



Consultation on the form of the food (as prepared) rules for the Health Star Rating system

1. Please identify your background/interest group.

Australian Chronic Disease Prevention Alliance (ACDPA) - an alliance of Cancer Council Australia; Diabetes Australia; National Heart Foundation of Australia; Kidney Health Australia; and the Stroke Foundation.

The Australian Chronic Disease Prevention Alliance (ACDPA) brings together five leading non-government health organisations with a commitment to reducing the growing incidence of chronic disease in Australia attributable to shared modifiable risk factors. ACDPA members work together in the primary prevention of chronic disease, with emphasis on changes to the food and physical environments to improve nutrition, increase physical activity and decrease sedentary behaviour, and reduce unhealthy weight at a population level.

ACDPA welcomes the opportunity to respond to this consultation and provide input to the form of the food (as prepared) rules for the Health Star Rating system. ACDPA played a significant role in the establishment of the system, along with other public health groups, and supports the current review of the 'as prepared' rules.

2. The Health Star Rating system has been implemented in both Australia and New Zealand. Please advise which country your submission is in relation to.

Australia

3. Does the current application of the 'as prepared' rules in the Guide for Industry to the HSR Calculator pose any problems for consumers, industry, or alignment with the Australian Dietary Guidelines and the New Zealand Eating and Activity Guidelines?

ACDPA recognises that the existing 'as prepared' rules are intended for products that should be prepared prior to consumption. However, the current application of these rules has led to inconsistencies and problems for consumers and industry.

The main issues with the existing system are outlined below:

- a. ***Inflated star ratings and hidden negative nutrients.*** Products can receive a much higher star rating due to the nutritional content of other products they may be prepared with, misleading consumers that the product is healthier than it actually is.

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For example, MAGGI Best Ever Beef Burgers (a powdered 'recipe base') displays a 4 star rating per 100g prepared. On its own, the product contains: stock powder, crumbs, herbs, and spices. However, the star rating is based on the addition of: lean beef mince, wholemeal buns, baby spinach leaves, tomato, red onion, and canned beetroots.ⁱ As a result, this product displays a high star rating, due to the nutritional content of six other products it may be prepared with.

The addition of external ingredients to the star rating calculation can also conceal high levels of negative nutrients, such as sodium, saturated fat or sugar. In this example, the rating on the front of the packet displays sodium as 360mg per 100g prepared, when the reverse Nutrition Information Panel indicates a much higher sodium level of 6960mg per 100g.

- b. ***Different methods of preparation.*** Rating products on an 'as prepared' basis is complex, as products may be prepared and consumed in a range of ways that do not reflect the manufacturer's suggested preparation. This makes comparison across products within categories difficult due to the many different combinations and inconsistent basis for ratings.

A high-profile example is MILO, which displays a rating of 4.5 stars when prepared with skim milk, compared to its rating of 3 stars when prepared with low fat milk.ⁱⁱ MILO is estimated to receive a much lower rating of 1.5 stars on its own.ⁱⁱⁱ While no rating is provided for preparation with full cream milk, consumer research by Choice indicates that 55% of Australians prepare MILO with full cream milk, 23% use lite milk, and only 13% use skim milk (on which the 4.5 star rating is based). Some Australians also mix it with water (4%) or ice cream (2%).^{iv}

This example demonstrates that products may be prepared or consumed in multiple ways, and the prominently displayed high star rating may mislead consumers.

- c. ***Decreased consumer confidence.*** The high rating of some 'as prepared' products has lowered consumer confidence in the system and led to perceptions that some manufacturers are gaming the system through the existing 'as prepared' rules.^v

For example, MILO's 4.5 star 'as prepared' rating seems to indicate that the product is healthier than full cream milk, with Dairy Farmers milk displaying a 4 star rating.^{vi} This discrepancy reinforces public perceptions that some companies are manipulating the system and it can decrease consumer trust in the Health Star Rating system, especially with high media coverage.^{vii}

- d. ***Difficulty in interpreting ratings.*** Many products, such as spreads, cereals, sauces and dips, are not consumed 'as sold' and are prepared in combination with other

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foods. Yet these products display 'as sold' health star ratings and only select products can display ratings on an 'as prepared' basis.

Not only does this make the ratings appear inconsistent, it is difficult for consumers to interpret which products are rated on an 'as sold' or 'as prepared' basis. The current rules require considerable consumer interpretation and time investment to understand what the rating is based on. This undermines the Health Star Rating system's aim to: *"be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups"*.

In addition to inconsistent ratings, calculating star ratings based on different food combinations reduces consumers' ability to compare products within categories and choose healthier options. This is an overarching aim of the system, to: *"enable direct comparison between individual foods that, within the overall diet, may contribute to the risk factors of various diet related chronic diseases."*

- e. **Potential to hinder industry uptake.** Some manufacturers are also being disadvantaged by the current exemptions and 'as prepared' calculations, which can inflate star ratings. Consistent application of star ratings would provide a level playing field and encourage continued voluntary uptake and industry support for the Health Star Rating system.

4. Please provide your views on the options previously discussed by the HSRAC.

ACDPA recommends an amended Option 3, with calculations based on products as sold as the default, or rehydrated with water only for products that require reconstitution before consumption, as this will not artificially inflate ratings. This option could be extended to include drained products, which require draining before consumption and provide the Nutrition Information Panel based on the drained product.

ACDPA does not support category exemptions, which would perpetuate the existing difficulties in interpreting ratings, and contradict the system's aim to: *"be readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups"*.

As the Health Star Rating system seeks to provide *"a quick, standardised way to compare similar packaged foods at retail level"*, amendments to the 'as prepared' rules should standardise the system and promote clear, accurate and informed comparisons between products. A modified Option 3 with 'as sold' as the default would provide consistency of ratings and be the simplest option for consumer interpretation and comparison between products.

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Option 3 enables products that are required to be rehydrated with water to receive a more accurate rating, based on the Nutrition Information Panel, and assist comparison amongst products within categories. For example, rehydrated powdered soups can be compared with canned pre-prepared soups, and rehydrated cordial can be compared with similar pre-prepared drinks. A list of product inclusions that can be calculated as rehydrated with water would provide clarity to industry in the implementation of these rules.

Products should not be disadvantaged with restrictions to the 'as prepared' rules, because similar packaged foods within categories would be rated and compared on the same basis. For example, all flavoured seasonings would be rated on the nutritional content of the seasoning on its own. This standardises the system and enables a clear and consistent way to compare similar foods and choose healthier options within categories.

An amended Option 3 with ratings based on as sold as the default, and rehydrated or drained if required for consumption, with no exemptions, better meets the Health Star Rating system's aims to enable comparison across products, to be easily understood, and to increase awareness of foods that may contribute to the risk factors of diet-related chronic diseases.

5. Please provide other relevant information and insight, including other potential options for the 'as prepared' rules.

ACDPA supports amendments to the 'as prepared' rules, with ratings based on products as sold as the default, and rehydrated or drained if required for consumption, with no exemptions.

The existing 'as prepared' rules have allowed a situation where consumer confidence is impacted, with some high-profile media commentary and criticism of the system.^{viii} It is crucial that this issue is addressed promptly and in advance of the 5-year review, to alleviate consumer concerns and stem the potential loss of consumer confidence, which could undermine the validity of the system.

Addressing the 'as prepared' rules in a shorter timeframe than the one proposed in the consultation paper would also enable industry changes before the 5-year review, at which time the system should become mandatory if uptake is insufficient. The Legislative and Governance Forum on Food Regulation stipulated in 2013 that the system would initially be implemented on a voluntary basis and: *"if following evaluation after two years, a voluntary implementation is found to be unsuccessful, a mandatory approach will be required."*^{ix}

A change to the 'as prepared' rules is a policy change and clarification in the *Guide for Industry to the HSR Calculator*. Changes to this guide have been made and documented since the system's inception, demonstrating precedents that changes could be made before the end of the 5-year review period.

Australia's Health Star Rating system is a leading international example of interpretive nutrition labelling.^x Amending the 'as prepared' rules should be a priority to improve

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consumer confidence and uptake, and develop an “accurate, standardised and comprehensible”^{xi} nutrition labelling system that assists consumers to make healthy choices.

ⁱ MAGGI. <https://www.maggi.com.au/products/recipe-bases/best-ever-beef-burger>. Accessed June 2017.

ⁱⁱ Nestle. MILO product label. June 2017.

ⁱⁱⁱ Choice, 2016. Health Star Ratings and Added Sugars. A consumer perspective.

^{iv} Choice <https://www.choice.com.au/food-and-drink/nutrition/food-labelling/articles/health-star-ratings-report> Accessed June 2017

^v Choice, 2016. Health Star Ratings and Added Sugars. A consumer perspective.

^{vi} Dairy Farmers. <http://www.dairyfarmers.com.au/product/original-milk> Accessed June 2017.

^{vii} Choice, 2016. Health Star Ratings and Added Sugars. A consumer perspective.

^{viii} SMH. <http://www.smh.com.au/comment/its-freaking-hopeless-the-health-star-rating-system-has-to-go-20170611-gwp0mb.html> Accessed June 2017

^{ix} Legislative and Governance Forum on Food Regulation. Front-of-pack labelling update 14 June 2013.

^x Sacks G for the Food-EPI Australia project team, 2017. Policies for tackling obesity and creating healthier food environments: scorecard and priority recommendations for Australian governments. Melbourne: Deakin University.

^{xi} WHO, 2004. Global strategy on diet, physical activity and health. WHO: Geneva.