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

Introduction

Thank you for the opportunity to provide comment on the form of the food ('as prepared') rules for the HSR system discussion paper. This submission is from Consumer NZ, the country's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

We appreciate the Health Star Rating Advisory Committee (HSRAC) responding to public health and consumer groups' concerns surrounding the current guidance on 'as prepared'.

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Responses to questions

Question 1: Which option better aligns with the objectives of the HSR system and dietary guidelines?

Option A - to limit the application of the HSR system to the 'as sold' form of the food with specific exemptions overwhelmingly aligns with the system objectives and priorities compared with Option B (provide supporting guidance for interpreting the 'as prepared' rules).

Enable direct comparison between individual foods.

Option A allows like-for-like comparisons within a product category. For example, consumers can compare two brands of drinking chocolate or powdered versus liquid stock, which is how the HSR is intended to be used.

The decision tree does not account for consumers preparing products differently. For example, some cake mixes might calculate a higher HSR based on using skim milk, when the majority of people would use full-fat milk. It also doesn't address our concern that a food may change HSR categories depending on how the food is prepared.

Be readily understandable and meaningful.

Option A is the simplest option. It does not require literacy and numeracy skills to comprehend that the HSR is based on a recipe contained elsewhere on the pack. As noted in the discussion paper only 39 percent of consumers are aware that the HSR on some products is based on the food being prepared as per on-pack instructions.

Alignment with dietary guidelines

The modelling undertaken by the Technical Advisory Group (TAG) indicated that restricting products to 'as sold' (Option A) better aligns with dietary guidelines. In the TAG modelling, core foods generally received higher HSRs and discretionary foods received lower HSRs when calculated 'as sold'.

We have seen no evidence that the decision tree aligns with dietary guidelines.

Question 2: Is either option an acceptable resolution of the 'as prepared' issue?

Option A addresses the concern of companies claiming a higher HSR based on the addition of nutritious ingredients. It's an acceptable resolution to *why* we need to change the guidance.

Option B (the decision tree) is an industry-led solution that will further undermine consumer confidence in the HSR system. We are particularly concerned that the decision tree recommends some products (particularly problematic products such as milk flavourings and recipe mixes) should not use the HSR at all. This is not a satisfactory outcome where it's in the consumer's best interest for the HSR to be displayed on as many products as possible. In July 2016, Consumer NZ carried out a survey on the health star rating system.¹ A majority of respondents in the survey felt ratings should be mandatory on foods with high levels of sugar, fat or sodium.

Stakeholder workshops in Australia and New Zealand identified Option A as the most acceptable to public health and consumer groups. The industry-proposed decision tree has not been included in previous consultations, and Consumer NZ does not think it's acceptable to include it as an option at this late stage.

Question 3: Is either option robust enough to withstand significant scrutiny?

As noted above, Option A was identified as the most acceptable to public health and consumer groups, and is robust enough to withstand significant scrutiny.

Option B, designed by industry, has not been extensively consulted on and has the potential to further undermine consumer confidence in the system. It's essential any changes to the HSR guidance is acceptable to consumer and public health groups, and not just industry.

Question 4: Which option would provide greater clarity and certainty for industry?

Option A provides clear guidance to industry and only allows for specific exemptions.

¹ Survey results are based on a nationally representative sample of 530 New Zealanders, aged 18 years or over.

Option B puts the responsibility on the manufacturer to interpret the decision tree. The 'outcome' of the decision tree for some products is to not include a HSR, which is not helpful for consumers.

Question 5: Which option would improve trust in and credibility of the system for consumers and public health and consumer organisations?

Option A is an independent option. It has arisen following consultation (via submissions and workshops in Australia and New Zealand). It is the easiest option for consumers to understand, and because it's supported by consumer organisations and public health groups, this will improve trust and credibility in the system by consumers.

The decision tree is essentially the 'status quo' with additional guidance. As addressed in previous submissions, the 'status quo' is not an acceptable solution and does not communicate to consumers the issues we've seen with 'as-prepared' have been resolved.

Question 6: Which option would better minimize ambiguities in and potential for misinterpretation or misapplication of HSR system guidance?

Option A is the best option to minimise ambiguities and misinterpretation or misapplication of the HSR system.

The decision tree is based on the industry's interpretation about how a consumer will prepare a product. There would be no requirement for companies to follow this guidance material. Consumer NZ is also concerned about how compliance with the decision tree would be monitored.

Question 7: Are the proposed implementation timeframes reasonable and accurate?

Consumer NZ urges the HSRAC to address the issue of 'as prepared' as quickly as possible. Food ministers have also requested this issue be addressed as a priority. Implementation in line with the timeframes for the five-year review is not acceptable and will further undermine consumer confidence in the system.

We note this change does not affect the algorithm and only around two percent of all products may be affected by this change – a small number when consideration is given to the negative attention this issue has generated.

Thank you for the opportunity to provide comment. If you require any further information on the points raised, please do not hesitate to contact me.

Yours sincerely

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