FOODSWITCH: STATE OF THE FOOD SUPPLY

A FIVE-YEAR REVIEW

AUSTRALIA | 2023

The George Institute for Global Health

FOODSWITCH

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ACKNOWLEDGEMENT OF COUNTRY

The George Institute for Global Health acknowledges the Gadigal People of the Eora Nation as the Traditional Custodians of the land on which our Australian office is built and this report is written. We pay our respect to Elders past, present and emerging.

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INTRODUCTION

Unhealthy diets are a leading contributor to poor health globally[1] and in Australia, fewer than one in ten people consume a diet in line with the Australian Dietary Guidelines.[2] The FoodSwitch - State of the Food Supply Report has assessed the healthiness of Australia's packaged food supply since 2019. It shows the healthiness of product portfolios across large food and beverage manufacturers and aims to acknowledge those who are performing well and encourage positive change from those who are not.

This year, the healthiness of food and beverages sold by Australia's top 20 manufacturers is again observed using (1) The Health Star Rating (HSR) nutrient profiling system,[3] (2) the Australian Dietary Guidelines' classification of 'Core' and 'Discretionary' foods,[4] and (3) the NOVA classification[5] of ultra-processed foods. Unlike previous reports which compared the current year's data to the previous year, this report looks at changes in average HSR between 2019 and 2023.

Additionally, this report presents independent data on uptake of HSR labelling in the FoodSwitch database over the past five years to complement government monitoring using other data sources. Following a formal governmental review of the HSR completed in 2019, the Australian government set targets for further uptake of HSR on intended products as part of its consideration of whether the policy should remain voluntary or be made mandatory. The first of those voluntary targets is 50% uptake on intended products by 14 November 2023.

APPROACH

This report uses data collected as part of The George Institute's FoodSwitch program from comprehensive in-store surveys conducted yearly at Australia's major grocery retailers: ALDI, Coles, Independent Grocers of Australia (IGA) and Woolworths. Data were collected between March and June 2023 and the labels of all packaged foods and beverages available in-store on the days of survey were imaged and processed using the FoodSwitch Data Collection system. Products with no nutrition information panel were excluded and duplicates of identical products in different package sizes within each year were removed. The 2023 FoodSwitch dataset was then compared to the 2019 FoodSwitch dataset. As the HSR algorithm was updated in 2020, this new version of the algorithm was used to re-calculate HSR values for products in the 2019 FoodSwitch dataset to facilitate our analysis of change over time.

The top 20 manufacturers and retailers were included based on 2022 retail sales value share[6] and were reviewed using several metrics to assess the overall healthiness of their product portfolios.

2023 TOP 20 MANUFACTURERS: PRODUCT HEALTHINESS

Manufacturer*	Nutrient profiling summary score		Dietary guidelines	Extent of processing
	Average HSR	Proportion HSR ≥ 3.5 (%)	Proportion discretionary (%)	Proportion ultra-processed (%)
Simplot	4.1	91.4	24.5	34.4
McCain Foods	3.6	75.6	34.4	87.8
Lactalis	3.4	67.9	19.7	59.9
Woolworths (own brand)	3.4	63.2	33.4	53.3
IGA (own brand)	3.3	62.4	29.3	43.2
Coles (own brand)	3.3	59.0	37.9	59.0
Heinz	3.1	62.4	36.6	88.1
Bega Cheese	3.1	50.2	23.8	65.7
ALDI (own brand)	2.9	45.6	48.0	63.8
George Weston Foods	2.8	48.7	60.1	75.3
Coca-Cola Amatil	2.7	54.3	92.8	94.2
The Smith's Snackfood Company	2.6	27.5	86.9	92.5
Asahi Lifestyle Beverages	2.6	50.4	92.0	94.2
Unilever	2.4	34.1	60.1	90.6
Goodman Fielder	2.4	33.7	58.2	74.0
Mars	2.3	34.8	85.7	97.1
Nestlé	2.2	31.0	68.7	95.0
Arnott's Biscuits	1.7	16.3	91.2	100
Peters Ice Cream	1.4	0.0	100	100
Mondelēz	1.0	1.3	93.9	95.3

* Manufacturers are ranked according to average HSR

Simplot was the manufacturer with the highest average HSR (4.1) and had the largest proportion (91.4%) of products classed as healthy (≥3.5 HSR). Confectionery manufacturer Mondelēz had the lowest average HSR of 1.0, with Arnott's Biscuits and Peters Ice Cream also having an average rating of less than 2.0 (1.7 and 1.4, respectively). Out of the four major retailers, Woolworths had the highest average HSR for its own brand products (3.4) followed by IGA (3.3), Coles (3.3) and ALDI (2.9).

- *50% of manufactures had more than half their products considered healthy (≥3.5 HSR)*
- *8 manufacturers had more than two thirds of their product portfolios defined as discretionary*
- *Eighteen of the top 20 manufacturers had more than 50% of their portfolio classed as ultra-processed and eleven had over 80% of their products considered ultra-processed.*

MANUFACTURER RANKING: 2019 VS 2023

2019 Manufacturer rank and average HSR		2023 Manufacturer rank and average HSR	
Simplot	3.8	4.1	Simplot
McCain Foods	3.7	3.6	McCain Foods
Woolworths (own brand)	3.4	3.4	Lactalis
Lactalis	3.4	3.4	Woolworths (own brand)
Coles (own brand)	3.1	3.3	IGA (own brand)
Heinz	3.1	3.3	Coles (own brand)
IGA (own brand)	2.9	3.1	Heinz
George Weston Foods	2.9	3.1	Bega Cheese
ALDI (own brand)	2.8	2.9	ALDI (own brand)
Goodman Fielder	2.8	2.8	George Weston Foods
Unilever	2.5	2.7	Coca-Cola Amatil
The Smith's Snackfood Company	2.5	2.6	The Smith's Snackfood Company
Bega Cheese	2.3	2.6	Asahi Lifestyle Beverages
Coca-Cola Amatil	2.2	2.4	Unilever
Schweppes	2.2	2.4	Goodman Fielder
Mars	2.2	2.3	Mars
Nestlé	2.1	2.2	Nestlé
Arnott's Biscuits	1.5	1.7	Arnott's Biscuits
Peters Ice Cream	1.4	1.4	Peters Ice Cream
Mondelēz	1.2	1.0	Mondelēz

Increase in average HSR Minor change in average HSR Decrease in average HSR

Over the past five years, 11 of the top 20 manufacturers saw an improvement in their average HSR. In particular Bega Cheese improved by 0.8 stars followed by Coca-Cola Amatil (0.5 stars) and IGA who improved by 0.4 stars. Brand acquisition drove the improvement of Bega Cheese, and Coca-Cola Amatil showed an increase in the number of products containing lower amounts of sugar. In terms of rank, nine manufacturers maintained the same position over the five years. The top two positions remained with Simplot and McCain Foods as did the bottom five ranks – Mars, Nestlé, Arnott's Biscuits, Peters Ice Cream and Mondelēz. Woolworths held the highest rank out of retailers' own brand (4th) with IGA, Coles and ALDI being in 5th, 6th and 9th place respectively.

HEALTH STAR RATINGS & UPTAKE TARGETS

Since 2014, the Health Star Rating system has been a government-led voluntary front-of-pack nutrition label that aims to guide consumers towards healthier choices when purchasing packaged food and beverage products. In 2019, government finalised a five-year formal review of the system and made ten recommendations for its continuation and strengthening.

One of the set recommendations was for the HSR System to remain voluntary, but with clear uptake targets set and all stakeholders working together to drive uptake. It was proposed that if the HSR continues to perform well but is not displayed on 70% of target products within five years, the HSR system should be mandated.[7] Later detail provided by government set out a series of interim targets for uptake on 'intended' products from 2023 towards this final 70% target in 2025.[i] Broadly speaking, 'intended' products are defined as those products permitted to use the HSR, are required to carry a nutrition information panel, and whose nutrition composition can vary.[8] The first interim target states that by 14 November 2023 (three years post-review) 50% of 'intended' products should have applied the HSR.[9]

Another recommendation from the governmental review was removal of the 'energy icon only' variation of the label as a valid display of the HSR from 2020. A two-year transition period was granted to allow for product packaging that had already been produced, with the recommendation taking full effect by 14 November 2022.[10]

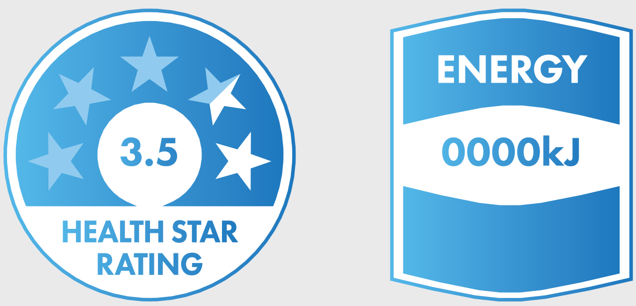


Figure 2: HSR System graphics. The HSR main element graphic and the 'energy icon only' variation which is no longer a valid HSR graphic.[11]

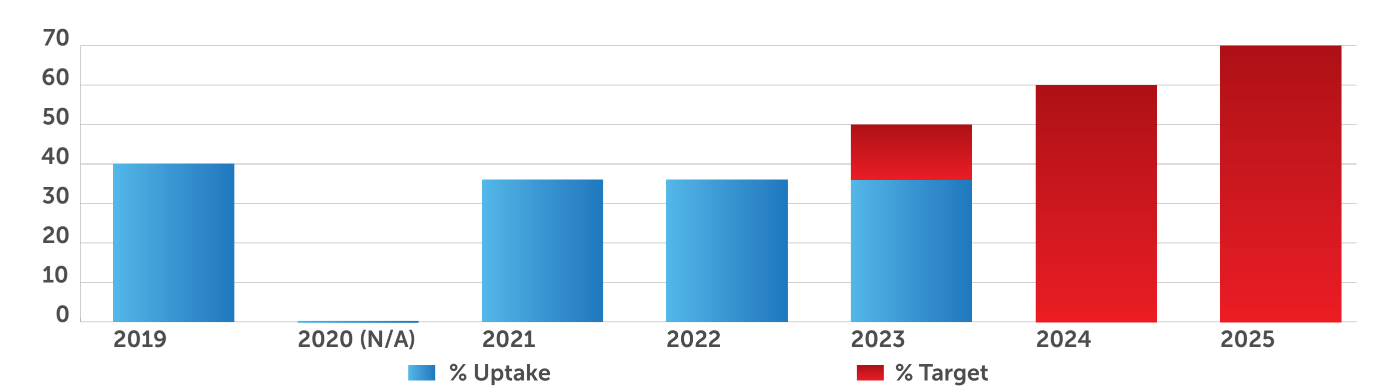
Using FoodSwitch data, the HSR uptake over time was calculated for 'intended' products, from which the trajectory of meeting the 50% target could be mapped.

APPROACH

1. Products in the FoodSwitch database were assessed against the definition of 'intended' products as described in the HSR system Calculator and Style Guide.[12]
2. All 'intended' products were included regardless of package size (e.g. both the 600ml and 1.5L bottles of the same drink were included) to reflect the current food and beverage environment.
3. The proportion of 'intended' products that displayed an HSR on pack was calculated for each year that data was collected (2019, 2021, 2022 and 2023). Note: no collection was conducted in 2020 due to Covid19.
4. Products that displayed the 'energy icon only' were considered to not display an HSR on pack in the 2021, 2022 and 2023 data.

i There are two other classifications for products and HSR; 'permitted' and not permitted (e.g. infant formula and baby foods). 'Permitted' products are those that are (1) not required to display a nutrition information panel on pack and (2) 'fresh value-added products' (e.g. fresh fruit, vegetables and pre-made sandwiches and rolls) which the HSR is not intended for but these products can display the label on pack if a manufacturer choses to.

HSR UPTAKE FOR 'INTENDED' PRODUCTS - MANUFACTURERS



Manufacturer		HSR Uptake (%) for intended products	
		2019*	2023**
Top 20 Manufacturers	McCain Foods	97	100
	The Smith's Snackfood Company	26	98
	Woolworths (own brand)	91	93
	Simplot	88	93
	Coles (own brand)	84	89
	Arnott's Biscuits	67	87
	Coca Cola Amatil	72	69
	ALDI (own brand)	82	61
	Mars	73	57
	Nestlé	77	55
	Bega Cheese	3	53
	Unilever	64	39
	Heinz	23	37
	George Weston Foods	51	37
	Asashi Lifestyle Beverages	66	22
	Goodman Fielder	23	21
	IGA (own brand)	0	8
	Lactalis	0	0
	Mondelēz	0	0
	Peters Ice Cream	0	0
All other Manufacturers		16	16

*Results include products displaying the HSR Energy icon. **Results exclude products displaying the HSR Energy icon

Increase in HSR uptake   No change in HSR uptake   Decrease in HSR uptake

Looking at the yearly uptake results for all 'intended' products, 2019 had the largest proportion of products displaying an HSR on pack. 2021, 2022 and 2023 show a decrease in HSR uptake down to 36%. McCain Foods was the only manufacturer from the top 20 to show an HSR on 100% of their products by 2023. Manufacturers with the greatest increase in proportion of products displaying an HSR were The Smith's Snackfood Company, Bega Cheese and Arnott's Biscuits. There was still no uptake in HSR on pack over the five years for Lactalis, Mondelēz and Peters Ice Cream. Three out of the four retailers had an increase in HSR uptake on their own brand products with ALDI being the only retailer who saw a reduction in HSR uptake, falling from 82% in 2019 to 61% in 2023. Disappointingly, there was no change in the uptake of the HSR on product packaging when looking at all other manufacturers outside the top 20. Given that only 36% of 'intended' products were displaying an HSR by the time data collection was completed in June 2023, it appears virtually impossible that the target of 50% by November 2023 will be met. The fact that HSR uptake has remained unchanged for the past three years provides further support for this outcome.

HSR UPTAKE FOR 'INTENDED' PRODUCTS - CATEGORIES

Top performing categories for displaying HSR on pack*				
Category	Total products in category	Products with an HSR on pack	HSR uptake (%)	Mean HSR
Breakfast beverages and milk-based protein drinks	52	47	90	4.8
Breakfast cereals	462	362	78	4.1
Rice and rice products	204	146	72	3.6
Frozen seafood	268	189	71	3.7
Pre-prepared salads and sandwiches	65	45	69	2.9
Pizza	110	73	66	3.1
Nuts and seeds	500	311	62	4.4
Canned seafood	414	248	60	3.6
Seafood and seafood products	791	471	60	3.6
Meat alternatives	261	153	59	3.9
			Average HSR	3.8

*Results exclude products displaying the HSR Energy icon

Bottom performing categories for displaying HSR on pack**				
Category	Total products in category	Products with an HSR on pack	HSR uptake (%)	Mean HSR
Other non-alcoholic beverages	113	6	5	3
Coffee and tea (flavoured)	199	12	6	1.7
Jam and marmalades	109	8	7	1.7
Mayonnaise and salad dressings	307	37	12	1.6
Confectionery	1,476	179	12	1.2
Ice cream and edible ices	539	67	12	1.9
Cordials and beverage mixes	232	33	14	2.2
Sugars, honey and related products	353	51	14	1.2
Foods for specific dietary use	419	76	18	3.4
Cheese	848	171	20	2.7
			Average HSR	2.0

**Results exclude products displaying the HSR Energy icon

Uptake for 'intended' products was also looked at by category, with the 'breakfast and milk-based protein drinks' category having the highest proportion of products displaying an HSR on pack (90%) and 'Other non-alcoholic beverages' the lowest (5%). As a general trend, HSR uptake was higher in categories where products scored a higher average HSR, suggesting that the label is being used predominantly where it confers marketing benefit to industry.

CONCLUSION & RECOMMENDATIONS

As the HSR approaches its tenth birthday, uptake remains disappointing and patchy. Selective HSR use provides marketing benefit to manufacturers but restricts HSR's utility as a public health intervention by denying consumers opportunity to make meaningful comparison between products, and limiting their ability to identify and avoid less healthy foods.

There is no way the government's 2023 target will be met. Unless radical action is taken immediately, it appears highly probable that the target of 70% by 2025 will also fail to be achieved.

The capacity of government and industry to rapidly update food labels has been demonstrated recently in Australia through mandatory Country of Origin Labelling requirements. When these requirements were updated in 2019, industry was given two years to update food packaging. Our 2021 State of the Food Supply report showed that 90% of them had done so. Disappointingly, it appears most of these products failed to update their packaging to include HSR at the same time.

Australians must not spend another two years shopping without HSR on most products to demonstrate that voluntary uptake has failed. We call upon the government to take critical action now to initiate the process of making HSR mandatory. This could include commencement of regulatory preparations, including government discussions with its Office of Impact Analysis on costs and benefits, so that reforms are ready for immediate implementation where the 2025 target is not met. The credible threat of making HSR mandatory also provides industry with a final opportunity to take voluntary action to avoid this fate.

Actions that improve the quality of the food and beverage supply have the potential to reduce overweight, obesity and premature death and disability for millions of Australians. We need stronger government leadership and increased manufacturer accountability to drive change. It is time for HSR to be made mandatory to ensure the system works for consumers, not just food companies.

APPENDIX 1: HOW DOES THIS REPORT COMPARE TO GOVERNMENT MONITORING OF HSR?

At the time of publication of this report, the Australian Government had not released their own HSR uptake figures, but we anticipate government will also report the findings of official monitoring shortly after the 14 November 2023 interim target date.

While public information on the government's monitoring activities is limited, we have endeavoured to conduct our research to facilitate comparison between the results of our independent analysis and any future government reporting.

The below table sets out key elements of our approach and how it compares to what is known about the government's likely approach.

Approach	The George Institute for Global Health	Government Monitoring of HSR
Areas of Enquiry	HSR uptake	HSR uptake (+ other potential outcomes, e.g. consumer understanding and use of HSR)
Jurisdiction covered	Australia	Australia (+ New Zealand in separate analysis)
Database used to assess uptake in Australia	FoodSwitch Monitoring Database	FSANZ Branded Food Composition Database
Method of data collection	Systematic annual collection by trained data collectors, photographing packages of nearly 30,000 products in 4 major Australian retailers	Data provided on voluntary basis by food manufacturers and retailers
Sample size (2023 'intended' products)	21,776	Unknown as at October 2023
Products included in uptake analysis	HSR 'intended' products	HSR 'intended' products
Assessment of HSR	In reporting on uptake, HSR is taken as reported by the manufacturer on pack.	HSR as reported voluntarily by manufacturer

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DECLARATION OF INTEREST

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