New Zealand Front of pack labelling Advisory Group
Final Report to the Minister for Food Safety
2 November 2012

Purpose

In February 2012, the Minister for Food Safety, Hon Kate Wilkinson appointed an Advisory Group to provide advice on an approach to voluntary interpretive front of pack labelling in New Zealand.

This report is the result of the Advisory Group’s work. It provides a set of principles to guide the development of a front of pack labelling system in New Zealand and outlines the steps that should be considered in the implementation of a voluntary scheme. Any system developed for New Zealand should ideally align with front of pack labelling developments in Australia.

Background

Front of pack labelling has been the subject of considerable work in the joint food standards system since 2006. In 2009, following consideration by a Food Regulation Standing Committee (FRSC) working group, the Australia and New Zealand Food Regulation Ministerial Council (ANZFRMC) issued a policy statement on front of pack labelling. The ANZFRMC Policy Statement is provided with this report at Appendix 1.

The Blewett Review of Food Labelling Law and Policy

In 2009, the Council of Australian Governments (COAG) asked the Australia and New Zealand Food Regulation Ministerial Council (ANZFRMC) to commission an independent review of food labelling law and policy using an evidence based approach and without compromising public health and safety. This Report sought to address many food labelling issues that have challenged governments in New Zealand and Australia, and overseas for many years.

Neal Blewett, former Australian Minister of Health, was asked to lead a panel of independent experts to undertake the review. In 2010, the Review panel released a consultation paper, and held public meetings in Australian capital cities, and in New Zealand in Wellington and Christchurch.

The Review panel published its final report, Labelling Logic, in January 2011. Labelling Logic included 61 recommendations on a variety of food labelling and regulation matters. Among those were a set of recommendations relating to front of pack labelling. The Review recommended:

50. That an interpretive front of pack labelling system be developed that is reflective of a comprehensive Nutrition Policy and agreed public health priorities

51. That a multiple traffic lights front-of-pack labelling system be introduced. Such a system to be voluntary in the first instance, except where general or high-level health claims are made or equivalent endorsements/trade names/marks appear on the label, in which case it should be mandatory
52. That government advice and support be provided to producers adopting the multiple traffic lights system and that its introduction be accompanied by comprehensive consumer education to explain and support the system.

53. That ongoing monitoring and evaluation of the multiple traffic lights system be undertaken to assess industry compliance and the effectiveness of the system in improving the food supply and influencing consumers’ food choices.

54. That chain food service outlets across Australia and New Zealand be encouraged to display the multiple traffic lights system on the menus/menu boards. Such a system be mandatory where general or high level health claims are made or equivalent endorsements/trade names/marks are used.

55. That any beverages containing alcohol be exempt from nutrition-related front-of-pack requirements.

**ANZFRMC Response to the Blewett Review**

The ANZFRMC released its response to the Blewett Review’s recommendations in December 2011. In response to the front of pack labelling recommendations, the ANZFRMC supported the development of an interpretive front of pack labelling system (recommendation 50), and put the remaining recommendations ‘on hold’ until this was completed.

In supporting recommendation 50, the ANZFRMC proposed to ‘undertake a collaborative design process with industry, public health, and consumer stakeholders, with a view to reaching a broad consensus on a possible approach to interpretive front of pack labelling’.

**A New Zealand Approach**

The New Zealand Government has consistently engaged in policy development work on front of pack labelling in the joint system. All such engagement takes account of high level Government policies concerning regulation. This includes ensuring that policy development is consistent with the Regulatory Impact Assessment requirements published by the New Zealand Treasury, and, in addition, from 2009, the Government Statement on Regulation, in which the Government has undertaken to:

- introduce new regulation only when it is satisfied that it is required, reasonable, and robust
- review existing regulation in order to identify and remove requirements that are unnecessary, ineffective or excessively costly

The Government Statement on Regulation also extends to ‘quasi-regulation’ where regulatory requirements are not set out in legislation, but where Government initiatives or interventions lead to regulation in the wider sense of the term.

Following the ANZFRMC’s response to the Blewett Review’s recommendations on front of pack labelling, FRSC was asked to draw up proposals for giving the response effect. Given the different policy environments in Australia and New Zealand, and as the non-regulatory nature of the Forum’s response to the FOPL recommendations sets this work outside the scope of the Agreement Between the Government of Australia and the Government of New Zealand Concerning a Joint Food Standards System (the Food Treaty), New Zealand has chosen to action the ANZFRMC’s response through the
development of an approach to front of pack labelling for New Zealand. Consistent with the ANZFRMC’s response to the Blewett Review, the Minister for Food Safety established the New Zealand Front of Pack Labelling Advisory Group to provide advice on a possible approach.

In February 2012, the Minister for Food Safety invited individuals identified by the Ministry for Primary Industries (MPI) as being suitable candidates to participate in the Advisory Group. Members of the Advisory Group were appointed based on their experience, expertise and networks in public health nutrition, academia, and the food industry.

The Advisory Group met face to face five times throughout 2012. This report represents the collaborative work of the Advisory Group. It provides a set of principles to guide the development of a voluntary interpretive front of pack labelling system in New Zealand, and identifies the steps necessary to implement and evaluate such a system.
**Principles for voluntary interpretive front of pack labelling**

The principles listed below represent the outcome of consideration of the evidence, and considerable deliberation and discussion by the Advisory Group. Details of deliberations on key principles are set out in Appendix 2 of this report.

**General principles**

1. **Purpose**: A front of pack labelling system should provide nutrition information in a format that is easy for consumers to use, and to help them make healthier food choices.

2. **Scope**: An interpretive front of pack labelling system should be able to be applied to all foods, excluding alcoholic beverages, infant formula, and foods for special medical purposes\(^1\) (as front of pack labelling is not considered appropriate for these foods).

3. **Interpretive**: a front of pack labelling system should present information in a non-linguistic and non-numeric form and be easy to understand by a wide range of consumers.

4. **Support Government nutrition policy**: A front of pack labelling system should reflect the importance of the ‘whole diet’ to the health and wellbeing of consumers, and complement Government nutrition guidelines.

5. **Placement**: The elements of a front of pack label should be displayed on the front of pack.

6. **Meaningful within food categories**: A front of pack labelling system should provide for meaningful comparisons within food categories and be broadly consistent with the categorisation of foods under the Food Standards Australia New Zealand (FSANZ) Nutrient Profiling Scoring Criteria (NPSC) developed for the Nutrition, Health and Related Claims Standard.\(^2\)

7. **Focus on the whole food, not specific nutrients**: a front of pack labelling system should provide an interpretation of the whole food. Nutrient specific information may also be used in a way that is consistent with and does not detract from the interpretative elements focused on the whole food.

8. **Adoption of a single system**: only one interpretive front of pack labelling system should be used in the market. Endorsements\(^3\) (e.g. the Heart Foundation Tick), and health and nutrition claims may be used where appropriate and so long as they do not portray inconsistent messages.\(^4\)

9. **Consumer education**: promoting consumer recognition, understanding, and use of the interpretive front of pack labelling system is crucial, and must be integral to the development of any front of pack labelling system.

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\(^1\) Kava (Standard 2.6.3) should also be excluded from a front of pack labelling system.

\(^2\) However, categorisation should be contingent on modelling, such that significant anomalies are adequately managed, particularly in relation to core foods.

\(^3\) As per definition in the draft Standard 1.2.7 Nutrition, Health and Related Claims

\(^4\) The principle of a single system in the market is intended to encourage a best practice approach by food businesses, based on existing evidence which shows a single system is likely to be most useful to consumers. However, this does not limit the legal ability of businesses to promote their products in a manner compliant with relevant food regulation.
Design principles

10. Positive marks: a front of pack labelling system should provide positive ‘marks’ for healthier foods.

11. Marks to start at zero: It should be possible for a food to score zero positive marks. This provides a clear distinction between healthier choices within and across food categories.

12. Scoring criteria to be based on ‘positive’ and ‘negative’ nutrients: Calculations of both positive and negative nutrients should be used in determining how many, if any, positive marks a food qualifies for. Calculations should be based on the nutrient profiling scoring criteria developed for the FSANZ Nutrition, Health and Related Claims Standard, enhanced where appropriate for front of pack labelling according to detailed modelling.

13. Scoring criteria to be based on amount of nutrients per 100g: The scoring criteria used to determine the number of front of pack labelling ‘marks’ a food receives should be based on nutrients per 100g. If modelling indicates significant anomalies, system design could consider calculations of nutrients ‘per serve’ in specific cases if it provides for a more meaningful mark.

14. Form of the food: Scoring calculations should be based on either:
   - the form of the food as sold (if the food can be prepared with other food, or consumed as sold), or
   - the form of the food as prepared (if the food is required to prepared and consumed according to directions provided on the food package).
Steps for developing and implementing a voluntary interpretive front of pack labelling system

1. **Bringing together key stakeholders.** While the development and implementation of a voluntary interpretive front of pack labelling system would predominantly be roles for the food industry, coordinating the participation of key stakeholders is crucial to ensure the system is robust, transparent, and acceptable to as wide a spectrum of stakeholders as possible. The Advisory Group considers there is a role for Government in coordinating the efforts of key stakeholders toward the development of a voluntary interpretive front of pack labelling system and ensuring consumer trust in the system.

2. **Engagement with the wider community** (industry, consumer, health sector, and media) should be a priority in the development of a front of pack labelling system. Engagement is important to raise awareness of system development, to seek feedback and constructive input, and to ensure the transparency and integrity of the process. Such engagement should start early and continue throughout the development process.

3. **Technical details** fundamental to the underpinning system should be confirmed prior to further system development. Principally:
   - categorisation of foods within the smallest number of categories possible based on detailed modelling;
   - confirming, based on nutrient profiling modelling, that the system can apply to all foods, but will be targeted at foods required by law to be labelled with nutrition information panels;
   - identifying the options available for the labelling of foods that score zero ‘marks’
   - consideration of how the design elements of any system might be modelled on existing consumer rating systems to ensure the design elements can be easily understood.

4. **Consumer testing** is necessary to confirm the design elements of a front of pack labelling system. Consumer testing should be used to:
   - identify the ‘marks’ best understood by consumers;
   - ensure consumers are able to understand the information presented and can use it to make an appropriate choice within a realistic timeframe;
   - assess differences in consumer understanding and expectations about the ‘healthiness’ of foods labelled with interpretive front of pack labelling to confirm a starting point of zero ‘marks’, or identify any significant benefit from a starting point of one ‘mark’;
   - identify whether consumer usability is improved by a system that is interpretive only, or interpretive with additional informational components; and
   - ensure the system is easily understood by consumers, especially by culturally and linguistically diverse groups and low literacy/low numeracy groups.

The front of pack labelling designs developed for consumer testing should reflect the principles outlined in this report, and the technical decisions made at point three above. Label options for consumer testing should be limited to as few as practicable, but enough to meaningfully inform decision making.

5. **Final design and implementation.** Develop the final system design and a voluntary implementation programme based on the outcome of consumer testing and stakeholder engagement. Any front of pack labelling system developed for New Zealand should seek to be as consistent as possible with front of pack labelling in Australia.
6. **Promote industry uptake and rollout.** This should include:
   - making available tools to facilitate uptake and rollout, for example a code of practice, a style guide, and a scoring calculator;
   - ensuring broad cross-sector support for the system (e.g. Government, NGOs, the Health Promotion Agency, and key opinion leaders) so that it can be relied upon by consumers and has value in the market for food businesses;
   - developing a process to monitor uptake in the marketplace and ways of communicating business participation; and
   - supporting an ongoing interface between interested parties.

7. **Consumer education** is an integral component, and critical to the implementation of any front of pack labelling system. While acknowledging that front of pack labelling can only ever be part of a wider strategy to improve consumer choices about food, a programme comprising the timely delivery of consumer education resources, social marketing, and promotion should be developed with roles for government, industry and the health and consumer sectors identified and agreed.

8. **Evaluation and monitoring** should be included in implementation planning for a front of pack labelling system. This should involve:
   - consulting with the Ministry of Health and the Health Promotion Agency about relevant population surveys;
   - establish baseline measures and methodology for evaluation over time, including, for example, identifying indicative food categories and products to monitor (a statistical ‘basket’);
   - providing feedback to all stakeholders on the operation and effectiveness of the system.
Appendix 1

AUSTRALIA AND NEW ZEALAND FOOD REGULATION MINISTERIAL COUNCIL
(Endorsed by Ministerial Council on 23 October 2009)

Front of Pack Labelling Policy Statement

Australia and New Zealand’s health strategies stress the importance of a preventive population-based approach to promoting health and reducing the prevalence of diet related chronic disease. In addition to individual behavioural approaches, the strategies recommend changing the environment to make healthier choices easier choices for people and addressing the needs of diverse population groups.

FOPL provides nutrition information to consumers on the front of packaged foods. FOPL is not a stand alone strategy but can fit within the context of broader health strategies.

There are indications that FOPL can contribute to consumer understanding of the nutritional content of foods and make it easier for consumers to make healthy choices. FOPL can additionally be used as a marketing incentive to drive the market towards the development of healthier products.

A FOPL scheme is a scheme that can guide consumer choice towards healthier food options and aims to:

Guide consumer choice by:
1. Enabling direct comparison between individual foods that, within the overall diet, may contribute to the risk factors of various diet related chronic diseases.
2. Being readily understandable and meaningful across socio-economic groups, culturally and linguistically diverse groups and low literacy/low numeracy groups.
3. Increasing awareness of foods that, within the overall diet, may contribute positively or negatively to the risk factors of diet related chronic diseases.

Be consistent with other health strategies and guidelines by:
4. Supporting and being consistent with the objectives of programs and strategies designed to reduce the risk of diet related chronic diseases.
5. Guiding consumers to the selection of foods consistent with the Australia and New Zealand dietary guidelines
6. Supporting and being consistent with the Australia and New Zealand dietary guidelines and Nutrient Reference Values

Affect the environment in which consumers make choices by:
7. Contributing to the creation of a supportive environment that can guide consumer choice towards healthier foods within the overall diet.
8. Providing incentive for improvements to the healthiness of the food supply
Appendix 2

Working Group deliberations

Scope

The Advisory Group considered that it was important that an interpretive front of pack labelling system can be used on all foods, but that the system is only intended to be used on packaged foods that would normally be required to be labelled with a nutrition information panel. However, there are exceptions to this, and common sense should be taken into account. For example, it may not be sensible to label some packaged foods (such as flour and baking sugars), while some unpackaged, foods such as bulk muesli, and fruit may benefit from front of pack labelling.

In addition, there are certain foods that should be excluded from using front of pack labelling. The proposed exclusions include alcohol (Part 2.7 of the Food Standards Code (the Code)), Kava (Standard 2.6.3), infant formula (Standard 2.9.1), and foods for special medical purposes (Standard 2.9.5). The Advisory Group also considered exclusions for foods for infants (Standard 2.9.2) and sports foods (Standard 2.9.4), but determined that as there can be considerable nutritional variation within these product groups, they may benefit from front of pack labelling. No other food groups should a priori be excluded or treated as special exceptions.

Where a company chooses to use the front of pack labelling system, the objective should be to apply it to all foods, not only those with ‘better’ nutritional profiles. However uptake would need to be staged to reduce costs and align with product and labelling cycles.

Support Government Nutrition Policy

Front of pack labelling should be developed to work alongside Government nutrition guidelines. While the purposes of nutrition guidelines and front of pack labelling are different (guidelines provide advice on diet, while front of pack labelling refers to the nutrition composition of individual foods), front of pack labelling should not be inconsistent with nutrition guidelines.

Meaningful within food categories

Categorisation of foods for front of pack labelling is one of the biggest challenges in developing a front of pack labelling system. Ideally a front of pack labelling approach should compare foods across the food supply to reflect where a food fits in the overall diet. However, when buying packaged food most people are likely to know what ‘type’ of food they want and choices are made within that ‘type’ (or category) of food.

The three categories in the Nutrient Profiling Scording Criteria (NPSC), developed for use in the FSANZ Nutrition, Health and Related Claims Standard, may achieve both an ‘across the board’ (i.e. provide an indication of the place of a food in the overall diet), and a category approach, as it allows for different thresholds to be used for beverages, and fats, oils and cheeses, while also avoiding the difficulties faced when trying to determine and define narrower food categories. The Advisory Group agreed in principle that the three food categories of the NPSC should be used to determine the nutritional score underpinning positive front of pack labelling ‘marks’ for foods, as long as this meaningfully differentiates within food groups and does not create anomalies for core foods in the diet. Detailed modelling of foods is required to confirm this. To identify priority foods for modelling, it will be necessary to consider both the nutrient content of foods and the contribution of those foods to the diet.
The New Zealand Adult Nutrition Survey 08/09 may provide information on the top contributors of those nutrients identified as important in the underpinning criteria for front of pack labelling. It is essential that any front of pack labelling system adequately differentiates between foods with better and worse nutrient profiles in these priority food ‘categories’.

**Focus on the whole food, not specific nutrients**

There are two main options for displaying an interpretive front of pack labelling system on pack, either:

- nutrient specific declarations, or
- a summary declaration of the whole food.

Nutrient specific systems list a chosen set of nutrients on the label with an interpretation of how much of each nutrient is present in the food relative to dietary needs, while a summary system would give an overall interpretive assessment of the food relative to its place in the diet, and to other foods.

The Advisory Group considered that interpretation of the nutrition profile of the whole food was more useful to consumers than relative interpretations of individual nutrients.

**Adoption of a single system**

The Advisory Group noted the weight of evidence from research supports the benefits of a single front of pack labelling system. It was noted that front of pack labelling systems already exist in the New Zealand market and that any front of pack system developed from the principles produced by the Advisory Group would ideally be used in place of currently used schemes. Endorsements (such as the Heart Foundation Tick) and health and nutrition content claims could co-exist with FoPL on pack where they were complementary to the interpretive front of pack label and did not create confusion for consumers.

**Positive marks**

The Advisory Group acknowledged that consumers are more likely to respond to positive messages about foods. This aligns with marketing research that indicates consumers respond better to reasons to purchase products, rather than reasons not to purchase. The advisory group therefore considered that positive marks should be used to indicate healthier products.

**Marks to start at zero**

The Advisory Group considered that starting at zero marks (i.e. where it is possible that the nutrition profile score of a food is lower than a threshold required to get one mark) is important as a positive mark system suggests that even foods with one mark have some positive health attribute. If marks were to start at one, consumers may misinterpret products carrying one mark as being ‘healthier’ than products with no marks.

A zero mark start system has two variations, either food products with zero marks do not carry any front of pack information, or they display an ‘empty’ score. The Advisory Group considered that not carrying any front of pack information was the most appropriate for consumers. It may also act as an incentive for food companies with products that have better nutritional profiles to adopt front of pack labelling as consumers may otherwise interpret their products as being ‘less healthy’ due to the lack of a positive mark.
However, the Advisory Group considered that while a starting point of zero is its strong preference, any final decisions on the starting point for positive marks need to be confirmed by detailed modelling and consumer testing.

Scoring criteria

The Advisory Group agreed that both positive and negative nutrients should be used in the underpinning criteria for positive marks. Important nutrients to include in this are energy (acknowledging that energy is not a nutrient), sodium, saturated fat, protein, fruit and vegetable content, and fibre. Aligning where possible with existing systems to be used for food labelling was seen as desirable and as such the Advisory Group supported in principle the Nutrient Profiling Scoring Criteria (NPSC) developed for the FSANZ Nutrition, Health and Related Claims Standard as a starting point in seeking a suitable nutrient profiling system to underpin a front of pack labelling approach for New Zealand. Significant modelling to determine whether the NPSC could be used to rank products according to healthfulness would be required as this was not the original purpose of the system. Modelling will also be required to determine whether, when using the NPSC, meaningful differentiation is possible between products within the same food category.
Appendix 3

New Zealand Front of Pack Labelling Advisory Group:
Terms of Reference and Membership

Advisory Group terms of reference

The Advisory Group has been asked to:

- Consider the latest evidence regarding front of pack labelling (FOPL)
- Consider global developments in FOPL, particularly in Australia and New Zealand
- Identify areas of common ground shared by stakeholder groups on:
  - the purpose of FOPL
  - assessments and critiques of current FOPL systems
  - foods on which some form of FOPL would be of most benefit
  - information that should be included in FOPL, or on which FOPL should be based
  - the presentation of FOPL
  - promotion/education that can assist consumer use of FOPL
  - alternatives to FOPL
- provide advice on evaluation strategies for FOPL based on the above
- Identify, if possible, a pragmatic approach to FOPL that may be used on a voluntary basis

Advisory Group Membership

Jenny Reid, Ministry for Primary Industries (Chair)
Pierre van Heerden, Sanitarium New Zealand
Dave Monro, National Heart Foundation
Katherine Rich, New Zealand Food and Grocery Council
Associate Professor Cliona Ni Mhurchu, Clinical Trial Research Unit, University of Auckland
Associate Professor Winsome Parnell, Department of Human Nutrition, University of Otago
Sue Pollard, New Zealand Nutrition Foundation.
Maurice Gunnell, Nestle New Zealand Ltd
Julie North, Heinz Watties
Julie Newlands, Unilever Australia
Dr Fran McGrath, New Zealand Ministry of Health

Observers

Michelle Mako, Health Promotion Agency
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