consumer trust remains suboptimal. Peak industry bodies support HSR, but 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 [10]. Only retailers Coles and Woolworths appear to be applying the label consistently across their entire product range. This is limiting HSR's utility to consumers. The same issues are likely to occur if options 3-6 are adopted on anything less than a regulatory basis.

- **Business compliance costs only lower with a voluntary approaches if they do not participate**

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.

- **Little evidence to suggest voluntary approaches more flexible in practice**

Voluntary arrangements are not necessarily more flexible, responsive or easier to modify than regulatory approaches.

Ongoing review of HSR, and efforts to address well-known issues such as 'as prepared' serve to highlight that codes of practice can be equally, or even more difficult, to update. This is because such schemes necessarily rely on continued industry cooperation or buy-in, even where other users and evidence supports change. By contrast, industry endorsement is not a necessary pre-requisite to implementing evidence-informed regulatory updates.

Given that many of the proposed options invoke provisions of the Food Standards Code, standardised procedures for updating that Code are appropriate.

- **Benefits of a regulatory approach**

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.

- **Steps to minimise unnecessary costs to business**

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 both business and other stakeholders agreed that two years was reasonable for that label to be updated. While imported products would need to comply, that Memorandum also suggests these comprise only around 4% of the food supply [17]. 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 procedural requirements but is unlikely to provide any substantive barrier to the regulation being implemented [19].

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 benefits to this work for 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 simply 'informing' choice, many of the above options may also help consumers make healthier choices, particularly where information is placed on the front-of-pack and utilises graphics and/or symbols. The potential for these effects is particularly high for sugars information, given acknowledgement of the high interest in this information.

Options which make healthier choices easier have potential to contribute to reducing the burden of diet-related disease on both individuals and the health system.

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?

In addressing this issue for the purpose of new Country of Origin labels, the majority of small businesses agreed 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 methods, data and technology that may assist manufacturers to calculate the added sugars content of their products.

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.

Not answered.

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

Not answered.

Conclusion

In summary, we recommend the Standing Committee prepare the following advice for consideration of the Ministerial Forum:

- At a minimum, **Options 3 and 4 be implemented through regulation** to address the policy objective;
- We **support development of additional contextual information** such as thresholds for low/medium/high or development of a daily intake reference value for added sugars, **but do not believe this work should delay uptake of added sugars quantified in the NIP as an important first step**;
- The **HSR algorithm be updated to incorporate added sugars information**;
- Evidence of effectiveness supports **further consideration of Options 5 and 6, though we believe a strengthened and mandatory HSR may also play this role** and offer additional benefits by scaling up the utility of an existing label incorporating multiple nutrients across the food supply.
- At the implementation phase, **an expansive definition of added sugars should be developed** to maximise public health benefit.

We appreciate the opportunity to make this submission. Please do not hesitate to contact us if you require further information.

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