

Report on submissions to the Five Year Review of the Health Star Rating System

Report prepared for the Department of Health
October 2017

mpconsulting ™

Table of contents

Chapter 1 - Background and context	3
Chapter 2 - Submissions to the Five Year Review of the HSR	4
Table 1: Number of responses to questions	4
Chapter 3 - Key themes emerging from submissions	6
Chapter 4 - Achievement of objectives and continuation of the HSR	7
Is the HSR system achieving its objectives and what has been the public health impact?	7
Should the HSR be continued?.....	8
Chapter 5 – HSR application and scoring	9
What foods should the HSR appear on?	9
Does the HSR score foods appropriately?.....	9
What are some of the main areas of concern in relation to the HSR algorithm?.....	10
How might the algorithm and the scoring be improved?.....	11
Chapter 6 – The HSR graphic	13
Is the HSR graphic appropriate and easy to understand for consumers?	13
Chapter 7 – Ease of implementation	14
Is the HSR easy for food manufacturers to implement?.....	14
Chapter 8 - Consumer use of the HSR	15
Do consumers have confidence in the HSR and use it to choose healthier foods?.....	15
Chapter 9 - Effectiveness of consumer messages and industry guidance	16
How effective are the HSR messages being communicated to consumers?	16
How effective are the government communications and resources for consumers?.....	17
Is the industry guidance adequate and appropriate?.....	18
Chapter 10 - Mandatory versus voluntary	19
Should the HSR system remain voluntary or be mandated?	19
Chapter 11 – Monitoring and governance	20
How should the HSR system be monitored?	20
How should the HSR be governed?.....	21
Chapter 12 – Next steps and further consultation opportunities	22

Chapter 1 - Background and context

On 8 June 2017, the Department of Health (the Department) established a public submission process on the Department's online Consultation Hub seeking stakeholder feedback on the merits of the Health Star Rating system (the HSR system).

The HSR system is a voluntary front-of-pack labelling scheme that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars, with the aim of assisting consumers to make healthier dietary choices.

The HSR system comprises:

- the HSR graphics, including the words 'Health Star Rating' and the stars
- the rules for applying the rating including the algorithm and methodology for calculating the HSR
- the education and marketing associated with the HSR implementation, and
- the HSR governance arrangements.

Through the Consultation Hub, the Department, on behalf of the Health Star Rating Advisory Committee (HSRAC), sought stakeholder views on each of the elements of the HSR, along with their views on the overall effectiveness of the HSR. The submissions will inform the Five Year Review (the Review) of the HSR system, being undertaken by mpconsulting, which will:

- consider if, and how well, the objectives of the HSR system have been met, and
- identify options for improving the system, and for ongoing implementation.

The purpose of this paper is to summarise the key points made by stakeholders in response to the Department's call for submissions, and to outline the opportunities for further stakeholder input to the Review.

It is important to note that this report provides only a summary of some of the key points made by stakeholders. It is not intended to represent a comprehensive account of all submissions, nor does it provide any commentary on the accuracy of various claims made by respondents or the viability of suggestions for change. These issues will, however, be explored over the course of the Review. It should also be noted that, while a number of respondents identified individual products in their submissions, this report does not name particular products nor attribute comments to respondents.

We sincerely thank all stakeholders for their insights, candour and invaluable advice in contributing to the Review.

Chapter 2 - Submissions to the Five Year Review of the HSR

In total, 483 submissions were received. The majority of submissions were made by members of the general public (339) with submissions also made by stakeholders identifying as:

- Consumer groups – 32 submissions
- Government – 11 submissions
- Industry – 24 submissions
- Public health – 63 submissions
- Others – 14 submissions

Stakeholders were invited to respond to 24 questions, 19 of which were questions relating specifically to the HSR. The following table describes the number of responses in relation to each question.

Table 1: Number of responses to questions

	Question	Number of responses
1	Are there any significant barriers or limitations to including the HSR system on packaged foods? If yes, please describe and provide examples.	244
2	Thinking about making comparisons between products in the supermarket, how appropriately are consumers using the HSR system? Please provide comments.	252
3	Has stakeholder engagement to date been effective in providing information about the system and addressing stakeholder implementation issues?	203
4	How effective has the implementation of the HSR system to date been in meeting the overarching objective of the HSR system?	482
5	Do you think the HSR currently scores foods appropriately?	147
6	Can you suggest how the algorithm and/or the generation of a star rating might be improved?	105
7	Is the HSR Calculator easy for industry to use? If not, why not.	86
8	Are the process and guidance documents for the HSR system (HSR system Style Guide, Guide for Industry to the HSR Calculator, artwork file, anomaly process and dispute process) adequate and do they provide clear guidance?	81
9	Do you think the informative elements provide additional useful information to consumers? If not, why not?	107
10	Is the HSR graphic easy to understand for all consumers, including people from a non-English speaking background and those with low levels of literacy? If not, why not?	107

	Question	Number of responses
11	Is the HSR graphic easy for food manufacturers to implement on packaging? If not, why not?	79
12	How effectively are the key messages of the HSR system communicated to different stakeholders (consumers, industry, government and public health groups)?	108
13	Are the government communication resources and materials for the HSR system useful and meaningful i.e. campaign material, stakeholder kit, website, fact sheets etc?	98
14	Do you think there are additional opportunities to monitor the HSR system?	85
15	Do you consider the operational structure of the HSR system, including the effectiveness of HSRAC and the New Zealand HSR Advisory Group and their associated working / sub groups, appropriate?	78
16	What options may be appropriate for the future governance and administrative arrangements for the HSR system?	84
17	To what extent do you agree that the HSR is, or has the potential to be, a successful public health intervention? If not, why not?	141
18	Does the HSR graphic help consumers choose healthier foods? If not, why not?	123
19	Do you think the HSR will encourage positive reformulation of foods by industry?	127

Chapter 3 - Key themes emerging from submissions

Most stakeholders felt that the HSR, as part of an integrated system of other healthy eating programs, has the potential to be a successful public health intervention, by assisting consumers to make healthier choices.

However, many stakeholders were critical of the implementation of the HSR and highlighted the limitations and irregularities within the system. Across industry, government and consumers it was acknowledged that irregularities (where the ratings do not align with dietary guidelines or are otherwise not credible for consumers) jeopardise the integrity and sustainability of the system, confusing consumers and discouraging the use of HSR to inform purchasing.

Some of the main concerns raised by stakeholders were:

- the treatment of sugar, particularly added sugar. Stakeholders gave numerous examples of products that were considered high in sugar (particularly certain cereals and beverages) achieving high ratings. Stakeholders noted the increased level of public awareness around sugar (including as the result of celebrity driven campaigns and social media) and the risk to public confidence if the HSR system does not align with consumer expectations, dietary guidelines, and the best available evidence
- the treatment of fat and salt in the HSR algorithm
- the weighting of positive nutrients in the HSR algorithm
- irregularities generated within certain categories including fruit juices and dairy, and
- the treatment of 'as prepared' products.

While the above concerns were consistently identified by many stakeholders and across all stakeholder groups, there were other issues on which views were polarised including:

- whether the algorithm and star rating should continue to operate within categories
- whether the HSR should:
 - apply to fresh fruit and vegetables
 - distinguish between core and discretionary foods
 - reflect the level of processing of a food (or reflect whether the food is a whole food), and
- whether the system should remain voluntary or should be mandated.

Stakeholders also highlighted the strengths of the system including: the significant uptake of the HSR by manufacturers; the strong working relationships between government, consumers and industry, evidenced through the governance arrangements; and the relative simplicity of the HSR (for consumers to interpret and for industry to use).

Many stakeholders were critical of the HSR messaging (such as 'the more stars the healthier' and 'healthier is easier when you look for the stars') because it does not contextualise the HSR or help consumers to use it appropriately. Stakeholders encouraged increased consumer education to enhance consumer awareness, use and understanding of the system – with a particular need for improved education about comparing products within categories, and about the HSR in the context of healthy eating (noting that the HSR is just one tool to support healthy food choices and not a surrogate for the dietary guidelines).

Chapter 4 - Achievement of objectives and continuation of the HSR

Is the HSR system achieving its objectives and what has been the public health impact?

The overall 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 choice.*

When asked how effective the implementation of the HSR system has been in meeting the overall objectives, 12% of respondents indicated that the HSR is *satisfactory or very effective*, with the majority (73%) nominating *unsatisfactory or ineffective*.

Overwhelmingly, those who felt that the implementation of the HSR had not been effective in meeting its objectives claimed that the HSR does not stimulate the purchase of healthier choices, because some foods high in sugar, fat and salt can carry a high rating. Other reasons cited included:

- lack of awareness by consumers and difficulty finding the graphic (with some stakeholders suggesting that it is not included on enough products to enable consumers to make informed, healthier choices)
- that food companies are manipulating products based on a few ingredients, and
- that the HSR doesn't help people to understand the food they are eating, including because it doesn't cover core foods such as nuts, vegetables and fruit, which should be easily distinguishable from discretionary foods.

Those who felt that the implementation of the HSR system had been effective in meeting its objectives cited the following strengths of the HSR system:

- the location of the HSR on front-of-pack, and the relative simplicity of the information, has made it easier for consumers to make more informed food purchases and healthier eating choices
- it translates complex nutritional information into a rating that is simple and easy for consumers to understand – particularly important for consumers who may be time-poor or come from culturally or linguistically diverse backgrounds
- it is easy to make a quick comparison between like products
- the more products that carry the HSR within a category, the easier it is to directly compare products. Stakeholders also noted that:
 - the number of products carrying the HSR continues to steadily increase
 - there has been significant uptake of the HSR by manufacturers, with over 7000 products now displaying the HSR
 - industry compliance has been strong with the majority displaying the HSR logo correctly
- effective interventions are national in scale, and HSR involves all states and territories and Australian and New Zealand governments, and
- it encourages food manufacturers to reformulate products in their range, in order to achieve high ratings. Reformulation has resulted in a reduction of sodium, sugars and saturated fat in some products and, in some cases, increased the nutritional benefits of products.

Should the HSR be continued?

Stakeholders were asked to what extent they agreed that the HSR is, or has the potential to be, a successful public health intervention.

A small number of stakeholders felt that the HSR is not, and does not, have the potential to be a successful public health intervention (suggesting that the system should not continue).

Most felt that the HSR, as part of an integrated system of other healthy eating programs, has the potential to target poor nutrition and could be a successful public health intervention, with some adjustments to the system. Various stakeholders submitted evidence and studies showing the value of the HSR as a labelling system (compared to alternatives) and the increasing consumer awareness, understanding and use of the system (all of which will be considered in detail as part of the Review).

Some specific suggestions for improving the system included:

- modifications to the algorithm to: better align with the ADG, reduce the number of irregularities (particularly in relation to foods high in sugar, fat and salt), and to improve consumer and professional trust in the system
- more effective communication including:
 - better promoting the HSR in combination with broader healthy eating messages (emphasising the importance of nuts, fruit and vegetables in the diet)
 - re-framing the key consumer message ('the more stars the healthier') to emphasise comparisons within product categories and build understanding of the types and amounts of the five food groups that a consumer should eat each day
 - greater visibility of broader dietary guidelines in HSR communication campaigns noting that:
 - the dietary guidelines (in Australia and New Zealand) are a food based model which takes into consideration the inter-relationships between nutrients, foods, food groups and whole diets
 - the HSR is a nutrient based system, scoring foods based on their positive nutrients and risk nutrients
 - at point of sale (supermarkets), and
- mandating the system. Some stakeholders suggested that the system is weakened by the fact that food manufacturers can opt-out from using the HSR on their products.

As with the responses in the previous chapter, it was widely acknowledged that the HSR in itself is not a complete solution, but one of many strategies required to shift consumer choices and improve population dietary intake.

Chapter 5 – HSR application and scoring

What foods should the HSR appear on?

A wide range of views were expressed regarding the foods that should be subject to the HSR system. While some stakeholders supported the application of HSR to packaged food (within food categories), others made suggestions about other foods on which the HSR should apply. For example, various respondents suggested that HSR should:

- be limited to ‘completely healthy packaged food’
- apply to all packaged food
- apply to all processed food regardless of whether or not it is packaged
- include fresh fruits and vegetables
- apply to all food – packaged and unpackaged, and
- focus on food directed at children.

Some supported the HSR applying to confectionery, others did not. Likewise, some suggested that it should apply only to some types of confectionery.

Does the HSR score foods appropriately?

A large number of respondents indicated that the algorithm does not always score foods appropriately, and that further work needs to be done to review the algorithm and HSR Calculator to ensure that it produces scores that are in line with the ADG and community expectations.

Many consumers strongly stated their distrust of the HSR system, suggesting that the algorithm and resulting star ratings:

- are at odds with contemporary nutrition research
- do not genuinely promote healthy choices. Stakeholders cited numerous examples of products that they felt should not attract the stars that they do or, conversely, should attract more stars. For example, they noted that:
 - sugary cereals and highly processed foods can get a high star rating (the 4 star rating for some cereal products was mentioned frequently) while full fat yoghurt and other dairy products do not always score well
 - star ratings can be manipulated via ‘as prepared’ recommendations (for example, the 4.5 star rating for some flavoured milk drinks, based on the assumed addition of trim milk)
 - macadamia and brazil nuts losing stars because they are high in saturated fat
 - frozen beer battered chips achieving 4 stars
- do not adequately differentiate between core and discretionary foods and are inconsistent with the ADG
- do not score products in a way that makes it clear to consumers which are the foods that should be included in their diet for a sustainably, healthy life, and
- are flawed because of the compensatory approach to scoring food, which allows manufacturers to offset ‘bad’ ingredients with ‘good’ ingredients (i.e. offset sugar with fibre).

Those stakeholders who were supportive of the HSR system, suggested that:

- it is currently the best system available for scoring packaged foods (noting that in the majority of categories it does score appropriately but that there are 'outliers' that require addressing)
- customer research indicates that star ratings are, in most cases, consistent with consumer expectations of healthier foods
- the use of the energy icon allows consumers to compare between individual beverages based on energy content in a simple, quick and easy fashion, and
- there is room for improvement and for adjustments to be made to ensure the HSR algorithm reflects contemporary scientific evidence.

What are some of the main areas of concern in relation to the HSR algorithm?

Overwhelmingly, respondents supported reconsideration of the algorithm relating to sugar, fat and salt, and 'as prepared' products.

In relation to sugar, respondents variously suggested that:

- the algorithm should take into consideration added sugar, not just total sugar (for example, a muesli high in fruit is rated the same as a cereal high in added sugar)
- that there needs to be separate identification of naturally occurring sugars and added sugars (both 'added sugar' and 'free sugar' definitions need to be modelled as part of the review to determine which one creates better alignment with the ADG)
- there needs to be restrictions on the use of the HSR on confectionery and soft drinks (noting that sugar free confectionery can score highly because it has no 'negative' nutrients), and
- high sugar products should have a cap – for example:
 - foods with more than 15% sugar and drinks with more than 6% sugar should not obtain additional points from positive nutrients such as protein, fruit and vegetables, and
 - foods with sugar content over 15% should be limited to 2.5 stars.

In relation to fat, respondents variously suggested that:

- the focus on saturated fat is inappropriate. Stakeholders suggested that:
 - the system should distinguish between 'good' and 'bad' fats
 - a focus on saturated fat is an outdated understanding of the essential role fats play in regulating metabolic health
 - saturated fat content should not be included and instead, trans fat should be added to the algorithm, along with oxidised or hydrolysed vegetable or seed oils, for their role in causing inflammations and chronic disease
 - foods that contain saturated fat are penalised, resulting in low ratings for cheese and yoghurt, but relatively high ratings for products which replace saturated fat with polyunsaturated or monounsaturated fats or other additives. For example:
 - a food bar comprising 50% cashews and 50% dates scores 4 stars because the saturated fat component of the cashews and/or sugar content of the dates prohibits the bar scoring 5 stars without diluting the content of the nuts or the dates (for example, with a refined carbohydrate product)
 - olive oil as a healthy fat should score higher than 3 stars, and in particular should be scoring higher than margarine (at 4 stars)

- the saturated fat component should either be completely removed, or replaced with a penalty for polyunsaturated fat (specifically omega-6), and
- energy content is derivative and effectively counts fat content twice.

In relation to salt, some respondents suggested that the algorithm does not sufficiently penalise salt (one stakeholder noted that unsalted and salted peanuts both receive 4 stars, because there is no penalty for the addition of salt). Conversely, others suggested that the HSR should not take salt into account at all.

Other issues raised by stakeholders included that the algorithm should take into account: food additives; allergens; whether the product is organic; whether the food is a whole food; distinguish between natural and refined foods; and take into account the amount of processing.

Across a large number of submissions from industry, government and consumers it was acknowledged that inappropriate scores/irregularities (where the ratings do not align with the messaging in the ADG and the Eating and Activity Guidelines for NZ Adults, or are otherwise not credible for consumers) jeopardise the integrity and sustainability of the system overall, confusing consumers and discouraging the use of HSR to inform purchasing.

An important part of the Review will be identifying where these irregularities and inconsistencies lie (particularly if they are present for high profile, high consumption foods) and identifying possible solutions.

However, it is not possible for the algorithm to take into account all matters of importance to all consumers. Respondents themselves acknowledged that reducing our diverse food supply into an algorithm representing overall nutritional profile is a challenging task.

In undertaking the Review, we will seek to identify ways to strengthen the evidence base for the algorithm, align with the ADG where possible, minimise outliers and, importantly, ensure as far as possible that the outcomes of the algorithm are meaningful for consumers.

How might the algorithm and the scoring be improved?

A number of suggestions were made for changing the system, algorithm and resultant scoring. Some suggestions that were made included:

- in relation to the system and categories generally:
 - use a scaling system that provides a score based on the ingredient, then weight that score based on percentage of the ingredient within one serving
 - create more categories for foods so that they are appropriately compared to other foods that are similar to them
 - create more categories with individualised algorithms (for example, include separate categories for vegetable products with reduced reliance on protein and flavourings)
 - place non-core foods in a separate category to core cereals, fruit, protein and vegetables
 - reduce the weighting of protein in the Calculator
 - introduce star rating caps on discretionary foods (or foods with high amounts of risk nutrients)
 - introduce caps on sugar, saturated fat and sodium, and

- adjust the algorithm in each category so that the rating achieved represents the same level of healthiness across all categories.
- in relation to positive nutrients (that have the effect of modifying points or offsetting sugar, fat salt etc):
 - dietary fibre should be restricted to that present in whole fruits, vegetables, legumes, nuts and seeds, and
 - protein points should be removed (noting that protein is not a nutrient that is lacking in any age group in Australia).
- in relation to fruit, vegetables and juices:
 - fruit and vegetable juices should not be eligible for V points in the HSR Calculator in the same way that fruit and vegetables are (i.e. 100% fruit juices should not be able to get a 5 star rating). Whole fruit or fruit puree are the only ingredients that should count towards FVNL % (fruit, vegetables, nuts and legumes), as juice does not provide the same fibre or satiety as whole fruit
 - change the FVNL % scoring criteria for foods comprising 100% FVNL to allow for all nuts, vegetables and fruit to score 5 stars, and
 - ensure nutrient definitions do not allow addition of ingredients with negligible health benefit, for example only apply FVNL to ‘intact’ FVNL, preventing the inclusion of inulin powder in fibre points, or soy isolate or gluten for protein points, and preventing ingredients such as fruit juice concentrates, coconut ‘flour’ or coconut ‘sugar’ being added to breakfast cereals, muesli bars, children’s snack foods and various discretionary products to garner extra stars.
- in relation to grains:
 - add wholegrain to the Calculator as an element of FVNL %, and
 - provide for clearer differentiation between wholegrain and refined grain food.
- in relation to dairy foods:
 - include consideration of calcium (i.e. core dairy foods should score modifying points for calcium content).
- in relation to sugar:
 - discriminate between added sugars and intrinsic sugars (include ‘free’ sugar in the algorithm and to better accord with the WHO recommendations)
 - use the WHO definition of added sugars (monosaccharides, disaccharides added to foods and drinks by the manufacturer, cook or consumer, and sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates)
 - introduce a sugar multiplier based on the percentage of sugars, and
 - amend the baseline points so that higher baseline points are given at a lower free sugar content (leading to a greater penalty for sugar).

Chapter 6 – The HSR graphic

Is the HSR graphic appropriate and easy to understand for consumers?

The HSR graphic was broadly supported by respondents. Comments included that:

- the HSR is clear, and is intuitively understood by consumers and can therefore influence their decision making at the point of purchase
- the HSR is easier to understand than the Nutrition Information Panel (NIP)
- the HSR is easier to read than information on the side of packaging
- stars are universal, and familiar to people from use in connection with other products and are easy to understand across language and literacy barriers
- the HSR graphic is most easily understood when it relates clearly to the contents of the package (particularly for those from a non-English background and those with low literacy). The ‘as prepared’ rules present a particular risk as they require consumers to follow more detailed directions elsewhere on the pack, and
- with continued education and promotion of the system it is hoped that understanding and perceptions of the HSR will continue to improve.

Those who had concerns about the HSR graphic noted that while the HSR graphic is reasonably simple, consumers (particularly those with low literacy, numeracy or from a non-English speaking background) may:

- interpret ‘the more stars, the healthier’ without understanding that products can only be compared with similar products, resulting in incorrect use of the tool
- not understand how the food product earned its rating, and
- benefit from more education about how to use the HSR system to compare like products, and to understand which products fall into the same category.

Various respondents provided evidence in support of their statements, including surveys undertaken by their organisations. Regardless of who commissioned the studies (public health organisations, drinks manufacturers, retailers, food manufacturers, industry groups or governments), the results were highly consistent:

- the HSR is easier to understand and better able to assist consumers to correctly identify healthier foods, than other common front of pack labelling systems such as multiple traffic lights or daily intake guides (DIG)
- the HSR graphic is seen as a simple way to demonstrate, at a basic level, how healthy a certain product is and consumers are generally positive about the ease and relevance of the HSR
- most consumers are familiar with home appliance type star ratings and they assumed that the HSR works in the same way ‘the more stars, the healthier’, and
- there is not strong understanding about how the rating is calculated and how to place these packaged foods into the context of a whole diet (potentially leading to confusion).

Chapter 7 – Ease of implementation

Is the HSR easy for food manufacturers to implement?

A number of stakeholders (particularly industry and government stakeholders) noted that the flexibility of application of the graphic has been key to the implementation (in terms of colour, vertical or horizontal orientation, with or without informative elements, and timing).

Comments suggested that:

- the continuing increase in the number of products displaying the HSR provides evidence that the HSR graphic is easy for food manufacturers to implement on packaging
- the size and orientation variants of the graphic are suitable for many different packaging designs and sizes, making it easy for food manufacturers to implement on packaging and other forms of advertising
- the five year timeframe for rollout means HSR graphics can be added alongside other brand updates
- the graphic is appropriately sized (and discretion can be exercised around scaling), and the single colour makes it cost effective to apply to packaging, and
- the various options provide opportunity to select the ‘best fit’ for the individual product, and cater for small packages.

Stakeholders (mostly industry representatives) that expressed concerns about implementation, noted that:

- small companies using generic labelling and low automated processes can find implementation challenging
- on small packs, space is at a premium and this makes adding the HSR graphic difficult
- high resolution images of the HSR graphic are not available to download, which means that manufacturers have to rely on artwork agencies which incurs a cost
- novelty and foil wrapped confectionery products provide particular challenges with legibility
- packages have to be redesigned to incorporate not just HSR requirements but also nutrition, health and related claims, and country of origin food labelling, and
- the cost of implementing the HSR graphic is not just about the cost of packaging updates, but also employee training and education (as the HSR system relies on employees having a high level of technical understanding).

Various respondents also provided evidence in support of their statements including research relating to industry uptake of the HSR and consistency with the HSR Style Guide. For example:

- one study explored industry experiences with implementation of the HSR in New Zealand, finding that packaging logistics play a key role in decisions around implementation, specifically regarding fit with brand, priority of claims and real estate available, and
- in 2015 and 2016, the New Zealand Ministry for Primary Industry checked the consistency of labelling on 382 products against the HSR System Style Guide and found very few inconsistencies on the HSR graphic displayed on packs. The most common area of design variation was related to the legibility of the graphic, in particular the use of contrasting background colours.

Chapter 8 - Consumer use of the HSR

Do consumers have confidence in the HSR and use it to choose healthier foods?

Opinions were divided as to whether or not the HSR system was helping consumers to choose healthier foods.

While the star graphic is mostly considered clear and legible, many consumers and others feel that there are inherent flaws in the system, and expressed concerns about:

- the validity of the current scoring system. Many respondents suggested that the high star rating for particular products (including certain cereals and flavoured milk drinks) is 'proof' that the HSR nutrient profiling process does not support consumers to make healthier choices
- the use of the HSR on discretionary foods such as ice cream, chocolate and chips
- the implication that packaged foods with a high rating are healthier than unpackaged foods
- selective application of the star rating system by the food industry, rendering it difficult to trust (with some suggesting the use of the HSR as a marketing tool for increasing consumption of processed foods)
- the way in which the HSR is used and interpreted by consumers (with some suggesting a large number of consumers are not using the HSR correctly (to enable comparison within categories), meaning that the HSR is not going to be driving healthier food purchases), and
- inconsistent messaging around what constitutes 'healthy' packaged food, which makes the task of choosing healthier foods more difficult.

Others were more positive regarding the ease of use and relevance of the HSR to consumers, noting that it:

- helps consumers choose healthier foods (if it is used to compare 'like with like') and that consumers are increasingly using this system to choose healthier foods
- is more effective than other front-of-pack labelling systems, such as the DIG and traffic light labelling
- features interpretive components and, as such, is better able to inform consumer choices than the NIP alone
- provides a simplistic view of choosing foods (which is not ideal) but, with proper supportive education, a more complete understanding of the graphic could be developed, and
- has not been in place long enough, and not been applied to enough products to determine whether it is actually leading to behaviour change (healthier food purchases) or just building awareness and recognition of healthier choices.

A number of respondents acknowledged that healthiness is only one of a range of factors (including taste, price, and availability) that influences purchasing behaviour and the HSR is only one tool in a suite of interventions and approaches to health that work in conjunction to help consumers choose healthier foods. It is therefore important to be realistic about measuring the impact of the HSR.

As part of the Review, consideration will be given to the wide range of studies relating to consumer awareness, understanding and use of the HSR.

Chapter 9 - Effectiveness of consumer messages and industry guidance

How effective are the HSR messages being communicated to consumers?

A number of consumers felt that the messaging and communication around the HSR was not obvious, or visible, at the point of sale in supermarkets, or through any television or radio advertising.

Further, it was suggested that in a number of jurisdictions, there had been a more visible presence on social media and newspapers from public health and consumer groups against the inappropriate rating of core and discretionary foods. It was suggested that:

- there had been little in the way of positive messages about the HSR to counteract some of these messages, and
- many consumers have been unaware that the HSR was a government initiative and have reported being deterred from using it by negative media reports.

The key promotional messages of the HSR campaign were also controversial, with stakeholders from all groups (industry, consumer and public health) raising the following concerns:

- promotion of the message ‘the more stars the healthier’ does not put the HSR system into the context of an overall healthy diet. Similarly, in New Zealand (where the marketing was ‘Healthier is easier when you look for the stars’) created confusion when no stars could be found on fresh foods
- the implication that any food with 5 stars is healthier than any with 1.5 stars, when it is not clear that these comparisons are intended to be made only between like products, does not guarantee a healthier diet overall, and
- the message doesn't take portion size into account.

Many stakeholders suggested that there is confusion and lack of understanding on how to use the HSR and that this can lead to consumers using the system in a way that was not intended – for example, to compare breakfast cereals with frozen ready-to-eat meals.

Stakeholders suggested that there is a need for increased consumer education campaigns to enhance consumer awareness, use and understanding of the system – with a particular need:

- for greater education about comparing products within categories to aid appropriate use of the system, and
- education about the HSR in the context of healthy eating with clarity around the role of fresh food in a healthy diet.

In essence, stakeholders suggested that while campaigns were reasonably effective at increasing consumer awareness of the HSR, there is now a need for more nuanced messaging (reflecting the points made above) and for accurate information about the HSR to be provided to health writers and others, including to help counter the criticism of the HSR, which has been based on a relatively small number of products/irregularities in the system.

How effective are the government communications and resources for consumers?

Stakeholders were specifically asked about government communication resources and materials for the HSR system (such as campaign materials, stakeholder kits, website, fact sheets) and whether they were useful and meaningful.

Responses were mixed and included, on the one hand, that resources are factual, easy to access and useful in informing all stakeholders on the HSR system. Others suggested that:

- the resources aimed at consumers have not been widely used or promoted
- website materials and fact sheets are not appealing to consumers (poor structure and outdated designs) but the information for industry has been well constructed and well utilised
- the marketing campaigns in Australia are not particularly engaging, especially for young people. Some stakeholders suggested that the short videos on HSR in NZ were more upbeat, memorable and fun and therefore more likely to have an impact, particularly on younger consumers
- the consumers who most need the information from a health perspective are least likely to look at a HSR website to gain the necessary information, and
- easy to understand information should be delivered by a range of mediums, including at the point of sale.

Comments about improvements that could be made to fact sheets and stakeholder kits and other government/HSR communications included:

- refocus resources to be primarily about eating whole foods and explain how HSR fits within this
- include less dense information with simplified text, developed in line with health literacy principles
- greater reliance on the use of infographics
- the branding/tag line to be revised to make it clear that the stars relate to packaged foods (e.g. 'for packaged foods choose more stars')
- shift the focus from weight (overweight and obesity) to a more positive message promoting nutrient dense foods targeted to meeting a range of health needs
- improve the social media engagement of the HSR both in the quality of designs and infographics used, and in the messaging promoted. For example, Twitter would be an ideal opportunity to engage more actively with public health stakeholders who use this media to share policy insights and updates
- resources should focus on myth busting (e.g. how the HSR differs from other front-of-pack labels (e.g. Heart Foundation Tick), and how to compare between products, to help address HSR credibility). These could be supported by shelf danglers and other information at point of sale, and should all be 'infographic' based, and
- better targeting HSR communications to those at greatest risk of chronic, nutrition-related illness.

Is the industry guidance adequate and appropriate?

Most industry representatives felt that the style guides and industry guidance provided the relevant information to enable industry to implement the system, and the voluntary nature of the system provides operational flexibility.

A number of stakeholders noted that there is room for improvement, with suggestions including:

- ensuring that the guidance documents:
 - make it clear that the HSR is intended for like, packaged foods for consideration in the context of a whole diet, and
 - are updated regularly, including to address areas of uncertainty or contention
- the need to make the guidance around ‘as prepared’ clearer. It was variously noted that there has been inconsistency in the interpretation of some of the material in the Guide for Industry, resulting in irregularities remaining unresolved, including differences in the way terms such as ‘as prepared’ have been applied
- the need for clear advice around use of the HSR in relation to confectionery (i.e. that confectionery should only carry an energy icon, and no HSR rating)
- the desirability of expanding the Style Guide to include more examples of the HSR graphic in acceptable and unacceptable formats (e.g. not showing all 5 stars on the icon; inadequate colour contrast examples; location of the HSR on the package (e.g. lid tops, side of pack, back of pack), and
- amending the Guide for Industry to include:
 - more examples and calculations relating to FVNL, and
 - guidance on ‘boundary issues’ which can result in different HSR scores between effectively similar products. For example, a 1mg difference in sodium may result in an increase or decrease of 0.5 HSR).

Chapter 10 - Mandatory versus voluntary

Should the HSR system remain voluntary or be mandated?

Respondents expressed a wide range of views detailing why the system should be mandatory, and why it should remain voluntary.

Some of the arguments in support of the system being mandated included that it would:

- build confidence in the system and greater transparency
- improve uptake and increase consumer awareness and utility
- provide a greater incentive for positive reformulation
- enable consumers to properly compare products within the same category, and
- mean there is a range of star ratings, not just products with a median star rating of 3.5 or higher.

Some of the arguments in support of the system remaining voluntary included:

- the uptake of the system has demonstrated its acceptance and success as a voluntary system
- there are high levels of compliance, with the style guides being followed appropriately
- the voluntary nature of the system means that industry is more likely to raise issues/concerns for discussion and resolution through the governance arrangements
- it minimises regulatory burden on business, and
- it enables various options for displaying the HSR system, which eases implementation (whereas there may not be such flexibility under a mandatory system).

Some stakeholders also identified ways that the voluntary system could be strengthened without the need to mandate the use of the HSR. For example:

- procedures for third parties to register concerns or seek investigation/enforcement of a matter
- periodic assessments/audits by independent parties to determine compliance and outcomes (with publication of the results)
- public reporting of uptake by manufacturers, and
- public reporting of negative outcomes, particularly where manufacturers mislead or falsify claims.

As part of the Review the relative merits of a voluntary system will be compared to a mandatory one, noting that there are various mandatory and voluntary models each with advantages and disadvantages, cost considerations, implications for governance, and potential impacts for consumers, industry and governments.

Chapter 11 – Monitoring and governance

How should the HSR system be monitored?

A number of stakeholders noted that the current monitoring system is adequate (with some viewing it as comprehensive), focusing around three areas of enquiry:

- label implementation and consistency with the HSR Style Guide
- consumer awareness and ability to use the HSR system correctly, and
- nutrient status of products carrying an HSR graphic.

In particular, stakeholders noted the extensive monitoring undertaken by the Heart Foundation/NZ MPI and the audit of products and their ratings by the HSRAC and the Technical Advisory Group (TAG).

Stakeholders were also asked if they could identify additional opportunities for monitoring the HSR system, and to provide examples of what the opportunities are, and how monitoring may be conducted. The most common suggestions included:

- monitoring reformulation, including how products improve their star rating
 - It was variously suggested that food reformulation is emerging as a secondary benefit to HSR and that the introduction of a system to monitor food reformulation would be beneficial, including so that opportunities to encourage further reformulation can be identified.
 - It was suggested that an online platform could be developed for manufacturers to publish reformulation that has been prompted partly or entirely by the HSR system. Establishing such a database may also encourage more food manufacturers to start using the voluntary system and those who are already using it to be more active with product reformulation.
- improved monitoring of consumer awareness including changes in purchase intent and buying behaviour (it was suggested that larger scale independent consumer studies would be valuable).

It was also suggested that:

- engagement between HSRAC and the Healthy Food Partnership (HFP) may identify opportunities for shared monitoring of specific retail food category indicators of mutual interest to both initiatives
- ongoing collaboration with researchers could be established to identify additional areas of research, evaluation or surveillance that will assist the HSRAC, industry, and other stakeholders to better understand the impact of the HSR system
- National Nutrition Survey and the Health and Lifestyles Survey could be used to monitor the impact of the HSR system, and
- effective monitoring should be conducted across populations to assess any inequalities that may arise from the HSR system.

Reference was also made to a number of different authorities/organisations/individuals that could be involved in monitoring activities in some capacity (such as Choice, the CSIRO, independent nutritional organisations, consumer affairs agencies and dietitians).

How should the HSR be governed?

When asked what options may be appropriate for the future governance of the HSR system, many stakeholders focused on whether or not the system should be mandated (as discussed in Chapter 10).

A number of suggestions for change highlighted the lack of understanding regarding the current arrangements, with some stakeholders being unaware of: the role of governments in the management of the system and in monitoring compliance; the presence of public health experts and consumer organisations on the HSRAC; and the opportunity for consumers to make comment and access information via the HSR website.

Some suggestions for improvement, particularly from consumers and public health professionals included:

- strengthening government leadership
- increasing public health and consumer representation in the governance arrangements
- ensuring greater access to people with expertise in public health nutrition and a thorough understanding of relevant dietary guidelines, and
- allowing credible independent bodies (such as food scientists, nutritionists and consumer groups) to sample study and provide feedback on the suitability of the HSR ratings, with feedback acted on.

Some governance concerns and considerations identified by others included:

- that no commitment has been made for governments to fund the system beyond five years
- the perception by some health professionals and academics that the system is susceptible to being 'gamed' (and the lack of trust in the system by some consumers) means that efforts need to be made to build the credibility and trustworthiness of the HSR system. This likely means the continued involvement of government in the governance arrangements (as opposed to transfer of responsibility for oversight to industry)
- that if governments were to remove their involvement in the HSR system, businesses will continue to use the HSR because it is recognisable to consumers. However, businesses would have little accountability for how they use the system and may not release information on a voluntary basis (further creating credibility issues)
- that the HSR needs to remain stable without abrupt, unforeseen or unexpected changes
- that maintenance of the current diligence and rigor in technical review is important to ensure trust in the scheme from industry and consumers alike, and
- that there needs to be a balance of government, public health, industry, and consumer representation on any governance committees. Other suggestions, specifically in relation to the existing HSRAC, included:
 - committee positions should be time limited and the chair and jurisdictional positions rotated
 - a representative of the NHMRC ADG group should be on the HSRAC
 - both the HSRAC and the TAG must include people with expertise in both the Australian and New Zealand dietary guidelines

Chapter 12 – Next steps and further consultation opportunities

Once again, we would like to thank stakeholders for their submissions and for their time and effort invested in not only identifying challenges with the system, but also possible solutions and offering evidence and studies in support of various conclusions.

All of this information will be considered in detail as part of the Review, which is proposed to be conducted in five stages, each involving further consultation.

Stage 1 – Initial engagement and review of submissions/data/evidence (October 2017 to end January 2018)

The first stage of the Review will involve:

- further reviewing all of the materials submitted by stakeholders
- reviewing relevant data and evaluations, and
- speaking with FRSC members to confirm expectations of the Review, and with other experts/stakeholders to explore issues raised in submissions or to otherwise seek their advice. This will be a targeted engagement and mpconsulting will directly contact those stakeholders and experts whose further input will inform this early stage of the Review. For example, further advice might be sought from researchers and consumer groups regarding studies they have undertaken in relation to consumer responses to HSR.

During this stage, mpconsulting will also seek the advice of HSRAC, TAG, the National Heart Foundation and NZ MPI regarding the work that they have undertaken reviewing irregularities in the system, modelling possible changes to the system, and evaluating the impact of the system.

Stage 2 – Wider consultations including on options for addressing issues identified (February – April 2018)

The second stage of the Review will involve:

- seeking the views of stakeholders in relation to key consultation questions, and
- starting to explore the key issues in detail, along with options for addressing the issues identified with respect to the HSR system.

Throughout February to April 2018, it is proposed that consultations be held across Australia and in New Zealand as follows:

Date	Location
2 February 2018	Adelaide
7 February 2018	Sydney
21 February 2018	Melbourne
2 March 2018	Brisbane
8 March 2018	Auckland
19 March 2018	Perth
12 April 2018	Canberra

In each location, it is proposed that there be a three hour consumer/public health forum and a separate three hour industry forum.

This will be the most effective way to gain input to the Review, particularly as there will be a number of questions that will be specific to industry, and others that will be specific to public health/consumer groups (noting that there will also be questions that will be put to both groups). Stakeholders have provided feedback in response to previous HSR forums, supporting the effectiveness of this approach.

At least one month prior to the date of each forum, the Department will publish the venue details along with the agenda and key questions for each of the sessions (to be explored through a facilitated conversation at each of the forums). Participants will also have the opportunity to raise any other issues relevant to the Review.

Stage 3 – Subject specific discussions (April – June 2018)

This stage will focus on seeking solutions to the key issues identified through the Review. Where necessary, short papers will be developed identifying the key issues, the areas of contention and options for resolution. Depending on the issue, these papers may be made available for public comment and/or expert advice sought. For example:

- modelling advice might be sought from the TAG on the impacts of certain changes to the algorithm, and
- advice might be sought from the dairy industry, nutritionists and others on possible changes to the treatment of core dairy products.

Stage 4 – Development of, and consultation on, the draft Review Report (early 2019)

Subject to the availability of data (to end June 2018) and the identification of viable options/preferred solutions for key issues identified through the Review, it is proposed that a draft of the Review Report will be made available for public comment in the first quarter of 2019 (for at least 6 weeks).

The draft Review Report will be published on the Department's Consultation Hub.

Stage 5 – Finalisation of the Review Report and consideration by governments (mid to late 2019)

Following consideration of feedback on the Review Report, the Report will be finalised and provided to the Australia New Zealand Ministerial Forum on Food Regulation (through HSRAC and FRSC) in mid to late 2019.