

**Health Star Rating (HSR) Advisory Committee (HSRAC)
Form of the food ('as prepared') rules for the HSR system
Discussion paper**

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Appendices are available in a single document on the [HSR Stakeholder Workshops](#) page.

Summary

The Health Star Rating (HSR) Advisory Committee (HSRAC) is currently reappraising the 'as prepared' rules in the HSR system. These rules allow some products which are normally prepared with other foods prior to consumption to include these ingredients in the calculation of a HSR.

Public consultation on options to resolve concerns that the rules are confusing and/or misleading identified a simplified rule, 'as sold' with specific exemptions for rehydration or dilution with water or draining of water, as the most viable option. HSRAC asked the HSR Technical Advisory Group (TAG) to model the impact of implementing this option, with results indicating that:

- Many product categories which would tend to receive a lower HSR 'as sold' currently receive higher HSR scores 'as prepared'
- Restricting products to 'as sold' would tend to align with dietary guidelines, with 'core' foods generally receiving higher HSRs and 'discretionary' foods lower HSRs.

An alternative option that provides supporting guidance around the 'as prepared' rules has also been proposed by the Australian Food and Grocery Council (AFGC) after initial public consultations. This aims to provide clear guidance to assist application of the HSR system to products that require preparation with other ingredients prior to consumption and places the onus of responsibility on the manufacturer to consider what provides the most useful information to consumers. This approach may allay concerns that a change to the 'as prepared' rules will treat certain product categories unfairly.

HSRAC is seeking additional stakeholder feedback on these two options before agreeing on a preferred option to recommend to Australian and New Zealand Food Regulation Ministers for implementation.

From these consultations HSRAC is specifically looking to answer the following key questions:

1. Which option better aligns with the objectives of the HSR system and dietary guidelines?
2. Is either option an acceptable resolution of the 'as prepared' issue?
3. Is either option robust enough to withstand significant scrutiny?
4. Which option would provide greater clarity and certainty for industry?
5. Which option would improve trust in and credibility of the system for consumers and public health and consumer organisations?
6. Which option would better minimise ambiguities in and potential for misinterpretation or misapplication of HSR system guidance?
7. Are the proposed implementation timeframes reasonable and appropriate?

Introduction

The *Guide for Industry to the Health Star Rating Calculator* (the Guide for Industry) includes provisions for products that must be prepared prior to consumption, known as the form of the food (or ‘as prepared’) rules. To qualify, instructions for food preparation must be provided on product labels.

The intention of the current ‘as prepared’ rules is to permit an appropriate comparison between final products as they are consumed, as intended by the manufacturer/retailer through directions on-pack. This may not, however, take into account the way that consumers are actually preparing and consuming such foods, with many products able to be prepared in various ways and with the possible addition of a wide range of other ingredients. As a result, there is some concern that consumers may not appropriately and accurately consider the nutritional value of a product with a HSR ‘as prepared’ when the product is not prepared according to the on-pack instructions.

The HSRAC, responsible for overseeing the implementation, monitoring and evaluation of the HSR system, is currently reappraising the ‘as prepared’ rules. Members agreed that both the technical and consumer perception aspects of this issue need to be considered, particularly in the context of trust in and credibility of the HSR system.

This paper uses the Australian Dietary Guidelines (ADGs) classification of ‘core’ and ‘discretionary’ foods to describe products and assess alignment with dietary guidelines in both Australia and New Zealand. Foods and drinks recommended to be consumed daily from the Four (New Zealand) or Five (Australia) Food Groups are referred to here as core. Discretionary refers to foods and drinks recommended to be limited because they are high in saturated fat, added sugars and/or added salt.

The ‘as prepared’ rules

In the Guide for Industry¹, step 2 of the process to calculate a HSR considers the form of the food, and hence the nutrient content values, that are used to determine a HSR. This is known as the ‘as prepared’ rules. This HSR guidance information was derived from the Food Standards Code (FSC) Standard 1.2.7 - Nutrition, health & relation claims, clause 7, which prescribes the form of the food applicable for making nutrition claims. Such foods must also display the Nutrition Information Panel (NIP) according to FSC Standard 1.2.8 – Nutrition information requirements. Refer to Appendices 1 and 2 for HSR and FSC guidance on ‘as prepared’ products.

It is common and longstanding practice for manufacturers/retailers to display recipes or other directions for use on the product label. The HSR ‘as prepared’ rules currently apply only if the food is intended to be prepared according to such directions prior to consumption. This covers products such as powdered soup, sauce mixes or drink flavourings but not foods which require preparation/cooking without the addition or draining of other ingredients, e.g. bacon, frozen pizzas and ready meals. The ‘as prepared’ rules allow eligible products to calculate their HSR based on 100g/mL of the product prepared according to the instructions on the product packaging.

¹ Guide for Industry to the Health Star Rating Calculator v.6 (2018), available on the [HSR Guide for Industry](#) page.

Appendix 3 provides an overview of how HSRs may change between ‘as sold’ and ‘as prepared’ forms of the same food.

The ‘as prepared’ rules, as currently written, mean that a HSR may be altered by the nutritional components of ingredient/s added according to the instructions provided (noting that many products cannot or are not intended to be consumed as sold). For example, the HSR of a recipe mix may be higher when calculated as a final product prepared with lean meat and vegetables, or powdered drink mixes may receive a higher HSR score when skim milk is added. In summary, nutrient profiles and thus HSRs may improve when products are prepared with additions that contribute positive nutrients such as protein or dilute negative nutrients such as sodium.

However, many products may be prepared in multiple ways despite specific directions or instructions for preparation. As a consequence, the HSR may not always be representative of the way that the product is being prepared and consumers may not be able to appropriately compare at the point of purchase between products as consumed.

The ‘as prepared’ provisions have been raised by a range of stakeholders who seek clarity around the intention and application of HSR system guidance on ‘as prepared’ products. There has also been criticism in the media and on social media of the HSR system, claiming that the ‘as prepared’ rules lead to misleading results and/or are contrary to the stated aims of the HSR system, and there are concerns that consumer confidence in the HSR system may be undermined by this issue. Public submissions and workshops on the ‘as prepared’ rules have reiterated these concerns.

Food regulation ministers have requested that this issue be addressed as a priority, and HSRAC acknowledges that the application of the HSR system to some products ‘as prepared’ has affected perceptions of and trust in the system.

The HSR ‘as prepared’ guidance does not apply to serving suggestions on food labels. The current rules also explicitly exclude breakfast cereals and “products that can be used in a number of ways by the purchaser, such as breadcrumbs,”² which indicates that the potential confusion caused by the ‘as prepared’ rules is already acknowledged and accepted in HSR system guidance.

² Guide for Industry to the Health Star Rating Calculator v.6 (2018), available on the [HSR Guide for Industry](#) page (p7).

Application of the ‘as prepared’ rules

The ‘as prepared’ rules may apply to products that are intended to be prepared prior to consumption, including but not limited to those product categories listed in Table 1.

Table 1: Possible ‘as prepared’ product categories and typical preparations

Products	Typically prepared with
Cake mixes/pancake mixes	Cakes - milk and/or water, egg, fat Pancakes - milk and/or water, egg, fat
Canned soups	Milk and/or water
Coffee powder mixes	Milk and/or water
Cordial (made with water)	Water
Dehydrated powdered pasta and rice products	Milk and/or water, fat
Dehydrated vegetables	Water
Gravy (usually mixed with water)	Water
Hot chocolate mixes	Milk and/or water
Milk powders	Water
Other milk flavourings	Milk and/or water
Powdered custard	Milk and/or water, sugar
Powdered soups	Water
Recipe bases	Meat, vegetables, milk or water, fat
Sauce mixes (powder, liquid) for casseroles/slow cookers	Meat, vegetables, milk or water, fat
Spice mixes	Meat, vegetables, milk or water, fat
Stock, powdered	Water
Syrups	Milk
Yoghurt mixes	Milk and/or water

Data retrieved from the FoodTrack™ retail food and nutrient database, developed by the National Heart Foundation of Australia (the Heart Foundation) and the CSIRO, highlights the potential scope and coverage of the ‘as prepared’ rules³. In 2017 there were 16,199 products in FoodTrack, with 1,220 products (8%) in categories that may display HSRs ‘as prepared.’ 282 products (23%) within these categories carried a HSR, noting that the product may not actually display a HSR ‘as prepared.’ This is just over 7% of products displaying a HSR (n=3,918) and less than 2% of all products. Table 2 below indicates the breakdown of products currently displaying a HSR in possible ‘as prepared’ categories.

³ FoodTrack™ - branded retail food and nutrient database, CSIRO in collaboration with the National Heart Foundation, [CSIRO FoodTrack](#).
Date Accessed: March 20, 2018

Table 2: Number of products that carry a HSR in possible ‘as prepared’ product categories, Australia, 2017 ⁴

Product category	Number of products in category	Number of products displaying HSR
Bread mixes	44	1
Cake mixes, brownie mixes, pancake mix, brownie mix, muffin mixes, banana bread mixes, slice mixes	181	30
Canned (condensed soup), powdered soups	147	65
Coffee powder mixes, chai latte mixes	90	7
Cordials, syrup flavourings	99	29
Custard powders, pudding mixes, dairy dessert mixes, yoghurt mixes	33	1
Dehydrated pasta and noodle products with flavourings	171	48
Dehydrated rice (and other grain) products with flavourings	53	16
Dehydrated vegetables	9	3
Gravy mixes, savoury sauces (eg. white sauces, cheese sauces, finishing sauces)	98	14
Milk powders, hot chocolate mixes, milk flavourings (eg. Chocolate flavoured powder, syrups, milkshake mixes)	82	23
Recipe bases	168	39
Spice mixes	2	0
Stock, powdered	43	6
TOTAL	1,220	282

Note: all different pack sizes are included (ie. all SKUs) for each product. Data from 2017 calendar year in FoodTrack database. Product categories provided are those used by the Heart Foundation for the FoodTrack database and may not correspond with HSR or Australian Guide to Healthy Eating categories. FoodTrack data is collected on a rolling, progressive basis across a year, with product categories included once per year, and therefore product data may be up to a year out of date.

Monitoring of industry compliance with HSR guidance documents indicates that, by and large, food manufacturers and retailers are correctly applying and displaying HSRs in accordance with current guidance.⁵ However, ongoing attention to this issue suggests that current HSR guidance to industry may be incongruous with consumer understanding.

⁴ FoodTrack™ - branded retail food and nutrient database, CSIRO in collaboration with the National Heart Foundation, [CSIRO FoodTrack](#).
Date Accessed: March 08, 2018

⁵ National Heart Foundation of Australia, 2017, Report on the monitoring of the implementation of the Health Star Rating system: Key findings for AOE1 – Assessment of the Health Star Rating (HSR) displayed on pack using the HSR Calculator – June 2016 to June 2017;
National Heart Foundation of Australia, 2017, Report on the monitoring of the implementation of the Health Star Rating system: Key findings for AOE1 – Consistency in Implementation of the Health Star Rating (HSR) system with the HSR Style Guide – June 2016 to June 2017;
both available at [Monitoring the implementation of the Health Star Rating system](#)

Consumer use and understanding of HSRs ‘as prepared’

To investigate consumer use and understanding of the ‘as prepared’ rules, the Heart Foundation, through its regular monitoring of consumer awareness and ability to use the HSR system in Australia, included questions around the ‘as prepared’ rules in a recent survey (August to November 2017).

The results⁶ (sample n = 2,081) highlight some issues with the ‘as prepared’ rules. 74% of respondents claim to follow provided labelling instructions when preparing pre-packaged foods. However, only 39% of respondents were aware of the current ‘as prepared’ rules in the HSR system. These results are depicted below:

Table 3: Do you follow the provided instructions when preparing pre-packaged foods?

Response	(%)
Yes	74
No	17
Unsure	9

Table 4: Are you aware that the HSR on some foods/products is based on the food being prepared as per pack instructions?

Response	(%)
Yes	39
No	44
Unsure	16

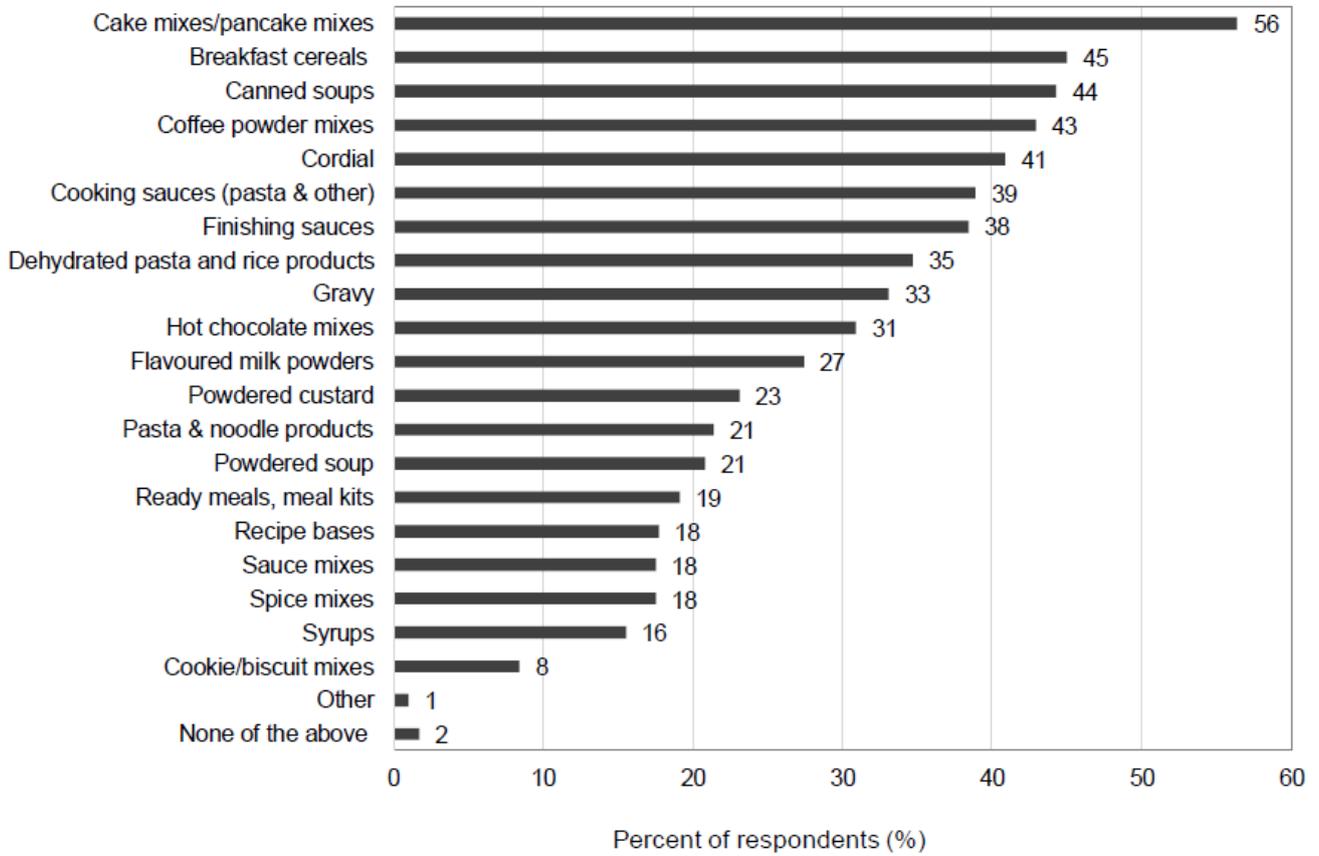
The research reported that 49% of respondents who were aware of the ‘as prepared’ rules (19% overall) find the HSR useful for comparing foods within these categories. In contrast, 15% of respondents who were aware of ‘as prepared’ (7% overall) stated that the HSR is not useful when comparing food products where the HSR is based on the food being prepared as per pack instructions.

Chart 1 below indicates the percentage of people who reported that they follow the recipe/instructions for certain product categories. Of note is the relatively high proportion of consumers that follow instructions for cake and pancake mixes, breakfast cereals*, cordials and cooking and finishing sauces. A low proportion of people report following instructions for sauce mixes, recipe bases and ready meals/meal kits. Flavoured milk powders and hot chocolate mixes lie roughly in the middle of the distribution.

* Note: the Guide for Industry states that for breakfast cereals the HSR should be displayed for the cereal as sold.

⁶ National Heart Foundation of Australia, 2018, Report on the monitoring of the implementation of the Health Star Rating system: Area of Enquiry 2 – Consumer awareness and ability to use the Health Star Rating system correctly, Aug-Nov 2017 (a summary is available on the HSR website at [Monitoring the implementation of the Health Star Rating system](#); for full report, please contact the Front-of-Pack Labelling Secretariat at frontofpack@health.gov.au)

Chart 1: If you use the following products, do you follow the instructions when preparing pre-packaged foods?



n = 1,546

Alignment with system objectives and priorities

The HSR system aims⁷ to:

- Enable direct comparison between individual foods that, within the overall diet, may contribute to the risk factors of various diet-related chronic diseases;
- Be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups; and
- Increase awareness of foods that, within the overall diet, may contribute positively or negatively to the risk factors of diet-related chronic diseases.

1. Enable direct comparison between individual foods

The current ‘as prepared’ provisions intend to meet the aim of enabling direct comparison between similar foods, when products are prepared according to the instructions. However, a major criticism is that the current rules actually undermine this goal through the display of misleading ‘as prepared’ HSRs. Nutritional composition of added ingredients, such as whole milk, reduced fat or skim milk, can impact the HSR ‘as prepared,’ and consumers do not always prepare foods according to the on-pack instructions (in addition, multiple mixing instructions may be provided on pack, i.e. soup mixed with water and/or milk). Therefore, accurate comparisons of prepared foods cannot be made. Any potential amendment to the ‘as prepared’ rules should uphold the HSR objective of allowing consumers to compare like products as consumers understand them.

2. Be readily understandable and meaningful

Some stakeholders have suggested that the current ‘as prepared’ rules are not readily understandable across socio-economic, culturally and linguistically diverse and low literacy/numeracy groups. This is due to the literacy and numeracy skills required to comprehend and apply the logic that the HSR is based on a recipe contained elsewhere on pack and then to understand that the HSR values equate to the food prepared in exact accordance with these directions. Research shows that 39% of consumers are aware that the HSR on some food products is based on the food being prepared as per on-pack instructions.

3. Alignment with dietary guidelines

A number of stakeholders consider that the current ‘as prepared’ ruling does not promote food choices in line with Australian and New Zealand dietary guidelines. As many foods eligible to display HSR in the ‘as prepared’ form are specified as discretionary in dietary guidelines, it is considered that such products are advantaged relative to others by displaying an inappropriately higher HSR based on the assumed addition of more nutritious ingredients or dilution of risk nutrients, e.g. through the addition of vegetables or skim milk. Other stakeholders noted that the ‘as prepared’ rules have the potential, if instructions are followed, to promote positive dietary habits by suggesting the addition of foods encouraged by dietary guidelines, e.g. the directed inclusion of vegetables in a recipe mix.

⁷ Australia New Zealand Food Regulation Ministerial Council, 2009. Front of Pack Labelling Policy Statement, available at [Policy statement on front of pack labelling](#).

Reappraising the ‘as prepared’ rules

Reappraisal of the ‘as prepared’ rules will determine:

- how potential modifications to the rules will change HSR values for ‘as prepared’ items and categories; and
- the effect this will have on:
 - consumer behaviour, particularly amongst people with low health literacy or who may be more likely to consume these products and/or less likely to follow the stated instructions, e.g. culturally and linguistically diverse groups or people of lower socioeconomic status;
 - overall alignment with dietary guidelines; and
 - industry, both in terms of additional burden and propensity to voluntarily commit to the HSR system.

The reappraisal will consider all products covered by the form of the food rules that must be prepared prior to consumption, including but not limited to those products listed in Table 1, above.

Stakeholder consultation

HSRAC agreed that extensive consultation with stakeholders would be required before any potential changes could be made to the HSR system on the ‘as prepared’ issue. This engagement with stakeholders would aim to clarify concerns, identify potential options and seek feedback on the appropriateness of the various solutions proposed.

Public submission process

The first consultation involved a public submission process, for which 74 submissions were received from various stakeholders. Refer to Appendix 4 for a breakdown of submissions by stakeholder groups. A summary of submissions is available on the [HSR Stakeholder Workshops](#) page.

The consultation process resulted in four options being proposed to address the ‘as prepared’ rules:

1. **status quo**, retain current HSR guidance rules for ‘as prepared’;
2. **‘as sold’** only, remove the ‘as prepared’ provisions for HSR calculation;
3. **multiple HSRs** on pack, for both the food ‘as sold’ and ‘as prepared’; or
4. **‘as sold’ with exemptions**.

Stakeholder workshops

Following the public submission process, three open-invitation stakeholder workshops were held to discuss the themes identified by the public submission process and to seek feedback on the four options proposed to address the ‘as prepared’ guidance rules. The workshops were held in Sydney on 28 September 2017, Auckland on 5 October 2017 and Melbourne on 12 October 2017, with a discussion paper⁸ outlining the four proposed options made available to participants prior to the

⁸ Discussion Paper for face to face consultation September/October 2017 – The form of the food (‘As Prepared’) rules for the Health Star Rating system.

workshops. Forty participants attended the Sydney workshop, 12 participants attended in Auckland and 53 participants attended in Melbourne. There was a mix of industry, public health, consumer and government stakeholders.

Stakeholder workshop participants were asked to consider the pros and cons of each option in small groups and assign an overall rating to each option based on how successful they considered each option would be to address the 'as prepared' issue. Individual groups provided feedback, with each option discussed by the entire workshop group.

The preferred option at the Auckland and Melbourne workshops was option 4 - HSR calculated 'as sold' with exemptions. Participants found it difficult to agree on the exemptions, although the majority agreed that the exemptions need to be limited and specific, with the basis for exemptions to be clearly established. Exemptions that were generally agreed upon include rehydration with water, dilution with water, and draining of water. At the Sydney workshop, preferences were fairly evenly split between options one, two and four; however, option two was the preferred option by a small margin.

An overall summary of feedback on each option is at Appendix 5. Summaries for each workshop are available on the [HSR Stakeholder Workshops](#) page.

Options for consideration

Following the public consultations and after consideration of modelling undertaken by TAG, HSRAC is seeking additional stakeholder feedback on the following two options:

- *Limit the application of the HSR system to the 'as sold' form of the food with specific exemptions for rehydration and dilution with water and draining of water*
- *Provide supporting guidance for interpreting the current 'as prepared' rules*

Limit the application of the HSR system to the ‘as sold’ form of the food with specific exemptions for rehydration and dilution with water and draining of water

Upon consideration of the results of the public consultations, HSRAC agreed that option 4 (‘as sold’ with specific exemptions) appeared to be the most viable option and that the exemptions of rehydration with water, dilution with water and draining of water should be explored. This option is preferred by a majority of HSRAC.

Results of modelling

HSRAC directed TAG to conducting modelling on the potential impact of this option. Methods and full results are provided in Appendix 6.

Modelling indicates that that many product categories which would tend to receive a lower HSR ‘as sold’ receive higher HSR scores ‘as prepared’ as the additional ingredients contribute positive nutrients and/or dilute negative risk nutrients. The opposite occurs for product categories which receive higher HSRs ‘as sold;’ they receive lower HSRs ‘as prepared’ due to the dilution of positive components.

In sum, the implementation of this option would mean that:

- ‘Core’ foods (as described in the ADGs) would tend to receive higher HSRs and congregate at the upper end of the HSR scale
- ‘Discretionary’ foods (as described in the ADGs) would tend to receive lower HSRs and congregate at the lower end of the HSR scale

Calculating HSRs for products ‘prepared with water only’ centres and narrows the range of scores, with discretionary foods tending to receive higher HSRs and core foods lower HSRs. The opposite is likely to be the case for removing water, i.e. draining.

Conclusions and analysis

FoodTrack™ data indicates that less than 2% of products in Australia potentially carried a HSR ‘as prepared’ in 2017 and that less than 8% of all products in supermarkets may be subject to the ‘as prepared’ rules⁹.

Analysis of the available data highlights that implementation of this option would cause changes to HSR scores for some products and in doing so provide better alignment with dietary guidelines. Given the lack of a complete set of product data it is difficult to ascertain how HSRs will change for specific products. However, the data available both provide coverage of key product categories and serve as an appropriate representation of how HSRs may change if this option is adopted.

Implementation of this option would align with the objectives of the HSR system to:

- Enable consumers to make direct comparison between individual foods as consumed.

⁹ FoodTrack™ - branded retail food and nutrient database, CSIRO in collaboration with the National Heart Foundation, [CSIRO FoodTrack](#).
Dates Accessed: March 08 and March 20 2018

- An example is dry soup mixes (which may display a HSR for the product as prepared with water) compared to ready-to-eat soups. This appears to be an acceptable result given consumers would be unlikely to consume dry soup powders ‘as sold.’
- Be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups.
 - The current ‘as prepared’ rules require critical nutrition literacy and general literacy/numeracy skills to interpret and understand the information provided. By ensuring that products which may be prepared in a range of ways are considered more simply in the HSR system, an easier comparison of products may be made at the point of purchase without reference to complex variations in preparations.
- Increase awareness of foods that, within a diet context, may contribute positively or negatively to the risk factors of diet-related chronic diseases.
 - Calculating HSRs ‘as sold’ generally distributes scores in alignment with dietary guidelines, with discretionary foods receiving lower HSRs and core foods higher HSRs

A change to the ‘as prepared’ rules to align with this option would require an amendment to the Guide for Industry but no change would need to be made to the HSR Calculator. Please see Appendix 7 for proposed changes.

Clear guidance would be required for industry, particularly in relation to the alignment with the FSC and NIP labelling, noting that:

- breakfast cereals and products such as bread crumbs are already excluded from the ‘as prepared’ rules in the HSR system; and
- FSC 1.2.8 states that the NIP must include both ‘as sold’ and ‘as prepared.’

In a voluntary system, there is a risk that products that currently display the HSR ‘as prepared’ may stop using the system should they receive a lower HSR ‘as sold’ because they can no longer include, for example, added skim milk or vegetable content in the calculation of a HSR. This is in addition to the general risk that a product that would receive a low HSR may not adopt the system. However, the application of the HSR system to ‘as prepared’ products is already limited and many companies have adopted the HSR system on their full product range, regardless of the HSRs received.

The risk must be weighed against the positive impact that clarification/amendment of the ‘as prepared’ rules are likely to have on trust in the HSR system and overall perceptions of integrity for both industry and consumers.

Both are difficult to quantify. There is insufficient industry data to determine the extent of the impact of implementing this option nor research to demonstrate that this will influence consumer choice at point of purchase. Similarly, there is insufficient data to draw strong inferences that consumer trust in the system will be maintained or improved through the implementation of this option, nor are there guarantees that this will be accepted by stakeholders (particularly as reported in the media).

Provide supporting guidance for interpreting the current ‘as prepared’ rules

An alternative option is clarification of the ‘as prepared’ rules in the Guide for Industry through the provision of supporting guidance for industry. This option is preferred by a minority of HSRAC.

The AFGC, the peak industry association that represents Australian food, beverage and grocery manufacturers and suppliers, has provided an alternative approach where a draft flow chart (or ‘decision tree’) and explanatory notes is proposed to assist industry with interpretation of the ‘as prepared’ rules. This aims to provide clearer guidance to assist application of the HSR system to individual products that are not ‘ready to eat’ and are normally prepared with other ingredients prior to consumption. Examples include cake mixes, to which eggs, fat and sugar are typically added; custard powders, to which milk is typically added; and sauces and recipe bases, to which water, cream and/or coconut milk is typically added. In these cases, the ‘decision tree’ may allow manufacturers to incorporate the nutrients from the added ingredients in the calculation of a HSR.

An initial draft of the ‘decision tree’ was provided by the AFGC to HSRAC and discussed on 15 November 2017. Members considered that the decision tree could help supplement an agreed resolution to the ‘as prepared’ issue and be a useful tool for industry. A revised draft was provided for discussion on 13 February 2018 and it was agreed that targeted consultations on the ‘decision tree’ may help refine both the concept and application. This version was considered by both TAG and the Australian Department of Health (see Appendix 9).

HSRAC agreed that a further version of the ‘decision tree’ that addressed comments from the Australian Department of Health and TAG should go to public consultation. The version here (p. 17) was provided by the AFGC on 3 April 2018 and has not been analysed or endorsed by either the Australian Department of Health or TAG or received consensus support from HSRAC. The full ‘decision tree,’ including accompanying text, is at Appendix 8.

‘Decision tree’

The ‘decision tree’ proposes a method to assess the form of the food for which a product should display a HSR, posing eight binary questions to direct an enquiring manufacturer or supplier towards the relevant outcome. This is based on the instructions provided on the packaging (i.e. the assumed preparation, as directed by the manufacturer/retailer) as well as intentions and perceptions of how consumers will use the product. Explanatory notes assist with the determination at each step.

The ‘decision tree’ approach places the onus of responsibility on the manufacturer to consider what provides the most useful information to consumers, consistent with the objectives of the HSR. It covers all products, both current and likely to be released in the short to medium term, and provides scope for comparing like products.

Conclusions and analysis

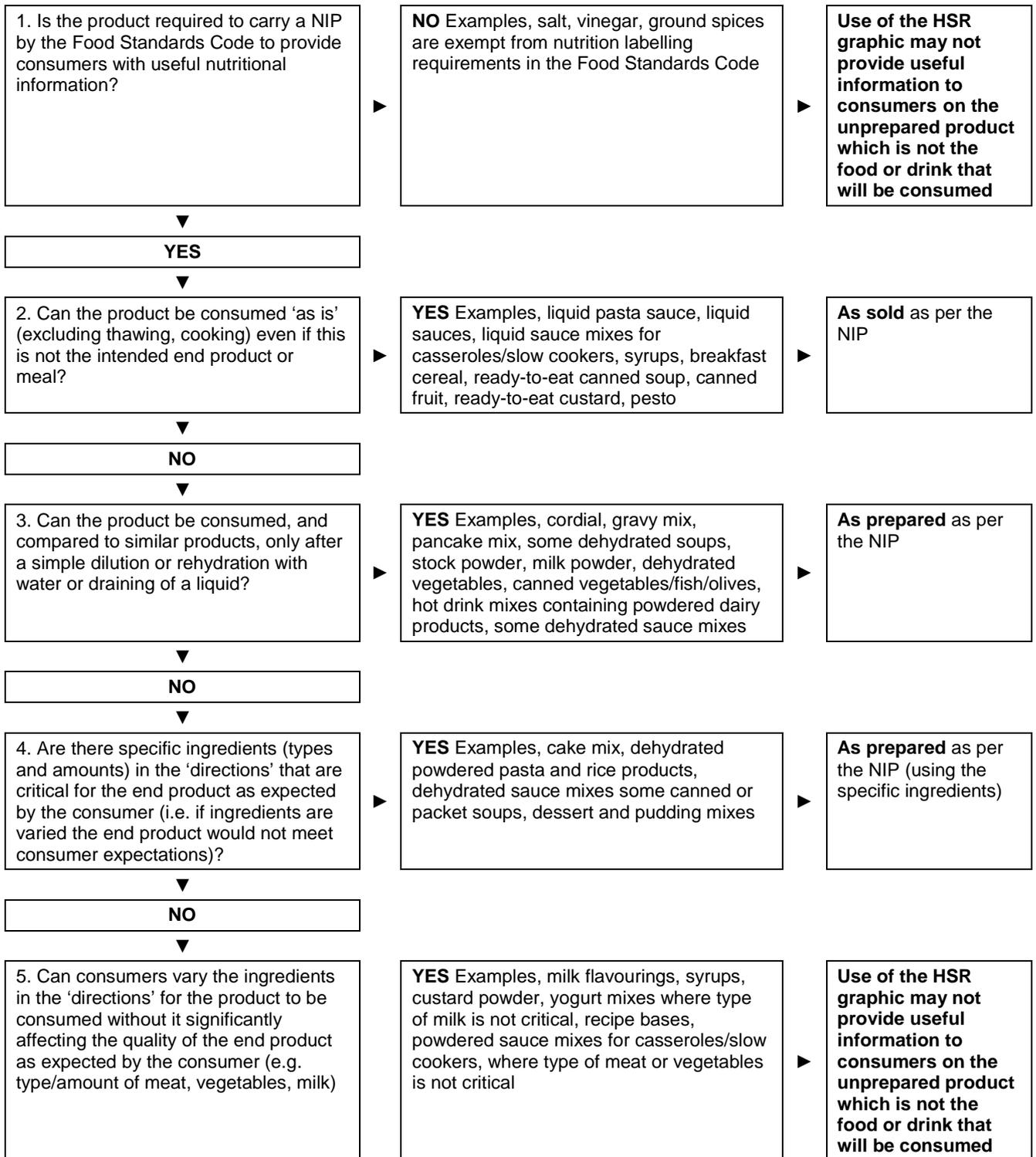
Pursuing this option may allay concerns that a change to the ‘as prepared’ rules will treat certain product categories inappropriately in the HSR system by not allowing a direct comparison between products as they are intended to be consumed. For

example, comparing the HSR of a dry cake mix to the HSR of a cake on the shelf may be inappropriate. Appendix 3 highlights the potential impact of this, providing HSRs for 'as sold' and 'as prepared' forms of the same food.

The application of the 'decision tree' to products, in the context of the maintenance of status quo for the 'as prepared' rules, may not produce definitive outcomes and/or address the ambiguities in the current 'as prepared' rules. In addition, this option may not address or resolve issues with the current rules regarding alignment with the objectives of the HSR system and dietary guidance, as previously outlined. The status quo, even with clarification and supplementary guidance to assist industry interpretation, may not maintain or improve consumer and industry trust in the system and perceptions of integrity. It is also likely that pursuing this option will result in further negative media coverage and reputational damage to the HSR system.

Should this option be the agreed outcome, it is not intended to make the use of the 'decision tree' mandatory for potential 'as prepared' products. The 'decision tree' could be inserted into the Guide for Industry and further modifications to the Guide for Industry may be required. No change would be made to the HSR Calculator.

Decision Tree – Determining ‘as sold’ vs ‘as prepared’ HSR Labelling



Next steps

HSRAC will consider the outcomes of these public workshops and agree to an option. HSRAC will then recommend to Australian and New Zealand Food Regulation Ministers the implementation of the agreed option to resolve the ‘as prepared’ issue.

Timeframes

It is currently anticipated that the outcomes of this round of public consultation will be discussed by HSRAC late June 2018, with a report and recommendation provided to the Food Regulation Standing Committee (FRSC) in September 2018. FRSC will then provide advice to Food Regulation Ministers at the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) in December 2018.

Should Food Regulation Ministers agree to the proposed resolution of this issue, it is anticipated that any changes to HSR guidance and documentation will be implemented in line with timeframes for the five year review of the HSR system. This is because other changes to the HSR system proposed by the review may have significant cross-over effects on products subject to the ‘as prepared’ rules. This will minimise duplication and costs incurred by the food industry in amending packaging and limit potential consumer confusion arising from multiple different HSRs for the same products being displayed on shelves at the same time. The five year review report will be provided to HSRAC and FRSC in quarter 2 2019 and to the Forum in quarter 4 2019.

Communications

Communication of the agreed way forward will commence as soon as a decision is reached by ministers.

Regardless of the outcome, HSRAC will also consider further efforts to clarify the intent and application of the ‘as prepared’ rules for both industry and consumers.

Consultation questions

1. Which option better aligns with the objectives of the HSR system and dietary guidelines?
2. Is either option an acceptable resolution of the 'as prepared' issue?
3. Is either option robust enough to withstand significant scrutiny?
4. Which option would provide greater clarity and certainty for industry?
5. Which option would improve trust in and credibility of the system for consumers and public health and consumer organisations?
6. Which option would better minimise ambiguities in and potential for misinterpretation or misapplication of HSR system guidance?
7. Are the proposed implementation timeframes reasonable and appropriate?
8. Any other feedback.

Appendices

1. Current 'as prepared' rules in the Guide for Industry
2. FSC provisions relevant to 'as prepared' products
3. HSR modelling using AUSNUT 2011-13 data
4. Summary of public submissions
5. Outcomes from workshops
6. TAG modelling using HSR database
7. Potential amendments to Guide for Industry
8. AFGC 'decision tree'
9. Testing and analysis of a previous version of the 'decision tree'

Appendices are available in a single document on the [HSR Stakeholder Workshops](#) page.