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SUBMISSION TO STAKEHOLDER ENGAGEMENT

Implementation of changes resulting from the Health Star Rating Five Year Review

About The George Institute for Global Health

The George Institute is a leading independent global medical research institute established and headquartered in Sydney. It has major centres in China, India and the UK, and an international network of experts and collaborators.

Our mission is to improve the health of millions of people worldwide by using innovative approaches to prevent and treat the world's biggest killers: non-communicable diseases (NCDs) and injury.

Our work aims to generate effective, evidence-based and affordable solutions to the world's biggest health challenges. We research the chronic and critical conditions that cause the greatest loss of life and quality of life, and the most substantial economic burden, particularly in resource-poor settings.

The George Institute's food policy team work in Australia and overseas to reduce death and disease caused by diets high in salt, harmful fats, added sugars and excess energy. The team does multi-disciplinary research with a focus on outputs that will help government and industry deliver a healthier food environment for all.

Our flagship FoodSwitch program, a growing database of nutrition and labelling information describing over 500,000 packaged and restaurant foods, enables us to analyse changes in the healthiness of the food supply provided to more than a billion people around the world. The George Institute has been designated a World Health Organization Collaborating Centre on Population Salt Reduction, with a remit to support countries to achieve global targets for reducing salt by 30% by 2025.

The George Institute welcomes this opportunity to engage on implementation of changes resulting from Health Star Rating's Five Year Review (HSR Review).

Overall Recommendations

The engagement requests advice on our ability as a public health organization to support ongoing implementation of an improved HSR with a start date of 1 October 2020. Two calculators presenting the results from analyses of proposals for updates to the HSR algorithm have been provided for consideration in assessing the appropriateness of that start date.

The George Institute strongly supports HSR as an important step forward in improving nutrition labelling for consumers and supporting healthier diets. Our research suggests HSR is performing well overall, while also highlighting areas where the system must be strengthened to retain consumer trust and maximise public health impact. As a public health organization, we are best able to support and promote a revised HSR that addresses the legitimate public health and consumer concerns raised in the Review.

In these final stages, our support relies upon attention being directed to the following:

- **Strengthening HSR's algorithm by adopting Calculator 2.** This encompasses changes already agreed and additional modifications for sugar and sodium. Public health and consumer groups have previously indicated their categorical support for stronger treatment of sugar and sodium as necessary to improve alignment with the dietary guidelines. Further reasons and modelling to support this change are provided below.

- **Avoiding further delay in delivering an improved HSR to consumers.** While acknowledging the impact of COVID-19 on all system stakeholders, we believe the proposed start date and two-year implementation period is more than sufficient to take possible disruptions into account.

- **Taking concrete action now to make HSR mandatory.** For HSR to facilitate meaningful comparisons on shelves, we believe Australia and New Zealand should follow the lead of 10 other countries with mandatory Front of Pack Labels (FoPLs) [1]. As an interim measure, the forthcoming Implementation Plan must set SMART uptake targets that are specific, measurable, and will trigger HSR being automatically mandated by a given date if not met. Regular and transparent monitoring is necessary to incentivise uptake and should be annual from December 2020 onwards.

- **Implementing improvements to HSR's governance.** This should include steps that reinforce government leadership and bolster HSR's independence are essential, particularly by protecting the science of its underpinning algorithm from commercial conflicts of interest in this final stage of the Review.

- **Situating HSR within a national nutrition and obesity policy.** This should include ensuring appropriate resources are directed to support HSR as one component of a comprehensive policy approach.

We provide further comments and modelling to address the components of the engagement question under relevant headings below.

Implications of the proposed start date in a voluntary system

The George Institute strongly supports a start date of 1 October 2020 and a maximum two-year implementation period for the updated algorithm.

HSR has been under review for a significant period and has now been through extensive stakeholder consultation, modelling and analysis. An improved HSR should be finalised and rolled out as soon as possible, creating certainty for all stakeholders and improving consumer confidence in the system.

We make the following comments in support of avoiding further delays:

- **The start date is not a requirement for immediate action**. It represents only the date when a manufacturer can choose to display HSR in accordance with an updated algorithm. There are many businesses – including those awaiting Review outcomes to apply HSR for the first time, and those whose products will benefit from an updated calculator – that will want to update their HSR as soon as possible.

- **The next phase of HSR implementation will be voluntary.** While we strongly believe HSR should be mandatory to deliver full benefits to consumers, the system's current voluntary nature means no manufacturer is required to display HSR. Those genuinely unable to update their packaging within the two-year period can elect to display HSR at a later date.

- **Existing practice suggests two years is feasible to implement labelling changes.** Insights from the FoodSwitch Monitoring Dataset in 2019 suggest 16,269 products have updated packaging to carry a new mandatory Country of Origin Label (CoOL) since requirements were updated in 2016. In this same sample, only 7,118 have applied HSR. The fact that many products bear a new CoOL but have still not applied HSR suggests that it is HSR's voluntary status, rather than costs or practicalities of relabelling, that is the most significant factor impacting use. We believe two years is a reasonable window for HSR to be integrated into other scheduled packaging updates. For example, many companies are progressively upgrading packaging to meet sustainability criteria in the Packaging Covenant National Targets.

- **Potential implications of algorithm updates must be assessed against actual current uptake.** Monitoring included in the Review suggests HSR is still only on around 1/3 of all products. This engagement specifically asks about the impact of algorithm changes on implementation in practice. Practical impact requires evaluation of the number of products currently carrying an HSR that will actually be required to implement a label change. This information has not been provided by industry and is not contained in the TAG database on which the Food Regulation Standing Committee (FRSC) relies. Estimates from The George Institute's FoodSwitch Database in 2019 suggest that regardless of the Calculator chosen, labelling changes will be required for <10% of the food supply.

- **Under both Calculators, HSRs for a very large majority of products will not change.** This limits the significance of discussions about start dates and transitional periods overall.

Implications of the proposed start date under Calculators 1 and 2

The George Institute, along with other public health and consumer groups, supports the stronger treatment of sodium and sugar represented in Calculator 2.

While not the primary focus of this engagement, we believe it important to highlight the evidence base for adopting the changes already agreed, and particularly the stronger treatment of sodium and sugar incorporated into Calculator 2.

We recognise that this engagement has potential to be used by some food industry stakeholders to resist any proposed changes that result in decreases in HSR. We highlight the World Health Organization's recent recommendation in its '*Guiding Principles and Framework Manual on FoPL'* that nutrient profiling remain the ultimate responsibility of government, and that to remain credible, this process must be free from commercial and other vested interests. We strongly encourage the FRSC to base a decision on which Calculator to adopt on the best available authoritative science to ensure that HSR works as a meaningful public health intervention.

The George Institute's support for changes already agreed

Calculator 2 includes the changes agreed to by Forum Ministers following their consideration of the Review's final report in December 2019. These recommendations, and the response from the Forum, follow extensive consultation with all stakeholders and must be retained.

We reiterate strong support for the following changes already agreed to by Forum Ministers:

- **Removal of the energy icon.** The energy icon is the least preferred graphic by consumers, is poorly understood and is inconsistently applied across products. Our previous research suggests that the energy icon is used primarily in the confectionery and non-alcoholic beverage categories, and that 77.5% of products using the energy icon would receive a HSR between 0.5-2.0 [2]. We support the Forum Ministers' view that the low uptake of the HSR star icon in those categories is reducing consumers' opportunity to compare actual star ratings. It is important that the energy icon is removed to provide consumers the full value of interpretive labelling information.

- **Changes for non-dairy beverages.** We strongly support the option agreed to by Forum Minsters, which provides a solution to the challenging category of non-dairy beverages and better aligns with dietary guidelines. This model clearly communicates the nutritional value of water and drinks closer in nutritional value to water. It also rates fruit juices appropriately, accounting for the high free sugar content of most fruit juice. Given the Australian Dietary Guideline (ADG) recommendation to only consume juice occasionally, HSR should not promote fruit juice as a healthy option for regular consumption. Guidelines in New Zealand do not recommend fruit juice consumption at all. Proposed changes to the HSR of juices would thereby improve alignment with dietary guidelines. We support the definition of unsweetened flavoured water proposed by the FRSC, particularly that it excludes any sweetening agents.

- **Minimally processed fruit and vegetables to receive 5 star rating.** We support this measure and we support the proposed definition included in the engagement document. In particular we support the exclusion of fruits and vegetables that have been juiced, pureed, made into a concentrate, dried or have any additional ingredients.

The George Institute's support for additional modifications proposed in Calculator 2

In November 2019, public health and consumer groups issued a joint statement to Forum Ministers supporting most proposed changes to the HSR algorithm, and specifically requesting further attention to stronger treatment of sodium and sugar.

In this respect, we welcome the additional independent modelling conducted by the FRSC and Food Standards Australia New Zealand since December 2019, and ongoing government consideration of whether this change improves alignment with the dietary guidelines.

We provide additional insights from The George Institute's FoodSwitch Database on this question at Appendix A. As shown in Figures 1 and 2(c), Calculator 2 has a greater impact on reducing scores of discretionary foods. We believe this addresses the overarching concern raised by consumer and public health stakeholders during the Review, namely that products high in sugar, sodium and saturated fat should not receive a high star rating. Our previous submissions have detailed our rationale for these modifications. In summary:

- **Stronger treatment of sugar.** If we accept that incorporation of added sugars is not yet pragmatically feasible in Australia and New Zealand, HSR must adopt a 30 point sugars table. Sugar was acknowledged in the Final Review Report as the 'most significant area of stakeholder concern' with the HSR calculator. The significance of this concern requires an equally strong response. Baseline points for sugar should receive equal treatment to those for sodium and saturated fat as per the original validated Ofcom algorithm. This approach has also been maintained in the recently updated evidence-based Nutriscore in France. The number of products impacted must be viewed as a necessary and appropriate correction for the underweighting of sugar in the current algorithm.

- **Stronger treatment of sodium.** Without stronger treatment of sodium, proposed changes in Calculator 1 will only impact products with more than 900mg/100g sodium. This will not address the vast majority (86%) of sodium 'outliers' identified by the Technical Advisory Group [3] and in our previous research [4]. Stronger treatment of sodium is not only necessary to improve alignment with the dietary guidelines, but would update HSR to reflect Australia and New Zealand's 2017 updated NHMRC Nutrient Reference Value (NRV) for sodium of 2000mg/day. Australians currently consume approximately double the recommended NRV of 2000mg/day [5]. Action to reduce sodium intake can also be incentivised by a well-designed FoPL. The relationship between HSR, the NRVs, and reformulation was recognised in the Ministerial Policy Statement on FoPL endorsed in 2009 by the Forum on Food Regulation included among its objectives (emphasis added):

  > Be consistent with other health strategies and guidelines by:
  > …
  > 6. Supporting and being consistent with the Australia and New Zealand dietary guidelines **and Nutrient Reference Values**
  > Affect the environment in which consumers make choices by:
  > …
  > 9. Providing **incentive for improvements to the healthiness of the food supply**

As the distribution of baseline points in the HSR algorithm (and the NPSC and UK Ofcom model before it) is determined by reference to NRVs, consistency demands the points table now be updated. This means that the increments between baseline points will become smaller (75mg, rather than 90mg), allowing HSR to better discriminate between products

with lower sodium at lower ranges, and providing a more feasible incentive for manufacturers to reformulate to reduce baseline points.

In our submission on the Draft Review Report, we provided extensive modelling of the impact of the revised sodium table on different product categories using insight from the FoodSwitch database [6]. The mean sodium content of products affected was 700mg/100g – which would qualify for a 'red traffic light' in the UK's system (on the basis of sodium content >600mg). The categories with the highest numbers of products potentially affected were cheeses, processed meats, sauces, savoury biscuits, pickled vegetables, crisps and snacks, breads, cereals and grains, processed fish, spreads and dips, and ready meals. These categories are acknowledged by the Review Report as high contributors of sodium in the Australian diet.

Most products impacted (60%) are discretionary foods. The core products affected are those with higher sodium levels in their product category. For example, among impacted cheeses, the mean sodium content is 801mg/100g, which would qualify for a red traffic light. Thirty-five percent of impacted cheeses exceed the HFP's sodium target. Beyond the binary notion of core/discretionary, the ADGs recommend cheese be limited to 2-3 serves per week and that varieties which are lower in salt should be selected. The proposed revisions will help differentiate lower salt cheeses for consumers, as well as encourage manufacturers to reformulate.

The George Institute's support for future improvements and a mandatory HSR

We remind FRSC that we have previously recommended, and continue to support, additional algorithm refinements adjusting the threshold at which products can claim modifying protein points, removing fried vegetables from the FVNL definition, and using added sugars in place of total sugar in the algorithm (together with rescaling). We believe these matters warrant further consideration in any future algorithm review.

We repeat our strong belief – unanimous with other public health and consumer groups – that HSR must be mandatory to achieve its full benefit. During its development in 2013, Forum Ministers agreed HSR would remain voluntary, subject to there being 'consistent and widespread' uptake, otherwise a mandatory approach would be required (Legislative and Governance Forum on Food Regulation, Final Communique 27 June 2014).

Our ongoing research suggests uptake is neither widespread nor consistent. HSR is still only displayed on around 1/3 of all products in Australia, mostly those that score well. This means that HSR is being used where it confers marketing benefit, but is not achieving its objective of providing a 'full spectrum' rating of healthiness for consumers, particularly on unhealthy foods [2]. Only the major retailers – Coles and Woolworths – are applying stars consistently regardless of ratings [2].

If HSR is not made mandatory as an immediate consequence of the Review, concrete actions must be taken to encourage and support accelerating voluntary uptake towards this goal. The forthcoming Implementation Plan must set clear, measurable targets (interim and final) and prescribe a clear pathway for triggering mandatory implementation if not met. It must contain a clear definition of 'target' products, and a plan for regular and transparent monitoring. We see no reason for delaying the start of monitoring until 2023 given the limited number of products impacted by proposed algorithm updates and the need for wider uptake progress to inform preparations for mandatory regulation if targets are off-track.

Implications of the proposed start date in the context of COVID-19

The unprecedented challenge of COVID-19 has highlighted the importance of prevention in both protecting public health and supporting the long-term health of the economy.

In Australia and New Zealand, unhealthy weight and poor diet are already leading contributors to the burden of disease. ABS surveys in the period April-May 2020 found one in five Australians reported eating more snack foods such as chips and lollies, one in five reported decreasing their level of physical activity and three in five reported more time in front of devices during physical isolation [7].

Although both countries have so far contained significant spread of the virus, evidence elsewhere suggests unhealthy weight also increases the risk of adverse health outcomes from COVID-19. In the United Kingdom, Prime Minister Boris Johnson recently called for a 'much more interventionist' drive to tackle obesity to reduce COVID-19 risk [8].

At the same time, COVID-19 is changing the way we shop. Making simple, at a glance, nutrition information easy to access is more important than ever in situations where our ability to handle products safely may be limited, and we may be buying more online without the potential to review a full nutrition information panel.

Together these impacts of COVID-19 on consumers and public health suggest that interventions to promote healthier diets remain critically important in the context of the pandemic and beyond.

We acknowledge that COVID-19 will have impacted at least some food manufacturers, and that the extent and nature of this impact will vary between businesses. For example, ABS data for the March quarter 2020 shows household spending on food grew 5.7%, the biggest ever quarterly growth recorded in Australia by some distance [9].

Empty supermarket shelves were extensively reported in the earlier phases of the COVID-19 response in Australia. This suggests some manufacturers may have experienced increased sales, while others may have been negatively affected in various ways. Without attempting to discount these disruptions, we believe they should not result in delay or weakening of long-anticipated HSR reforms that will contribute to improving the health of the population. In the current state of our healthcare system, a healthy and thriving population now more important than ever.

In our view, the proposed start date and two-year implementation period for a voluntary system is more than adequate to account for any possible disruptions. An improved HSR system should be rolled-out without further unnecessary delay.

Appendix A: Does Calculator 2 improve alignment with dietary guidelines?

We understand that the Forum requested FRSC and FSANZ to consider whether the modifications in Calculator 2 'improve alignment with the dietary guidelines.'

The Review process has demonstrated there is no single agreed performance criterion for what 'improved alignment' looks like. While the binary concept of 'FFG/core' and 'discretionary' is often used, this concept is unique to the ADGs and is currently under review by the National Health and Medical Research Council.

There is no officially endorsed 'cut-off' for what appropriate HSR alignment looks like, nor does this concept capture nuances in the guidelines themselves – for example, cheese may be core, but is recommended to be limited to 2-3 serves per week and that *varieties which are lower in salt should be selected.*

Accepting these limitations, we provide the following high-level insights using The George Institute's FoodSwitch Monitoring Database of 15,973 HSR-eligible products systematically collected in major Australian supermarkets in 2019. For more information on our standard methods of analysis, please refer to our existing publications [2,10]. The George Institute would be willing to provide further, more detailed modelling to FRSC on request.

To facilitate comparison with findings of the Review's existing modelling [11], non-dairy beverages have not been included in the current analysis.

Figure 1. Distribution of HSR according to core and discretionary foods

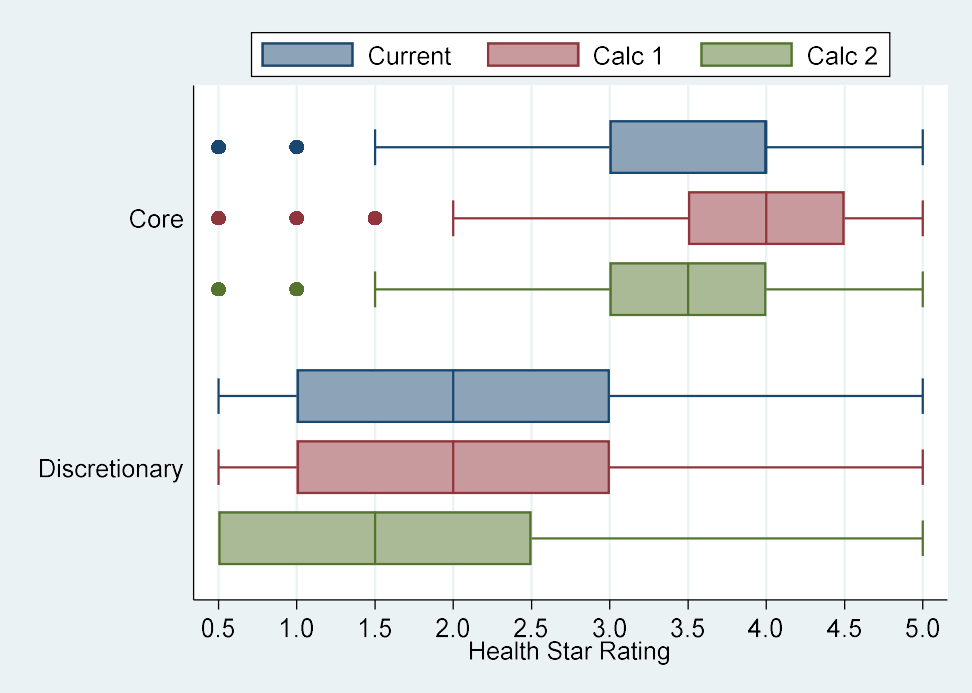
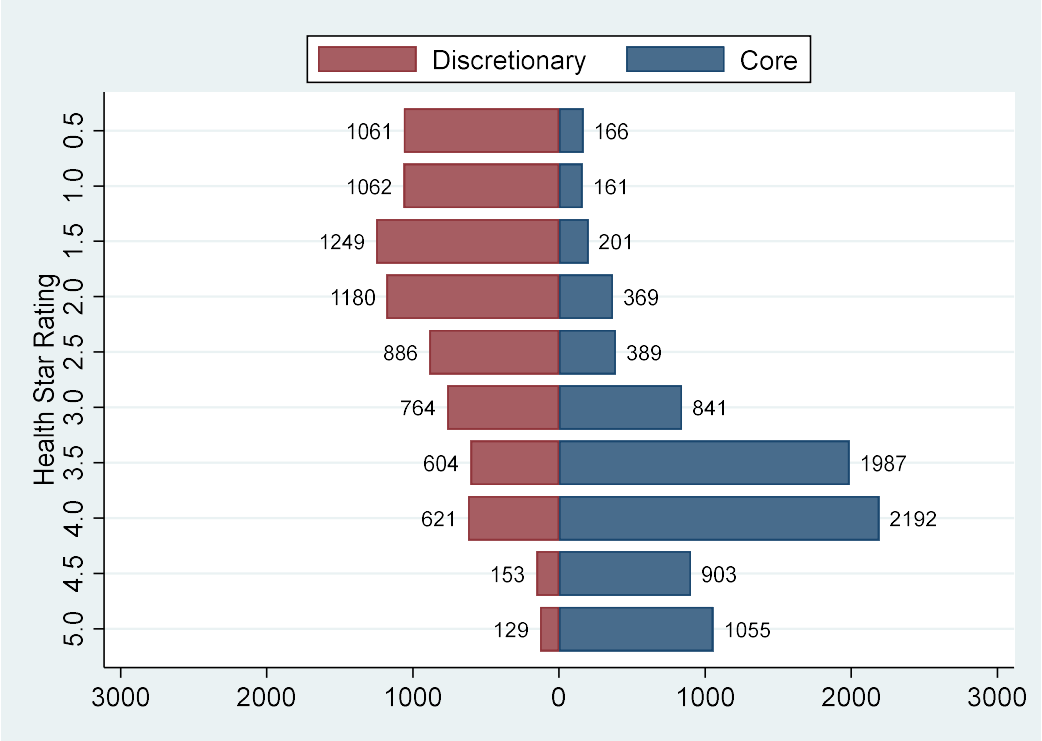


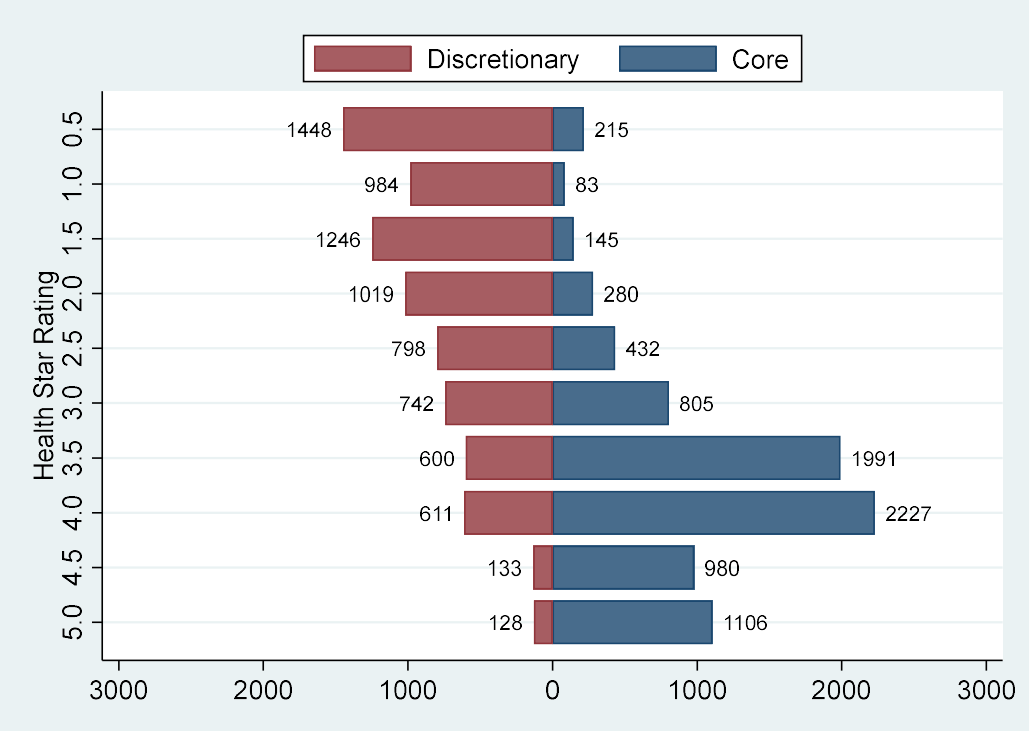
Figure 1 displays changes in distribution of HSR using the current algorithm, Calculator 1 and Calculator 2. The box displays the interquartile range and the median value is marked as the line inside the box (except for core foods in the current algorithm where the median is 4.0 which is the same as the 25th percentile). The lines above and below the box indicate the most extreme value within the 75th +1.5 x (interquartile range) and 25th percentile-1.5x (interquartile range), and additional values outside this range are marked as circles.

Figure 2. Number of products receiving HSR scores 0.5-5.0 by core and discretionary*

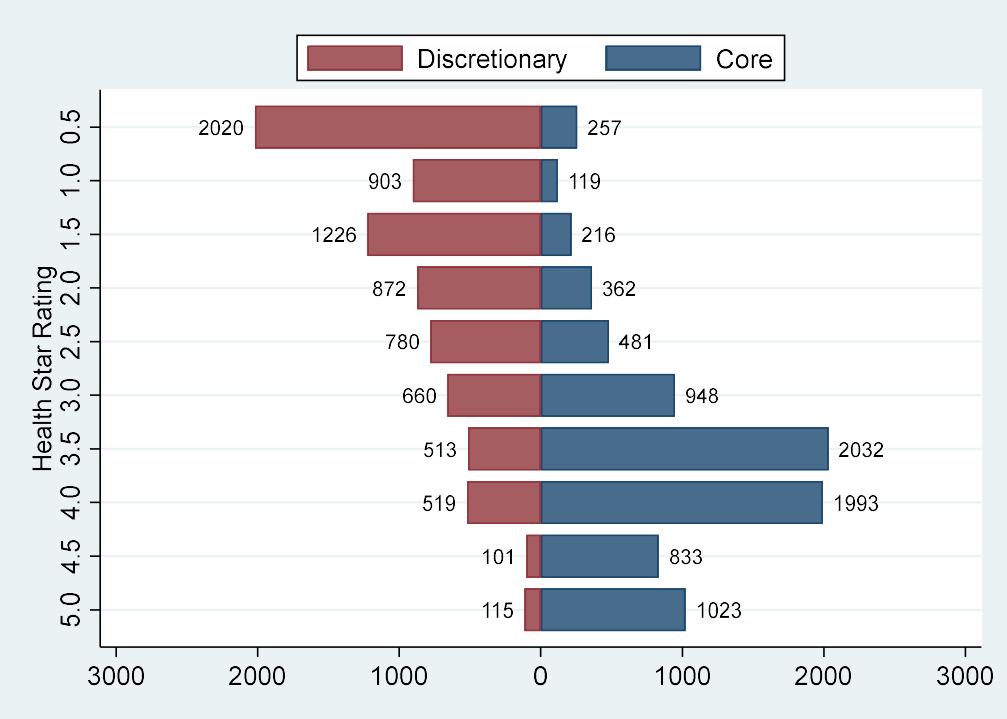
(a) Current algorithm



(b) Changes agreed in principle (Calculator 1)



(c) Additional modifications (Calculator 2)



Consistent with the overall picture in Figure 1, Figure 2 shows how Calculator 1 predominately increases HSRs of core foods (but impacts relatively few discretionary foods), whereas Calculator 2 has greater effects on decreasing the scores of discretionary foods.

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