

The Australia and New Zealand Ministerial Forum on Food Regulation response to the Health Star Rating System five year review

December 2019

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Glossary

| Terms | Descriptions |
| --- | --- |
| **Added sugar/s** | For the purpose of this paper this refers to any sugars-based ingredients added to foods by manufacturers during processing or manufacturing, or by consumers and cooks during food preparation or at the time of consumption. The term ‘added sugars’ may include what are referred to as ‘free sugars’ such as honey. |
| **Australia and New Zealand Ministerial Forum on Food Regulation (Forum)** | The Ministerial body responsible for developing domestic food regulation policy in the form of policy guidelines. Forum Members are the decision makers in the system. The Forum signs off on all food standards and can also request that a draft standard be developed, reviewed, amended or rejected. |
| **Category / HSR category** | The current\* HSR system has six groups (categories) under which different food types are categorised. These are dairy beverages, non-dairy beverages, cheese with a minimum calcium content, other dairy foods, oils and spreads, and all other foods. These categories have specific eligibility criteria, and each one assigns different ratings to the nutrients considered by the HSR algorithm in order to account for natural occurrences in the food groups.  *\*Acceptance of recommendations in this report may result in changes to these six categories.* |
| **Dietary Guidelines** | Refers to both the Australian Dietary Guidelines and New Zealand Eating and Activity Guidelines, unless otherwise specified. |
| **Discretionary foods** | Foods not necessary for a healthy diet and are too high in saturated fat and/or added sugars, added salt (sodium) or alcohol. |
| **Five/Four Food Groups (FFG)** | Five or Four Food Groups - the food groups recommended by the Dietary Guidelines for daily consumption. In Australia there are five, and in New Zealand four (as fruit and vegetables are considered to be one group in New Zealand). |
| **Food Regulation Standing Committee (FRSC)** | Body responsible for coordinating policy advice to the Forum and ensuring a nationally consistent approach to the implementation and enforcement of food standards. |
| **Food Standards Australia New Zealand (FSANZ)** | A statutory authority in the Australian Government Health portfolio that develops food standards for Australia and New Zealand. |
| **Front of Pack Labelling (FoPL)** | Information presented and applied to the front of food packaging that presents nutrition information in a way intended to simplify the information for the consumer. |
| **Health Star Rating Advisory Committee (HSRAC)** | The committee responsible for overseeing the implementation and evaluation of the HSR system. Members are from the New Zealand government, Australian state and territory governments, food industry, public health and consumer groups. HSRAC reports to FRSC and through FRSC to the Forum. |
| **HSR Algorithm** | Developed by technical and nutrition experts to assess the rating of a food product based on the positive and risk nutrients in the food. The HSR Algorithm underpins the HSR Calculator. |
| **HSR Calculator** | The HSR Calculator embeds the HSR Algorithm and is used to determine the number of ‘stars’ that can be displayed in the HSR graphic when applied to a food’s label. The HSR Calculator is adjusted for different HSR categories to account for the differing nutrient compositions of different types of foods. |
| **Labelling Logic** | A report released in 2011 containing several recommendations and written as a result of a comprehensive independent review of food labelling law and policy in Australia and New Zealand. |
| **mpconsulting** | The independent consultant who was engaged in 2017 and conducted the formal five year review of the HSR system. |
| **Nutrient Profiling Scoring Criterion (NPSC)** | Nutrient profiling is used internationally to classify foods based on their nutrient content and can help to identify healthier foods. The NPSC is a nutrient profiling system used in Australia and New Zealand to determine whether a food is suitable to make a health claim, based on its nutrient profile. (The HSR Algorithm is a modified version of the NPSC). |
| **Reformulation** | Changing the nutrient content of a processed food product to either reduce the content of risk nutrients such as sodium, saturated fat, trans fat or energy (kilojoules) or to increase the content of beneficial nutrients such as dietary fibre, wholegrains, fruit, vegetables and unsaturated fats. |
| **Review** | The formal review of the HSR system, agreed to by Ministers of the Forum in 2015, and to be reported on after five years of implementation.  The purpose of the Review was to consider:   * how well the objectives of the HSR system are being met, including by reference to the impact of the HSR system, and * options for enhancing the HSR system, should continuation of the System be recommended. |
| **Review Report** | The report that details the findings of the review and recommendations for the future implementation of the HSR system. |
| **Sugar-sweetened beverage** | An example definition is from Australian Bureau of Statistics analysis of food consumption data the 2011-12 Australian Health Survey where sugar-sweetened beverages were defined to be ‘cordials, soft drinks and flavoured mineral waters, energy and electrolyte drinks, fortified waters, and fruit and vegetable drinks (noting this definition excludes 100% fruit and vegetable juice) that contain added sugar’. |
| **Sugary drinks** | An example definition is used in the New Zealand Labelling of Sugary Beverages (Displaying Teaspoons of Sugar) Bill where the term ‘sugary drinks’ includes any beverage to which the manufacturer has added sugar or which naturally contains sugar. The Bill notes this includes beverages such as juice but excludes beverages such as standard alcoholic beverages and infant formulas. |
| **Technical Advisory Group (TAG) database** | The TAG was established to review and advise on specific technical aspects of the HSR system, and to respond to technical issues and related matters referred to it by the HSRAC, in order to inform the five year review. The TAG consisted of an independent group of experts, with relevant technical skills, from government, food industry and public health. The advice provided by the TAG was underpinned by modelling undertaken on a repository of food product data – referred to as the TAG database. |
| **Total sugars** | The entirety of sugars in a food or food product that comprises both intrinsic (naturally occurring) sugars as well as added sugars. |

**Executive summary**

The Heath Star Rating (HSR) system was implemented in Australia in June 2014 following agreement by the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum). Subsequent to this decision, on 20 November 2015 the Forum decided that a formal, independent review of the HSR system should also be carried out after five years of implementation. To action this request *mpconsulting* was engaged to undertake an independent review of the HSR system (the Review).

The Review considered if, and how well, the HSR system has met its objectives, including by reference to the impact of the HSR system; and presented ten options for enhancements to the HSR system for consideration by the Forum.

The Forum welcomes the outcomes of the Review and the associated recommendations. Overall the Forum is supportive of the recommendations outlined in the Review Report, noting that implementation of some recommendations is subject to additional work and/or available funding.

*Recommendation 1: The system be continued -* **Supports**

*Recommendation 2: The energy icon be removed from the HSR System -* **Supports**

*Recommendation 3: Governments, industry, public health and consumer bodies continue to promote the system -* **Supports, subject to funding**

*Recommendation 4: A package of changes be made to the way the HSR is calculated -* **Supports in principle**

*Recommendation 5: Changes be made to the way the HSR is calculated for non-dairy beverages -* **Supports**

*Recommendation 6: HSR System implementation continue to be jointly funded by Australian, State and Territory and New Zealand governments -* **Supports**

*Recommendation 7: Changes be made to the governance of the HSR System -* **Supports**

*Recommendation 8: Enhance the critical infrastructure to support implementation and evaluation of food and nutrition‑related public health initiatives -* **Supports, subject to funding**

*Recommendation 9: The HSR System remain voluntary, but with clear uptake targets and a view to mandate if these are not achieved -* **Supports in principle**

*Recommendation 10: Guidance material be revised and strengthened, providing greater certainty for stakeholders -* **Supports**

Implementation timeframes for the next stages of this work will be considered by the Forum at its first meeting of 2020.

# Recommendations and Forum Response

## The HSR System be continued.

**Recommendation 1: The HSR System be continued.**

*There is substantial evidence demonstrating that the System is working well. The System is generally well used, recognised, reliable and is assisting consumers to make healthier choices when purchasing packaged foods and beverages. Most Australian and New Zealand consumers view the HSR as easy to understand, easy to use and making it easier to decide which packaged foods are healthier.*

*Of Australian consumers purchasing a product displaying the HSR, almost two thirds stated that the HSR influenced their decision and one third were influenced to purchase a product with more stars. This equates to 23% of consumers being influenced by the HSR to change their purchasing behaviour to select a healthier product.*

### Response:

**Supports**.

### Rationale:

Monitoring of the HSR system has found that the system is generally progressing well: uptake by food businesses is increasing; consumer use and understanding is improving; there is evidence that suggests consumers are changing behaviour in response to the HSR; compliance of food businesses with HSR system guidance, including accuracy of HSRs is high (measured in Australia only); and there is some evidence to suggest that products are being reformulated to reduce risk nutrients.[[1]](#footnote-2), [[2]](#footnote-3) This evidence all supports the continuation of the HSR system.

By and large all stakeholder groups support the HSR system being continued and recognise its importance in supporting Australian and New Zealand consumers to make healthier choices.

There is broad acknowledgement of the seriousness of chronic diet-related conditions in Australia and New Zealand and of the importance of dietary interventions to help address this. There is a growing body of evidence demonstrating that FoPL is an effective strategy and assists consumers in choosing food products with better nutrient profiles.[[3]](#footnote-4), [[4]](#footnote-5), [[5]](#footnote-6) The HSR system is a key tool to support Dietary Guidelines and assist consumers to make healthier food choices.

## HSR graphic Option 5, the energy icon, be removed from the System.

**Recommendation 2: HSR graphic Option 5, the energy icon, be removed from the HSR System.**

*One of five HSR graphic options currently available to manufacturers is Option 5, the energy icon (without the stars). This icon is most commonly used on non-dairy beverages and confectionery. However, the energy icon is not well understood by consumers and does not provide interpretive information to support choice. In surveys, only 2% of Australian consumers find the energy icon easy to understand.*

*Further, while some products may display the energy icon, others may display the stars, making it difficult for consumers to compare like products. In the non-dairy beverage category, stars are used more commonly for 5 star products and the energy icon for lower scoring products. The energy displayed is often based on serve size, which is not always comparable between products, further reducing the utility of the energy icon to support consumer choice.*

### Response:

**Supports**.

### Rationale:

The energy icon depicts the amount of energy in the food product, without having to display the star rating. The objective of the HSR system is to provide convenient, relevant and readily understood nutrition information and/or guidance on food packs to assist consumers to make informed food purchases and healthier eating choices. Evidence shows that the energy icon does not align with this objective.

The energy icon (without the stars) is most commonly applied to non-dairy beverages and confectionery products4, but can be used on any food. Monitoring shows that in Australia the energy icon is used on 28.5% of beverages, compared to 6.8% of beverages using the HSR star icon.[[6]](#footnote-7) The low uptake of the HSR star icon in these categories is reducing consumers’ opportunity to compare actual star ratings, rendering the star ratings that are applied in the category less useful.

In addition, the energy icon does not fit with the Forum endorsed Labelling Logic recommendation for an *interpretative* FoPL system. The energy icon is a ‘reductive’ FoPL option. There is growing independent research indicating that interpretative FoPLs such as the HSR are more effective in leading to healthier food choices, greater accuracy in determining relative healthiness of food products, and greater intentions to purchase healthier products than ‘reductive’ FoPLs.[[7]](#footnote-8), [[8]](#footnote-9)

### Additional Considerations:

1. Notwithstanding the decision to remove the energy (kJ) option from the HSR system, the Forum wishes to acknowledge the usefulness of energy depictions in other systems/settings; for example kilojoule (kJ) labelling on alcoholic beverages, and menu board labelling. In some systems/settings energy depiction assists consumers with contextualising the energy contribution of discrete food choices to total daily intake. It is in the context of the interpretative HSR system that the Forum supports removing energy labelling, for the reasons outlined above.
2. The Forum acknowledges that a few confectionery products, non-dairy beverages, and other discretionary foods, may receive seemingly high HSRs (i.e. 4-5 stars) and that such ratings on these products have the potential to affect trust in the HSR system. Where there are outliers which are not possible to fix through algorithm amendment, the existence of such outliers, and any resulting mistrust in the system, will be addressed through consistent and continued messaging regarding (but not limited to):

* correct use of the HSR system – the HSR system should be used to compare similar products, i.e. a confectionery product with a HSR of 4 is a better choice than a confectionery product with a HSR of 2; and
* the HSR as one tool within a broader suite of healthy eating messaging – with the Dietary Guidelines being the primary point of reference.

3. In August 2019 the Forum was presented with a Policy Paper on the labelling of sugars on packaged foods and drinks prepared by the FRSC. The Policy Paper concluded that two policy options for sugars labelling warranted further consideration:

* Added sugars quantified in the Nutrition Information Panel (NIP); and
* Pictorial approaches for conveying the amount of sugars in a serving of food, applied only to sugary drinks/sugar-sweetened beverages.

The recommendation to further consider pictorial labels only for sugary drinks/sugar-sweetened beverages was made recognising that sugar is the significant nutrient in these products, which are key contributors of sugar intake. The low uptake of the HSR stars icon is a contributing factor that reduces consumers’ ability to make informed choices in the non-dairy beverages category.

The Forum agreed that the pictorial approaches policy option could be considered further pending the response to the HSR Review.

### Implementation timeframe:

Within 2 years, from agreed implementation start date.

## Continued promotion of HSR System.

**Recommendation 3: Governments, industry, public health and consumer bodies continue to promote the HSR System. Government promotion over the next two years should:**

* **communicate the reason for changes to the HSR System**
* **target specific areas of consumer misunderstanding or gaps in awareness**
* **highlight government endorsement of the HSR System**
* **position the HSR System in the context of broader healthy eating messages.**

*Continued HSR System promotion by Government is necessary to communicate changes to the System and continue to address common misunderstandings. Once the System is further embedded into the broader public health culture and food system, specific campaigns about how to use the System will be less critical than positioning the System in the context of broader healthy eating messages. It is important that all stakeholders continue to play a role in constantly refreshing public understanding of the System and promoting its use.*

### Response:

**Supports**, subject to funding.

### Rationale:

The Review Report and experience of the HSR system to date has shown that consistent messaging from a range of sources – including governments, industry and public health sectors – is an effective approach.

The Review Report highlights that after an initial transition period, the HSR system should be sufficiently embedded that discrete government funding for promotion (as distinct from promotion of broader healthy eating messages) is not required.Therefore a commitment to promotion over two years would seem appropriate.

In Australia the consumer education and marketing of the HSR system is funded through a cost share arrangement between Australian jurisdictions. Continued formal campaigns will require the identification of available funding within each jurisdiction. The New Zealand Government funds its own consumer education and marketing campaign.

**Communicate the reason for changes to the HSR system -** The HSR system relies on correct consumer understanding and use to be effective in achieving public health outcomes. Communication with stakeholders to explain the rationale behind changes will be key to maintaining consumer trust in and understanding of the HSR system, particularly if heightened media scrutiny also exists.

**Target specific areas of consumer misunderstanding or gaps in awareness -** A period of change to the HSR system is an opportune time to target and address misunderstandings on use of the HSR system while also communicating any changes to how the HSR system should be used.

**Position the HSR system in the context of broader healthy eating messages -** The public profile of the HSR system has meant that its role among the suite of tools that promote healthy eating can be overstated. The HSR system is one tool, designed to address one specific aspect of dietary advice and to support more comprehensive and broad healthy eating education efforts. The HSR system does not and cannot provide complete dietary advice, therefore it is important that adherence to the Dietary Guidelines is emphasised as the best way to achieve a healthy and balanced diet. Promoting the use of the HSR in the context of the Dietary Guidelines will assist in encouraging consumers to eat a wide variety of nutritious foods every day.

### Implementation timeframe:

From the agreed implementation date and on an ongoing basis first up to two years.

## Changes to the HSR Calculator to better align with Dietary Guidelines.

**Recommendation 4: A package of changes be made to the way the HSR is calculated for foods to better align with Dietary Guidelines, reflect emerging evidence, address consumer concerns and encourage positive reformulation.**

*The following package of interrelated changes are proposed:*

1. *fruits and vegetables that are fresh, frozen or canned (with no additions of sugar, salt or fat) should automatically receive an HSR of 5*
2. *total sugars should be more strongly penalised, lowering the HSRs of 5% of products (including breakfast cereals, snack bars, sweetened milks, ice creams and sugar-based confectionery)*
3. *sodium sensitivity should be improved for products high in sodium, reducing the HSR of 1% of products (all with sodium in excess of 900mg/100g)*
4. *dairy categories should be redefined to increase the HSRs of Four/Five Food Group (FFG) dairy foods (such as cheeses and yoghurts) and decrease the HSRs of some dairy desserts and other chilled dairy products, improving comparability between dairy products*
5. *jellies and water-based ice confections should be recategorised to decrease their HSRs.*

*Based on modelling, these changes are expected to decrease the HSRs of approximately 10% of products (mostly discretionary foods) and increase the HSRs of approximately 6% of products (mostly FFG foods such as fruits and vegetables, yoghurts and cheeses).*

*It is recommended that a two-year transition period (starting from the date recommendations are accepted by governments) be provided for industry to implement the changes.*

### Response:

**Supports in principle**, subject to further advice from FRSC on sugars and sodium levels in the calculator and definitions for minimally processed fruits and vegetables and a peer review of the modelling and advice on combined impacts from FSANZ.

### Rationale:

The Forum confirms the continued need for the HSR system to support adherence to the Dietary Guidelines and in doing so supports:

* Changes to the HSR system that encourage dietary intake that is consistent with the Dietary Guidelines;
* The promotion of all unprocessed and minimally processed fruits and vegetables without differentiation;
* Stronger penalisation of sugars under the HSR system, recognising the role of sugars in contributing to diet-related chronic disease;
* Greater discernment between products under the HSR system on the basis of sodium content, in recognition of the link between high sodium intake and chronic disease;
* Greater discernment between dairy products in line with Dietary Guidelines; and
* HSR system enhancements, such as the one suggested for jellies and ice-confections, that result in star ratings that more appropriately reflect the nutritional profile of discretionary foods.

Notwithstanding the support detailed above, the Forum requests that FRSC and FSANZ provides additional advice on the impact of each of the aspects of recommendation 4 as a package before changes to the HSR system are ratified. The detail of the advice requested is as follows:

Recommendation 4a: The Forum noted the intent of the system is for processed, packaged multi-ingredient foods not fresh unpackaged foods, however agrees that for some minimally processed foods such as canned and frozen fruits and vegetables having a 5 star rating may be beneficial to consumers. The Forum requests that FRSC provide advice on suitable definitions for minimally processed fruits and vegetables to support implementation of this recommendation.

The Forum stresses that this activity supports, and does not replace or reduce, the need for discrete promotion or education activities on intake of fruit and vegetables. The Forum considers that there is an ongoing need to promote healthy diets that include adequate fruit and vegetable intake separately to the HSR system.

Recommendation 4b: The Forum is concerned that the modelling relied upon to recommend a 25, rather than 30, point scale for sugar was undertaken in isolation of other HSR system changes and without due consideration of the products impacted.

The Forum requests that FRSC provides advice on whether a stronger approach (30 point scale) may achieve an outcome that more closely aligns the HSR system with Dietary Guidelines. The Forum requests that FSANZ undertake further modelling to provide advice on the combined impact of both the 25 point and 30 point scale scenarios required to support a conclusion with respect to sugar scaling.

Recommendation 4c: The Forum is concerned that the recommended change may only impact a small subset of discretionary foods that are high in sodium, and that products that contain sodium below 900mg are not provided with any incentive to reformulate - a secondary aim of the HSR system.

The Forum requests that FRSC provides advice on whether the alternative approach considered in the draft review report achieves an outcome that more closely aligns the HSR system with Dietary Guidelines. The Forum requests that FSANZ provide advice on the combined impact of both the recommended scenario and the alternative scenario to support a conclusion with respect to sodium.

Recommendation 4d: The Forum recognises that the recommendation to redefine and rescale the dairy food categories is a step toward better discernment between similar products and improved alignment with Dietary Guidelines. However there is concern that recategorisation and rescaling within this category was considered without sufficiently accounting for other HSR system changes.

The Forum requests that FSANZ undertake further modelling in order to establish whether recategorisation is the most appropriate approach when combined with other enhancements, and whether it is appropriate and/or necessary to rescale whole categories in combination with the proposed adjustments to individual nutrients (i.e. sugar and sodium). The Forum requests that FSANZ provide advice on the combined impact of all relevant scenarios required to support a conclusion with respect to recategorisation and rescaling.

Recommendation 4e: The Forum supports the recommendation to categorise jellies and water-based ice confections, finding that the outcome more closely aligns such products with Dietary Guidelines. The Forum requests that FSANZ incorporate this recategorisation within modelling undertaken to illustrate combined impacts of changes across the HSR system.

### Additional Considerations:

Recommendation 4a: There is a potential for undesirable environmental impacts resulting from the application of five stars to all minimally processed fruits and vegetables, through increased and unnecessary packaging. Applying this policy to fruit and vegetables, through increased and unnecessary packaging. Applying this policy to fruit and vegetables regardless of whether they are packaged and/or display an NIP would partially address this. The application of the HSR system to unpackaged and minimally processed fruit and vegetables has the potential to affect uptake monitoring, so the Forum suggests that it would not be appropriate to include the gamut of these products in uptake numbers.

Recommendation 4e: On 29 June 2018, Ministers agreed to limit the application of the HSR system to the product ‘as sold’, i.e. the HSR should be calculated and displayed on the basis of the product as it appears on the shelf with the exception of products which must be rehydrated with water, diluted with water, drained of water or drained of brine. In ratifying Recommendation 4e, this explanation will need to be updated so that the HSR for jelly is calculated based on the liquid ‘as prepared’ formulation, not the product as sold.

### Implementation timeframe:

Request to be referred to FRSC and FSANZ immediately.

The Forum requests that FRSC and FSANZ provide their advice to the first Forum meeting of 2020.

Changes are then to be implemented within 2 years from agreed implementation start date.

## Changes to the way HSR is calculated for non-dairy beverages.

**Recommendation 5: Changes be made to the way the HSR is calculated for non-dairy beverages, based on adjusted sugars, energy and FVNL points, to better discern water (and drinks similar in nutritional profile to water) from high energy drinks.**

*Non-dairy beverages contribute 27% of total sugars in Australian diets and 17% of total sugars in New Zealander diets. While the HSRs for sugar-sweetened soft drinks tend to appropriately reflect their limited nutritional value, the HSR System does not encourage consumption of low or sugar free flavoured waters or other drinks that are closer in nutritional value to water. For example, fruit juices with relatively high total sugars content generally receive HSRs of 4 to 5, while unsweetened flavoured waters generally receive HSRs of around 2 (despite having no sugars and being closer in nutritional profile to plain water).*

*The proposed changes mean that plain waters will have an HSR of 5, unsweetened flavoured waters 4.5, 100% fruit and vegetable juices between 2.5 and 4 (based on their sugars and energy content), diet drinks no more than 3.5 and sugary soft drinks between 0.5 and 2 (based on their sugars and energy content).*

*Based on modelling, these changes are expected to decrease the HSRs of approximately 10% of products (mostly discretionary foods) and increase the HSRs of approximately 6% of products (mostly FFG foods such as fruits and vegetables, yoghurts and cheeses).*

*It is recommended that a two-year transition period (starting from the date recommendations are accepted by governments) be provided for industry to implement the changes.*

### Response:

**Supports**, subject to a definition being developed and agreed.

### Rationale:

Implementation of this recommendation would result in ratings for beverages aligning more closely with Dietary Guidelines and would enhance consumers’ ability to compare different types of drinks.

Defining non-dairy beverages beyond what is currently covered by the Australia New Zealand Food Standards Code was not part of *mpconsulting’s* remit. Non-dairy beverages are a quickly evolving market and further work on definitions by food and nutrition experts is required to account for this, and to ensure the approach adequately captures the market.

The Forum requests FSANZ provide advice on suitable definitions.

### Implementation timeframe:

Request to be referred to FSANZ immediately.

The Forum requests that FSANZ provide their advice to the first Forum meeting of 2020.

Changes are then to be implemented within 2 years from agreed implementation start date.

## Continued joint funding of the HSR System for a further four years.

**Recommendation 6: HSR System implementation continue to be jointly funded by Australian, State and Territory and New Zealand governments for a further four years.**

*The next few years will be critical to the HSR System – proposed changes better align the System with Dietary Guidelines and address consumer concerns, and uptake by industry is expected to increase considerably. Funding is necessary to support the governance arrangements during this period, educate consumers about the changes and monitor consumer response and industry uptake.*

*The Review acknowledges the considerable resources (including time, expertise, education, research and promotional materials) contributed by a range of stakeholders to date.*

### Response:

**Supports**, with an amendment from four to five years to align with timeframes associated with recommendation 9.

### Rationale:

Addressing the burden or poor diets and related diseases is to the benefit of all government entities and is a shared responsibility. The HSR system has operated well to this point under the current cost share formula. A continued commitment to funding the HSR system by the Australian, State and Territory and New Zealand governments would demonstrate a commitment to the HSR system and to its intended public health outcomes. Extending the proposed timeframe to five, rather than four years, would align the timeframe for this recommendation with recommendation 9 and with the initial voluntary implementation phase of five years.

## Minor Changes to be made to the governance of the HSR System.

**Recommendation 7: Minor changes be made to the governance of the HSR System to:**

* **support greater consumer confidence in the System by transferring management of the HSR Calculator and TAG database to FSANZ**
* **clarify the role of governance committees**
* **increase the transparency of the System**
* **improve monitoring, enabling the System to be more responsive**.

*As the HSR System moves into the next stage of implementation, adjustments to the governance arrangements are recommended to support greater consumer confidence; enable more effective monitoring; provide greater transparency; and improve responsiveness. Recommended changes include adjustments to the composition and role of the HSRAC and independent custodianship (by FSANZ) of the HSR Calculator and TAG database (including resourcing for this work).*

### Response:

**Supports**, subject to funding.

### Rationale:

**Support greater consumer confidence in the HSR system by transferring management of the HSR Calculator and TAG database to FSANZ -** The Forum is supportive of the transfer to FSANZ as it has a staff base with the appropriate and specific technical expertise, as well as oversight of the NPSC on which the HSR Algorithm is based.

**Clarify the role of governance committees -** The Forum agrees that defining the scope and level of work appropriate to each committee beyond the current terms of reference would assist committees and members to perform their roles appropriately. Once implementation of any changes commences a new or updated governance structure will need to be put in place and new terms of reference documents for each governing body will be required.

**Increase the transparency of the HSR system -** While transparency of the HSR system governance has increased since early system implementation, the Forum supports further improved purposeful and accessible delivery of information on the HSR system, including the HSR Calculator and governance. It is anticipated that this would increase transparency, improve consumer trust in and understanding of the HSR system and make the HSR system easier for industry to apply and support.

**Improve monitoring, enabling the HSR system to be more responsive -** Monitoring deliverables and methodology will need to be adjusted in response to recommendation 9 (uptake targets). This is a good opportunity to make monitoring requirements more overarching as well as more specific – looking at the performance and results of the HSR system on a population health level as well as more specific criteria. It also presents an opportunity to improve consistency between New Zealand and Australian monitoring moving forward.

### Implementation timeframe:

Within 1 year from agreed implementation start date.

## Enhancement of infrastructure to support HSR System.

**Recommendation 8: Enhance the critical infrastructure to support implementation and evaluation of food and nutrition‑related public health initiatives, including the HSR System, through: regular updates to Dietary Guidelines; regular national health and nutrition surveys; establishment of a comprehensive, dataset of branded food products; and improved monitoring of the System.**

*Expansion of FSANZ’s existing data management system to enable the automated upload, validation and public reporting of branded food data (including the HSR) will: support public and industry confidence in the HSR System; enable automated validation of the HSR displayed on a product; track longitudinal reformulation of products; and support development of food and nutrition policy, surveys and regulation.*

### Response:

**Supports**, subject to funding.

### Rationale:

Overall the concept of enhancing and expanding existing infrastructure is supported. There are planned activities irrespective of, and separate to, this recommendation. The recommended activities come with several additional logistical considerations, particularly regarding funding. In particular, the costs associated with regular national health and nutrition surveys is known to be high and the financial viability of such a proposal will need to be assessed. Further work and substantial planning will be required to implement many of the initiatives recommended.

Pleasingly, FSANZ has already commenced scoping work on options for a comprehensive branded food database – which will enable better monitoring of the food supply. Identification of a preferred option will include consideration of future financial obligations required to appropriately develop and maintain the database.

### Implementation timeframe:

As funding permits.

## HSR System (Voluntary / Mandated).

**Recommendation 9: The HSR System remain voluntary, but with clear uptake targets set and all stakeholders working together to drive uptake. If the HSR System continues to perform well but the HSR is not displayed on 70% of target products within five years of a government decision on these recommendations, the HSR System should be mandated.**

*Consistent and widespread adoption of the HSR is required for the System to have a significant public health impact. The Review closely considered whether improved uptake should be achieved through mandating the System. On balance, the Review considers that attention should first be focused on improving the System, setting clear uptake targets and continuing to incentivise uptake.*

*This approach continues to build on the significant investment and goodwill of industry and others; is consistent with the principles of best practice regulation; and reflects international experience (where the majority of interpretive front-of-pack labelling schemes have been implemented on a voluntary basis).*

### Response:

**Supports in principle**, subject to agreeing interim and final target metrics and discussions with the Office of Best Practice Regulation.

### Rationale:

The Forum is aware that the voluntary basis on which the HSR system currently operates has been a point of contention for many stakeholders since its inception. The resulting inconsistent uptake on products negatively affects consumer trust in the HSR system, as well as reducing the actual effectiveness of the HSR system by allowing fewer opportunities for meaningful comparison.

A commitment to high interim and final uptake targets with the potential of mandating should those targets not be met demonstrates a commitment to improved public health nutrition outcomes. It would also render the HSR system more useful for consumers if it were applied to a greater number of products.

The Forum notes the original intention that the HSR system be applied to processed and packaged foods, and not to single ingredient foods and unpackaged, minimally processed fruits and vegetables. Taking this rationale into account, the Forum requests that FRSC consider the target metrics to be used to measure successful uptake.

The details of the agreed metrics and implementation timeframes will be included in an implementation plan to be developed following release of this response, and considered at the first Forum meeting of 2020. In addition to the metrics and timeframes, the implementation plan will also detail a process that further explores the implication of a voluntary versus mandatory approach.

## HSR Calculator and HSR System Style Guide.

**Recommendation 10: The existing Guide for Industry to the HSR Calculator and the HSR System Style Guide be combined, revised and strengthened, providing greater certainty for stakeholders.**

*Changes will be required to the Guide for Industry to the HSR Calculator and HSR System Style Guide. The opportunity should be taken to combine, improve and strengthen these documents such that there is a single resource (similar to a Code of Practice) that describes the HSR System, its objectives and industry obligations.*

### Response:

**Supports**.

### Rationale:

Several changes to the HSR system and HSR Algorithm are supported by the Forum, and these new details will need to be clearly documented. It is an appropriate opportunity to improve the guidance documents to address existing areas of ambiguity and ensure that the advice they contain is simple for industry to follow when applying the HSR system. Some areas of information within the current documents could fall under either style or calculation guidance, so it is logical to combine the documents to be one reference point for food manufacturers, retailers and consumers.

### Additional Considerations:

The Review Report outlines that these documents should be available prior to the commencement of the transition period. The Forum considers that further consideration and modelling of some recommendations will be required, which will need to occur prior to guidance material being produced, following which the transition period will begin.

### Implementation timeframe:

Within 1 year from the date that this response is confirmed (and prior to commencement of the transition period).

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2. New Zealand Food Safety 2018, *Health Star Rating: monitoring implementation for the five year review*. Available at: <https://www.mpi.govt.nz/dmsdocument/31632-health-star-rating-monitoring-implementation-for-the-five-year-review> [↑](#footnote-ref-3)
3. Food and Agriculture Organization of the United Nations (FAO) 2016, *Influencing food environments for healthy diets*. Available at: <http://www.fao.org/3/a-i6484e.pdf> [↑](#footnote-ref-4)
4. Ni Mhurchu C, Eyles H, Jiang Y, Blakely T 2018, *Do nutrition labels influence healthier food choices? Analysis of label viewing behaviour and subsequent food purchases in a labelling intervention trial,* Appetite, vol. 121, pp 360-365. Available at: <https://doi.org/10.1016/j.appet.2017.11.105> [↑](#footnote-ref-5)
5. Hall & Partners Open Mind 2014*, FoPL Stage 2 Research – Measuring the impact of FoPL labelling on consumer food purchase choices* (Prepared for the Commonwealth Department of Health). Available at: <https://www1.health.gov.au/internet/fr/publishing.nsf/Content/E6C6919B62C492BCCA257F720076F4C8/$File/FoPL%20Stage%202%20Research.pdf> [↑](#footnote-ref-6)
6. Brownbill A, Braunack‐Mayer A, Miller C 2018, *Health Star Ratings: What’s on the labels of Australian beverages?* Health Promotion Journal of Australia,vol. 30, pp. 114-118. Available at: <https://doi.org/10.1002/hpja.197> [↑](#footnote-ref-7)
7. Talati Z, Norman R, Pettigrew S, Neal B, Kelly B, Dixon H, Ball K, Miller C, Shilton T 2017, *The impact of interpretive and reductive front-of-pack labels on food choice and willingness to pay,* International Journal of Behavioural Nutrition and Physical Activity, vol. 14, pp. 2-10. Available at: <https://ijbnpa.biomedcentral.com/articles/10.1186/s12966-017-0628-2> [↑](#footnote-ref-8)
8. Talati Z, Pettigrew S, Ball K, Hughes C, Kelly B, Neal B 2017, *The relative ability of different front-of-pack labels to assist consumers discriminate between healthy, moderately healthy, and unhealthy foods,* Food Qual Prefer, vol. 59, pp. 109–13. Available at: https://doi.org/10.1016/j.foodqual.2017.02.010 [↑](#footnote-ref-9)