



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

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21 October 2016

The Hon. Scott Farlow MLC
Chair
Standing Committee on Social Issues
NSW Parliament House
Macquarie Street
SYDNEY, NSW 2000

Dear Chair

Scott

Thank you for providing opportunity for the Australian Food and Grocery Council (AFGC) to give evidence to the NSW Standing Committee on Social Issues' inquiry into Childhood Obesity on 10 October 2016 in NSW Parliament.

I have attached for the Committee's consideration an edited version of the Hansard transcript which reflects our recollection of our statements and makes corrections to titles.

At the hearing we provided an undertaking to report the number of companies implementing the Health Star Rating (HSR) front-of-pack labelling scheme on food products. According to the Commonwealth Department of Health, the most recent product count conducted by the National Heart Foundation at the end of September 2016 identified over 5,500 products from approximately 100 companies displaying the HSR labelling on pack. This rate of uptake through the first half of the five year implementation review period far exceeds that of other voluntary front of pack labelling schemes previously launched in Australia.

It should be noted that the HSR system was developed through a consultative process led by the Commonwealth with participants from State Governments (including the NSW Government), food industry, consumer and public health groups. Based on an algorithm derived from Nutrient Profile Scoring Criterion in the Australia New Zealand Food Standards Code the HSR provides an interpretive assessment of the overall nutritional value of products according to the relative levels of risk-associated and beneficial nutrients. Thus it provides a basis for comparison of like products within food categories, and in this regard it works well. Diets selected from products with higher HSR scores generally align with the Australian Dietary Guidelines.

Concerns have been raised by some commentators when HSR scores of products are compared across food categories, but this is counter to the design features of the system. The system reflects the fact that when consumers are shopping they chose within categories. For example, when choosing between different cheeses, consumers do not consider breakfast cereals. The HSR works well in the cheese category, and other categories assisting choice. It should also be noted that companies applying the HSR on pack are governed by Australian Consumer Law which prohibits misleading or deceptive conduct, and this applies as much to the HSR labelling as it does to other labelling statements.



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Given the NSW Government supports the HSR, we would be happy to provide more information or arrange a briefing with the HSR Advisory Committee to aid the Committee's consideration of this labelling system.

I have also attached for the Committee's consideration a copy of the most recent compliance report for the Responsible Children's Marketing Initiative (RCMI) and Quick Service Restaurant Initiative (QSRI) For Responsible Advertising and Marketing to Children. The signatories to the RCMI and the QSRI represent some of the major food, beverage and quick service restaurant (QSR) brands in Australia. Through participation in the initiatives, which are managed through the AFGC, signatories have committed to undertake marketing communications to children only when the activities promote healthy dietary choices and encourage good dietary habits and physical activity.

The 2015 compliance report demonstrates signatories' continued level of high compliance in the initiatives' seventh year of operation, with this year's external audit of television advertising recording a record compliance rate of 99.75% for both the RCMI and QSRI. To place this in perspective, the International Food and Beverage Alliance reported a 2015 compliance rate of 97 per cent for similar industry voluntary initiative addressing the marketing to children issue in ten international advertising markets.

The RCMI and QSRI reach beyond television advertising to capture also marketing and advertising material featured online, in print, in cinemas and on radio. There are also commitments regarding product placement, interactive games and advertising in schools, pre-schools and day care centers. Furthermore, the QSRI extends to outdoor advertising and the sponsorship of children's sport.

The AFGC, through individual member company programs, and collectively through partnership approaches remains committed to addressing the childhood obesity issue, and indeed the wider health challenges of lifestyle-related non-communicable diseases.

Thank you again for the opportunity to present to the Committee on how the food and beverage industry is supporting joint efforts with Governments, health and consumer groups to address this multifactorial issue of childhood obesity. Should you require and further information please contact me or Dr Annison.

Sincerely

GARY DAWSON
Chief Executive Officer
Australian Food and Grocery Council