

# choice

## HEALTH STAR RATINGS AND ADDED SUGARS A consumer perspective



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# ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit

[www.choice.com.au/campaigns](http://www.choice.com.au/campaigns)

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# INTRODUCTION

Health Star Ratings (HSRs) are a front-of-pack labelling initiative which allows consumers to quickly compare the nutritional value of packaged food products within categories.

Many major food manufacturers have started to place HSRs on their products, with 3,000 products now displaying HSRs in Australia.<sup>1</sup> Some categories have better representation of HSRs than others. Across the breakfast cereal aisle, for example, all major food manufacturers are using HSRs.

Added sugars are an area of significant and increasing concern for consumers and government in Australia and internationally. For example, in May this year, the United States Food and Drug Administration finalised a new nation-wide 'Nutrition Facts' label that helps consumers know how much sugar has been added to food products.<sup>2</sup> CHOICE has observed increasing consumer interest in sugar labelling through our social media platforms, and identified it as priority for further research.

CHOICE conducted a nationally representative survey on issues with HSRs and added sugars to gain a greater understanding of consumers' views on food labelling in these areas. Our survey shows that many consumers find HSRs useful and want to see them rolled out across more products. However, a growing number of consumers do not have or are losing confidence in the system. This is primarily due to a number of anomalies, particularly those that allow foods with high levels of sugar, salt or saturated fat, and few positive nutrients, to carry relatively high HSRs.

Our survey also shows overwhelming public support for listing added sugars in food Nutrition Information Panels, and even more so for identifying them in ingredients lists.

Based on the survey findings presented in this report, CHOICE recommends that:

- The Health Star Rating Advisory Committee considers further advertising of the HSR system that targets older people and people in New Zealand, Queensland, Tasmania, the Northern Territory and the ACT.
- The Health Star Rating Advisory Committee restricts the use of HSRs on foods with high levels of sugar, salt or saturated fat to address consumer concerns and prevent

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<sup>1</sup> <http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/news-20161804>

<sup>2</sup> <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm502182.htm>

HSRs giving a 'health halo' to unhealthy options. CHOICE's preference is that HSRs are capped at a low level on all such foods.

- Companies are prevented from manipulating the HSR their product gets by choosing a nutrient rich liquid as a serving suggestion on an 'as prepared' basis or by only applying HSRs on foods which receive a high rating.
- The Health Star Rating Advisory Committee scopes the viability for added sugars to be accounted for rather than total sugars when calculating a product's HSR.
- The Forum of Food Regulation Ministers requires that added sugars are explicitly labelled in the ingredients list as well as in the nutrition information panel.
- The Health Star Rating Advisory Committee focuses on improving the application of HSRs on packaged foods before considering how to extend it further.

## About the research

The research presented in this paper was commissioned to better understand how consumers in Australia and New Zealand use and understand HSRs. The research was jointly funded by CHOICE and Consumer NZ.

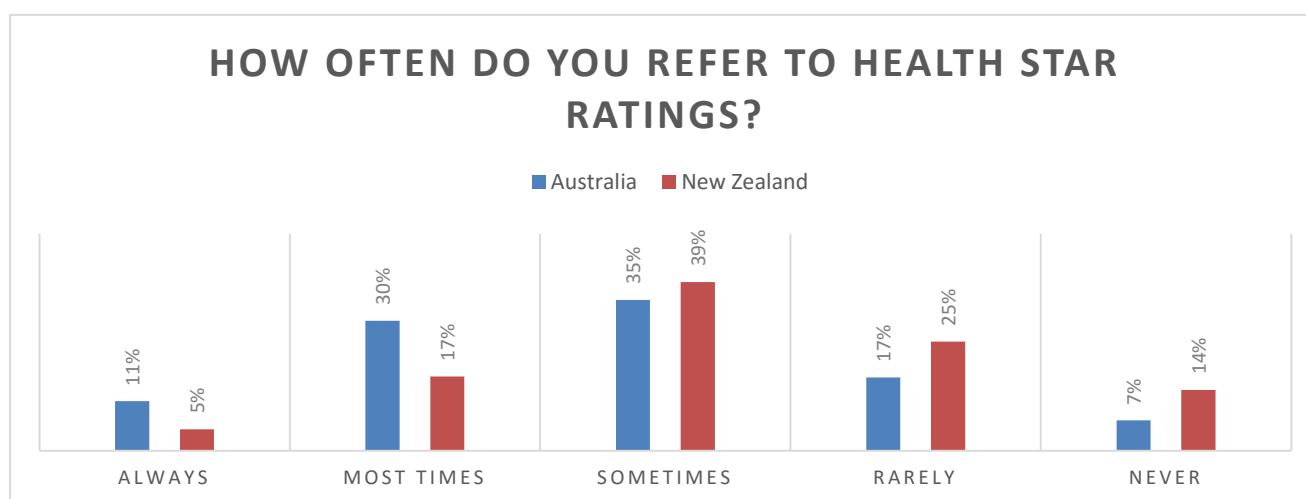
The research was conducted via online self-complete survey, in partnership with The ORU. The ORU is ISO 20252 / ISO 26362 accredited panel provider and full AMSRO member. Fieldwork was undertaken from the 4<sup>th</sup> to the 14<sup>th</sup> of July, 2016.

The Australian sample of  $n = 1,010$  is nationally representative of the 2011 ABS census data. The New Zealand sample of  $n = 530$  is nationally representative of the 2013 Statistics New Zealand census.

# 1. Consumer awareness and use of HSRs

Consumers are noticing and using health stars. 72% of people in Australia and 61% of people in New Zealand have seen HSRs printed on food products.<sup>3</sup> Across Australian states, more people in NSW (75%), Victoria (74%), South Australia (75%) and Western Australia (76%) have seen HSRs compared to people in Queensland (62%) and Tasmania, the Northern Territory and the ACT (69%).

Slightly more Australian women (75%) than men (69%) have seen HSRs on food packaging. Recognition also varies across income categories, with only 67% of people earning less than \$50,000 saying they have seen HSRs compared to 75% of people earning over \$100,000.<sup>4</sup>



76% of Australians refer to HSRs always, most times or sometime when choosing foods, compared to 61% of New Zealanders.<sup>5</sup> There is a noticeable difference between awareness and use of HSRs in Australia and New Zealand. This may be due to higher adoption rates or more targeted advertising in Australia. There is room for further education initiatives about HSRs: 54% of people in Australia and 47% of people in New Zealand think they have a good understanding of HSRs.<sup>6</sup>

<sup>3</sup> HSR Consumer Survey 2016 in response to 'Have you seen any Health Star Ratings printed on food packaging before now?' n=1540

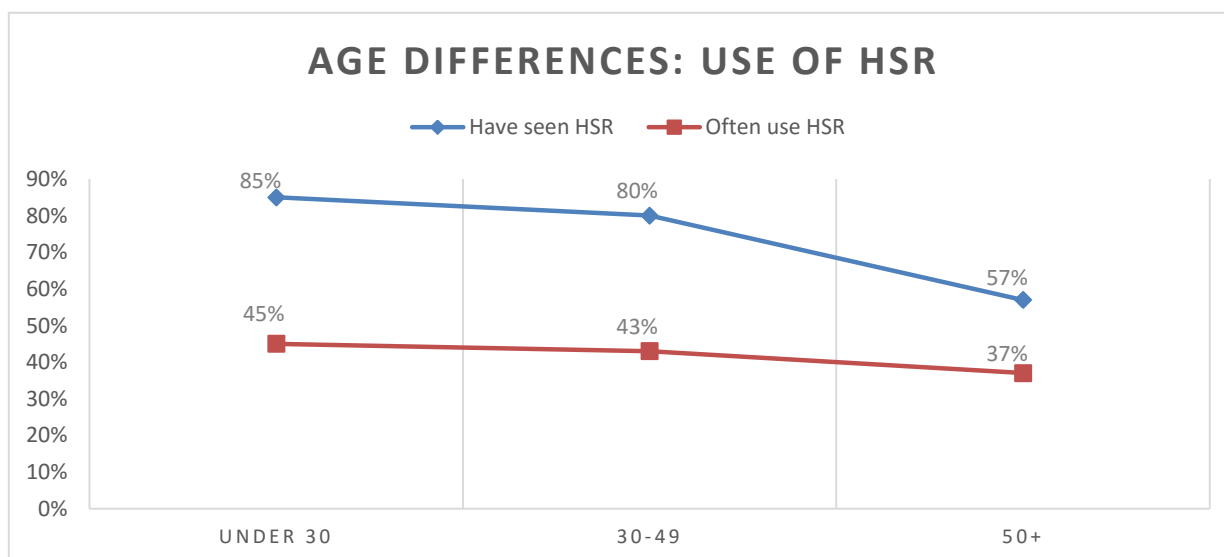
<sup>4</sup> Responses to 'Have you seen any Health Star Ratings printed on food packaging before now?' n= 1010 (Australian sample only)

<sup>5</sup> Responses to 'When choosing what foods to buy, how often do you refer to Health Star Ratings if a rating is printed on the packaging?' n=1,050 base includes only those that have seen HSR

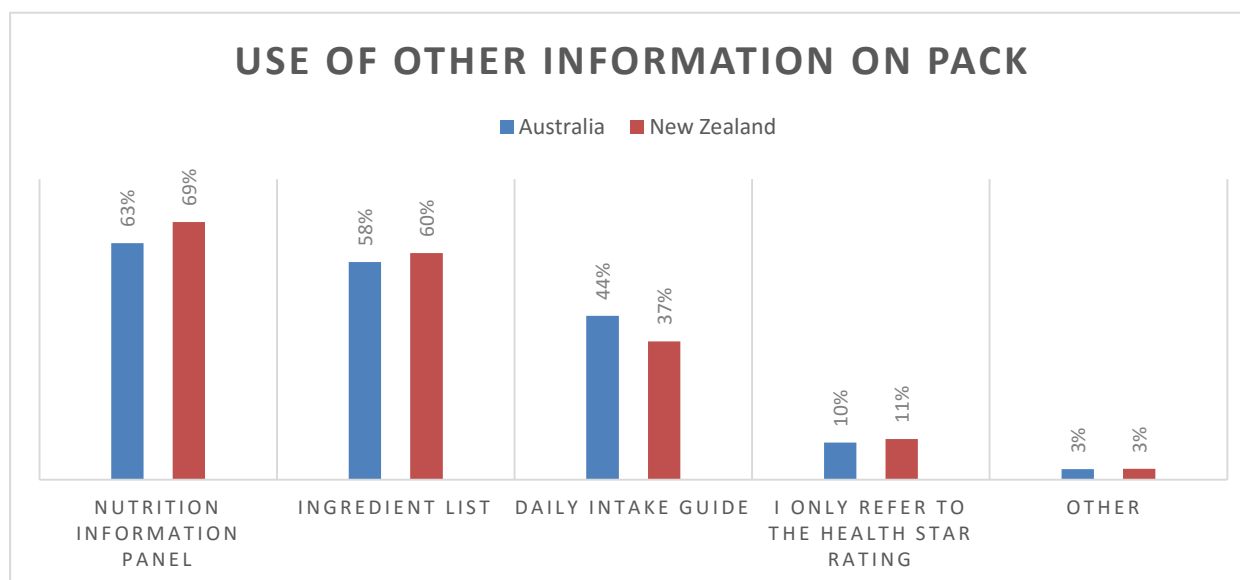
<sup>6</sup> Responses to 'Do you agree or disagree with the following statements about HSRs: I don't think I have a very good understanding of Health Star Ratings.' Count of Strongly disagree and disagree, n=1540



More Australian young people say they have seen HSRs in store. While fewer people over the age of 50 have seen HSRs, those who have are more likely to use them often when shopping.<sup>7</sup>



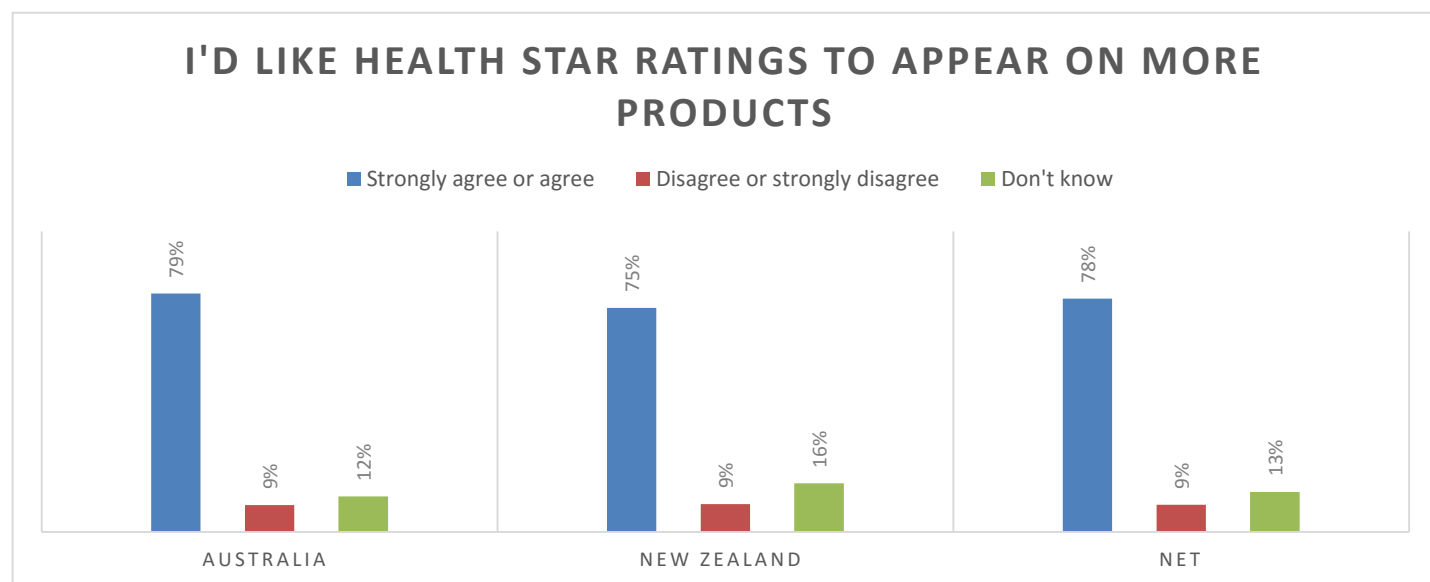
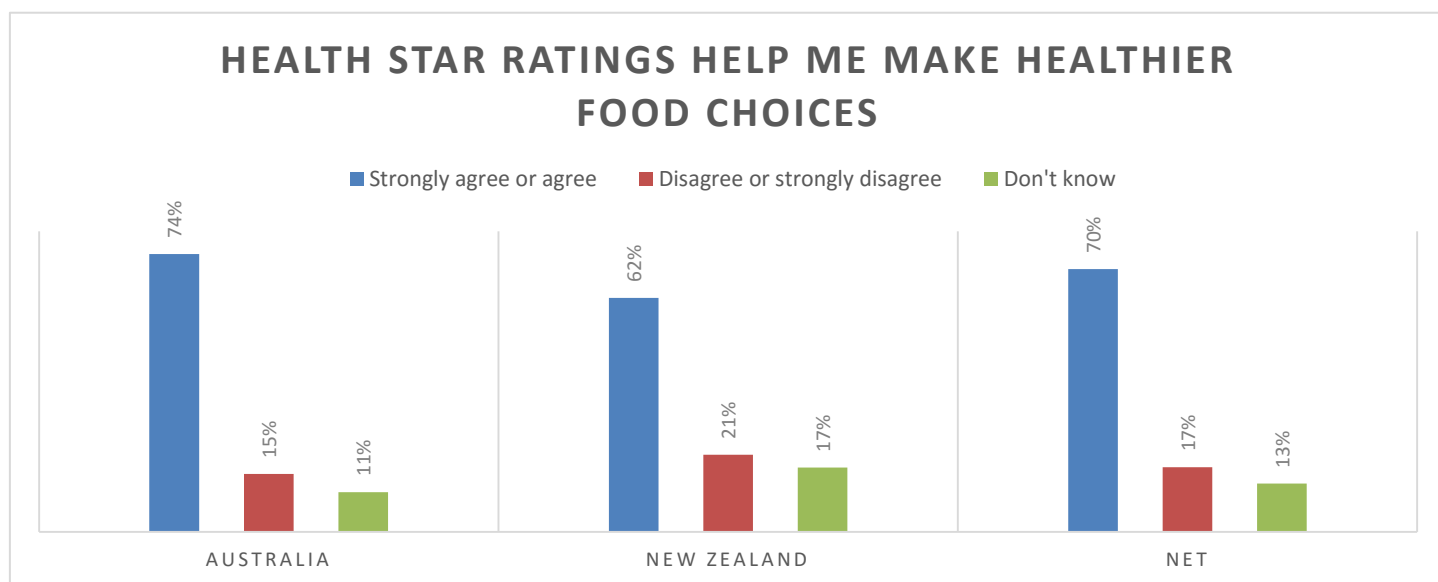
Most people who use HSRs also refer to other information on packages. Most people also use the Nutrition Information Panel (NIP) or the ingredients list, fewer people use the Daily Intake guide (DIGs).<sup>8</sup>



<sup>7</sup> Responses to 'Have you seen any Health Star Ratings printed on food packaging before now?' and 'How often do you refer to Health Star Ratings' (responses 'Always' and 'Most times') n=1010.

<sup>8</sup> Responses to 'I also refer to the following information on packaging (tick all that apply)' n=955.

Most people agree or strongly agree that HSRs help them to make healthier food choices. They overwhelmingly want to see HSRs on more products.<sup>9</sup>



<sup>9</sup> Responses to 'Do you agree or disagree with the following statements about HSRs: Health star ratings help me make healthier food choices; I'd like Health Star Ratings to appear on more food products. N= 1540.



## 2. Anomalies undermining HSRs

HSRs can help consumers make healthier choices. Anomalies only affect a small proportion of products but they have a significant impact on public perceptions of the whole scheme. CHOICE is concerned that if anomalies are not addressed now, consumers will lose confidence in HSRs, rendering the system ineffective. CHOICE believes the HSR Advisory Committee needs to address the following four anomalies:

### Foods with high levels of sugar, salt or saturated fat receiving high ratings

When foods with high levels of sugar, salt or saturated fat and few positive nutrients receive a high star rating, this undermines the HSR system. These foods are defined by the Australian Dietary Guidelines as:

*“foods and drinks not necessary to provide the nutrients the body needs, but that may add variety. However, many of these are high in saturated fats, sugars, salt and/or alcohol, and are therefore described as energy dense. They can be included sometimes in small amounts by those who are physically active, but are not a necessary part of the diet”.<sup>10</sup>*

Potato chips, confectionary and chocolate are given as specific examples.. Sea-salt potato chips receiving 4 stars, Paddle Pops receiving 3 stars or liquorice receiving 2.5 stars are contributing to a growing mistrust in HSRs.<sup>11</sup> If nutrient-poor foods continue to score high HSRs, consumer confidence in the system will decline. This aligns to some of the feedback we have received from CHOICE members:

*“I am concerned that very sweet foods can still get a high star rating.”*

*“The Health Star Rating doesn't seem to reflect good advice. How can chips get a rating of 4. There is something wrong with how the rating is worked out.”*

<sup>10</sup> [https://www.nhmrc.gov.au/files/nhmrc/publications/attachments/n55\\_australian\\_dietary\\_guidelines\\_130530.pdf](https://www.nhmrc.gov.au/files/nhmrc/publications/attachments/n55_australian_dietary_guidelines_130530.pdf)

<sup>11</sup> <http://www.foodswitch.com.au/>

*“If potato chips can get a 4-star rating, they need to make a new rating as potato chips should never have a high rating. It doesn't seem like it would be helpful in making good healthy decisions”<sup>12</sup>*

We asked about HSRs and foods with high levels of sugar, salt or saturated fats and few positive nutrients. Three in four people think HSRs should be mandatory; 23% of Australians and 21% of New Zealanders want these foods to have a set maximum rating.<sup>13</sup> Only 13% of Australians and 12% of New Zealanders thought these foods should not be allowed to display a HSR while only 8% of Australians and 13% of New Zealanders said they were happy with the status quo; i.e. optional display of HSRs on any food products.<sup>14</sup>

As well as increasing mistrust in the system, HSRs on foods with little nutritional benefit create a health halo, leading consumers to believe that the product is a better choice. We displayed a packet of The Natural Confectionary Company Snakes to survey participants.<sup>15</sup> One packet had no HSR, another had a HSR of ½ a star and the third packet had a HSR of 3 stars. Survey participants were randomly divided into three groups so that a third of participants saw the packet with no stars, a third saw the packet with ½ a star and a third saw the packet with three stars.

For Australians, 33% of people thought the product was very or extremely unhealthy when it had no HSR. The packet with ½ HSR created a stronger impression that the product was not healthy with 45% saying the product was extremely or very unhealthy.<sup>16</sup> However once a 3-star rating was placed on the product, it changed people's perceptions. Only 26% of people said the product was extremely or very unhealthy. A higher star rating on this confectionary product resulted in 28% of people classifying the product as quite healthy. Very similar trends occurred when people in New Zealand were asked the same question.

<sup>12</sup> Comments from CHOICE member survey, May 2016.

<sup>13</sup> Responses to 'Next we'd like to ask you about foods that are high in sugar, fat and/or salt, or energy generally, and low in anything beneficial like vitamins, minerals or protein. Examples of these foods include: cakes, biscuits, confectionary, chocolate, pastries, pies, ice confections, butter, cream, potato chips, sugar-sweetened soft drinks and cordials, sports and energy drinks and alcoholic drinks. Based on the current calculation method, these types of foods can achieve the full range of Health Star Ratings, i.e. 0.5 to 5 stars (e.g. some potato chips achieve 4 stars). Currently, the use of Health Star Ratings is not mandatory, so it is up to the food company to decide whether to display any star ratings on their products. In your opinion, how do you think Health Star Ratings should be displayed, if at all, that would best help you make an informed choice?', n=1540.

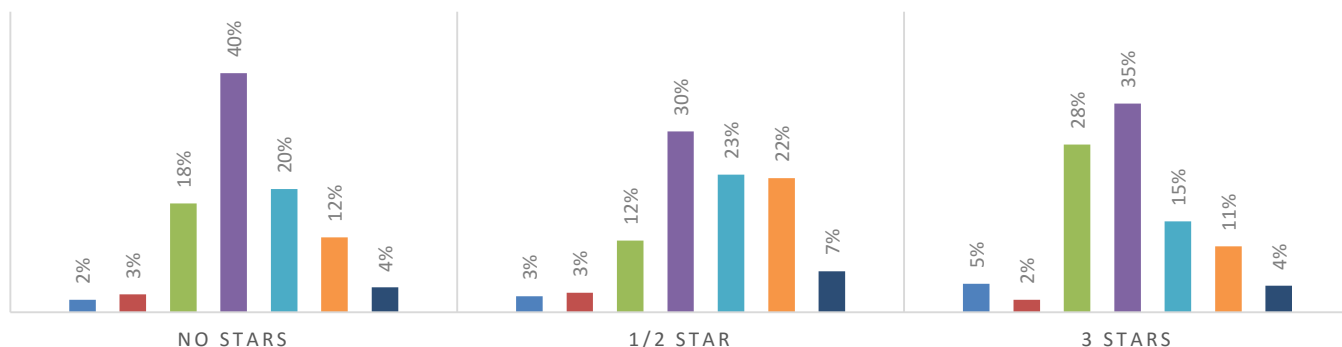
<sup>14</sup> Ibid

<sup>15</sup> This product was chosen as it is a confectionary food with the potential of leading people into believing it is a healthier choice due to the natural reference in its title.

<sup>16</sup> Responses to *Please take a look at the product below. How healthy would you rate this product? (Select one)*, Australian n=1010. New Zealand n=530.

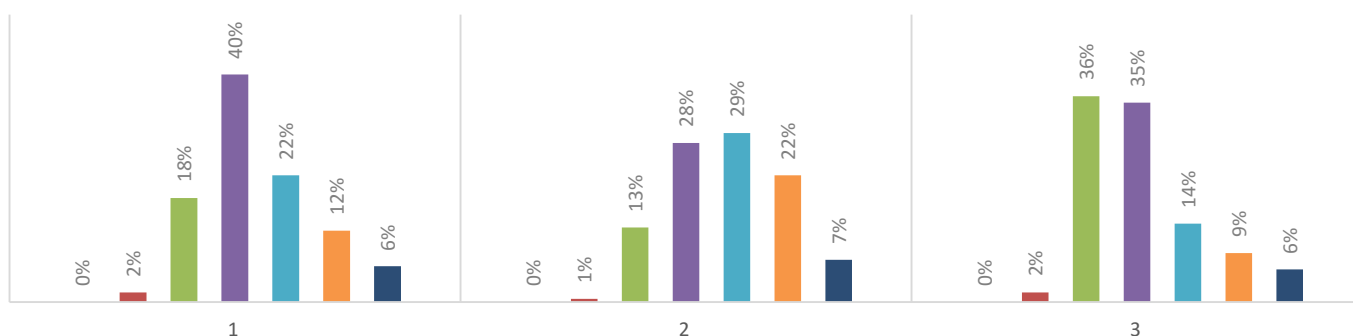
## HOW HEALTHY DOES CONFECTIONARY APPEAR WITH DIFFERENT HEALTH STAR RATINGS? (AU)

■ Extremely healthy ■ Very healthy ■ Quite healthy ■ Quite unhealthy ■ Very unhealthy ■ Extremely unhealthy ■ Don't know



## HOW HEALTHY DOES CONFECTIONARY APPEAR WITH DIFFERENT HEALTH STAR RATINGS?(NZ)

■ Extremely healthy ■ Very healthy ■ Quite healthy ■ Quite unhealthy ■ Very unhealthy ■ Extremely unhealthy ■ Don't know



## HSRs on an 'as prepared' basis (the Milo problem)

While calculating HSRs 'as prepared' is reasonable when the product is prepared with water, which isn't itself providing nutritional benefits (i.e. cordial or packet soup), some food manufacturers have taken advantage of the leniency of the as-prepared guidelines. Nestle's Milo gets a HSR of 4.5 stars. However, this is based on mixing 3 teaspoons of Milo with skim milk, reflecting the nutritional benefits of the skim milk more than Milo, which on its own gets a 1.5-star rating.

49% of Australians and 47% of New Zealanders thought that HSRs should be calculated based on 100 grams or millilitres of the product alone.<sup>17</sup> 36% of Australians and 37% of New Zealanders thought some products should be allowed to calculate star ratings 'as prepared' with other ingredients.<sup>18</sup>

Looking closely at the Milo calculation, very few consumers eat Milo as Nestle says it is meant to be prepared. Most people mix the product with full cream milk: 55% of Australians and 61% of New Zealanders have Milo this way. Only 13% of Australians and 10% of New Zealanders say they drink Milo with skim/trim milk. More people are mixing Milo with light milk (23% in Australia, 16% in New Zealand), a number mix it with water (4% in Australia, 8% in New Zealand) and some mix it with ice cream (2% Australia, 1% New Zealand).<sup>19</sup>

Considering the many ways people are consuming this product and the small amount of people actually mixing Milo with skim milk, CHOICE maintains that Milo's HSR is misleading.

When consumers see that a chocolate-based powdered product that is high in sugar carries a 4.5 star rating, it causes them to question the whole HSR system. Some of the feedback we received from CHOICE members reflected this. Members have told us that:

*I was shocked to see a high Health Star rating on Milo, it makes me question the validity of the whole scheme when what is typically considered a 'junk' food can receive such a high rating.*

<sup>17</sup> HSR Consumer Survey 2016 in response to 'For most food products, their Health Star Ratings are calculated based on 100 grams or millilitres of the product. However, some products can calculate their star ratings 'as prepared' with other ingredients. For example, Milo can calculate its Health Star Rating based on being mixed with milk, and cake mixes can calculate their Health Star Rating based on being mixed with other cake ingredients (eggs, milk, etc.). Do you think some products should be allowed to calculate their star ratings 'as prepared' with other ingredients like Milo and cake mixes? (Select one)', n=1540

<sup>18</sup> Ibid.

<sup>19</sup> HSR Consumer Survey 2016 in response to 'With which of the following do you drink / eat Milo most often? (Select one)', n=940. Excludes n=600 that do not eat Milo.

*There is no way milo is healthy. This says that the star system doesn't work already.*

*I think its [sic] quite bizzare [sic] that high sugar cereals and Milo can have a healthy rating when it is quite clear that its [sic] not deserved.*

## Inconsistent application of HSRs

A recent CHOICE analysis of 224 muesli bars, cereal bars, oat slices, nut bars and raw bars (collectively snack bars) found that more than half (55%) didn't display a Health Star Rating (HSR).<sup>20</sup> While this is perhaps not surprising for a system that is currently voluntary, this low take-up by manufacturers is particularly disappointing in a category where products vary so widely in terms of nutrition.

Our analysis found products that achieved a higher star rating (3 or above) were about five times more likely to show an HSR than products that rated 2.5 or less. Some companies weren't consistently applying HSRs across their whole snack bar product range, only putting HSRs on their healthier offerings and leaving their less healthy offerings without a rating.

CHOICE identified four companies that cherry-picked higher rating products to label with HSRs:

- **Aribar.** Of the four Aribar products in our review, two were labelled with an HSR – both 4 stars. The two products that weren't labelled had HSRs of 3 and 2.5.
- **Carman's.** Of the 17 Carman's snack bar products in our review, seven were labelled with an HSR, and these were all 3 stars or higher. Of the 10 products that weren't labelled, seven were calculated to have an HSR of 2.5 or less.
- **Go Natural.** Of the 20 Go Natural products in our review, 14 were labelled with an HSR, and these were all 3 stars or higher. Five of the six products without an HSR on the label scored less than 3 stars.
- **Kellogg's.** Of the 13 Kellogg's products in our review, only one was labelled with an HSR, which was 4 stars. 11 of the 12 products that weren't labelled with an HSR scored 2.5 stars or less.

<sup>20</sup> See <https://www.choice.com.au/food-and-drink/bread-cereal-and-grains/cereal-and-muesli/articles/muesli-and-cereal-snack-bar-review>

These companies aren't complying with the HSR style guide, which clearly states that "food companies that choose to adopt the HSR System are encouraged to do so consistently across their product range, and/or within product categories."<sup>21</sup>

Labelling some products and not others means that consumers can't effectively compare similar products made by the same company using the HSR system. But worse still, selectively displaying HSRs on only healthier products creates a health halo across the entire snack bar range sold under a brand, which can be misleading.

## Added sugars

Recently, the Australian Bureau of Statistics reported that one in two Australians usually exceed the World Health Organisation's (WHO) recommendation that free sugars should contribute to less than 10 per cent of total energy intake.<sup>22</sup> They found that close to three quarters of children and young people aged 9-13 and 14-18 years are usually deriving 10 per cent of their energy or more from free sugars - which include the added sugars from food and beverage processing and preparation as well as honey and the sugar naturally present in fruit juice.<sup>23</sup>

Currently food manufacturers aren't required to label added sugars. Most people want both the amount of total and added sugars listed on Nutrition Information Panels (NIPs). 68% of Australians and 71% of New Zealanders want total and added sugars on NIPs, with only 18% and 17% respectively are happy with the status quo of only labelling total sugars.<sup>24</sup> People over 50 years old (73%) and women (73%) particularly want to see labels with added and total sugar labelling.

There is even greater support for added sugars to be explicitly labelled as such in ingredients lists. Four out of five people want added sugars called out in ingredients list, with more people

<sup>21</sup> HSR Style Guide, section 2.3e.

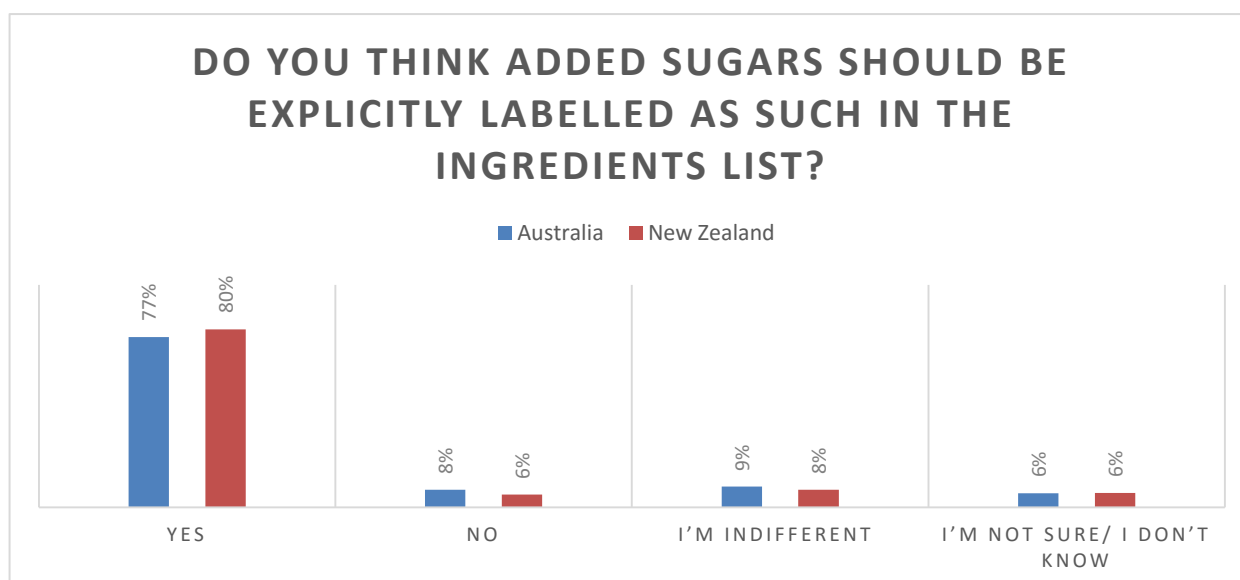
<sup>22</sup> [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.011~2011-12~Media%20Release~Consumption%20of%20added%20sugars%20exceeds%20recommendations%20\(Media%20Release\)~11](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.011~2011-12~Media%20Release~Consumption%20of%20added%20sugars%20exceeds%20recommendations%20(Media%20Release)~11)

<sup>23</sup> Ibid

<sup>24</sup> HSR Consumer Survey 2016 in response to 'Next, we'd like to ask you about how sugar content is listed on nutrition information panels. In Australia, food manufacturers are only required to list a product's total amount of sugars on the nutrition information panel (see an example below). This total amount of sugars is also used in the Health Star Rating calculation. This total amount of sugars can actually be divided into natural and added sugars. Natural sugars are those present naturally within the food (e.g. sugars in the apple in an apple pie), while added sugars are added to the product during processing (e.g. sugars added to the apple filling in an apple pie). The World Health Organisation and the Australian Dietary Guidelines recommend limiting the intake of added sugars. With this information, do you think food manufacturers should be required to list on the nutrition information panel...?', n=1540

indifferent about the policy (9% in Australia, 8% in New Zealand) than those who oppose this change (8% in Australia, 6% in New Zealand).<sup>25</sup>

The HSR algorithm takes into account total sugars when calculating a product's rating. Considering the WHO and Australian Dietary Guidelines recommend people to reduce or limit their intake of added sugars and the strong consumer desire to have this information available on pack, we strongly encourage the HSR Advisory Committee scope the viability for added sugars to be accounted for rather than total sugars when calculating a product's HSR. CHOICE is also calling on the Forum of Food Regulation Ministers to list added sugars in the ingredient list as well as in the nutrition information panel.



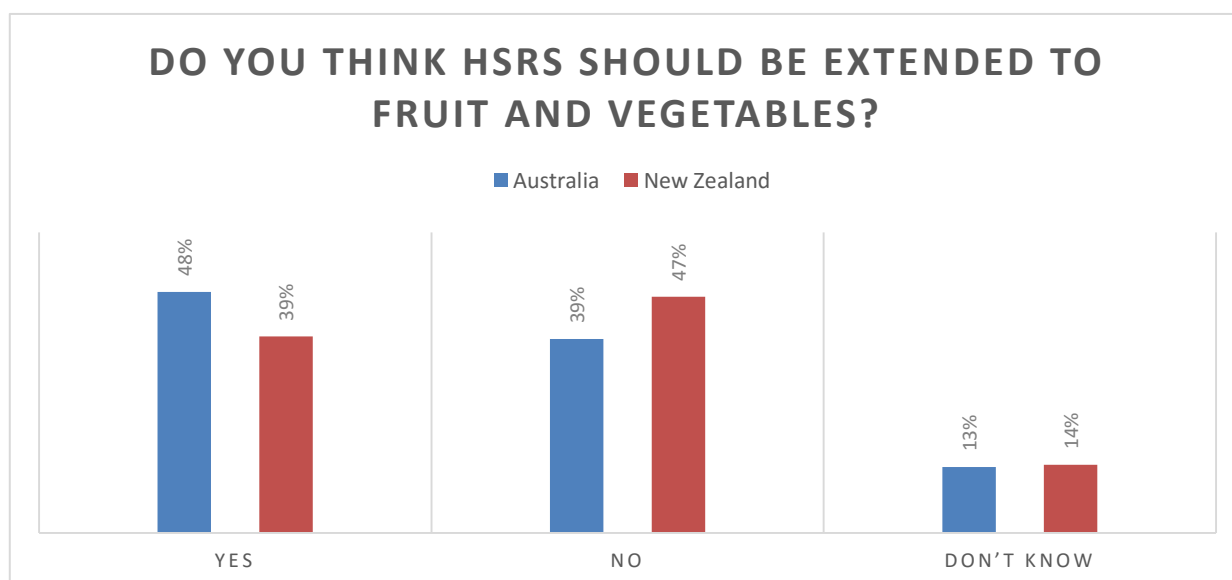
<sup>25</sup> Responses to *Do you think added sugars should be explicitly labelled as such in ingredients list?* N=1540



### 3. Expanding HSRs

Currently, HSRs are only displayed on packaged food products. There has been some discussion of expanding the scheme to other products, for example fresh fruit and vegetables, which are vital parts of a healthy diet.

Our survey indicated mixed support for expanding HSRs to unprocessed fruit and vegetables. Just under half of Australians and 39% of New Zealanders think HSRs should be extended to fruit and vegetables.



People under 30 are slightly more likely to support extending HSRs to fruit and vegetables (51% support, 15% don't know) compared to people over 50 (47% support, 12% don't know).

There are a number of reasons why people are uncertain about expanding HSRs to fruit and vegetables. 26% of Australians and 32% of New Zealanders agreed with the statement that 'All fresh food is good for you so there is no point adding a Health Star Rating.'<sup>26</sup>

Many people believe that there needs to be a nuanced approach to applying HSRs to fruit and vegetables. 47% of Australians and 43% of New Zealanders think that not all fresh foods are

<sup>26</sup> Please complete this sentence: a. So there is no point adding a Health Star Rating  
b. But not all fresh foods are equal in nutritional value, so we need Health Star Ratings specific to each fruit and vegetable c. So they should all receive a Health Star Rating maximum of 5 stars d. But I am not sure e. But I have another idea...please tell us more. Select one, randomised. n =1,540

equal in nutritional value so they need a rating specific for each item. Only 12% of Australians and 5% of New Zealanders think that all fresh food should receive a HSR maximum of 5-stars.

Given these results, CHOICE believes the HSR Advisory Committee should focus on improving the application of HSRs on packaged foods before considering how to expand them onto other products.