

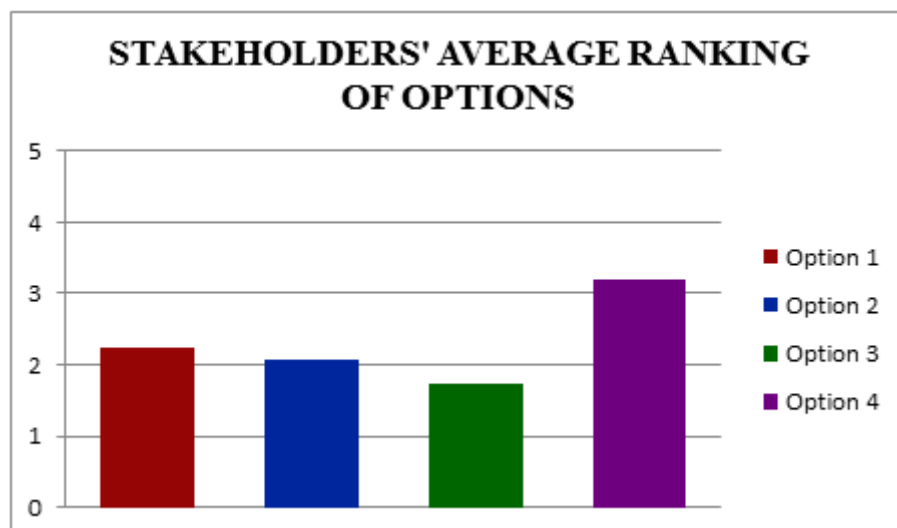
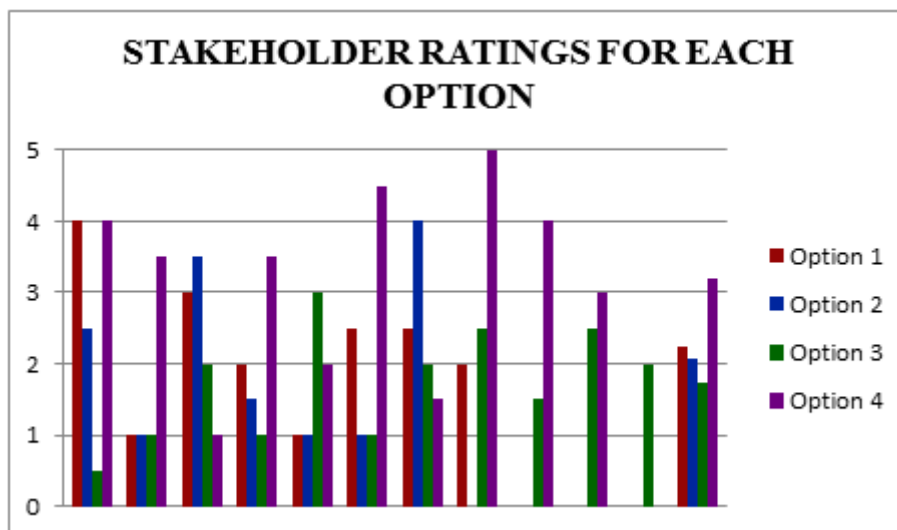
HEALTH STAR RATING 'AS PREPARED' STAKEHOLDER WORKSHOP

Melbourne 12 October 2017

**Industry, Public Health, Government and Consumer Stakeholders
(Attendees: 53)**

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.

- There was a majority preference for option four (‘as sold’ with exemptions). Stakeholders expressed that in order for this option to be successful there would need to be a limited number of exemptions and that the rules for these need to be very specific and tightly controlled.
- There were mixed views on the other options, but none of these were overwhelmingly agreed upon as particularly viable solutions.
- Some stakeholders placed importance on limiting the scope for manipulation of the system by industry. Option two (‘as sold’) was seen to do this by reducing the chance for complex recipes which could increase the HSR. Option four was also seen as a way to address this, while still allowing a fair basis to compare foods within categories.
- Stakeholders generally shared the opinion that exemptions are fair for products that require rehydration or draining, and that exemptions for such products would allow for actual comparison within categories.
- The need for increased education on the HSR system was a major theme throughout the workshop. This applied to every option, whether maintaining the status quo or implementing a new set of ‘as prepared’ rules.
- Stakeholders suggested that ‘add-ons’ could be of use across the options. Examples included mobile phone applications, Quick Reference (QR) Codes, and links or referrals to websites with recipe or alternative preparation suggestions. These were seen as a potential means to address the issue of limited label space as well as provide further education and nutrition information.
- Stakeholders mentioned that the HSR system needs to align with regulations, namely the Food Standards Code (FSC). Option four was seen to do this.
- There was broad agreement among stakeholders that whichever option is chosen it needs to be as reflective as possible of how the products are actually consumed.
- Credibility and consumer confidence was a topic of focus across options. The system as it stands (option one – status quo) was seen to have low consumer confidence. Option three (multiple HSRs on pack) was seen by some to potentially increase consumer confidence and credibility.
- Stakeholders raised ‘gaming’ of the HSR system as a concern, with option two suggested by some as a way to address this.
- Current negative media attention, with a focus on a few specific products, was a topic of concern among stakeholders. There was concern that such attention is damaging to the objectives of the HSR system and that option one would not address this.
- Stakeholders agreed that whichever option is chosen, there must be an effort to meet the objectives of the HSR – namely simplicity, at a glance information, and comparison within categories.
- Cost and effort for industry was a concern among some stakeholders in regards to any option requiring a change to the current system. It was expressed that this may see industry withdraw from using the system, or that the cost may be passed on to consumers.
- Stakeholders saw fostering reformulation and innovation as a positive.

Pros and cons of each option

Option one – Status quo	
Pros	Cons
<ul style="list-style-type: none"> • Is simple for consumers • No time lag • Less or no cost to industry currently invested in HSR labelling • Less or no change will be easier for the public to follow • Is an opportunity to build more education and standardised communication, and correct any existing misconceptions • Is defined well at present • Formulated supplementary food is defined well • Flexible • Aligns with regulations such as the FSC, including 1.2.7 • Reflective of how foods will be consumed • Provides certainty for foods or recipes that have to be prepared very closely e.g. cake mixes • Reconstituted and as consumed comparison • May encourage consumers to prepare and consume foods in the healthiest way (e.g. by adding more vegetables and/or lean meat) • Correlates conversion of Nutrition Information Panel (NIP) – pro for reconstitution • Works when applied to ready to eat (RTE) foods, drained • Works when applied to cooked foods • Works when applied to edible portion • Works when applied to rehydrated foods • Small number of products affected 	<ul style="list-style-type: none"> • Current confusion won't be addressed • Reduces credibility / consumer confidence and trust in the scheme • Possibly need more education for consumers - to date education has been very simple and not well funded • Would like to consider how the rule looks across categories • Query whether improvements should be in algorithm or communication • People don't necessarily consume the food according to packet instructions • It is unclear which foods are rated 'as prepared' or 'as sold'. • Some foods do not make sense to sell 'as sold' e.g. cake mix, pasta and spice mix/sauces • Multiple ways to consume products • At present, consumers are not aware of the criteria around 'as prepared' i.e. based on direction on back of pack • Doesn't allow for food comparison within categories (e.g. cake mixes)- one of the main objectives of the HSR system • Potential for restriction on how HSR is consumed • Media attention particularly on selected products is damaging to HSR system • Does not help promote the Australian Dietary Guidelines (ADGs) • Shouldn't penalise foods that are designed to add positive ingredients to • Consumers may be likely to eat veggies if adding sauce or gravy • Uncertainty if different from preparation instructions • Disproportionate change for a few products • Could cause companies to choose not to utilise the HSR system • Potential for industry manipulation due to flexible/open conditions • Not reflecting nutritional value of added ingredients (e.g. flavourings) • Does not deal well with single nutrient flavours (e.g. sugar and salt) • Doesn't encourage reformulation – easier to add core foods to recipe than reformulate product

Option one – Status quo	
	<ul style="list-style-type: none"> • Does not align with NIP (unless reconstituted) • Lack of enforcement options, with Australian Consumer Law (ACL) the only recourse • Does not meet the HSR principle to educate consumers about healthy eating • Sending adverse health messages • Unnecessary health halo
Comments <ul style="list-style-type: none"> • More consumer education is required on the current ‘as prepared’ rules • Could present preparation instructions on website • The HSR could default to the optimally prepared product • Keep the ruling the same, just fix the few outlying products 	

Option two – ‘As sold’ only	
Pros	Cons
<ul style="list-style-type: none"> • NIP presents detailed facts whereas the HSR would be interpretive • HSR based on product at shelf • Includes total products e.g. – in oil if not drained • Encourages changes to product recipes to increase stars • May only be a small number of products that are impacted • Clearer – less need for interpretation • May prevent gaming or varying ingredients to get extra stars • May be more in line with ADGs • Might address current negative media attention • Will be consistent (but not for cooked or reconstituted) • Compliance may be easier for industry and enforcement • Less discretion for industry • More consistent • Easier and more accurate for consumers to choose within a category • Encourages reformulation with positive nutrients to increase the HSR • People don’t need to turn the product over to look for caveats • System built for consumers, if consumers are unhappy with status quo 	<ul style="list-style-type: none"> • Won’t align with NIP data – e.g. condensed soup, sold in can • NIP is ‘as prepared’ due to FSC regulations, whereas the HSR will be ‘as sold’ • Loses confidence for consumers • Nutrition analysis costs would be doubled • Many products have the option to be healthier – ‘as sold’ might not encourage this • People may not follow the ‘as prepared’ instructions • Some products aren’t eaten alone e.g. tomato paste • Still not good for comparison between powdered and liquid products and concentrates • Drained products will be disadvantaged • Products with small serving sizes will be disadvantaged • Costly for industry • More guidance required for consumers and industry (and this may be inconsistent with objectives of the system) • Isn’t a true representation of the product consumed – consumers don’t eat the food ‘as sold’ • Some powder mixes will all have the same HSR and consumers won’t be able to differentiate • Does not allow ‘like for like’ basis

Option three – Multiple HSRs on pack	
Pros	Cons
<ul style="list-style-type: none"> • Less confusing for consumers • Increased transparency of what the HSR means • Covers all bases • Is already permitted on multipacks • May guide consumers on most appropriate way to consume products • Good for those consumers who do understand how the system works • Would be good if HSRs were assigned to recipes • Flexible • Would align with NIP • Less potential for misleading information • Helps with credibility of the HSR system 	<ul style="list-style-type: none"> • More confusing, less simple • Doesn't solve the 'as prepared' problem • Label space and associated increased costs for industry • Doesn't allow people to compare at a glance • Consumers may just see the star they want to see • Time consuming to read • Doesn't account for different cooking methods • Consumer compares at point of purchase in the aisle • HSR may become too small to read • Not aligned with the NIP • How would industry choose which HSR to use in advertising • Still requires good or possibly more literacy • May not be understood by different socio-economic groups • Needs guidelines as to where and how prominent HSRs should be • Heavy burden for small to medium businesses • Still allows potential gaming of system • More contextual information required for consumers to understand • Goes against HSR objective of a quick and easy look • Not a substitute for education
Comments <ul style="list-style-type: none"> • Potential for an application to be used on phones to scan QRs and explain the multiple ratings. This is an opportunity for education • Could state 'as prepared' in words or use a different coloured logo • Could provide an option to state "Check website for further information – can be made up in other ways". Some products are already doing this, with back of packs displaying other preparation options • Standardise across the industry so everyone is using the same language 	

Option four – 'As sold' with specific exemptions	
Pros	Cons
<ul style="list-style-type: none"> • Good option when applied to rehydration and draining as the only 2 exemptions • More accurately reflects nutritional value of ingredients • Less financial impact on some companies compared with options 2 and 3 • Reflects how most consumers would consume the food 	<ul style="list-style-type: none"> • Requires clear regulations regarding exemptions • May disadvantage concentrates • Developing and implementing will be difficult • More information required on pack is a burden on industry • May be more confusing to consumers • How different is this in reality to 'as sold'

Option four – ‘As sold’ with specific exemptions	
<ul style="list-style-type: none"> • Limits scope for abuse of system • For consumer – broadly the same system, what they expect and know of the system already • Maintains some simplicity • Potentially puts a parameter around what expectations should be • Allows flexibility considering food system is complex • Consistency between NIP and HSR • Compares similar products within same category • Representative of what consumer would eat with little room for risk or variation • Common sense – can’t eat plain spice mixes, cake mix 	<ul style="list-style-type: none"> • Limited application • Takes away the comparison aspect • Costs to industry may be passed on to consumers • Increased complexity, particularly for small to medium business • Exemptions allow manufacturers to potentially manipulate • Makes system more complex, more difficult to educate people on • HSR wouldn’t reflect some products ‘as consumed’ • Variation in how the product is used, e.g. concentrates • Can be misinterpreted • Inconsistency between star rating and NIP
Comments <ul style="list-style-type: none"> • Include reference sentence under the HSR icon as indication to consumer that the HSR is based on ‘as prepared’ • Would need to have an application and approval process for exemptions • Issue that this doesn’t match the evolution of food supply – e.g. tuna in spring water (drain), in oil (maybe drain), in sauce (don’t drain) • May need a principle of complexity of recipe to decide which exemptions 	
Specific exemptions suggestions <ul style="list-style-type: none"> • Foods requiring water, rehydration and or draining • Formulated supplementary foods or meal replacements • Foods that have specific instructions and can’t be prepared any other way – different from general directions and recipe suggestions <ul style="list-style-type: none"> ○ Cake mixes ○ Pancake mixes ○ Yoghurt mixes ○ Cordial ○ Frozen food ○ Food requiring cooking ○ Creamy condensed soup (1/2 soup ½ water) • Implement a serve size cap with reference to the ADGs • RTE foods should not be allowed to use ‘as prepared’ • Implement a requirement to provide additional information alongside rating – e.g. “when prepared according to directions” or “when drained” • Must align with ‘as prepared’ figures in NIP where allowed • Products such as noodles requiring additional protein and Fruit Vegetable Nut Legume content (FVNL) should not be allowed to have exemptions • Exempt condiments e.g. spices from the HSR system altogether • Create exemptions based on energy • Create exemptions based on number of ingredients 	

Additional Comments

- Is 'the more stars the healthier' the right messaging for the current system?
- Perhaps some foods should not be able to display a HSR at all, e.g. discretionary foods
- Timing is a factor – would not want a complex solution to slow down an outcome