

**Submission to the Five-Year Review of the
Health Star Rating System Consultation
Paper: Options for System Enhancement**

7 December 2018



NZ BEVERAGE COUNCIL

Introduction

1. The New Zealand Beverage Council (NZBC) is the industry association for New Zealand's non-alcoholic beverage sector and represents the manufacturers, bottlers, brand owners and suppliers operating in New Zealand.
2. The NZBC's membership is made up of a wide range of companies – from some of the largest multinational brands in the world through to some of the country's smallest boutique producers. NZBC members represent over 75 percent of the non-alcoholic ready-to-drink beverages sold at a retail level in New Zealand.
3. The NZBC makes this submission on behalf of its members. A full list of members can be found at www.nzbeveragecouncil.org.nz/about/our-members/

The NZBC supports the Health Star Rating System

4. The NZBC strongly supports the Health Star Rating (HSR) System and believes it greatly helps consumers to have access to the right information at the right time to make the best decisions for themselves and their families. For this reason, the NZBC actively encourages its members to adopt the current voluntary HSR system.
5. The HSR provides consumers with meaningful and easy-to-understand information that helps them to make informed choices in support of New Zealand's food and nutrition guidelines. The HSR does not require high levels of literacy and is on the front-of-pack, making it easy for consumers to identify.
6. The HSR system rates the overall nutritional content of a product. Products are given a number of stars based on their nutrients, ingredients and the amount of energy they provide. Products get less stars if they are high in saturated fats, sugar or sodium, while they get more stars if they are high in healthier nutrients such as fibre, protein, nuts and legumes. As an alternative, food and beverages using the HSR can also use the Integrated Energy Icon, which displays the energy value of a product in kilojoules (kJ). Most energy icons also contain a %DI calculation, to help consumers better understand the energy content of a product.
7. This is important because the New Zealand dietary guidelines recommend choosing foods and beverages with unsaturated fats, that are low in salt, and with little or no added sugar. The HSR system assists consumers to do this by helping them identify foods and beverages that are low in saturated fat, sodium and sugars against food and beverages that are higher. It is important to note, however, that the HSR was not designed to compare different categories of foods (such as choosing between fruit and candy). Instead, it is designed to enable consumers to make decisions on different foods and beverages within the same category (bottled water vs a sugar-sweetened beverage).
8. The NZBC notes that there is strong awareness of the HSR. In New Zealand, the Health Promotion Agency commissioned Colmar Brunton to undertake a baseline survey on the HSR in 2015, with two subsequent surveys in 2016 and 2018. These surveys were designed to monitor awareness, recognition, understanding and the correct use of the HSR. The 2018 survey found:
 - High awareness of the HSR (75% versus 40% in 2015);
 - Half of shoppers have an accurate understanding of the HSR;

- Correct use of the HSR is high at 68 percent;
 - 40 percent trust the HSR (unchanged from 2015);
 - The potential influence of the HSR on shopping behaviour is high, with 59% of shoppers using the HSR.¹
9. Despite high awareness, the NZBC believes that there would be real benefit in further consumer education through a government-led information campaign, with support from industry. This campaign would further increase consumer awareness of the HSR System and allow consumers to better understand and interpret the information they are being provided through the rating system, allowing them to make more informed nutritional decisions.
10. While the NZBC strongly supports the HSR system, it does acknowledge the issues highlighted the *Five-Year Review of the Health Star Rating Consultation Paper: Options for System Enhancement*. We therefore agree that there is benefit in enhancing the system so that it can better meet its objectives of enabling consumers to make better decisions in support of dietary guidelines.

Refinement to calculating the Health Star Rating for non-dairy beverages

11. The NZBC agrees that there are some issues around the calculation of the HSR for non-alcoholic beverages – specifically in relation to non-dairy beverages. Non-dairy beverage incorporates a wide-range of products, ranging from beverages that have positive health benefits (such as packaged and flavoured waters and fruit and vegetable juice products) through to occasional beverages (such as sugar-sweetened beverages).
12. The NZBC believes that it is important that the HSR enables consumers to differentiate between beverages that should be consumed more often for their positive nutritional profile and those that should be consumed on occasion for enjoyment and refreshment.
13. **It is for this reason, that the NZBC supports Option E** outlined in the *Five-Year Review of the Health Star Rating Consultation Paper: Options for System Enhancement*, but with some important amendments.
14. Option E, as outlined in the consultation paper, states that *plain packaged water is the only non-dairy beverage to score an HSR of 5, combinations of juice and water with no other additives score an HSR of 4.5 and all other non-dairy beverages calculate their HSR using the HSR Calculator*.
15. The NZBC agrees that water (still or carbonated) with no additives should automatically receive an HSR of 5.
16. While the NZBC agrees that water (still or carbonated) in any combination with fruit and vegetable juices, and with no added sugar, should automatically receive an HSR of 4.5, it is critical to note that the HSR is not designed to consider additives when rating products. Further, additives are not considered in any other category. Therefore, non-dairy beverages should not

¹ Health Star Rating System – monitoring and evaluation, Health Promotion Agency 2018, available from <https://www.hpa.org.nz/research-library/research-publications/2018-health-star-rating-hsr-monitoring-and-evaluation>

be singled out and should not be penalised for containing additives described Schedule 14 of the Australia New Zealand Food Standards Code.

17. The NZBC therefore recommends that Option E be amended to read: *water (still or carbonated) in any combination with fruit and vegetable juices, and with no added sugar, should automatically receive an HSR of 4.5.*
18. The NZBC also notes that Option E does not clearly identify flavoured waters. It is understood that the intention is to allow flavoured water with no added sugar to receive an HSR of 4.5. Therefore, we recommend the inclusion of the following point under Option E: *Flavoured water (still or carbonated) with no added sugar, and that is close to the nutritional profile of water, should automatically receive an HSR of 4.5.*
19. The NZBC agrees with the principle that fruit and vegetable juices should automatically receive an HSR of 4.5. To ensure clarity and reduce confusion, however, these beverages should not be referred to as “100% fruit and vegetable juices”. Many juices contain additives that are permitted under the Australia New Zealand Food Standards Code and are therefore not considered 100% juices.
20. For this reason, Option E should be clarified so that: *Fruit and vegetable juices (as defined in Standard 2.6.1 in the Australia New Zealand Food Code) with no added sugar should automatically receive an HSR of 4.5.*
21. The NZBC does not agree that all other non-dairy beverages should calculate their HSR based on the HSR calculator. If all other non-dairy beverages have their HSR calculated on the current HSR calculator, almost all products will receive an HSR of 2 or less. For example, under the HSR calculator, low and no-sugar products cannot achieve above two stars, misleadingly indicating to consumers they are unhealthy, despite being low in kilojoules. This sends the wrong message to consumers.
22. Allowing low- and no-sugar beverages to score higher than two stars would help consumers make healthier choices. The possibility of achieving an HSR above 2 for all other non-dairy beverages would also provide manufacturers with incentives to achieve possible reformulation, particularly with regard to sugar reduction in this category. For this reason, the NZBC believes that an alternative approach to calculate the HSR must be explored for all other non-dairy beverages.
23. The NZBC would also like to add the following points to support Option E:
 - (i) Product definitions and categories should align with those stated in the Australia New Zealand Food Standards Code;
 - (ii) Note that ‘no added sugar’ is defined as per the conditions of a ‘no added sugar’ claim in Standard 1.2.7 of the Australia New Zealand Food Standards Code
 - (iii) Manufacturers continue to be given the choice to display either the energy icon or the stars.
24. It is also important that the HSR continues to be as inclusive as possible, with companies able to use one of the five hierarchy of HSR options outlined in the Style Guide. The NZBC supports manufacturers determining the best presentation format within the HSR Style Guide to display the HSR and is working to encourage its members to adopt the HSR for their beverage products.

25. In summary, the New Zealand Beverage Council supports Option E with the following amendments:
- (a) Water (still and carbonated) with no additives automatically receives an HSR of 5.
 - (b) Flavoured water (still or carbonated) with no added sugar, and which is close to the nutritional profile of water, automatically receives an HSR of 4.5
 - (c) Water (still or carbonated) in any combination with fruit and vegetable juices, and with no added sugar, automatically receives an HSR of 4.5.
 - (d) Fruit and vegetable juices (as defined in Standard 2.6.1 in the Australia New Zealand Food Standards Code) with no added sugar automatically receives an HSR of 4.5.
 - (e) An alternative approach is explored for all other non-dairy beverages to address the lack of distinction between 2.5 and 4 stars.
26. In addition, the non-alcoholic beverage industry should be given the same opportunity as other food categories to choose which is the most appropriate option of the HSR hierarchy to display.

Refinement relating to the treatment of sugars in the Health Star Rating Calculator

27. The NZBC agrees there is increasing attention relating to sugar consumption by some consumers and acknowledges that there is stakeholder concern regarding the perceived inappropriately high health star ratings of some products relatively high levels of added sugar. The NZBC believes this may be impacting on rates of consumer trust in the HSR system in New Zealand and it is important that this is addressed.
28. The NZBC also acknowledges that dietary guidelines in New Zealand and Australia do recommend limiting added sugar. It should be noted that there is no universally agreed definition for 'added sugars', which makes it difficult to determine the amount of added sugar in a product.
29. Total sugar, on the other hand, can be easily tested and it is relatively simple to ensure compliance. It is also important to note that there is no difference between the structure and how the body metabolises the same sugars that are intrinsically found in a food or added to it during process.
30. For these reasons, of the four options presented in the *Five-Year Review of the Health Star Rating Consultation Paper: Options for System Enhancement*, **the NZBC supports Option C – Increase the baseline points awarded for total sugars to reduce health star ratings for products relatively high in total sugars**. The NZBC would recommend increasing the baseline points for total sugar content to 25.
31. This change should result in a reduction in the HSR of those products that are relatively high in total sugars and which do not have significant nutritional value. This will likely impact on those products that consumers are most concerned about and should help improve consumer trust in the HSR system.

Conclusion

32. The NZBC would like to thank mpconsulting for the opportunity to make this submission. If you have any further requests for information, please contact:

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