

5 June 2020

Front-of-Pack Labelling Secretariat  
Department of Health  
[frontofpack@health.gov.au](mailto:frontofpack@health.gov.au)

Dear Secretariat,

**SUBMISSION TO STAKEHOLDER ENGAGEMENT: Implementation of changes resulting from the Health Star Rating System Five Year Review**

The Global Obesity Centre (GLOBE) is a World Health Organization Collaborating Centre for Obesity Prevention, situated within the Institute for Health Transformation at Deakin University, Melbourne. Our vision is to catalyse improvements in population health, with a focus on obesity, through innovative research that empowers people and enables healthier environments.

GLOBE welcomes the opportunity to provide input to the consultation on the implementation of the five year review of the Health Star Ratings (HSR) system. We note that we have prepared our response in close collaboration with several other major public health organisations in Australia, as part of efforts to maximise alignment in the nature of our submissions, based on the best-available scientific evidence and best practice from a public health perspective.

The review process has identified improvements of the system to improve alignment with the Australian Dietary Guidelines (ADGs) and consumer confidence in the system. These improvements must include the stronger treatment of sugar and salt, as reflected in 'Calculator 2' to better align with the ADGs. It is important that these improvements to the system are **implemented as soon as possible** so that consumers are able to benefit from a strengthened system.

The independent modelling conducted in relation to 'Calculator 2' (and supplemented by additional modelling by The George Institute for Global Health – refer to their submission to this stakeholder engagement) demonstrates that the specifications of 'Calculator 2' will result in improved alignment between the HSR and the ADGs. Evidence-based changes that result in improved alignment between the HSR and the ADGs are exactly what the public health community and consumers have been asking for, and which need to be seen by consumers as soon as possible.

Our extensive research into the strategies used by the food industry to shape regulations in their favour indicates that some food industry stakeholders are likely to use every strategy available to them to shape the HSR algorithm, the design of the implementation period and the governance arrangements around HSR in such a way as to maximise their profits. For this reason, GLOBE is of the view that FRSC should base a decision on which 'calculator' to adopt on the best-available authoritative science, in a process that is free from commercial vested interests, to ensure that HSR works as a meaningful public health intervention. This is in line with the World Health Organization's recent recommendation in its *Guiding Principles and Framework Manual on Front of Pack Labelling* that nutrient profiling remain the ultimate responsibility of government, and that, to remain credible, this process must be free from commercial interests.

GLOBE, in conjunction with several public health organisations in Australia, is of the considered view that a start date of 1 October 2020 will have limited immediate impacts on industry for a number of reasons. Firstly, as a voluntary system, only about one-third of all products currently

display the HSR. Secondly, the changes affect only a small minority of products that currently display the HSR. Finally, within the voluntary system, there are no meaningful penalties for non-participation. In combination with a two year transition period, the main effect of the implementation start date will be to provide certainty to manufacturers. Experience with mandatory country of origin labelling shows that a two year implementation period is sufficient for industry to make labelling changes.

The experience of the COVID-19 pandemic has highlighted the importance of good nutrition to health and wellbeing. An improved HSR is an important element of enabling good nutrition through the provision of clear information to consumers. While the distancing restrictions of the COVID-19 pandemic has impacted negatively on many industries, Australian Bureau of Statistics data have shown increased consumption of some foods and beverages, and increased time cooking at home, suggesting that food manufacturers involved in HSR changes are unlikely to have seen significant negative financial impacts.

The voluntary nature of the implementation period means that it is absolutely imperative that **strong incentives for food companies to adopt the HSR system are put into place to coincide with the start of the implementation period.** As we identified in previous submissions to the HSR review process, we believe that the companies most likely to voluntarily implement the system (in the absence of stronger incentives) have already done so, including the biggest supermarket chains. For an individual company, an overall government target for voluntary adoption is likely to be insufficient to provoke change. For this reason, Australian governments needs to identify powerful incentives for individual companies to implement HSR. These incentives need to be put into place as soon as possible in order to drive uptake during the implementation period. Suggested incentives to explore include:

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

GLOBE appreciates the opportunity to make this submission and the opportunity to contribute to ensuring improved front of pack labelling for consumers in a timely way. Please contact me if you would like additional information or have any queries in relation to this submission.

Yours sincerely



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