

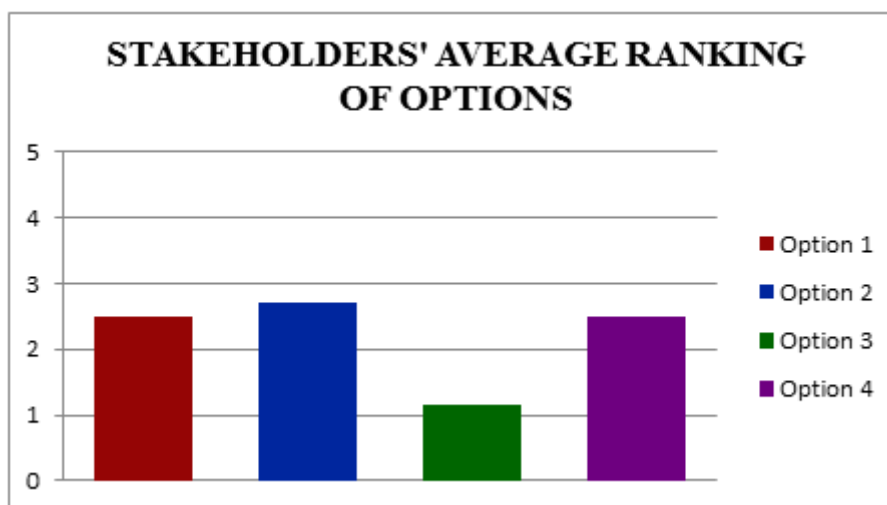
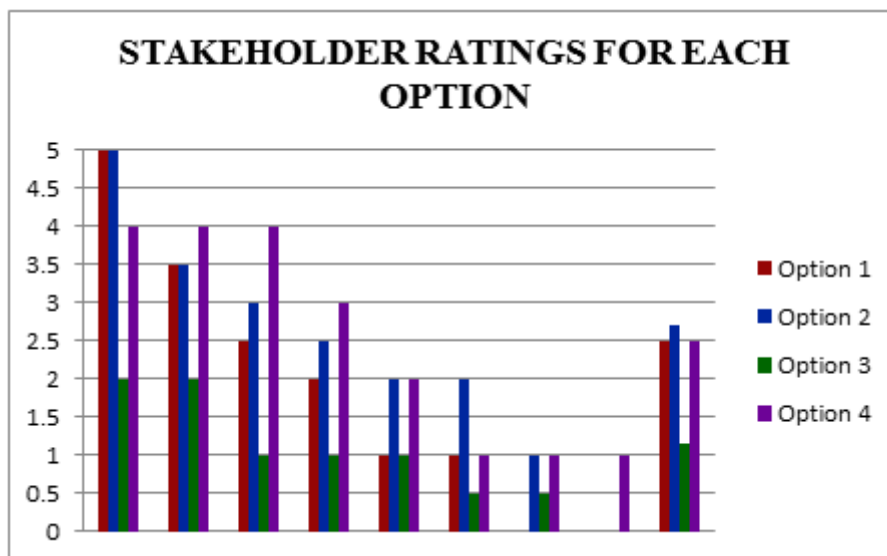
HEALTH STAR RATING 'AS PREPARED' STAKEHOLDER WORKSHOP

Sydney 28 September 2017

**Industry, Public Health, Government and Consumer Stakeholders
(Attendees: 40)**

Stakeholders were given an overview of the objectives of the Health Star Rating (HSR) system and the current rules for the form of the food ('as prepared' rules) to be used in calculating the HSR. A discussion paper outlining the issues was provided to participants prior to the workshop.

Participants were then asked to consider four options for the 'as prepared' rules as detailed in the discussion paper: 1) status quo, 2) 'as sold' only, 3) multiple HSRs on pack, and 4) 'as sold' with exemptions. The attendees were asked to consider the pros and cons of each option and assign an overall star rating based on how successful they considered each option would be. The individual groups then provided feedback and each option was discussed in a larger group.



Key messages

The outcomes of the workshop are not a consensus statement. The ‘messages’ described below reflect the main themes and views of attendees in general. Overall there was good, robust discussion and stakeholders tried to work together to find a ‘best fit’ solution.

- Stakeholders’ preferences were fairly evenly split between options one, two and four.
- Option three was considered too complex and confusing to be a practical solution.
- Whichever option is selected, clear and detailed guidance is necessary to prevent differences in interpretation and to ensure consistent application within categories.
- Stakeholders acknowledged the importance of being consistent with the Food Standards Code.
- Stakeholders identified a need for the ‘as prepared’ rules to be further clarified to all stakeholders.

Pros and cons of each option

Option one – Status quo	
Pros	Cons
<ul style="list-style-type: none"> • encourages healthier eating choices • provides a solution that goes across all ‘as prepared’ categories – simple and consistent • convenient, relevant and easy to understand for consumers • consumers have a framework to assist their decisions • consistent in a way that other labelling systems have been in practice for 17 years • consistency with other aspects of labelling • no new approach to what is currently on labels • cost and resource • no extra cost for industry • less financial and time strain on food industry • industry investment: if it changes, costs will increase • consumer confidence and trust in keeping the same • maintains consumer trust • changing HSR would cause increased consumer confusion and generate further mistrust in the system • alignment with the Food Standards Code (the Code) • alignment with goals of government health initiatives • aligns with the Australian Guide to Healthy Eating and promotes health eating/variety • opportunity to align with the Australian Dietary Guidelines (ADGs) by specifying 	<ul style="list-style-type: none"> • significant media attention around single products • major PR issue • limited government backing/defence of media attention • level of criticism of status quo has occasioned these workshops which have an opportunity cost for the Department and attendees • continued discussion and debate re effectiveness of system • assumes that consumers have adequate access, cooking skills, budget to follow ‘as prepared’ instructions • consumers might bear the extra costs of poor choice • consumer trust / lack of understanding • consumer interpretation • consumers may assume that ‘as prepared’ includes ‘serving suggestions’ • how it is consumed is open to interpretation (perceived) – e.g. use of chocolate powder • lack of education and explanation to the target group (so far, the only explanation has been on the ABC’s The Checkout) • outliers are undermining majority • inconsistency in implementation • inconsistencies: some companies include foods like vegetables in ‘as prepared’, others don’t • not all products are rated ‘as prepared’, e.g. breakfast cereals, breadcrumbs • acknowledgement of regulatory requirements

Option one – Status quo	
<p>recipes</p> <ul style="list-style-type: none"> • promotes informed choices • opportunity to promote the ADGs and consistency • provides a push to educate people on general nutrition and how to interpret the HSR • formulated supplementary foods must be scored ‘as prepared’ to be consistent with the Code • good opportunity for product comparison within category • useful for differentiating products • represents the way the product is consumed • currently being implemented • it accommodates products that aren’t expected to be consumed without preparation, e.g. cordials, soups • is logical for some products • works for some categories, e.g. soups • developed based on expert opinions (not updated) • food item is not intended to be consumed in as is form • consistent with Recommended Daily Intake (RDI) thumbnails and the heart tick which have always been rated ‘as prepared’ 	<p>is missing</p> <ul style="list-style-type: none"> • open to manipulation, e.g. ‘required’ • misleading • undermining of the system • complicates the system with exemptions/ exceptions • different preparation options • validation of scoring for categories • per 100g not always representative of consumer behaviour/actual recommended consumption • some products have more than one way of being prepared • not putting pressure on industry to improve the nutritional status of their products • doesn’t convey the importance of portion size • not everything on label is consistent with HSR, e.g. fvnl not on label • what is there is debasing the system • herbs and spices may all receive the same HSR if not starred ‘as prepared’ • ‘As prepared’ meaningless because people prepare products such as soup mixes the same way • sometimes the HSR goes down, e.g. curries, when prepared • don’t know how people use the foods • needs clarification in the User Guide, e.g. categories you can use it for • where’s the evidence to show it’s working or not?

Option two – ‘As sold’ only	
Pros	Cons
<ul style="list-style-type: none"> • would counter media, consumer and public health criticism of HSR • simple and consistent approach, everyone knows what they’re getting • simplifies for consumers, compliance, level playing field for all participants • less consumer confusion / more transparent • more clarification for industry as it is simple • simpler from a calculation perspective • not open to interpretation • factual • not reliant on a certain level of cooking skills, knowledge, access, etc • encourages reformulation in some categories 	<ul style="list-style-type: none"> • potentially false and misleading • more consumer confusion • transition between old and new packaging as updated HSR could be confusing for consumers • could increase confusion for consumers with lower literary and numeracy skills • irresponsible: doesn’t give manufacturers the opportunity to direct consumers to prepare healthier options • changing the current system in any capacity may increase consumer mistrust • changes to packaging, education, etc would involve significant cost

Option two – ‘As sold’ only	
<ul style="list-style-type: none"> • promotes reformulation of product rather than piggy-backing on additional foods used • opportunity to re-promote HSR if change occurs • removes misleading HSRs from the marketplace • can’t be manipulated • most accurate reflection of the product content • effective for foods such as RTE meals: ‘as sold’ would ensure a more accurate rating • potential for products such as breadcrumbs and breakfast products to be rated fairly • allows direct comparison between products that may be prepared/suggested to be prepared differently • at point of purchase, comparing like with like • acknowledges that people use products in varied ways which will alter the final nutritional effect • appropriate for foods that are eaten ‘as sold’ • people can make decisions within categories • would be consistent with other categories such as cereals 	<ul style="list-style-type: none"> • some companies may withdraw from the scheme due to industry costs • flattens categories, e.g. all HSRs get reduced to 1.5 stars which makes it hard for consumers to make healthier choices • doesn’t allow like for like comparisons • comparison between products sold ‘as prepared’ are not possible • can’t compare equivalent products like wet soup and dry soup • mis-match for some products between HSR and the Nutrition Information Panel (NIP), e.g. drained vegetables, reconstituted soups • dehydrated products are punished • difficult for products such as cake mixes • in some categories, doesn’t provide consumers with the ability to compare • irrelevant to tell consumers something that they’re not going to be eating that way • doesn’t encourage cooking at home • inconsistent with the Code, NIP and ADGs • doesn’t encourage promotion of or reflect ADGs, i.e. healthier eating choices • HSRs will be less able to be differentiated, as the products will be similar in composition, e.g. recipe bases • encourages reformulations which are not health relevant • not representative of how you eat it • a deterrent for manufacturers to put the HSR on their products – if optional, needs to be mandatory • could be less take-up by companies if the ‘halo’ effect of associated products is not permitted • companies are likely to remove HSRs altogether as not appropriate • some products would have to remove HSRs as they’re not compliant with the Code • nutrition isn’t reflected in the HSR

Option three – Multiple HSRs on pack	
Pros	Cons
<ul style="list-style-type: none"> • encourages transparency • provides more information for educated consumers • encourages consumers to prepare foods as suggested and prepare more balanced meals 	<ul style="list-style-type: none"> • more complicated • reduces intended simplicity of the HSR, especially for those who don’t have time or ability to read current information on the level, e.g. NIP or ingredient list

Option three – Multiple HSRs on pack	
<ul style="list-style-type: none"> • could educate consumers on how to create a healthier choice if instructions are followed • could provide extended information, e.g. on websites, to help consumers understand how different recipes or iterations can have different outcomes • consumers can see two scores – one ‘as sold’ and one ‘as prepared’ – and then make a decision • more information if you can understand it and know the rules • satisfy stakeholders who want both ‘as sold’ and ‘as prepared’ 	<ul style="list-style-type: none"> • goes against the principle of being consistent • potential consumer confusion, especially ESL consumers • assumes a level of literacy and numeracy • transition between old and new packaging could be confusing for consumers • less convenience for consumers • communications are challenging to consumers, could undermine the system • more complicated labels discourage consumers from reading labels (disengagement) • would require further consumer nutrition education • variation in how consumers will interpret the different HSRs • doesn’t benefit consumers or industry • not applicable across all categories • assumes packaging space • resource cost to fast-moving consumer goods (FMCG) on calculations, pack updates, etc • packaging real estate • extra cost for industry to change packaging and therefore a deterrent for having the HSR • why stop at two? Could then have lots of recipes and HSRs • added complexity with rolling out HSR on packaging with two sets of HSRs: added work for R&D, checking artwork, etc. • manipulation is still possible • doesn’t solve current issues • incorporates issues of Options 1 and 2 • too difficult to interpret • potentially too much information • doesn’t represent every possible use • doesn’t give level playing field for industry • some foods would not be in line with regulatory requirements, e.g. nutritional supplements

Option four – ‘As sold’ with specific exemptions	
Pros	Cons
<ul style="list-style-type: none"> • fairest option of all four • could align with ADGs as more flexible (if continuously reviewed) • can be tailored • flexibility • clarity for industry 	<ul style="list-style-type: none"> • doesn’t align with the Code • cost to industry • complicated costing • assumes literacy • continuous evolving and revisiting ongoing work required with innovation/new products

Option four – ‘As sold’ with specific exemptions	
<ul style="list-style-type: none"> • removes room for interpretation • strict • good compromise to address media/high profile products • aligns with the NIP with the ‘3rd point rehydrated with water only and drained’, e.g. for drained vegetables and dehydrated soups • solves some problems related to manipulation by adding additional nutrients with another product • water doesn’t add additional nutrients • reflective of product as it is meant to be consumed (intended) • transparency of having some products ‘as sold’ • could result in more industry uptake • comparison would be easier for stocks which are sold next to each other, e.g. cubes, powders, liquids • good for simple rehydration and draining • we can see a benefit if the following exemptions are included: recipe mixes, cake mixes, meal mix bases (e.g. beef stroganoff), stock cubes, formulated supplementary foods 	<ul style="list-style-type: none"> • open to errors • lack of certainty for both industry and consumers • confusing for consumers: how are they meant to know what’s in/out • open to variation by consumers • consumers unlikely to understand which products are ‘as sold’ or ‘as prepared’ • would need to communicate/provide obvious disclaimer to consumers re which products are exempt • communication is challenging • lack of transparency • definition of ‘rehydration’ and ‘hydration’ • regulation required • definition required • would need very clear definition/rules about exemptions • exemptions undermine the core/intended HSR principles • would create problems with companies trying to get exemptions • creates inconsistencies • outweighs benefits • HSR should match NIP information, e.g. canned tuna - nutrition information provided based on drained product - therefore HSR should reflect nutrition information of drained product • use of products can vary: <ul style="list-style-type: none"> - cake/pancake mixes: some are complete, others require added ingredients - canned soups: varied additions and uses - recipe bases - coffee powder mixes: varied additions and uses - dehydrated pasta/rice: varied additions and uses - cordial: the amount used varies as few consumers measure it - hot chocolate mixes: less than 3-5% use skim milk, varying uses, e.g. on ice cream, different milks - milk powders, powdered custards, yoghurt mixes • could stymie reformulation as a secondary consideration

Comments
<ul style="list-style-type: none">• Does the HSR need to be consistent with Food Standards Australia New Zealand requirements for formulated supplementary food, i.e. could a chocolate powder be ‘as sold’? There is a need to reconcile formulated supplementary foods with the HSR.• We don’t see the case for exemptions.• ‘Water’ and ‘drained’ cover almost all the listed exemptions on page 2 of the Secretariat document.• What is the process for adjudication of new products? Each category would need to be specified.• Definition of exemptions: consider evidence and consumer perceptions.• Legumes: no problem distinguishing between dried and canned without salt, as both would get 5 stars.
Specific exemptions
<ul style="list-style-type: none">• An exemption that could work is cake mixes (can’t eat out of the packet or make something else).• Should formulated supplementary foods be exempt from everything, like infant formulas, etc? Would need further discussion between these companies.• ‘As sold’ when water is added or drained may be easier – not the exemptions which add ambiguity.• Recipe mixes, cake mixes, meal mix bases (e.g. beef stroganoff), stock cubes, and formulated supplementary foods.• Cake/muffin mix, prepared and water only, rehydrated and water and drained.• Tuna in brine/oil.• Tinned vegetables/legumes.• Products that come in multiple forms, e.g. stock cubes and liquid stock.

Additional Comments

- The ‘as prepared’ issue affects only 4 per cent of products (eligible to use ‘as prepared’), and only 10 per cent of these products currently display an HSR.
- Raising ‘ingredients’ was a red herring. It opens up more confusion and a reliance on more rules, definitions and clarifications, and is not what we are at the workshop to discuss. We are here because the system is complicated – don’t make it more complicated.
- Support the use of FoodSwitch (note that some items may still be missing). HSR should develop a similar app, especially showing ratings of similar items.
- The Chair, Kevin Buckett, seemed to indicate that formulated supplementary foods ‘were not supposed to/intended to’ display the HSR.
- It needs to be clarified that whilst products such as infant formula/baby food/foods for special medical purposes are not intended to use the HSR, there is special provision in the HSR Guide for ‘formulated supplementary foods’ to be permitted to display the HSR.
- Formulated supplementary foods should not display the HSR.
- The system needs to be mandatory to be enforced.
- There is a lack of understanding and knowledge of a broad group of people: there is a need for succession planning for the HSR model.
- The HSR should be applied to as many retail foods as possible to educate consumers. Products should not be exempt.