

QUALITATIVE RESEARCH WITH STAKEHOLDERS

FOOD LABELLING ISSUES
ANZFA

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FOOD LABELLING ISSUES – STAKEHOLDER QUALITATIVE RESEARCH

Report to



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1 EXECUTIVE SUMMARY

This study was conducted to gain qualitative data from key stakeholder groups about the food labelling provisions in the new Joint Australia New Zealand Food Standards Code. The Australia New Zealand Food Authority commissioned NFO Donovan Research to conduct the study, which was undertaken in Australia and New Zealand during February 2002.

The 'Food Labelling Issues – Stakeholder Qualitative Research' study, together with the preceding study 'Food Labelling Issues – Consumer Qualitative Research' was conducted to inform a follow-up quantitative benchmark research to support one of six activities identified in the ANZFA Evaluation Strategy. These activities aim to collect baseline data either prior to the adoption of new food standards or during the transition period from the old Food Standards Code to the new Australia New Zealand Food Standards Code. The baseline data will be used by ANZFA as a benchmark to evaluate the impact of implementing new regulatory measures on key stakeholders.

The current joint Food Standards Code was agreed in November 2000 (gazetted in December 2000) and is in the process of being implemented or adopted by the food industry over a two-year transition period. One of the principal objectives behind the development of new food standards include to ensure that labels are easy to interpret and that they deliver information that is easy to understand and use, thereby enabling consumers to make informed choices about the foods they purchase.

The 'Food Labelling Issues – Stakeholder Qualitative Research' involved three key stakeholder groups in Australia and New Zealand – health professionals, the food industry, and food enforcement officers. Focus groups were conducted with dietitians and nutritionists, general practitioners, alternative health practitioners and public health professionals. In depth face to face interviews were conducted with members of the food industry, namely food retailers, manufacturers and food service establishments. Focus groups and in depth interviews were also conducted with Environmental Health Officers and Senior Food Officers (Australia) and Food Safety Public Health Officers (New Zealand).

The study investigated a range of themes and lines of inquiry, which broadly covered how label elements are used and their relative importance, issues of concern and satisfaction with regards to labelling changes, perceived costs and benefits of labelling changes, perceptions about enforcement, and information needs. An interpretative summary of the results is presented, followed by detailed interpretation of the results for each stakeholder groups, and conclusions in the context of moving forward towards the transition deadline. The results have highlighted common perceptions and key differences between each stakeholder group. These are summarised in the table overleaf.

| ISSUE | HEALTH PROFESSIONALS | FOOD INDUSTRY | ENFORCEMENT OFFICERS |
|---|--|--|--|
| USE / IMPORTANCE OF LABEL ELEMENTS | <ul style="list-style-type: none"> Used mostly by nutritionists, however GPs, alternative health professionals and nutritionists all regard the Ingredients List and the NIP as the most useful elements. For those who specialise in allergens, the expansion of the list of allergens was also very helpful. | <ul style="list-style-type: none"> Most support for introduction of expanded allergen labelling. The mandatory NIPs and % label elements have had the greatest impact. | <ul style="list-style-type: none"> Labelling issues of low importance, relative to food safety and hygiene issues. Labelling elements directly related to health & safety (eg. date marks, allergen labels) take priority over 'information related' label elements (NIPs, % labels). |
| MAIN ISSUES AND/OR CONCERNS | <ul style="list-style-type: none"> The key changes to label elements, particularly the nutrition elements were viewed positively overall. Consumers as a whole need to be educated about labelling changes as they are the group who stand to benefit the most from changes. % Labelling in particular will require consumer and manufacturer education to be useful. Concern that increased use of 'may contain' allergen advisory statement could lead to restricting (rather than increasing) food choices for allergen sufferers. Concern that the changes may result in too much information on labels and be confusing to consumers (without adequate consumer education). | <ul style="list-style-type: none"> Most regard the introduction of these elements as overly onerous for manufacturers, and unnecessary for the majority of consumers and the majority of food products. Greatest concerns about compliance with NIPs, % labels and ingredient declarations. Smaller manufacturers and food service establishments were less or unprepared for compliance. Larger manufacturers report concerns about 'other' small manufacturers who are unlikely to be aware of the changes and/or be compliant by Dec '02. Many believe the transition period has not provided sufficient opportunity for manufacturers to ensure compliance by Dec'02 (due to late provision of interpretive information, clarification of issues or perceived changes to requirements). | <ul style="list-style-type: none"> Most EHOs not well informed of labelling changes in new Code. Current inspection workload too great to dedicate resources to labelling enforcement. Label elements such as NIPs and % labels difficult to assess or challenge. Large amount of imported foods which do not get inspected by AQIS and are likely to breach compliance (but will not be enforced given current workload of EHOs). Need for consumer educations on food labels and their use. |

| ISSUE | HEALTH PROFESSIONALS | FOOD INDUSTRY | ENFORCEMENT OFFICERS |
|---|--|--|---|
| | | <ul style="list-style-type: none"> Manufacturers require a stock-in-trade allowance after Dec'02. A range of arising issues such as supplier relationship management through seasonality and formulation changes, access to specialists, limited capacity of label suppliers for remainder of 2002, anticipated increase in consumer inquiries, and cost implications for consumers. <p>See section 6 for further detail not included here.</p> | |
| MOST SATISFIED WITH... | <ul style="list-style-type: none"> Mandatory NIPs and inclusion of saturated fat; expanded list of allergens | <ul style="list-style-type: none"> ANZFA information resources (personnel, guides, hotline, website and NPC) for straight-forward products/issues. | <ul style="list-style-type: none"> For some EHOs, greater flexibility in the new Code. Allergen labelling safer for consumers. |
| PERCEIVED COSTS OF LABELLING REQUIREMENTS IN NEW CODE | <ul style="list-style-type: none"> Unknown, but concerned that costs will be passed on to consumers. Benefits mostly seen to outweigh costs | <ul style="list-style-type: none"> Regarded as significant, involving a number of direct financial and indirect costs. Envisage that costs will be passed on to consumers. | <ul style="list-style-type: none"> No significant costs for EHOs beyond what it would cost for adequate enforcement of labelling requirements. |
| PERCEIVED BENEFITS OF LABELLING REQUIREMENTS IN NEW CODE | <ul style="list-style-type: none"> Almost exclusively for consumers, to make informed food choices. Mandatory NIP and allergen labelling will also be of benefit to health professionals in their practice. | <ul style="list-style-type: none"> Almost exclusively for consumers, to make informed food choices, but question whether most consumers read labels. | <ul style="list-style-type: none"> Almost exclusively for consumers, to make informed food choices. |
| PERCEPTIONS ABOUT ENFORCEMENT | <ul style="list-style-type: none"> Very low awareness of how enforcement will be conducted, or where complaints should be directed. Assume will be in response to complaints from health professionals and industry. | <ul style="list-style-type: none"> Very low awareness of how enforcement will be conducted, or where complaints should be directed. Assume will be in response to complaints from consumers and industry competitors. | <ul style="list-style-type: none"> Enforcement will be re-active in response to consumer or food industry complaints. |

| ISSUE | HEALTH PROFESSIONALS | FOOD INDUSTRY | ENFORCEMENT OFFICERS |
|--|---|--|--|
| WHAT INFORMATION / RESOURCES THEY REQUIRE | <ul style="list-style-type: none"> • Nutritionists rely on DAA/NZDA as main information channel. • GPs rely on their professional associations (not food industry information). • All groups only require a short summary of the labelling changes, rationale for why change has been made, and implication for consumers (their clients). Directions of where to go for more information should also be included. • Support for 'yogurt' labelling poster, in A4 format for use in client counselling. • Some nutritionists interested in attending food industry training seminars, particularly those working for the food industry or in allergens area. • GPs interested in electronically accessible information (but were not aware of ANZFA website). | <ul style="list-style-type: none"> • Straight-forward issues and products well provided for in ANZFA resources, however many complex issues of interpretation still unresolved, and lack resources and time to be confident about compliance. • Simple education materials on label changes to give to consumers on request. | <ul style="list-style-type: none"> • In the first instance, a short summary of the labelling changes, rationale for why change has been made, and implication for manufacturers, food service establishments and retailers. • A summary 'check list' of labelling requirements for use in inspection work with the food industry. • Keen interest from many for training seminars for EHOs, or joint seminar with the food industry. Some councils have already begun to offer such seminars. |

Legend

- GPs : General Practitioners
- NIPs : Nutrition Information Panel
- AQIS : Australian Quarantine Inspection
- EHOs : Environmental Health Officers
- ANZFA: : Australia New Zealand Food Authority
- DAA : Dietitians Association of Australia
- NZDA : New Zealand Dietitians Association

2 BACKGROUND AND OBJECTIVES¹

2.1. Background to the research

The ANZFA Act establishes the mechanisms for the development of joint food regulatory measures (a food standard or a code of practice) and creates the Australia New Zealand Food Authority as the agency responsible for the development and maintenance of a joint Australia New Zealand Food Standards Code.

The Australia New Zealand Food Authority (ANZFA) is an independent bi-national organisation that has the role, in collaboration with other organisations, to protect the health and safety of the people in Australia and New Zealand through the maintenance of a safe food supply.

Although food standards are developed by the Australia New Zealand Food Authority, responsibility for enforcing and policing these standards rests with the States and Territories in Australia and the New Zealand government in New Zealand and, to varying degrees, local government. Each government has one or more agencies responsible for food surveillance within their health administration charged with the task of ensuring the requirements of the *Food Standards Code* are met. The Australian Quarantine Inspection Service (AQIS) is responsible for enforcing the Code for imported foods in Australia.

The Section 10 Objectives of the Authority in developing food regulatory measures and variations of food regulatory measures² are:

- (a) the protection of public health and safety;
- (b) the provision of adequate information relating to food to enable consumers to make informed choices; and
- (c) the prevention of misleading or deceptive conduct.

In developing food regulatory measures and variations of food regulatory measures, the Authority must also have regard to the following:

- (a) the need for standards to be based on risk analysis using the best available scientific evidence;
- (b) the promotion of consistency between domestic and international food standards;
- (c) the desirability of an efficient and internationally competitive food industry;
- (d) the promotion of fair trading in food.

¹ Based on Final Tender Document

² These are the current objectives as listed in the ANZFA Act, as amended in 2000 and are similar to those used in the review of the Australian and New Zealand regulations that were in the Act previously.

The current joint Food Standards Code was gazetted in December 2000 and is in the process of being implemented or adopted by the food industry over a two-year transition period. One of the principal objectives behind the development of new food standards include to ensure that labels are easy to interpret and that they deliver information that is easy to understand and use, thereby enabling consumers to **make informed choices** about the foods they purchase.

In response to suggestions by the Australian National Audit Office, ANZFA wishes to develop a means to quantitatively evaluate the impact of the new Code, how well the regulatory arrangements are working, and the level of monitoring and enforcement activity.

The preliminary research findings in this report are to assist with informing and developing that process, as well as to contribute to the design of following research phases.

2.2. Overall Research Plan

In October and November 2001, NFO Donovan Research and NFO New Zealand conducted qualitative research with consumers concerning their perceptions and experiences of food labelling. The research took place in Western Australia and New South Wales in Australia and Auckland, Wellington, Ashburton and Christchurch in New Zealand. The overall results indicated that most consumers consult food labels to assist with their food decisions, particularly new product choices, however they found many types of labelling information confusing and inconsistent. The report of this research can be found at the ANZFA website www.anzfa.gov.au (media and publicity section).

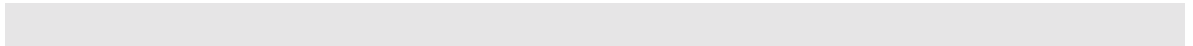
In February 2002, the second stage of the study commenced, the results of which are the subject of this report. This entailed firstly a number of discussion groups with health professionals in Australia and New Zealand. Secondly, discussion groups were conducted with food enforcement officers in Australia, complemented by in depth interviews with Food Safety Public Health Officers in New Zealand. In depth telephone interviews were also conducted with the Senior Food Officer for every State/ Territory of Australia. Thirdly, in depth face to face interviews with members of the food industry were conducted, namely food retailers, manufacturers and food service establishments in Australia and New Zealand.

2.3. Objectives of the Stakeholder Research

The objectives of conducting research with key stakeholders other than consumers were to:

- ▶ Determine the level of awareness and knowledge of **health professionals** about the impending food regulation changes;
- ▶ Determine the levels of awareness and knowledge of those involved in the **food industry** about current food labels and the impending food label regulation changes; and
- ▶ Explore attitudes of **Food Enforcement Officers** in New Zealand and Australian States and Territories towards food labelling from an enforcement perspective.

The findings for the stakeholder research are presented in this report. Further detail is included in the methodology section.



3 METHODOLOGY

3.1. Health Professionals

A range of health professionals were involved in the study:

- Dietitians / Nutritionists;
- General Practitioners in private practice;
- Alternative Health Practitioners; and
- Public Health professionals

3.1.1. Group Stratification

In total, ten focus groups were conducted. The composition of the groups are summarised in the table below:

| | Australia | New Zealand | Total |
|----------------------------------|--|--|------------------------------------|
| Dietitians / Nutritionists | 4 Focus Groups (n = 31) • Sydney (2) • Melbourne • Perth | 2 Focus Groups (n = 12) • Auckland • Christchurch | 6 Focus Groups (n = 43) |
| Public Health Professionals | 2 Mini-Groups (n = 8) • Sydney • Perth | - | 2 Mini-Groups (n = 8) |
| GPs in Private Practice | 1 Focus Group (n = 8) • Melbourne | - | 1 Focus Group (n = 8) |
| Alternative Health Practitioners | 1 Focus Group (n = 5) • Perth | - | 1 Focus Group (n = 5) |

Participants in the Public Health groups were from a number of organisations concerned with health promotion. They were recruited on the basis of their role in educating the public about nutrition or in the development of nutrition policy.

The public health groups consisted of a mix of representatives from government and non-government organisations; including large well-known organisations as well as smaller community based ones. Participants were given the option of not having their organisation named in the research report and some participants have chosen to exercise this right. Organisations that were happy to be named include the National Heart Foundation, WA School Canteen Association, WA and NSW Health Departments, and Diabetes Australia (NSW). It should also be pointed out that in order to obtain detailed and realistic information about the issues faced by professionals working in these areas, participants were encouraged to contribute their personal views and therefore the results reported in this document cannot necessarily be taken as representative of the organisation for which they work.

All participants in the Alternative Health Practitioners' group, as well as the Dietitians/Nutritionists and General Practitioners groups reported advising about food labels at least on a monthly basis. This was a minimum requirement to meet the recruitment screening criteria for participation in this study.

3.1.2. Recruitment

The majority of participants were recruited by J&S Research (Sydney), Cooper-Symons and Associates (Melbourne), Surveys Australia (Perth) and NFO New Zealand. All external recruiters used are Interviewer Quality Control Australia (IQCA) accredited.

Dietitians / Nutritionists, and Alternative Health Practitioners were recruited using a random selection from the electronic yellow / white pages telephone directory. Recruitment was supplemented by assistance provided by the Dietitians Association of Australia (DAA); their 'Find a Dietitian' service on the DAA website (www.daa.asn.au) was used, and a short message about the study was kindly placed in the DAA electronic newsletter and distributed to Dietitians/Nutritionists nationally.

The recruitment of nutritionists (separate to dietitians) proved difficult in both Australia and particularly in New Zealand, as they are not listed separately in yellow pages directories. Snowballing contacts from recruited dietitians resulted in the recruitment of a few nutritionists in the Australia groups, however this was not the case in New Zealand, despite contacting all community dietitians and Christchurch hospitals employing dietitians. Therefore nutritionists were not able to be included in the New Zealand component of the study. It should be noted many participants referred to themselves as either/and a dietitian or a nutritionist. For ease of reporting, all participants are referred to as nutritionists, although the majority were in fact qualified dietitians.

Recruitment of public health groups was conducted by NFO Donovan Research using known contacts in relevant organisations, and supplemented with some snowballing and cold-calling relevant organisations.

The General Practitioner group was recruited with the kind assistance of the Melbourne Division of General Practice.

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| A total of 64 Health Professionals participated in the study. |
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3.2. Food Industry Interviews

A range of stakeholders within the food industry took part in in-depth face to face interviews, namely representatives of:

- Large/medium-sized Food Manufacturers;
- Small Food Manufacturers;
- Food Retailers; and
- Food Service Establishments

Small businesses were classified by NFO Donovan Research, using the standard ABS classification categories, as those having less than 20 employees. For the purposes of this study, medium and large sized businesses were collapsed to represent those businesses with more than 20 employees. In this report, this group of manufacturers are referred to as 'large manufacturers'. It should be noted that almost all of the small manufacturers (n=8) were still substantial organisations, producing a significant number of products.

3.2.1. Interview Stratification

Businesses of various descriptions in numerous locations in Australia and New Zealand took part in the research, as summarised in the table over the page.

| | Large Manufacturers [>20 employees] | Small Manufacturers [< 20 employees] | Food Retailers | Food Service Establishments | Total |
|--------------|---|--|----------------|--------------------------------|--------------|
| Wellington | 2 | 1 | 1 | 1 | 5 |
| Auckland | 1 | 1 | 1 | 1 | 4 |
| Christchurch | - | 1 | 1 | - | 3 |
| Sydney | 3 | 2 | 2 | 1* | 7 |
| Melbourne | 3 | 1* | 2 | 1 | 6 |
| Perth | 2 | 1 + 5 [▲] | 2 | 2 | 12 |
| Total | 11 | 11*[▲] | 9 | 5* | 36 |

★ Due to the nature of the types of businesses participating in the research, a number of interviews were cancelled by a participant at late notice. In all but two instances, substitute businesses were recruited, or interviews were re-booked around the moderator's schedule. However there was insufficient time to replace or re-schedule two of these cancelled interviews (Melbourne small manufacturer, Sydney food service establishment) as they were scheduled at the very end of the fieldwork schedule for each location.

▲ After two of the small manufacturer interviews in Perth had been conducted, it became apparent that they had over 20 employees. These interviews have been re-classified as large/medium manufacturers. In order to ascertain the consistency of the key findings for small manufacturers between locations, a short 5 minute telephone interview was subsequently conducted with an additional five (5) small manufacturers in Perth. The interview covered awareness of the new Code, which labelling changes impacted on their business, and their level of preparation to date. Findings reported are based on these consistencies.

3.2.2. Recruitment

Businesses were randomly selected from the yellow pages telephone directory by the experienced business recruiters used for this study. Only businesses located in the capital city were contacted.

To minimise potential bias or the over-representation of views and experiences by a skewed sample of businesses, quotas and screening criteria were set to ensure information was gained from businesses with varying degrees of progress towards compliance with the new Code, as well as a variety of business types. To increase the value and usefulness of a participant's contribution to the research, all participants were recruited on the basis that they were aware that there were changes to labelling requirements in the new Code. However, the accuracy or degree of their knowledge was left to be the subject of the research discussion. Businesses interviewed ranged from those who felt that they were fully compliant, or approaching full compliance, those who were compliant for some labelling elements or products but not others, and those who would not be complaint by December 2002. All businesses represented in the Sub-quotas set within each business type ensured representation from:

| | |
|--------------------------------------|---|
| Large/ Small Manufacturers- | A range of product categories |
| Food Retailers - | Supermarket, independent, franchise, wholesaler etc. |
| Food Service Establishments - | Café, restaurant, delicatessen, specialist food outlet, catering service etc. |

Due to the differences between businesses, the format of the interview varied. In larger businesses, where a number of people had responsibility for labelling, a two- tiered individual interview or paired interview was conducted with both a senior employee and a more 'hands – on' member of the company. This enabled the researcher to obtain different perspectives on the same issues from within the same company. Many small businesses however, only had one person responsible for food labelling, hence only one interview was able to be conducted in these cases.

A total of 36 businesses participated in the study.

3.3. Food Enforcement Officers

Participants in the Enforcement component of this study were:

- Enforcement Officers (Public Health Officers / Environmental Health Officers);
- Senior Food Officers;
- Food Safety Public Health Officers

3.3.1. Group Stratification

In Australia, focus groups with food enforcement officers from local government authorities were conducted in Sydney, Melbourne and Perth. The Sydney and Melbourne groups included one state enforcement officer from the Australian Quarantine Inspection Service (AQIS). The inclusion of AQIS brought specialist knowledge about the enforcement of food labelling standards of imported foods. At the time of the research, an AQIS State Enforcement Officer was not appointed for Western Australia.

In order to gain another opinion on issues related to the composition and nutritional analysis of foods, an in-depth telephone interview was conducted with a Food Analyst from a major food analytical company. A total of eight (8) telephone interviews were conducted with the State Government Senior Food Officer (SFO) in every State / Territory of Australia. An Interview was also conducted with The Federal Enforcement Officer for AQIS. The interviews were approximately 30 - 60 minutes in duration and were scheduled at a time of the interviewee's convenience.

In New Zealand face-to-face interviews (n=2) and telephone interviews (n=2) were conducted with these Food Safety Public Health Officers in four regions covering both the North and South Islands, namely Wellington / Hutt Valley region, Christchurch, Palmerston North and Auckland. In addition, two depth interviews were conducted with the Team Leader, Food Policy/Food Safety, Ministry of Health and a Senior Policy analyst in the Food Policy/Food Safety section.

Quotas and recruitment screening criteria were used to ensure a mix of participants (EHOs) who had been working in public / environmental health for under three months, 3 -12 months and over 12 months respectively, and who gave advice to businesses about food labels as part of their role.

3.3.2. Recruitment

The recruitment of the enforcement groups entailed several stages. First, phone calls were made to local government authorities in close proximity to the capital city, to obtain contact details of the senior officer responsible for food safety. The contact was sent a letter introducing the study and requesting their participation and that of their staff, and were later contacted by telephone and asked to recommend up to 3 staff members (EHOs) who would be suitable for the study. A selection of these EHOs were recruited into focus groups.

The State/ Territory Senior Food Officers (SFOs) and Federal AQIS Officer were contacted initially with an introductory letter, using contact details provided by ANZFA. They were later telephoned by NFO Donovan Research and a telephone interview was arranged.

Recruitment in New Zealand was approached differently as food safety enforcement (including food labelling) is the responsibility of Food Safety Public Health Officers (PHOs) contracted by the Ministry of Health. Throughout New Zealand there are only a small number of full-time Food Safety PHO Officer positions with responsibility for enforcing food labelling as part of their role.

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|---|
| A total of 38 Enforcement Officers took part in the study |
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3.4. Discussion guide and group materials

All discussion guides and interview protocols were developed by NFO Donovan Research, in consultation with ANZFA. At the discretion of the group moderator, photographs were used in the discussions for the purpose of illustrating various food label features. These contained a mix of examples of the labels prepared according to the provisions in the old and new Food Standards Code.

To maximise the input from food industry interviews, a list of points to be discussed in the interview was sent to participants in advance. This allowed them to prepare their responses prior the interview by consulting other individuals within the business so that a considered response could be given and a wider range of information was disclosed during the interview.

At the completion of the interview, businesses who felt unprepared for compliance with the Code were offered the ANZFA Helpline number and information materials.

3.5. Group and interview procedure

All focus groups were structured in approach. A series of self-completion sheets were developed to collect individual awareness of ANZFA, the new Code and specific labelling changes compared to the old Code prior to the commencement of discussions. Responses to these exercises were analysed and are reported in the text where relevant.

Groups ran for one and a half hours, except the General Practitioners group which ran for one hour. Participants in the Dietitians / Nutritionists group and Alternative Health Practitioners group were paid a \$50 incentive. General Practitioners were paid \$100 per hour. The public health participants were not paid as their involvement was conducted during working hours. All groups were conducted over a breakfast, lunch or light evening meal in the conference facilities of a central hotel or at NFO Donovan Research facilities in Perth, or NFO New Zealand offices in Auckland and Wellington .

The face to face food industry in depth interviews ranged from 30 minutes to one hour and a half duration, depending on the participant's time commitments on the day of the interview . Each participant was paid \$50 for their involvement. Due to the 'last minute' unavailability of two participants, two in depth interviews were conducted by telephone.

Senior Food Officer telephone interviews were conducted by telephone during working hours. The approximate duration of each interview was 30-45 minutes, and was conducted at a time of the interviewee's convenience.

4 INTERPRETIVE SUMMARY AND RECOMMENDATIONS

4.1. Key Findings – Health Professionals

Of all health professionals involved in the research (nutritionists, dietitians, GPs, alternative practitioners and public health professionals), **nutritionists and dietitians most use food labels in their work**. Labels are regarded by these professionals as an essential tool for counselling and educating clients and patients.

Nutrition information panels (**NIPs**) and the **ingredient list** were regarded as most important and useful by all health professionals participating in the research. Each was considered preferable in different settings, depending on the patient/client and the nutrition issue, however these general applications apply:

- The ingredient list is used to educate about sources of nutrients, or relative proportions of nutrients, usually earlier in the consultation process;
- The NIP is used to teach about key nutrients, for use with diabetics, to educate about fat intake and weight loss, and to contextualise a nutrition claim.

All participants regarded the NIP as a complex tool, generally not well understood by consumers, a finding which is consistent with the earlier consumer research (report available at the ANZFA website www.anzfa.gov.au).

Nutritionists (including dietitians and some public health professionals, n=49) had a good awareness of ANZFA and were generally well informed about the Food Standards Code (as it applies to labelling). Awareness amongst other health professionals (n= 15) was considerably lower. However very few health professional participants had a detailed knowledge of the various labelling changes.

Once participants were informed of the detail of the key labelling changes (see Discussion Guide, Appendix A), most were positive about them, and felt that they are a step in the right direction. There was general agreement that the changes to the NIP and allergen labelling would be of particular benefit to themselves as practitioners and to consumers.

Health professionals were generally supportive of the introduction of percentage labelling as a consumer information tool rather than being useful in their own work. However they felt that consumers would be unlikely to take advantage of percentage labelling unless it was explained to consumers first, and they were encouraged to use it. They also foresaw problems for food manufacturers and enforcement officials in interpreting the requirement, and identifying the characterising ingredient in some products.

All health professional groups expressed concern, on behalf of consumers, about potential problems associated with **allergen labelling**. Although they felt that the extension of the allergens required to be labelled was a significant improvement for allergen sufferers, they were concerned about the implications of manufacturers' increased use of the "may contain..." advisory statement because in practice it restricted rather than illuminated an allergen sufferer's food choice. [Technical note – ANZFA is developing a position paper on this issue, and the Australian Food and Grocery Council is also developing an industry Code of Practice for Allergen Management and Labelling – see Technical Background Notes section 9.]

Health professionals were also concerned about the **costs** of labelling changes to industry, and the extent to which these costs will be passed on to consumers.

4.2. Key Findings – Food Industry

Of all food industry stakeholders involved in the research (larger and small manufacturers, retailers and food service establishments) manufacturers and large retailers are affected most by the labelling changes in the new Code, and are therefore experiencing the greatest impact.

However there is a wide range of knowledge, understanding and level of preparation for compliance with the new Code between large and small manufacturers and retailers.

Generally speaking, larger sized manufacturers were well informed about the labelling changes in the new Code, and the implications for their business. They have made significant progress towards the transition from old to new labels, but are still contending with many unresolved or complex issues.

There was strong concern about small manufacturers' awareness and understanding of the new Code labelling requirements, and their capacity to implement changes by December 2002. There was some evidence of this lack of awareness and capacity amongst a couple of small manufacturers participating in the study (ie those with less than 20 employees, but in practice did not include sole traders or manufacturers with less than 5 employees). However, concern was mostly expressed by larger manufacturers, retailers, enforcement officers as well as manufacturers classified in this research as 'small' who were concerned about 'other' small manufacturers (smaller than themselves).

There was considerable speculation and general agreement amongst all of these stakeholder groups that there will be a large proportion of 'small' manufacturers who will not be compliant for one of three reasons:

1. they don't know about the labelling changes and what they are required to do (ie a lack of information);
2. they do not have sufficient personnel, time or financial resources to implement the changes (ie a lack of capacity); and/or
3. they believe that there is insufficient risk of detection or consequences of non-compliance, either by enforcement agencies, customers or competitors to warrant the effort or costs required to ensure that they are compliant by or beyond December 2002.

For the manufacturers who participated in the study, one or all of the above were the major drivers of their commitment to and progress towards compliance. Being a member of an industry association, or having industry contacts or marketing agents who are members of associations was generally the way most businesses directly or indirectly first found out about the changes to the new Code. Absence of membership to such associations is therefore likely to be a main barrier to compliance for small manufacturers (as well as other small businesses such as food service establishments).

Those food businesses who had begun to prepare for compliance reported considerable **negative implications** and costs for their business, **involving direct and indirect costs**. The extent of these costs, particularly the indirect costs and other implications listed below, largely accounted for a manufacturers' stage of compliance (at the time the research was conducted).

Direct financial costs have been incurred through:

- the development and printing of new labelling artwork, larger labels to accommodate extra information, and often added costs of new labelling machinery where labels are produced internally;
- loss of economies of scale for label printing until the new labelling is ready (manufacturers who have been forced to order and re-order small label print runs through the two year transition period as new labelling issues arise and are resolved);
- the potential write-off of all stock in trade and stock run-out after December 2002;
- nutrient composition analysis for NIPs;
- hiring of lawyers and consultants to interpret and rule on labelling requirements where interpretation of the Code and/or the interpretation Guide is unclear and ANZFA have provided no further clarification for their specific product.

Indirect costs include substantial time and personnel resources invested in:

- learning about and implementing the new labelling requirements;
- sourcing and tracing ingredient compositions and information from suppliers for ingredient declaration, allergen and GM labelling;
- undesired change of focus off new product development as all available time and personnel resources are re-directed at labelling compliance;
- planning and infrastructure, and the development of new systems, processes and devices in order to not implement but also maintain compliance eg. building systems and data bases to track, monitor and manage supplier changes for each product line (also acknowledged as a benefit once achieved - see section 5.1.7);
- duplication of work due to implementing labelling changes based on draft guidelines which changed at a later date (eg. NIP, Standard 1.2.8);

Other implications and problems raised by many large and medium-sized manufacturers relate to:

- Supplier relationship management – more and more regular contact required with suppliers in order to obtain necessary ingredient information, updates on changes in formulations and production techniques which requires the development and maintenance of a different relationship, and may mean more frequent changing of suppliers if such information cannot be given;
- Seasonality – implications for supplier management as described above as changes in seasonal sourcing occur at different times of the year or month;
- Finding and accessing specialists and advisers;

- Limited number of design houses and label suppliers, many of whom are already indicating they are unlikely to be able to meet demand or provide manufacturers with a commitment to deliver labels by late 2002;
- Increased consumer inquiries, at least in the short term;
- Cost impact for consumers as manufacturers and retailers pass costs on to consumers.

The label elements with the most significant implications and concerns manufacturers reported were:

1. NIPs
2. Percentage labelling (characterising ingredient labelling);
3. Ingredient declarations and allergen labelling;
4. GM labels;
5. Country of origin labels;
6. Date marking;
7. Legibility requirements;
8. Nutrient claims.

Overwhelmingly, of greatest concern were NIPs, percentage labelling and ingredient declarations. These have been also been identified by ANZFA as the key labelling changes.

Again, the small and larger manufacturers participating in the study felt that the implementation of specific label requirements would have considerable ramifications for 'small' suppliers and overseas suppliers, and 'small' local manufacturers who cannot, or will not, provide larger manufacturers and retailers with the level of information that they now require for ingredient and allergen declarations; percentage labelling and GM labelling. Furthermore, some larger food industry manufacturers and retailers were concerned about the economic viability of many small businesses once the new Code is in full force, and the implications for consumers and enforcement as many attempt to avoid compliance.

All manufacturers and retailers strongly expressed their concern about the 2 year transition period (Nov 2000 – Dec 2002). The general consensus was that a two year transition period would have been fair had all of the labelling requirements and issues been resolved at start of that period, and manufacturers had therefore had been able to utilise the whole two years without concern that further changes may occur. The essence of their complaint is that during the transition period they believe the goal posts kept changing (eg. change in calculation of carbohydrate in the NIP, incorrect or conflicting interpretation of label requirements for specific products from ANZFA and other advice sources, late provision of user guides and ANZFA help line and changes to the wording of user guides from draft to final), leading to either:

- **a duplication of work** ; or
- **lack of preparation time.**

[Technical note – Virtually all labelling decisions were in place at the commencement of the transition period. Exceptions were: the introduction of icon standards in August 2001, which did not contain new labelling provisions but could have resulted in a name or formulation change for some products and a label change to reflect these; the change in definition of dietary fibre in September 2001; and the carbohydrate calculation for the NIP, where an additional calculation method was permitted from Sept 2001 – see Section 9. ANZFA has undertaken to give an appropriate transition period for labelling changes still under review.]

There was no common understanding of the exact cut off period for old versus new labels (and the likely enforcement implications) and their treatment of stock—in-trade at December 2002. There was widespread need from most manufacturers for a stock-in-trade run-out period. Many small manufacturers and larger manufacturers (other than the very large national manufacturers who are well prepared) would also require an extension of the transitional arrangements beyond December 2002. It is clear that the issue of stock-in-trade in particular requires further clarification by ANZFA and any ruling against a period of grace would be hotly contested by manufacturers, with some companies putting in place their own stock-in-trade run-out period regardless. [Technical note – ANZFA has developed two proposals to deal with the issue of these transitional arrangements. At the time of this research final decision had been made – see Section 9).

Manufacturers as a whole were not well informed about compliance and enforcement issues. Most did not know exactly how the labelling regulations would be enforced, or by whom. The higher profile large manufacturers who participated in the research fully expected to be the subject of ‘tall poppy syndrome’ and felt they will undergo greater scrutiny from competitors and regulators, as they do already under the old Code.

Overwhelmingly, manufacturers, retailers and food service establishments regarded the main benefits of the new labelling requirements as being for consumers. However many manufacturers (as well as enforcement officers) question whether the majority of consumers actually read labels, and if they did, they were unsure of the way in which consumers’ use them. [The consumer research indicated that most consumers use labels when they are contemplating buying a new product for the first time, or when an alternative brand is on special in the store. Label information (primarily the ingredient list, NIPs and date marks) is used to assist in determining product choice ie. to make judgements about the value, ingredient and nutritional content versus taste, and to learn more about the product and seek reassurance that it is a ‘safe’ choice for their requirements.]

Some manufacturers did identify potential benefits for their industry, including:

- An opportunity to revamp and redesign their product labels'
- An opportunity for marketing advantage, particularly with regards to lower fat products and 'quality' issues highlighted from percentage labelling, however these opportunities were accompanied by parallel threats as competitors can do the same, or challenge marketing claims;
- Potential impetus for some manufacturers to pursue lower fat ingredients and products with the introduction of mandatory NIPs and the necessity to declare saturated fat; and

An opportunity for manufacturers to strengthen their integrity with consumers and increase trust and consumer confidence (eg. Allergen labelling);

- Greater flexibility as the Code is **less prescriptive** than the old Code, which could be worked to a manufacturer's advantage. However this was also seen to be a negative in that less prescription allows for variation, subjective interpretation and hence lack of standardisation;
- An opportunity for manufacturers to know more about their products, foster relationships with suppliers, and establish some 'company vision' views and procedures on issues such as allergens and GMOs;
- Greater harmonisation between Australia and New Zealand (for manufacturers that trade in both countries).

The ANZFA information resources, website and helpline received mixed reactions by the food industry, as well as health professionals and enforcement officers. Most stated that whilst they had found ANZFA staff (via telephone inquiries) very approachable and the website and user guides useful to some extent, these sources were only helpful for simple inquiries. Many research participants were still struggling to find a resolution on complex issues or products, for which the ANZFA user guides and website had not been helpful, and the ANZFA helpline was not intended.

4.3. Key Findings – Enforcement

In Australia, whilst most EHOs' were aware that the labelling requirements of the new Code were changing, their understanding of those changes was very low. As well, not all were aware that the transition date was December 2002. The main label changes that participating EHOs knew of are listed in order of awareness below:

1. NIPs
2. Date marking
3. That the new Code is less prescriptive / more technical
4. Percentage labelling
5. GM labelling

However in New Zealand, the PHOs who participated in the research were more knowledgeable of most aspects of the changes and their implications. AQIS officers (n=2) in Australia had a detailed knowledge and understanding of the changes.

Typically the EHOs (Aust.) and PHOs (NZ) who participated in the research spend 60-80% of their time on food-related issues, and of that between 10% and 5% (or less) was spent on food labelling issues. The bulk of their time on food issues was spent on food safety, food handling and hygiene. Attention to food issues, and therefore food labelling would also depend on the size of an office and its personnel resources. In a very small office, as low as 20% of the time could be devoted to food related issues. It should also be noted that EHOs and PHOs who rarely or never advised businesses about food labels were excluded from the study, and the proportion of time spent on food-related issues across all EHOs and PHOs would be much less than those involved in this study.

At present, EHOs and PHOs mostly respond to complaints from the public and food industry competitors rather than pro-actively check local manufacturers' labels to ensure compliance.

The most important food enforcement issues were felt to be those relating to food safety and public health, especially food borne illnesses. Enforcement of most labelling standards was felt to be a low priority particularly those aspects which were viewed as consumer information or fair-trading issues (e.g. NIPs, percentage labelling) rather than food safety issues. Consequently, of all food labelling issues, allergen labelling, date marks and ingredient lists would assume highest priority (keeping in mind the low priority of labelling overall) as well as country of origin labelling when it is relevant to one of these labelling issues.

It was felt that food labelling queries would increase during the year and into next year until the new Code beds down and that there will probably be increased complaints about food labelling non compliance for several reasons:

- the new Code will cover more aspects than the current regulations so there will be more room for non-compliance;
- the public may be more aware of the issues (assuming ANZFA does some consumer education and publicity) and therefore will be more likely to complain; and
- manufacturers will have additional aspects to complain about regarding their competitors.

The labels that were seen to be most problematic and time consuming to monitor and enforce were percentage labelling, allergen labelling and GM labelling. It was also felt that the increased number of non-public health related label elements (NIP, percentage labelling, GM labelling) provided greater scope for non-compliance amongst imported foods, which was already a labelling compliance and enforcement problem in all jurisdictions. For those EHOs who work in areas that are over-represented by imported food retailers and food service establishments, monitoring and enforcing labelling requirements under the current (old) Code is made difficult by the sheer number of non-compliant products, difficulty in tracking importer and manufacturers, and language barriers.

Whilst most EHOs and PHOs did not have a detailed awareness of the new food labelling legislation, they expected that as they begin to encounter various aspects of the legislation in their day-to-day work, their expertise will grow. At present, **most did not feel very well prepared for the adoption of the new Code**, largely for workload reasons. For most, the labelling changes were something that they knew were pending, and that they would 'get to' at some stage.

Despite all of the new labelling requirements, which presumably require monitoring and enforcement, most enforcement officers in the end agreed that very little would change in terms of their focus and priority for enforcement. The likely consequence was that more would be missed, unless vigilant consumers and competitive manufacturers made complaints to which they would be required to respond.

4.4. Conclusions

The research has illuminated the diversity of issues and implications faced by different stakeholder groups as they prepare for implementation of the new Code, and the benefits and opportunities that are available. It should be pointed out, however, that by the very nature of the transition in which stakeholders are working, these findings reflect the participant's experiences at a fixed point during that transition period. Many of the issues and concerns raised are currently under review by ANZFA, or may well have been adopted during this period (eg. the stock-in-trade provision which is currently at the final assessment stage following public consultation).

With a view to moving forward towards the compliance deadline of December 2002 the following conclusions are made:

1. A key priority group that requires further investigation is small manufacturers and suppliers, particularly those who are not members of industry-based associations. Attention could be given to addressing the information and awareness of small businesses, and their capacity to comply with the regulations before December 2002. This could include establishing a comprehensive information network, like that which exists for larger businesses through industry associations. The most efficient means of collecting such a contact list is likely to be through coordinated liaison with state health authorities and local councils.
2. The feedback from all stakeholder groups confirms the need identified in the consumer research (report found on ANZFA website www.anzfa.gov.au) for the development of information and education strategies and materials. Most stakeholders themselves (health professionals and enforcement officers) require only a simple summary fact sheet that they can refer to in the course of their work. This would highlight the key changes and how their 'clients' will be affected. However there is underlying support for a more extensive consumer education program that would reach a greater number of consumers than these groups interact with.
3. It would be useful to communicate the findings of the consumer quantitative survey (once completed), to the food industry in particular. Stakeholders are seeking evidence that consumers do in fact read food labels, and how they use them. Also of importance will be the communication to industry of repeat survey findings that illustrate the impact of the labelling changes on consumers shopping behaviour over time.

4. To meet manufacturers concerns, an extension of the transition period, and/or establishment of a 'period of grace' beyond transition could be considered, to allow manufacturers to run out existing stock-in-trade and un-used labels. Small and medium sized manufacturers would most benefit from this extension. However if such an extension was provided, it would be prudent to acknowledge the significant costs and efforts that large manufacturers in particular have incurred in order to ensure that they are compliant by the stipulated date.
5. Conduct of a **quantitative survey of food industry stakeholders**, particularly small manufacturers and suppliers. The real extent of non-compliance (and lack of awareness and preparedness) by small suppliers and manufacturers is still unknown. Quantitative measures of these factors would assist ANZFA to identify and direct resources to those most in need, and could provide a baseline of manufacturers information and knowledge base, their level of compliance and barriers to compliance, to provide a comparative indicator of progress in the future.

DETAILED RESULTS



5 HEALTH PROFESSIONALS

Input to the research was sought from four key health professional stakeholder groups: dietitians and nutritionists, GPs, alternative health practitioners (naturopaths and homeopaths) and public health nutritionists working for government and non-government organisations. The findings for each group are discussed in turn.

5.1. Dietitians and Nutritionists

In the main, there was considerable consistency between the views and experiences expressed by dietitians and nutritionists in Australia and New Zealand. The findings summarised in this section reflect this consistency. However, several notable differences between countries did arise, and these are reported separately.

Each of the six groups included a mix of dietitians and nutritionists, representing work in a range of:

- Settings: clinical (public and private hospital), community (community health centres, supermarket tours), private and corporate practice, and consulting to the food industry;
- Nutrition issues, including weight control and weight loss, fitness and sport nutrition; diabetes, high cholesterol, food allergies and intolerances, coeliacs, heart disease, endocrinology, renal disease and eating disorders;
- Clients from different demographic groups: education, socio-economic status, age, and ethnic groups including NESB and recent arrivals.

Many of the participating dietitians practiced in more than one setting, usually through undertaking part time consultancy in two or three different practices, or by combining hospital or community practice with their own private practice. For the purpose of the group discussion, dietitians were encouraged to draw on the breadth of their experience and to consider the range of clients/patients that they see.

It should be noted that many participants referred to themselves as either/and a dietitian or nutritionist. For ease of reporting, all participants are referred as nutritionists, even though the majority (but not all) were qualified dietitians.

5.1.1. How Food Labels are Used in Consumer/Patient Education

All participating nutritionists regarded food labels as very important to their work, primarily as an essential tool for counselling and educating clients and patients. Label information was used in a number of ways:

- In both private practice and hospital settings, in individual and group education strategies used empty food packets and boxes were used as visual prompts and education tools.

“ . . . so I have like a little supermarket basket which is all different packages and we go through different ones”.

“Only in one set of rooms have I got the prompting boxes. In those rooms I get much more questions because they’re there to stimulate ‘what about this’ and ‘what about that’ and the other rooms it’s not as obvious. I think it’s a cue if you can have samples”.

In hospital settings, food prompts are used more frequently for group education, or in certain wards such as cardiology, where the more ‘motivated’ patients are seen.

In settings where real food packets are not practical or available, a hand out checklist is often used. In hospital settings, this may be taken to the ward, as is illustrated in the comment below, however some private practising nutritionists also provide checklists for clients to take home.

“Sometimes we just take a handout like the arrows and boxes thing. Rather than taking up [to the ward] a few packages you might take up a descriptive sheet of how to read the label and what was the relevant part”.

- In order to calculate food composition, mainly in hospital settings or for clients with medical conditions or food allergies.
- In the conduct of Supermarket Tours, where products are removed from the supermarket shelves and label information is used as a teaching tool.
- By those who write for the media, or who write to the media to refute incorrect or misleading information.

When and how nutritionists introduce food label information into counselling practice depends entirely on the nutrition issue and the individual. Many nutritionists commented that food labels are raised by their clients/patients first.

“A lot of people come . . . they won’t actually wait for you to raise it [food labels]. They’ll raise it first. As soon as you start talking about food components at the beginning of the talk, they’ll say ‘what about this’ and ‘what about that’. They’re reading them [labels] a lot more than perhaps we used to”.

“There’s a whole range in people’s ability as to what they can understand so I assess what they can cope with and tailor the information to the patient’s needs”.

“They come back to me and tell me they’ve started to read labels. Then I go “I should talk to you about it”. So I find they’re at a point where they are now educated enough, they know to go looking and reading and they are spending more time in the supermarket [doing this] and they’ll tell me that. They come to me and say they’ve started to read. They bring the boxes and we do the comparisons”.

5.1.2. Current Use of Specific Label Information

The label elements considered by participating nutritionists to be the most important and most useful were the **Nutrition Information Panel (NIP)** and the **ingredient list**. Each was regarded as preferable in different settings, depending on the patient/client and the nutrition issue. Early in the consultation process the ingredient list might be used to educate about sources of nutrients (fat, sugar, carbohydrate and fibre), or relative proportions of nutrients. The ingredient list is often also the focus when dealing with food allergies and intolerances, and when counselling for coeliac disease and other specific medical conditions.

The NIP was used more commonly to teach about key nutrients such as fat, sugar and fibre; for use with diabetics (teaching about sugar and carbohydrate); and to educate about fat intake and weight loss. The NIP is also often used to explain or contextualise a nutrition claim, particularly claims such as ‘light’ or ‘94% fat free’. In these situations, nutritionists will often point out to a client the nutritional value of other key ingredients, such as the salt or sugar content of a claimed low fat product, and where appropriate encourage clients to assess the whole nutritional value of a food rather than judge it by just one nutrient.

However, despite its uncontested value as a teaching tool, the NIP was regarded by participating nutritionists as complex, generally not well understood by consumers and easily misused. For these reasons the NIP is rarely used by nutritionists in its entirety. Rather, a nutritionist will select one, two or three nutrient elements of the Panel, such as fat or fibre depending on the nutrition issue in question, and focus on these.

“Because of the complexity I find that I focus on one or two [nutrients]. Because otherwise people can stress about finding exactly the right product. I’m saying to just look at the fat, saturated fat or the fibre – that’s all I want you to focus on”.

Per Serve versus per 100g

Like consumers³, nutritionists were divided in their use and preference for the per serve and per 100g columns in the NIP, however the overall preference tended to be for the per 100g format. Nonetheless both formats were considered useful in different circumstances, and nutritionists supported the inclusion of both columns in the panel. The per 100g column was most valuable because it provides a standard unit for comparing between products and brands, and at times food categories. The following comment provides a common illustration of how food packs and the NIP are used in practice.

“We have folders split up into different food product categories . . . we have low fibre, high fat cereals and high fibre and low fat so we can use it to compare nutrition information panels...we will often talk about the per 100g as a comparative thing more so than the serving sizes because in educating people we’re not so much educating them in terms of really focusing on quantities but more so to choose the highest fibre breakfast cereal”.

The per serve column was considered more useful than the per 100g column when the serve amount expressed in the NIP was practical and realistic, because it enabled people be see what they would be having in a meal.

“You certainly find it [per serve] good in products where it’s not the whole thing. Like where it says four biscuits in the serve or how many slices of bread in the serve so it gives you an idea of what they’re talking about because per 100g doesn’t always mean a lot but it’s good for comparing”.

“Sometimes you need to refer back to the serving size. I’m thinking of the meat pie which weighs 175g which some of us sit down and eat the whole meat pie and they need to look at the 100g to define low fat for them. You can eat half a pie or a full pie so how much fat are you now going to eat? That’s where I would tie in servings”.

However, the variation in the specification of serving sizes between products of a similar nature limited the use of this information and this was frustrating for many nutritionists.

³ *Qualitative Research with Consumers, Food Labelling Issues NFO Donovan Research Report to ANZFA December 2001*

“For me, the serving size is what is written on my diet sheet . . . so unless the serve on the product list is equivalent to the serve on my diet sheet, and it never is, it’s useless information”.

However, many nutritionists felt that the NIP overall, and the per 100g column in particular was only useful for the minority of people with a high level of motivation and understanding, or those who were ‘obsessed’ with their fat or sugar intake.

Very few participating nutritionists used the percentage of recommended dietary intake (% RDI) amounts found in some NIPs and it was raised spontaneously in only two of the six groups.

Other types of label information used less frequently by some nutritionists, depending on their area of specialisation, included allergen labels and warning statements, food additive codes and nutrient claims. The issues pertaining to their use are addressed in Section 4.1.5 which addresses changes to each type of label under the new Code.

5.1.3. Awareness of ANZFA, the new Code and food labelling changes

In order to assess the degree of awareness and understanding of labelling changes, prior to the influence of the group discussion, participating nutritionists completed an individual written task sheet that asked about their awareness of label changes.

All group participants in Australia and New Zealand had heard of ANZFA, almost all had heard of the joint Food Standards Code and were aware that there have been recent changes to the old Australian Food Standards Code / New Zealand Food Regulations. Most thought that the end of the transition period between the old and new Code was imminent, about half knew it was December 2002. The main label changes that participating nutritionists knew about are listed in order of awareness below:

1. NIPs
2. Allergen labelling
3. Health Claims
4. Percentage labelling
5. Ingredient lists
6. GM labelling

These findings were consistent between Australia and New Zealand. [Technical note – health claims are not covered in the new Code, and are currently under review by ANZFA.]

As anticipated, in each group there were one or two nutritionists that were very well informed and could be regarded as relative 'experts' on food labelling changes. This expertise was gained as a result of their role on consultative committees that have provided comment to ANZFA, or through having to become informed in order to continue their work consulting to the food industry or writing for the media. However, many participating nutritionists were not familiar with the specific aspects of the changes or the detail underpinning the changes. For many of those who knew of labelling changes, their awareness was limited to knowing the main implication of a labelling change, such as mandatory NIPs but not the finer detail such as the inclusion of saturated fat or standard inclusion of the 7 nutrients. No participant was aware of all of the changes, although many acknowledged that they had been informed at some stage. In practice most had retained the key information and implications of changes that directly affected their work, meaning that they might know about three or four changes but not all.

After ascertaining the level of individual awareness of the labelling changes, the moderator provided participants with a summary of the changes (based on the ANZFA Guides) and the understanding, usefulness and anticipated implications of each change were then discussed in detail. Before outlining these findings (Section 4.1.5) comment is provided on the overall reactions to the changes.

Participating nutritionists were generally positive about the changes, and felt that they are a step in the right direction. There was general agreement that the changes to the NIP and allergen labelling would be of particular benefit to nutritionists in their work practice.

Importantly, amongst those who were initially not well informed about the changes, there was some concern that consumers would be further overloaded with information and that labels would be harder to read, not easier, thereby making nutrition information less accessible to the public. These concerns were particularly salient amongst nutritionists working with older people where legibility as a barrier to information was a problem.

I'm not sure exactly how it's changing except if you're going to get more information it means small print and more writing ... it's not making it more accessible. That's the difficulty of it".

However, these concerns were not so strongly felt after these participants had the changes explained to them, with practical applications provided by the Moderator. Most in the end adopted a 'lets wait and see' attitude, reserving judgement until they see what the labels look like in practice.

5.1.4. Reactions to and Perceived Implications of Specific Labelling Changes

1. NIPs

Nutritionists participating in the research strongly endorsed the inclusion of mandatory NIPs and the inclusion of saturated fat in the NIP. These two changes were considered to be significant steps forward firstly, in facilitating nutritionists' own ability to educate clients/patients and second, in terms of wider consumer benefit.

"...the nutrition information panel on all products with the exception of small and take away foods, that's fantastic. That's a leap forward in my opinion".

"I think a big thing too, for me is saturated fat. That whole issues has been so problematic to educate people about...it was a nightmare...but now to have saturated fat listed on the label it makes it so much easier. That's a big issue for most. Diabetes, heart disease – it's central. It will be interesting to see because of the changed laws whether any of my patients actually ask me any more questions".

"I think from a consumer's point of view it [saturated fat listing] might be helpful, especially if you don't know the background to know where saturated fats come from and you haven't spoken to a dietitian or anything and that will give you the information straight out in front of you without having to read any further".

It was hoped that over time further benefits for broader consumer education (beyond the small segment of the population that nutritionists see as clients/patients) would emerge as the general public slowly becomes more aware of this type of label information and begins to use it more to inform their food decisions.

"Now we have, say, a label on chocolate for example which are things that you don't think are nutritional foods. I think it's those foods that bring it to people's attention. As we've always said, the extremists and those obsessive people are there anyway. What one can really only hope for is that the middle group ... I think if everything is labelled it will make people say 'well, this has to be something' It's mainly that we might do something with some of this middle group who may not be as big as we like it to be [in terms of seeking and using nutrition label information]".

Some participants expressed concern over the following issues related to the NIP:

- Perpetuation of inappropriate serve sizes specified in grams, rather than in cup measurements or useful food specific units (mentioned in the New Zealand groups specifically);
“30 grams doesn’t mean anything. That’s not how people dispense food at home. They don’t weigh it”.
- Removal of potassium as a required nutrient (mentioned particularly by those nutritionists working in renal disease);
- Exclusion of fibre as a required nutrient;
- No further (mandatory) breakdown of fats (to mono and polyunsaturated), although this complaint was not intended to undermine the endorsed benefit of having saturated fat now declared in the NIP. There was no awareness of the requirement on manufacturers to provide a mono and polyunsaturated fat breakdown for products that make a fat claim.

Most participating nutritionists were also pleased that cholesterol was not listed as one of the seven required nutrients and thought that this may help to re-focus the public away from cholesterol intake and instead on to saturated fat intake. This view was also supported in the General Practitioner focus group (Section 4.2).

2. Ingredient List

About half of the participating nutritionists knew of the main change to the ingredient list label with regards to the listing of water according to ingoing weight rather than being listed last in the list. Some were unsure if the requirement referred to added water or to all water (the Code requires added water to be declared).

In the main there were no foreseeable problems or negative reactions to this change, except from a few participants who were working with the food industry and reported concerns their food industry clients have in ascertaining and interpreting this requirement (see Section 5 for further explanation). Most participants agreed that this change would be helpful to consumers as it would provide information about the amount of water in proportion to the amounts of other ingredients, thereby making consumers better informed.

3. Percentage Labelling

Across all groups, approximately one third of the participating nutritionists were aware of the percentage labelling requirement. Those who were aware of it had a good understanding of the intention behind and implementation of the label requirement. Many however were unclear as to whether the percentage would be declared in the ingredient list, the NIP or elsewhere on the label.

Once the label requirement and its use was explained, most nutritionists felt that it generally made sense and was useful to consumers as an indication of product quality or value. Whilst the inclusion of this requirement was endorsed by participating nutritionists, its relevance to their daily work was limited. Most felt that they would not use percentage labelling when advising/counselling clients.

One benefit that some nutritionists envisaged could result from the introduction of percentage labelling was a potential increase in consumer trust for the food industry and information on food labels. Many participating nutritionists commented that they felt the general public no longer trusted much of what they read on food labels, having observed growing public scepticism about the reliability of nutrition information and claims made by the food industry about their products. These views confirmed the consumer research findings that many consumers no longer trust the information and claims made on food products, and as a result often also dismiss reliable sources of information. Unfortunately, this often worked against the nutritionists' use of nutrition label information tools such as the NIP in their education and counselling work.

It was also felt that without specific education or promotion of percentage labelling, which they felt was relatively easy to use, consumers would not take advantage of the label element benefits, such as NIPs and saturated fat declarations, and percentage labelling.

4. Information for Allergy Sufferers

Nutritionists did not necessarily know where to find this information on the label, nor were they all aware of the full list of allergens now required to be declared, or the three levels of declaration that can be used. However, all participating nutritionists felt that improved labelling requirements for allergens was extremely important.

Because nutritionists tend to specialise in this area of practice, many participants did not contribute significantly to this part of the discussion and were happy to defer to those in the group who were more experienced or knowledgeable.

It was felt that the new requirements in the Code will make it much easier for consumers and for nutritionists, both in terms of better protecting allergy sufferers as well as clarifying mis-information about allergies. The following comments illustrate the breadth of benefits from this labelling change.

“...it will make it so much easier because often as a practitioner you often can’t give them the answer. They say ‘what about this, I’m not too sure’ and I’m saying ‘I’m not too sure either with that, you’re going to have to do this or do that’. So I think if it comes out it will make life easier for us and them as well so that’s good”.

“I think, there’s a general fear out there or a lot of mis-information about allergies and it may be the fact that we can now actually say you can only be allergic to those five things and they’re marked on the food, it actually might make life a little bit easier”.

“It also depends on the allergen as well but they [parents] can take notice or they can be a bit more relaxed. I think now you’re giving people the opportunity to really protect themselves. They don’t have to take notice of it”.

The one significant concern of many nutritionists was the implication of industry’s increasing use of the ‘may contain’ statement. Whilst most of these nutritionists fully appreciated the circumstances in which a manufacturer could not guarantee a product had not been contaminated with an allergen such as nuts, a few felt that the warning statement was used simply as a ‘cop out’ by food manufacturers. Either way, these participants felt strongly that the use of this type of warning statement in many cases only further limited an allergy sufferers’ choice of ‘safe’ foods. There was considerable empathy for allergy sufferers whose access to ‘allergy free’ foods was likely to appear increasingly difficult, which did not necessarily accurately represent a declining real choice of ‘safe’ foods.

[Technical note – ANZFA is developing a position paper on this issue, and the Australian Food and Grocery Council have developed an industry Code of Practice for Allergen Management and Labelling – see Technical Background Notes section 9.]

There was also some concern that the labelling of a wider list of allergens might increase consumer concerns or fears about ingredients that they were previously unaware or unconcerned about:

*“...you could have people saying ‘this product says it might contain soy, what’s wrong with soy?
That’s right. Or what’s wrong with gluten – should I be avoiding it?’”*

There was some debate about this issue in a couple of the groups, with the counter argument articulated well in the following comment:

“I think only the people who notice the nut warning were the people that were allergic to nuts. I would say most of my patients don't know that there are warnings, so that suddenly if there's soy and gluten I don't know that they're going to notice. But, for the people who are allergic, it's fantastic”.

Some nutritionists specialising in the area of food allergies had further concerns regarding inaccurate labelling that would not be addressed through the new allergen labelling requirements. In their experience, adverse reactions to allergens usually occurred because the food manufacturer failed to label accurately, rather than that the consumer (or parent) mis-interpreted the label. Unintentional labelling errors were most frequently known to occur in the following three circumstances:

- Oversights due to a lack of manufacturer knowledge about where certain ingredients are derived from, such as caramel derived from wheat;
- Seasonal changes where different ingredients or additives are sourced differently at different times of the year – in these cases, often labelling does or can not keep up with ingredient use; and
- Omission through the requirement to only declare flavours as 'flavours' rather than the flavour source, such as celery.

Most nutritionists generally agreed that people with allergies are able to ascertain which products they can and can't consume, and that this will be enhanced with the new requirements. However a couple of participants suggested that the use of symbols (such as a fish, a ear of wheat, an egg) instead of wording would simplify allergen detection for consumers. Nutritionists in Australia and New Zealand again raised concerns about legibility issues when the extended use of allergen labels was discussed.

A final issue that hospital based nutritionists/dietitians sought clarity about was whether bulk foods used in hospital kitchens and convenience foods would contain allergen warning information.

5. Nutrient Claims

Nutrient claims are referred to regularly in counselling and education practice, most often in response to client or patient inquiries. The nutritionists participating in this research indicated that they spent a lot of time educating clients and patients about the accuracy of a particular nutrient claim, in which case they would use the NIP to verify or explain the implications of a claim in the context of a whole meal or a healthy eating plan. For example, clients may refer to a low fat claim, and be seeking verification that that product is in fact low fat. However, most nutritionists will use that opportunity to assess the whole nutritional value of the food, rather than just its fat status. Nutritionists in this way were teaching their clients to look beyond the nutrient claim. In reality they felt many products that make low fat claims are in fact high in sodium or sugar, something that some consumers were becoming much more aware of and sceptical about. Terms such as lite, light, low fat and fat free claims such as 98% or 92% fat free were also regularly challenged with clients as a part of counselling in order to ensure they understood that a 92% fat free product was in fact 8% fat.

However as mentioned earlier, participating nutritionists also commented that as consumers have become sceptical about nutrient claims on products, they are now also questioning the reliability of accurate nutrition information that nutritionists wish to use as a teaching tool. Several nutritionists commented that their clients are taking more convincing in education and counselling.

"I get quite a few people who are sceptical about any sort of claim and will buy the product with the least amount of claims on it because they think it's a marketing ploy to try to get them to buy it ... Questions like that always come up like 'how can I believe it, it's probably not true anyway' and that sort of thing".

Most participants in the Sydney and Melbourne (Australia) groups were aware of the ANZFA Code of Practice for Nutrient Claims, and many were aware that the use of nutrient claims was currently under review while this research was in progress. The outcomes of this review were eagerly awaited. However, participants in the Perth group did not appear to be aware of the Code of Practice at all. The New Zealand participants were also seeking clarification regarding the use of terms such as lite and light. [Technical note – a review of nutrient claims is currently being undertaken by ANZFA.]

6. Date Marking and Other Labelling

Approximately half of all group participants were aware of the changes to date marking labelling and the new distinction between use by and best before dates. Most did not use date marking labels in their practice, commenting that date marks only occasionally come up in counselling sessions or supermarket tours. Participants therefore had little to contribute with regards to the implications of these changes. In general the group discussion moved quickly to how participants themselves or their clients use date marks, which did not differ from the findings of the earlier consumer research.

Similarly, the contribution participating nutritionists could offer with regards to country of origin, novel and irradiated foods and GM labelling was limited as it was generally not relevant to their practice of advising clients and patients on nutritional issues. Of all of these types of labels, GM issues were raised most frequently by clients and patients, particularly in relation to soy products. A few nutritionists commented that they were asked more often about these issues by peers and friends in social settings more than by clients seeking advice. Consistent with the earlier consumer research, the issue of GM was seen as more contentious in the Perth group than other locations.

For those (few) participants who offered feedback regarding GM foods, they tended to articulate their personal opinion, rather than that of their clients (for whom the issue had relatively low salience compared to other labelling issues). This opinion tended to align with the consumer advocacy line, reporting concern that the GM labelling requirements had fallen short of consumer concerns and wants by failing to require manufacturers to declare GM ingredients present in foods in amounts less than 1%.

Again, amongst those who were concerned about GM labelling (in Australia), the impression was that Australia's standards were admirably stricter than international standards. The dietitians in the New Zealand group were surprised to find that currently there are six GM commodities permitted to be used in the NZ food supply.

5.1.5. Sources of Information

In Australia, ANZFA was generally seen as the most credible source of information about the new Code and food labelling in general, and would more often than not be the first port of call that participating nutritionists would make for specific labelling information, or clarification of a labelling issue.

However, most participating nutritionists had received their information to date from their professional association (DAA or NZDA) and viewed that professional body as the best way to keep up to date with food labelling information. Many were fully aware that any relevant information forwarded to them via DAA or NZDA came from ANZFA and relied on and trusted this cooperative arrangement to be kept informed.

Other sources of information included, in New Zealand the Nutrition Society, and in Australia the Public Health Association as well as in both countries personal contacts, industry contacts and industry associations such as the Australian Food and Grocery Council, Grocery Manufacturers Association (NZ), information sources directly from food manufacturers, and particular nutrition interest or disease organisations such as Diabetes Australia and the Coeliac Society.

Awareness of particular information materials

The majority of participants were aware of the ANZFA website, and many had used it at least once. A very small proportion use the website regularly to proactively keep themselves informed of emerging issues and decisions, but most rely on the DAA or NZDA email updates and newsletters.

“Their [ANZFA’s] little leaflets that we get in our DAA package if you’re a DAA member. They’ve always got the updates and changes and what’s coming in and that’s regular as well”.

Those who had used the website reported mixed reactions and success. Some found it difficult to negotiate and locate specific information pertaining to their inquiry, and others had been unsuccessful in accessing the site as it had been down when they tried to log in.

Not many nutritionists had used the ANZFA user guides, including the overview guide, but amongst those who had, reactions were generally positive.

“...you need something you can quote quickly and you need to be able to reference it. I find that you’re able to do that. I like the detail but it might just be because of the area I work in”.

However, many participants felt they needed only a short summary of the labelling changes, together with a rationale for why the changes have occurred, so they can respond to patient and client questions as to why some things are included and others are not.

Very few participants were aware that there was a 1800 number for queries, and a few participants in most groups were aware of the ANZFA NIP calculator. Australian participants thought this was an excellent initiative, but predominantly useful to industry rather than themselves as practitioners. New Zealand participants were not aware of the NIP Calculator as it does not appear when they access the ANZFA website, and they questioned whether the calculator would be available using New Zealand data.

There was mixed awareness of the ANZFA 'yogurt' labelling poster. In each of these groups, the poster was mentioned spontaneously before the moderator had to raise it. About half the participants in the Sydney and Melbourne groups had seen the poster, and many were using it as a tool in practice. Others had not received it themselves, but had seen it in supermarkets or other public places. Most found it had application both as a teaching tool and for general consumer education in the wider community and highly recommended its use to others in the group. Several requests were made for an A4 version of the poster for use in education and counselling work.

However, participants in the Perth and New Zealand groups were far less aware of the poster. When the moderator mentioned the poster to the Perth group, reactions were much more varied. Most described it as informative, but too busy and text based for consumer education. They preferred something that was:

- Punchy;
- In bullet point (brief); and
- Written in simpler language.

Level of preparation / readiness

Nutritionists who participated in the research fell into one of three general states of readiness for the implementation of the new Code:

- Those who felt fairly well informed and well prepared;
- Those who did not yet feel ready, but knew where to find all the information when they needed it; and
- Those who felt ill-prepared or who admitted the pending changes had not 'hit them yet'.

Importantly, in each of the above categories nutritionists felt capable of making themselves informed when they chose to do so.

“I think the information is there and I think that most dietitians know how to access it whether or not we’ve all got around to reading it or knowing it yet is another thing but I think that most dietitians are ...I think we feel very informed by ANZFA”.

Those who acknowledged they would need to spend some time and effort coming up to speed with the changes regarded this as a necessary and important requirement on their part that would have significant benefit to them in the long run. Most also felt that while their knowledge may initially be incomplete or they may be confused by some of the changes, in time this would be alleviated as they worked with the new label requirements more and more.

It’s time well spent though. I think the advantages outweigh the time factor. I think it’s good”.

“It’s quite a progress. It’s your business and therefore you’re interested so to me it’s a core thing of my business”

“I think anything that’s a change is going to be complicated in the beginning until people get used to it. That means we’re going to have to be re-educated in order to be able to give the right directions to our clients”.

Training

Participants were not aware of any formal or informal training that was available for them in order to learn more about the new Code. Some referred to a session that had been run at the last DAA conference, and suggested that this was a good way to provide face to face information to DAA members. However, as is the limitation of any communication that relies on the professional associations, participants pointed out that not all nutritionists and dietitians are members of DAA or NZDA.

One participant in the Melbourne group had recently attended a training day provided by the food industry and ANZFA at Deakin University and had found this very useful. She had become aware of it only through a product manufacturer when making a product inquiry, and was able to attend as a non-industry member.

There was reasonable interest from other group participants in attending a similar seminar or training session, either together with industry, or for nutritionists and dietitians only.

5.1.6. Costs and Implications of Labelling Changes for Nutritionists and Dietitians

The nutritionists who participated in the research did not feel that the changes in the new Code would cause any significant costs to them, and were unconcerned about any such costs which related mainly to the updating of education materials, handouts, and product examples. Most saw this as a small price to pay for welcomed important and useful changes to labelling legislation, and that they would benefit as professionals in their ability to do their job once they had become informed of all the changes. Nonetheless, a few individual participants did voice their concern over the high cost of purchasing the new Code.

However one issue of more concern was the costs to industry of all the labelling changes, and the likelihood of these costs being passed on to the consumer. The assumption was made that eventually consumers would bear the costs of labelling changes.

The only other non-financial cost of concern to nutritionists was the over-declaration of information on labels, and any resulting confusion on the part of consumers. Of particular concern was the possible reduction in consumers' access to this information because food labels could become too cluttered, or too small to fit all the necessary information on them. This was of concern despite being informed of the changes to legibility requirements in the new Code.

5.1.7. Enforcement of the new Code

In Australia and New Zealand, participating nutritionists had a very low awareness and understanding of how labelling regulations will be enforced. There was considerable confusion and mis-understanding about the allocation of resources and responsibility for enforcement between ANZFA, Australian State health authorities and the NZ Ministry of Health, and local government authorities. After some consideration, most participants assumed by default that the responsibility for enforcement probably rests with State health authorities. However, the general consensus was that food regulations are poorly enforced now, and that little would probably change with the introduction of the new Code.

Participating nutritionists commented that the responsibility for enforcement would probably be left to those working in the area, such as nutritionists, dietitians and food manufacturers who would bring breaches of the Code to the attention of the state health authority or the media. This assumption is well-founded as the enforcement stakeholder research (Section 6) indicated that the enforcement of new labelling changes is likely to be almost exclusively reactive, in response to consumer and industry complaints rather than a pro-active policing strategy.

5.2. GPs

One focus group was conducted with eight GPs in Melbourne. Participants consulted to patients from a range of different age and SES groups, on a wide range of medical issues. All participants dealt with nutrition/food related issues; one worked as a nutrition specialist and three other GPs specialised in allergies. The remainder of participating GPs dealt with nutrition issues related to diabetes, asthma, excema and intolerances as one part of the range of medical issues arising in general practice.

The moderator began the group by asking GPs about their current knowledge and understanding of food labels and how, if at all, they use labels in patient consultation. The discussion later moved to the specific changes in the new Code; GPs reactions to those changes and their views about the likely implications; and to what extent and how other GPs should be informed about the food labelling regulations.

5.2.1. Awareness of ANZFA and food labelling regulations

Overall, the knowledge and understanding of food labelling standards amongst the GPs participating in the research was low. Whilst many were using food labels in their consultation with patients, none felt that their knowledge was complete or that they were up to date with the current (new) regulations.

About half group of GPs had heard of ANZFA, but none had ever initiated any contact or received any information from ANZFA in the past. Only one GP was aware that there had been recent changes to the food labelling requirements in the Food Standards Code, having heard mention of this in the media. Another recalled hearing about recent changes to the GMO threshold and labelling implications, but could not describe these changes in any detail. None of the GPs in the group had any knowledge or understanding of the recent changes to food labelling standards.

5.2.2. Use of food labels in general practice

All of the participating GPs felt that they had a need to know and understand the key food labelling requirements. About half indicated that nutrition / food issues are raised by themselves in their general practice consulting, the remainder commented that a lot of their patients are interested in what's in food, and ask questions which often acts as a cue for the GP to talk about nutrition issues. Food labelling issues generally arise around medical conditions such as diabetes, asthma and allergies, and around general weight control.

There was general agreement that there is a lot of misunderstanding about food labelling and nutrition amongst the general public, and that the patients they see are confused about what nutrition messages they should and should not believe.

Amongst the GPs in the group, the nutrients or nutrition issues of highest priority were fat, sodium, sugar, fibre, allergens, gluten and artificial colouring agents. Sodium, which was referred to as salt, was a far more salient issue for GPs, mentioned more often and spontaneously than it was by dietitians and nutritionists.

The participating GPs indicated that they refer to both the ingredient list and the NIP. As for nutritionists, the ingredients list was used more by GPs consulting on allergies and food intolerances, whereas the NIP was used when discussing weight management.

Most (but not all) of the GPs found the NIP complex to use and the per serve and per 100g columns confusing, because there appeared to be no standard format. NIPs were perceived to vary enormously amongst products, with regards to the 'per serve' size, the range of included nutrients, and the 'ad hoc' use of the per serve, per 100g and %RDI information. The variability between Australian and imported labels was also seen as problematic, making the translation of the NIP unnecessarily complex.

“also I find that the labels like this thing where they’ve got per serve and per 100g, I mean you’ve got to concentrate quite heavily to actually work those things out, I don’t know if it’s cunningly done to confuse you...”

Many commented that the 'per serve' amount was sometimes unrealistic in terms of how much one would eat, and in these cases the per 100g information was the only way to compare foods. The general consensus was that both columns were useful and should be retained so that the practitioner could refer to the most appropriate column depending on the product.

All of the GPs were aware that the ingredients are listed in descending order of quantity and use this information in patient counselling. Some raised concern that because sugar sources are broken up and listed separately patients often underestimate the relative sugar content of a product. This practice was viewed as being a deliberate ploy by manufacturers to mislead consumers.

GPs were often asked about particular nutrient claims, where patients were looking for endorsement to eat a particular product based on the validity of the claim. Like dietitians and nutritionists, some GPs would refer to the NIP to verify a nutrient claim and were generally sceptical about the credibility of most claims. The distinction between nutrient and health claims was not well understood, but many felt that there was insufficient scientific evidence to support the use of any health claims. Research used as evidence for existing claims and GM labelling was viewed as being funded by the food industry, and therefore biased and unreliable.

All other types of food label elements were rarely used by GPs, unless they were trying to track down food composition information from the manufacturer, in which case they might use the country of origin label or a date mark.

The NHF Tick was raised spontaneously by a few GPs and most GPs attributed it with the same level of scepticism afforded to other nutrient claims. They were concerned because they felt patients were misled into making poor food choices based on whether a product carries a tick.

“they think it’s a good choice because carries the tick – even butter with the tick is ok”

“I actually tell patients that it [the tick] just means they paid a license”

5.2.3. Reactions to food labelling changes and implications for consumers/patients

All of the participating GPs were interested to learn of the changes to the food labelling standards. For all of them, this was their first opportunity to receive up to date information.

Their reactions to the changes were mostly positive and supportive, with an overarching caveat that none of the changes were worthwhile if consumers were not adequately informed and educated on how to use them.

“because otherwise it’s still a secret code, unless the ordinary person has been taught how to read this, or how can I understand it, or even that it’s there for them, they won’t know, only the people who have been trained [will know]”.

When asked whose responsibility it was to educate the public, most felt that role rested with ANZFA (note, at this stage of the discussion, participants were aware of ANZFA and its role in determining food labelling legislation). Many acknowledged that there was significant potential for GPs to play an educative role if they were properly informed themselves, and for example, information posters in GP surgeries could be a simple way to let a lot of people know how to use food labels. However there was strong resistance for any notion that GPs be relied upon to educate the public about nutrition and food labelling issues.

After the labelling changes were discussed in detail, participants sought further clarification or voiced concerns over the following issues:

- The requirements for labelling for un-packaged foods such as cheeses etc;
- In the NIP, whether sugars could or would be divided into total and simple sugars – and if a low sugar claim was made, would sugars then be broken down (as fats are for cholesterol claims);
- The credibility of use by and best before dates and the built in thresholds that manufactures allow for;
- Enforcement, particularly with regards to imported foods and how uniformity in NIPs would be ensured – there was no awareness of how food labelling standards are enforced;
- The status of labelling the glycemic index;
- The implications of percentage labelling for meat products in particular;
- The implications and costs for small manufacturers, and how realistic it is for them to be compliant.

5.2.4. Informing GPs about food labelling

Keeping up to date, and finding trusted sources of information about labelling were the key issues for GPs.

“I think it’s hard for us [to keep up to date] and it’s impossible for consumers because we don’t know what we’re talking about half the time anyway...we’re bombarded with contradictory information, most of which comes from vested interests and I think GPs are just as confused as everybody else”.

“there are so many fashions and fads, I remember when I first graduated it was all carbohydrates and sugars were going to kill you, and then it turned into fats... and next year it will be something else is going to kill you”

Most used their own contacts, or the media to find out anything about food labels. Some GPs mentioned that they do receive information from the dairy industry and meat and livestock corporation but this was limited. The general view was that industry –produced information was not necessarily trustworthy. A few GPs had tried to contact food manufacturers to get specific food composition information, with varied success.

ANZFA was generally regarded as being the most credible organisation to approach with regards to information about food labelling issues and information received from them would be viewed as reliable and welcome. However, if this information was sponsored by a food manufacturer, it’s credibility would immediately be called into question.

It was agreed that the best ways to inform GPs was via their professional associations, which would give a stamp of authenticity to the information and increase the likelihood that GPs would read it. All participating GPs felt that only the key information was needed, a short summary of the changes and implications for consumers.

“I think you’d want a simple sheet that you could glance at in a minute and get a message and a detailed thing you could read if you want to, most stuff will just go in the bin so if there’s a quick thing, and those interested can read more”.

Others requested the distribution of electronic information, or that GPs could be directed to ANZFA website resources if such short summaries were available electronically. It is important to note however, that no GPs in the group knew of the ANZFA website until the moderator informed them of it. The participating GPs placed great value on having the ability to download information that you could print and hand out for patients. A couple of GPs referred to Medical Director software program that worked this way. Distribution of information in professional journals and publications was also suggested.

5.3. Alternative Health Practitioners

One focus group was conducted with five natural therapists and homeopaths in Perth.

5.3.1. Awareness of food labelling changes

Alternative practitioners were not aware of any particular regulations that govern food handling, none of them were aware of changes to the Food Standards Code, or even the labelling part of the Code, and the majority had no idea about who ANZFA is. Only one person had heard of ANZFA and that was in her capacity as a lobbyist about the Genetically Modified Food standard.

Several reasons are proposed for the lack of awareness:

- Food labels are less relevant to this group, and
- There is no main conduit of information.

Generally, food labels are thought to be less relevant to alternative practitioners than they are to mainstream dietitians and nutritionists because alternative practitioners are likely to recommend that their client / patient eat less processed (ie packaged) food and move towards the unprocessed (ie fresh fruit and vegetables).

Dietitians and nutritionists rely heavily on their professional body to provide information that is relevant to their industry and hence that is their main conduit of information. ANZFA is aware of these and supplies material for distribution to members.

For natural therapists there are said to be very many associations and bodies associated with the various modalities (naturopathy, herbalism, acupuncture, iridology, etc), and including: ANTA (Australian Natural Therapist Association), NHAA (National Herb Association of Australia).

5.3.2. Use of food labels in consumer / patient education

Alternative therapists do not as a general rule educate clients about the use of food labels. Therapists said that they might recommend that a client / patient avoid a particular ingredient such as wheat, and in that case, they might ask that they read the ingredient list to ascertain whether that ingredient is in the product. A few alternative therapists have put together a collection of product labels for products that they themselves have identified as acceptable for certain conditions. It was said that clients found it easier to later recognise the product on the supermarket shelf. Hence the most often used item on the label is the ingredient list; whereas the Nutrition Information Panel (NIP) was rarely discussed in client consultations. Consequently, alternative practitioners expressed little interest in the NIP, saying that most people did not understand what the recommended daily allowance for each of the items was anyway, or what was an acceptable level of fat to consume.

When told about the allergen label changes, it was thought that the new requirements would be very useful for helping patients avoid particular ingredients that had a detrimental effect on their health.

The participating alternative practitioners were very concerned about genetically modified food in general, and did not think that labelling was going to have much effect in the long term. Within this group there was a belief that it will be impossible to stop the introduction of GM in the food chain and that eventually all foods will be contaminated anyway. One person in the group had a high level of knowledge about GM issues from a lobbyist perspective. Even so, there was a high level of dissatisfaction expressed by some about GM foods at many points throughout the discussion.

In general, there is a great deal of consternation about the lack of research that has been conducted into the GM issue and the long-term effects of introducing into ('contaminating' is the prevailing sentiment) the food chain.

"Some Doctors are even saying that eating GM foods may alter our own genetic structure over time. The possible effects are not understood."

"It's like experimenting with the whole population, and in a couple of generations we'll find out the results."

Again, the view that GM foods are being introduced despite consumer resistance was apparent. The opinion was expressed that if a referendum were held, it would be found that most people did not want to eat GM foods.

Aside from those label elements mentioned above, the alternative practitioners participating in the research expressed no interest in or use of any of the other sorts of label elements.

5.3.3. Perceived importance of food labelling

It was universally agreed that food labelling is very important. Participants thought that all packaged foods should be subject to the same requirements, regardless of whether they are imported or made in Australia. There was a strong belief that offshore manufacturers should be subject to the same regulations as Australian manufacturers.

The consumer's right to know what they are eating is the primary motivation for this belief. This is true for all aspects of the label, including alerting to the presence of genetically modified organisms, the use of irradiation and the presence of allergens, etc.

It was agreed by all participants that the labelling changes mentioned were a good thing.

5.3.4. Sources of information

Participating alternative practitioners said the principal way they find suitable materials and food products was through personal investigative work. They locate specific shops and products and then recommend them to clients / patients.

They thought that the majority of the public got their nutrition information from television, magazines, newspapers, diet books and specific product advertisements. Women were said by one to be more widely read than men (through articles in women's magazines).

It was suggested by one and the others did not disagree that people from a lower socio-economic background were less aware of food and nutrition issues than those from a higher socio-economic background. It was thought that the best way to communicate with those who needed information about such issues was via TV.

The Internet was also seen to be a good source of information about health issues.

If there were a leaflet for consumers about food labels some of them said they might use it with patients – they would make them available to their customers – but thought they may not actually read them unless they were very simple and quick to read.

5.3.5. Enforcement

None of the alternative practitioners had any idea exactly who would enforce labelling changes.

"Not sure where you would complain about a labelling issue."

One participant suggested it would be a State issue, but when a scenario was placed before them (a person buys a loaf of allegedly gluten-free bread, eats it and shows a typical reaction to gluten – where would you go to complain?) they all said they didn't know. Someone suggested the Ministry of Fair Trading as a possible source.

When the local council was suggested by the moderator as a possible place for the follow up of this issue, without exception participants remained uncertain.

The State Health Department was mentioned spontaneously only after a considerable while, and then it was still obvious that this was not a widely accepted or logical avenue for complaint resolution or enforcement.

The alternative practitioners participating in this research had a slightly different perspective of consumer confidence in food safety to that of dietitians and nutritionists. These participants thought that consumers have an unshakeable belief that the government is monitoring and checking the foods that they consume to make sure they are safe to eat.

"Consumers don't believe that anything that is sold in supermarkets could be bad for them because the government wouldn't let it happen. This is what they believe."

This is confirmed by many of the consumers included in the previous phase of research who imagine that 'someone' is checking to ensure our food supply is safe. However the previous consumer research, and the dietitian and nutritionist groups also confirmed that many consumers, whilst trusting the safety of our food supply, are sceptical about the reliability of nutrition and product information on food labels.

5.3.6. Other issues

Several alternative practitioners in the group expressed some concern that the level of potassium was no longer being required on food labels. Potassium, it appears is important in the treatment of cancer and it was thought that it should still remain on the labels. As noted earlier, this concern was also expressed by some dietitians working with renal patients.

The alternative practitioner participants also felt that every ingredient that was in the product should be on the label, regardless of the percentage involved (ie commenting on the fact that 1% content required to label for unintended contamination with GMOs for disclosure of GMO content), so that the consumer could make the choice about what they were prepared to eat. The label should be clear about exactly what the food contains and hence plain English was preferred for additives, instead of numbers.

The GMO-Free claim label was thought to be a means to enable consumers to see at a glance that a product was free of GM ingredients, rather than having to read the small print to see if there were any GMOs present in the ingredients. Contrary to the findings of the earlier consumer research, it was thought that all manufacturers should be given the opportunity to put it on their products if those products were GMO free.

5.4. Public Health Professionals

The two public health groups, conducted in Perth and Sydney comprised people who work for the two state health authorities, specific health bodies (eg Coeliac society, Diabetes Australia, the National Heart Foundation) and from the Schools Canteen Association. Around half of those in these public health groups deal directly with the public in relation to labelling issues. Some also deal directly with the food industry, particularly the National Heart Foundation which reviews food packaging as part of the assessment of NHF Tick applications.

5.4.1. Awareness of food labelling changes

As would be expected, most participants in these groups were aware of the impending labelling changes.

As one would expect, the level of knowledge of the changes varied by the individual's need to know at this point, and the focus of the organisation for whom they work. For example, the representative from the Coeliac Society was well informed of the requirements of the Code relating to the presence of gluten in foods, but not so focused on other changes. This person has been involved, through the Coeliac Society with drafting the gluten provisions in the new Code.

Similarly those who have not had to use the specifics of the Code as yet, particularly those working for state health departments in policy development roles are only aware of broad changes.

Most participants were aware that the new Code does not become mandatory until December 2002 and envisaged that they would become more attentive to the new Code requirements after that point.

5.4.2. Use of food labels in public education

Not surprisingly, those who have contact with consumers use the labels extensively for educational purposes. Obviously the representatives of organisations that deal with specific health problems such as Coeliac disease, cancer, etc are more likely to focus on certain label elements over others. For example, those being instructed about how to live with Coeliac disease would be taught to choose foods based on the absence of certain ingredients such as wheat. Hence the main label element is the ingredients list, although there is also the issue of warning statements in this instance. The advisory statement is seen to be of most importance where there is likely to be an allergic reaction if the ingredient were to be consumed. There are various degrees of intolerance / allergy to gluten and hence, the Society believes that there needs to be a graded system to notify of the level of gluten present in foods, so that their members can choose to what degree they are prepared to avoid the substance.

On the other hand those who suffer from other health issues would be instructed how to select food that will address this health issue, whether it is heart disease, cancer or diabetes, etc. and often, the information that is most relevant to these is included in the Nutrition Information Panel.

5.4.3. Use of food labels in other work practice

Participants who work in policy development use labels infrequently on a daily or weekly basis. However they supported the new changes to nutrition labelling because they were seen to be consistent with public health and nutrition priorities and outcomes.

The School Canteen Association representative reported that they tend to translate the information that is provided on food labels into something that can be visualised (ie especially those who grew up in prior to the implementation of the metric system). For example they might say that a can of cool drink contains x teaspoonsful of sugar, or a biscuit contains x teaspoonsful of fat. This application was used for the education of school canteen managers as well as students.

Participants working for the National Heart Foundation and Diabetes Australia (both in NSW) had regular contact with the food industry and were asked to consult and provide advice on the interpretation of the old and new Code in the preparation of food labels.

5.4.4. Perceived importance and implications of food labelling

Not surprisingly, this group of professionals thought food labels were extremely important for educating consumers about nutrition and the food they eat.

As discussed in the previous section it is apparent that the two main label elements are the Nutrition Information Panel and the ingredients list, with the advisory statement being possibly of more importance, but to a smaller number of people.

One of the most pleasing and significant implications of the new Code requirements was thought to be the mandatory inclusion of saturated fat into the NIP. Some participants felt that this requirement would prove to be a turning point in public health and education for two reasons:

1. Increasing consumer capacity to monitor and reduce fat intake; and
2. Driving food manufacturers to explore alternative fat sources as they strive for a competitive edge for their products.

However, these participants were also concerned about the unlikely enforcement of the new changes, particularly the NIP. In this regard they felt somewhat compromised if they begin to educate people to look for NIPs and how to use them, thereby creating demand for this label information whilst suspecting that many products will not display it. Similar concerns were expressed over the misuse of nutrition claims, although most were aware that the use of nutrition claims was currently under review by ANZFA.

Most participants agreed that the implementation of percentage labelling would have considerable consumer benefit, but was not relevant to their role as public health professionals. Consistent with all other stakeholder groups, this label information was seen as more of a quality issue than a health issue.

5.4.5. Information sources

All participants said they had received sufficient information about the changes, for what they needed. There was said to be plenty of information available for their purposes, and they knew how to contact ANZFA if they wanted more information.

"I have as much information as I've got time to read."

Several participants had contacted ANZFA directly in the past for points of clarification on particular labelling issues. There was a mixed level of satisfaction with responses received. ANZFA correspondence was regarded as helpful, in particular the regular updates and newsletters. However, the responses received in telephone inquiries were often not helpful and ANZFA staff were unable to provide clarity or resolve questions. It was acknowledged that often these calls were of an unusual nature, specific to particular products that were not addressed in the user guides or examples provided in ANZFA materials. However it was asserted that if ANZFA could not answer these questions, how was anyone else expected to reach the right interpretation?

Participants working with the food industry in particular were concerned that they may provide advice that was inconsistent with how ANZFA (or an enforcement authority) might interpret the new Code. It was suggested that a series of seminars for specific groups would be beneficial to ensure that consistent information was being disseminated. Further requests were made for summaries of the implications of the new Code for different sub-groups, such as small manufacturers, community cake stalls, charity stalls etc versus large manufacturers and food service establishments.

The school canteen representative also commented that the relative importance of food labelling issues compared to the food handling and hygiene aspects of the Code was probably much lower and this would have implications for the implementation and enforcement of the Code in practice. This issue of relative importance was confirmed in the Enforcement stakeholder component of the study, discussed in Section 6.

5.4.6. Costs and implications of labelling changes

The direct implications for and costs to the public health participants was seen to be relatively minimal. Like dietitians and nutritionists, most would have to update their information and promotional materials, which is done on a periodic basis and therefore created minimal additional cost. The Diabetes Association participant commented that their Supermarket Tours materials would also need to be updated at some point after December 2002.

Some participants made comment of the non-financial cost on their workload and stress as they struggle to come up to speed with the new information, and in particular the various interpretations of Code requirements. A couple of participants referred to this as '*having to live with the confusion for a while*'.

A common theme, re-occurring through out all stakeholder groups, was that the existing information materials are not really suitable for consumers. It was consistently argued that since the changes are being made for the benefit of consumers, it is important to raise the awareness of consumers about the impending changes. This issue is expanded upon in Section 7.

5.4.7. Enforcement

Even amongst this group it was not known who is responsible for enforcement of food labelling. The Health Department representatives obviously knew where and by whom a labelling complaint would be investigated (depending from where the complaint originated). It seems that in general (not only amongst this group) only those who have had a reason to make a complaint or inquire about a labelling issue know where to go, or have found out where to go.

As with other health professional groups, it was assumed that (unfortunately) enforcement would probably be reactive, in response to complaints, rather than pro-active. Given this, most suspected that the common breach of existing regulations (nutrient and health claims, legibility, NIPs) would continue, if not increase as there became more labelling requirements to be complied with. Concern was expressed by some participants that the interpretation of some labelling requirements is very subjective, and therefore the enforcement the Code would well vary considerably between individuals and between jurisdictions.

Lobbying the manufacturer was seen to be an important way of enforcing compliance. It was also thought that there would be some degree of industry regulation where manufacturers would be checking their competitors' products to ensure that their products actually contain (or don't contain) what they say they do (or don't).

5.4.8. Other issues

It was thought, by the Coeliac Society representative, that those for whom the consumption of gluten is an issue will attain enormous value from the changed labelling requirements. Managing a diet when you are intolerant or allergic to gluten is extremely difficult and many people who are debilitated by the illness find it hard to maintain a balanced diet.

Many packaged foods come into contact with gluten during processing, such as honey (machinery is dusted down with flour); boiled lollies (packed in floured powder); sports drinks. The new labelling requirements will mean that even minute quantities must be declared, as well as component parts (the derivation of the thickeners used).

However, it was said that there are some elements of the new Code that are not finalised and the provisions for labelling when gluten is present is one of them. Once a product is labelled 'gluten-free' there is a legal obligation for it to be as claimed, and there must be regular tests to ensure that the food complies. It was suggested that a general statement like 'suitable for gluten intolerance' may be more acceptable or useful.

There is also currently a debate amongst coeliacs about the testing procedures to be used for gauging what % of gluten is present where products are processed in shared facilities (old and rudimentary versus new and able to detect minute quantities). There is an understanding that without dedicated factories / premises, it would be difficult to prevent the presence of gluten in all products, and hence a debate arises about low-gluten versus totally gluten free to allow affected consumers to make their own choice about the degree to which they wish to comply. The Coeliac Society criticises manufacturers who use the "may contain nuts or gluten" disclaimer to cover themselves, because it is increasingly being used and is making it even harder for sufferers to find products they can eat.

6 FOOD INDUSTRY

A range of stakeholders within the food industry took part in in-depth face to face interviews. These included:

- Larger Food Manufacturers;
- Small Food Manufacturers;
- Food Retailers; and
- Food Service Establishments.

Due to the differences between businesses, the format of the interview varied. In large businesses, where a number of people had responsibility for labelling, a two-tiered individual interview or paired interview was conducted with both a senior employee and a more 'hands – on' staff member of the company. This enabled the researcher to obtain different perspectives on the same issues from within the same company. Many small businesses however had only had one person responsible for food labelling.

6.1. Food Manufacturers

As detailed in the methodology section of this report, small manufacturers were classified as businesses with less than 20 employees (and larger with more than 20 employees). It should be noted that almost all of the small manufacturers (n=8) were reasonably substantial organisations, producing a number of product lines. That is, no businesses were sole traders, or home-style businesses and this is reflected in their levels of awareness and knowledge about food labelling.

6.1.1. Awareness of Changes to Labelling Requirements

All of the large food manufacturers that participated in the research had heard of ANZFA and the Food Standards Code / Food Regulations. These manufacturers had made significant progress towards the transition from the old Code/Regulations to the new Code requirements, and therefore had a good understanding of the changes, and their implications for their business.

Small food manufacturers were similarly aware of both ANZFA and the existence of the Food Standards Code/Food Regulation. However, fewer small manufacturers (about half of those participating in the research) were aware of the specific changes, or their implications of those changes to their business.

It is important to note that both the large and small manufacturers that participated in the research felt that there would be plenty of (other) smaller manufacturers who would have little or no awareness of the pending labelling changes.

6.1.2. Sources of Information and Communication

In most cases, the level of awareness was related to a manufacturer's degree of involvement with industry bodies, such as the Australian Food and Grocery Council, Grocery Manufacturers Association, Confectionary Manufacturers Association, Chamber of Commerce and Industry etc. It was recognised and understood that these organisations maintain an ongoing and consultative dialogue with ANZFA and are relied upon to remain informed about labelling changes. These bodies play a significant role in disseminating information about labelling regulations to their members.

Many of the large manufacturers had been aware of the impending changes to food labelling legislation for a number of years, and had therefore been anticipating and tracking information as it became available.

In other cases, some of the smaller / medium-sized manufacturers who sell produce to the large supermarkets (Coles, Woolworths, etc) are likely to have a marketing agent to look after the regulations and requirements specified by the supermarkets. In these cases, the marketing agent is the most used and trusted source of information about labelling requirements. In this context, manufacturers again voiced concerns over the likelihood that small (and medium-size) manufacturers who are not involved in supplying the large supermarket chains will be unaware of the impending changes.

Other industry contacts and sources such as food technologists, institutes and academic organisations, industry publications and articles, suppliers and competitors (mainly large manufacturers) were also used by manufacturers to obtain information and clarification regarding labelling changes. Several of the large manufacturers commented that, in the absence of clear or consistent information from formal sources such as ANZFA and industry bodies, they were initiating collaborative meetings with direct competitors to attempt to reach an agreed 'industry' understanding or translation of a particular labelling requirement.

Larger manufacturers also tended to initiate direct communication with ANZFA, either via phone or in seeking written clarification with regards to particular labelling issues. Often this contact was conducted on their behalf by lawyers that have had to be commissioned as a result of the potential implications of specific labelling changes. Other small and large manufacturers have obtained considerable information by attending ANZFA seminars, or similar seminars coordinated by their local council or industry association.

Other smaller and less pro-active manufacturers had mostly found out about labelling changes via the media, and by their own observation of labelling on other products, or in one case in New Zealand, a leaflet in a cereal box received at home.

6.1.3. Overall Implications of Labelling Changes

The degree of concern about the labelling changes in the new Code and the amount of time spent attending to the implications is to a large extent determined by a manufacturer's awareness and understanding of those changes. Those who had begun to prepare for compliance reported considerable negative implications and costs for their business, involving direct and indirect costs. Most manufacturers were frustrated that many of these costs were driven by issues outside their control, such as struggling to obtain vital information from suppliers to enable labels to be compliant, or uncertainty and industry inconsistency over the translation of particular requirements.

Direct financial costs have been incurred through:

- the development and printing of new labelling artwork, larger labels to accommodate extra information, and often added costs of new labelling machinery where labels are produced internally;
- loss of economies of scale for label printing until the new labelling is ready (manufacturers who have been forced to order small print runs as they have not been able to utilise the whole two year transition period);
- the potential write-off of all stock in trade and stock run-out after December 2002;
- nutrient composition analysis for mandatory NIPs;
- hiring of lawyers and consultants to interpret and rule on labelling requirements where interpretation is unclear and ANZFA provide no further clarification.

Indirect costs include substantial time and personnel resources invested in:

- learning about and implementing the new labelling requirements;
- sourcing and tracing ingredient compositions and information from suppliers for ingredient declaration, allergen and GM labelling;
- undesired change of focus off new product development as all available time and personnel resources are re-directed at labelling compliance;

- planning and infrastructure, and the development of new systems, processes and devices in order to not just implement but also maintain compliance eg. building systems and data bases to track, monitor and manage supplier changes for each product line;
- duplication of work due to implementing labelling changes based on draft guidelines which changed at a later date (eg. NIP).

Other implications and problems

Other issues raised by many large and medium-sized manufacturers relate to:

- Supplier relationship management - being one of many manufacturers seen to be 'harassing' suppliers for ingredient and compound ingredient compositional information that they either do not have, or are reluctant (or unwilling) to provide; and managing relationships with suppliers as they are required to provide updates on changes in formulations and production techniques that impact on labelling (where they have never impacted in the past);
- Seasonality – implications for supplier management as described above as changes in seasonal sourcing occur at different times of the year or month;
- Finding and accessing specialists and advisers, and a limited resource pool to attract specialised technical personnel needed to maintain compliance;
- Limited number of design houses and label suppliers, many of whom are already indicating they are unlikely to be able to meet demand or provide manufacturers with a commitment to deliver labels in next 3-4 months;
- Increased consumer inquiries, at least in the short term. For some manufacturers who have changed labels, this had already begun to occur, others speculated that it was an inevitable outcome. Either way, manufacturers resented the fact that their time will be occupied responding to consumer inquiries brought about by labelling changes. It was felt that ANZFA should take responsibility for educating consumers about labelling changes so as to circumvent much of this need;
- Marketing issues and implications for product development particularly lower fat products now that saturated fat must be declared (meat products and ice cream in particular);

- Cost impact for consumers as manufacturers and retailers pass costs on to consumers. As well, there was concern over the potential broadening of the price margin between healthy/top quality and less healthy/lower quality products, further disadvantaging poorer consumers who can not afford to buy at the 'top end' of the market, and for whom product choice, range and quality may diminish.

Finally, most manufacturers, and large manufacturers in particular commented on the sheer volume of work that the food labelling review has placed upon their staff over the last two years. They expressed a sense of exhaustion, having had to implement GM labelling changes in the previous year and now having to immediately move to nutrition and other labelling requirements with no period of recovery. On the other hand, some manufacturers also acknowledged that at least this time, the learnings from the GM experience could be applied.

Interesting point of difference between Australia and New Zealand

It should be noted that while all of the implications described in the above section are applicable to both Australian and New Zealand manufacturers, New Zealand manufacturers appeared to be more accepting of the new requirements than did Australian manufacturers. It is speculated that this attitudinal difference could reflect a broader cultural difference between Australian and New Zealand people, the latter whom tend to be more accommodating of and less objecting to legislative and policy requirements. Many New Zealand manufacturers regarded the labelling requirements as just another compliance issue that had to be responded to. The following comment from a New Zealand manufacturer illustrates this attitudinal difference, which was conspicuously absent from the Australian manufacturers who participated in the research:

"The code doesn't mean anything to me. Just like the tax law it is about compliance. I have no feelings either way".

6.1.4. Impact of Specific Labelling Changes

The labels with the most significant implications and concerns for manufacturers were:

1. NIPs
2. Percentage labelling (characterising ingredient labelling);
3. Ingredient declarations and allergen labelling;
4. GM labels;
5. Country of origin labels;
6. Date marking;
7. Legibility requirements;
8. Nutrient claims.

Overwhelmingly, of greatest concern were NIPs, percentage labelling and ingredient declarations. These three label types are addressed in detail first, followed by the implications of the remaining labels listed above.

Nutrition Information Panels (NIPs)

The introduction of mandatory nutrition panels for all products was, together with the introduction of percentage labelling, the most onerous and costly of all labelling changes and was, not surprisingly, mentioned spontaneously by all food manufacturers (who were aware of these changes).

The main concerns with mandatory NIPs were the increased costs for analysis, and the cost and design implications in order to accommodate the NIP into the product label (including re-formatting of existing NIPs). For many manufacturers, this has meant a complete re-design of a label, often meaning an increase in label size and in some instances a larger package.

Significant analysis costs are incurred by both small and large manufacturers. Whilst many large manufacturers already put NIPs on some products (either market leaders, or products that make a nutrient claim), there is extra information or re-calculations that need to be analysed for the mandatory NIP, in particular saturated fat, energy, and carbohydrate. Many manufacturers did not appear to be aware that whilst a new method for calculating carbohydrate has been approved by ANZFA, the old method has also been retained. As well, large manufacturers generally have more products that have to be analysed, including those that have never carried an NIP in the past, and those for which the a nutrient content is 0%. Small manufacturers bear the costs of creating NIPs from scratch, and therefore requiring nutrient composition information for all NIP standard nutrients.

One implication of the standardisation of the NIP for some consumers may well be an apparent reduction in nutrition information. One large manufacturer made the point that they would no longer be including cholesterol in the NIP because to do so means also including the fat breakdown, thereby requiring significantly more space for the NIP than their labels can afford. They anticipated receiving calls from consumers who now look for that information and will no longer be able to find it, or who may be asking if the product no longer contains cholesterol as it once did. It should be noted however that many health professionals welcomed any shift in focus from cholesterol to saturated fat.

Manufacturers have chosen to approach nutrient analysis differently, using one or a mixture of:

- independent laboratory testing facilities (for all NIP nutrients, selected nutrients that have not previously been analysed, or selected ingredients);
- theoretical food composition tables, or
- the Nutrition Panel Calculator on the ANZFA website (Australia only).

A manufacturer's choice of method is determined by balancing the need to contain costs (and therefore the use of theoretical tables or the Nutrition Panel Calculator) versus an increased need for confidence in the accuracy of the NIP so that it can stand up to scrutiny and/or challenges from competitors or enforcement agencies. In this regard, products that are market leaders, or that make nutrient claims are often verified with laboratory analysis.

Use of the Nutrition Panel Calculator on the ANZFA website is not yet extensive but it was felt by small and large manufacturers that it would become increasingly useful, particularly to small manufacturers, as they became aware of its existence (and the need to provide an NIP on their products). Larger manufacturers had generally not found the Nutrition Panel Calculator helpful for several reasons:

1. It had been made available too late in the transition process, and they had already proceeded to laboratory analysis – a point about which many were very annoyed;
2. Their own comparisons between the Calculator and laboratory analyses were sufficiently different for them to lose faith in the reliability of the Calculator for individual products; or
3. The Calculator was unsuitable for complex recipes, or for recipes that included ingredients not listed in the nutrient data base.

The Nutrition Panel Calculator was not used by any New Zealand manufacturers who were mostly unaware of its existence. When questioned it became apparent that the ANZFA website accessed from New Zealand does not offer the Calculator, although most NZ companies were interested in the notion of such a device as long as it used New Zealand data.

Smaller and less prepared manufacturers had given little or no thought as to what would be involved in complying with the NIP requirement and how they would approach compliance.

Percentage Labelling

Percentage labelling was more commonly referred to by food manufacturers as characterising ingredient labelling, or declaration of characterising ingredient. Almost all manufacturers were critical of its introduction, and most were more frustrated and impatient about this label element than any other type.

Whilst most manufacturers understood and, in the main, agreed with the intent behind percentage labelling, their main criticism related to the subjectivity of its interpretation. The key concerns were:

- In all but simple product examples such as flavoured yogurt and fruit juice, difficulty in determining what is/are the characterising ingredient/s (the most common concern). As well, because there are no general rules to determine the characterising ingredient, each product has to be determined on a case by case basis which is time consuming. This problem was causing manufacturers considerable consternation and financial costs as they seek clarification from legal advice in the absence of advice or product 'rulings' from ANZFA, as well as anxiety that the assumptions they make about characterising ingredients will be challenged by enforcement agencies or competitors;
- Potential incongruity between what the consumer and manufacturer may interpret as the characterising ingredient, thereby negating any real consumer benefit of the regulation;
- The calculation of the characterising ingredient is open to manipulation depending on the way in which a manufacturer decides to do its mathematics, once again negating the provision of a consistent and true measure for consumers.

The concern by more informed manufacturers was that the manipulation of the content of the characterising ingredient, for example by re-constitution or choice of inferior quality of an ingredient, does not help the consumer to make an informed choice. Whilst manufacturers at the 'top end' of the market felt that percentage labelling may give them a marketing advantage, they were nonetheless concerned about the potential for false representation of characterising ingredients by their 'lower quality' competitors.

Some manufacturers were also concerned and resentful that businesses were increasingly being required to give away their formulations and recipes which they regarded as commercially sensitive and part of their competitive advantage, as is illustrated by the following comment:

“I’ve had the analysis done but the situation is rubbish. No one will tell the truth. They would be mugs if they did. Are they going to give their recipes away?”

Less prepared manufacturers had no knowledge of percentage labelling requirements.

Allergen declarations

Not all manufacturers were aware of the full range of allergens included in the extended list (all nuts, fish, seafood, milk, gluten, eggs, soybeans) however most were aware of the allergens that related to their own products. Many were personally unaware of the risk of fish for allergy sufferers, and tended to think of shellfish as being the problem.

Whilst all manufacturers supported the provision of extra information that could prevent harm to allergy sufferers, there were two different perspectives of concern:

1. The extent of extra effort and costs incurred by manufacturers to ensure equipment was cleaned and secured after processing nuts (ie consequences for manufacturers);
2. Increased declaration of allergens, and in particular increased use of the ‘may contain...’ or ‘derived from...’ advisory statement which in effect reduces consumers access to allergen-free foods, where there is in fact no real increased risk (ie consequences for consumers). An example of this is where a product is required to state that it is derived from an ingredient containing gluten/wheat but it is rendered gluten-free in production, thereby being suitable for coeliacs. This concern was shared by health professionals.

Many manufacturers indicated they were having to chase suppliers for details of compound ingredients and flavours, particularly where that supplier was not the original source. Where this information could not be obtained, or no guarantee could be given as to the allergen status of an ingredient or compound ingredient, manufacturers felt obligated to use the ‘may contain...’ advisory statement.

Amongst less informed manufacturers, there was uncertainty as to what circumstances would require a label declaration, such as a clear bag of peanuts. Others were seeking clarification as to what forms of nuts must be declared, eg peanut oil, pine nuts, coconut.

The introduction of allergen declarations was also supported by other manufacturers where they could foresee a real risk if an allergen sufferer unknowingly consumed their product through lack of information. One example of this was a chocolate manufacturer who was acutely aware of the need for correct labelling of chocolate-coated peanuts that could be mistaken for chocolate raisins. [Technical note – The Australian Food and Grocery Council have developed an industry Code of Practice for Allergen Management and Labelling – see Technical Background Notes section 9.]

Genetically modified labelling

Manufacturers in both Australia and New Zealand were aware of this requirement, which had received a lot of publicity in both countries. [Technical note – the GM standard came into force on 7 December 2001 with a 12 month stock-in-trade provision.] As the requirements for GMO labelling had been introduced and bedded down in advance of other labelling requirements, most manufacturers had arrived at their position on GMO labelling and begun to implement their policy.

All manufacturers participating in the research had made the decision to avoid the requirement to declare GMO ingredients either by not using GMO ingredients or by ensuring products do not exceed the 1% threshold for unintended contamination. This decision was based almost exclusively on perceived consumer preferences to avoid GMO foods, but was also influenced by the significant hassle involved in monitoring ingredients for GMO labelling. Nonetheless, ensuring 'GMO free' or 'non-GMO' status (there was considerable confusion between these two terms) and thereby avoiding the need to declare GM ingredients on the label were still viewed as being extremely onerous for Australian manufacturers who have had to develop systems and data bases to ensure that suppliers certify that their products are free of GMOs. NZ manufacturers stated that suppliers tended to be helpful in providing this information as they knew it was necessary in order to maintain business with a manufacturer.

In contrast, some Australian manufacturers reported greater problems obtaining this information, particularly from international suppliers who are not required to provide the same level of certification for other countries. Further indirect costs were incurred through research and development in order to find alternative products and ingredients and ingredient recipes.

It was proposed that smaller suppliers might find themselves penalised because they will be overlooked if manufacturers prefer to use larger suppliers on the basis that they are better equipped and more efficient at providing the necessary assurances. There was also some concern expressed about the increased likelihood that some suppliers might find it easier to lie than attempt to guarantee GMO free status when it is impossible to ensure (for example due to contamination by nearby crops).

Date marking

In both countries, awareness and understanding of the two standard date mark terms ('best before' and 'use by') was mixed. Most manufacturers understood the differentiation in terms and had no significant problems with the change. For most, this was a minor change compared to the implications of nutrition and ingredient labelling. However there were a few manufacturers who were uncertain which term applied to their particular products, and whether it applied to un-packaged food.

The impact of the new date marking requirements was much greater for New Zealand manufacturers who had not previously been required to provide this extent of date marks.

The product line most impacted by date marks appeared to be bread products and bakery items, where previously a 'use by' date was printed on a small plastic tag that closed the bag. The requirement to now use the term 'best before' had major cost and processing implications. Manufacturers of bakery goods presently sold un-packaged were also concerned about the significant implications for their baking processes and quantities if they were required to package and label their products.

Country of Origin

Most manufacturers interested in or concerned about this labelling issue were aware that it was still under review by ANZFA at the time of the research and therefore had little comment to make. Again it was felt that the greatest implication would be for New Zealand manufacturers for whom mandatory country of origin labelling has previously not existed.

Implications for Imported Foods

This was a grey area where some manufacturers had many questions and concerns, whilst others were unaffected. It was speculated by several manufacturers that there might be some shifts in the range of some imported food lines as some large overseas manufacturers decide to pull out of the Australian and New Zealand market rather than have to change their product labelling in order to meet the new Code requirements.

Other concerns related to an Australian manufacturer's time and effort taken up tracking down the detailed ingredient information required for label updates, and the potential unwillingness or inability of an overseas supplier to deal with them in the future if this information could not be provided.

Furthermore, some manufacturers asked how compliance would be enforced for imported products, and were concerned that this would be a significant problem area for enforcement agencies. Some also questioned whether an imported product was expected to produce an NIP using Australian/New Zealand data or their own data, and if the importer would be required to re-label the same nutrition information to ANZ FSC format.

Legibility Requirements

Some manufacturers also commented on the difficulty they were facing including all the new information within existing label dimensions and formats whilst still meeting the legibility criteria. Many were having to re-size labels and this had meant switching to new machinery, with substantial cost implications. For smaller manufacturers this remained an unresolved issue, as they did not feel they could afford the costs of new label machinery.

Preparation and Storage Instructions

Compared to all other label requirements, preparation and storage instructions had low salience with manufacturers and were not frequently mentioned. One manufacturer in particular was concerned about the ramifications for consumer awareness and understanding as storage instructions were brought in line with the new requirements to meet public health and safety standards. This manufacturer could foresee that they would receive consumer inquiries asking why they had changed the storage instructions, the implication being that something in the product had changed rather than the labelling requirement.

Nutrition Claims

This labelling area was unresolved as manufacturers wait with much anxiety for the outcomes of ANZFA's review. Their concerns focused on the implications for further labelling changes, the future status and application of the Code of Practice and Trade Practices Act and how any recommended standard on nutrient claims would be enforced.

6.1.5. Level of Preparedness and Approach to Transition

Overall, the large manufacturers who participated in the research were considerably more advanced in their preparation towards compliance than were small manufacturers. However the extent of a manufacturer's progress, particularly smaller manufacturers, was determined by their:

- awareness and understanding of the implications of the changes to their business; and
- available time and resources dedicated to implementing labelling changes.

Both of these factors influenced when they commenced preparation for labelling changes, and their transition timeframe.

Small manufacturers interviewed who were fully versed on the labelling changes that affected their business appeared to have, at the time that the research was conducted, achieved greater compliance than large manufacturers. However this could well be a result of having fewer product lines and processing issues to contend with. Most reported to be between 25% and 80% compliant. By contrast, other small manufacturers with less awareness or understanding of the labelling changes had taken no or very little planning or actions and had not begun the transition in any practical sense. They admitted that they had probably left their run a bit late, and did not know how they would now manage to be compliant by December 2002.

Although very few larger manufacturers were fully compliant at the time of the interview, most reported to be between 0% and 50% compliant, all but one intended to be 100% compliant by December 2002. These companies had invested substantial time and resources to ensure that they would be fully or nearly compliant by the deadline. Their lesser degree of compliance at the time the research was conducted (compared to smaller manufacturers) was not an indication of lack of preparedness, but rather an indication of their forward planning as they manage stock run-out and turnover issues in the countdown to the compliance deadline, or an indication of the complexity of the labelling issues that they were still grappling with. The magnitude of these issues, and the far-reaching impact they were having on these companies cannot be under-stated.

The 2 year transition period

Many manufacturers who had progressed towards transition expressed considerable dissatisfaction with the amount of useable time they have had to prepare for compliance. The general consensus was that a two year transition period would have been fair had all of the labelling requirements and issues been resolved at start of that period, and manufacturers had therefore had been able to utilise the whole two years.

This is not to say that all manufacturers would have been in a better position with regards to compliance had this occurred, the research shows that there are several barriers to take-up that would have meant many smaller manufacturers were unprepared regardless. However, larger manufacturers, who require longer lead times to implement labelling changes, felt that their preparation and implementation has been hampered because of the late provision of:

- technical detail and requirements of some labelling standards, and the perceived changing of those requirements during the transition period (for example the inclusion of saturated fat and the new definition of carbohydrate in the NIP after the draft standards had been released);
- the ANZFA helpline;
- the ANZFA user guides.

The essence of these manufacturers' complaint is that during the transition period the goal posts kept changing, leading to either a duplication of work because large manufacturers commenced label changes based on the draft standards (to ensure compliance by December 2002) or lack of preparation as they waited for confirmation of final standards, user guides and clarification of labelling issues.

It was further pointed out that, at the time of the research, some labelling issues remain under review by ANZFA (nutrient claims; country of origin, dietary supplements). Manufacturers remain concerned about the likely impact of the outcomes of these reviews on further labelling changes and ensuing costs.

In this context, there was no common understanding of the exact cut off period for old versus new labels (and the likely enforcement implications) and their treatment of stock in trade at December 2002. Manufacturers were unsure whether ANZFA would allow a period of 'grace' where pre-printed old labels in storage or on stock-in-trade could be run out. Some had taken the position that they would have to have all stock-in-trade re-labelled or withdrawn. Others felt that this would be an unrealistic expectation and a period of grace would have to be provided to allow manufacturers the opportunity to run out stock with existing labels, in which case they would need 6 months to 2 years to do this. The issue of stock-in-trade requires further clarification by ANZFA and any ruling against a period of grace would be hotly contested by manufacturers, with some companies putting in place their own stock-in-trade run-out period regardless. [Technical note – ANZFA has since developed two proposals to deal with the issue of these transitional arrangements – see Section 9).

6.1.6. Compliance and Enforcement Issues

Manufacturers as a whole were not well informed about compliance and enforcement issues. Most did not know how the labelling regulations would be enforced, or by whom. When pressed, some manufacturers assumed, by default, that this responsibility would rest with local council enforcement officers or state health authorities. Speculation regarding EHO enforcement was questioned because so many of the label changes are not seen to be public health and safety issues, naturally falling under the environmental health domain. Likely enforcement by 'current' methods raised concerns and scepticism, based on past enforcement practice, about inconsistency in enforcement between jurisdictions and individual officers. The concern about approaches to enforcement was particularly strong amongst large manufacturers whose main production was located in one state or country and was geared towards the realistic compliance expectations of that jurisdiction, but may well be inconsistent with the practices of another state or country.

With regards to the significant new labelling changes (nutrition labelling, % labelling and allergen declarations), most manufacturers felt that they would be under more scrutiny from consumers and competitors than from pro-active enforcement officers, although officers may well be kept busy responding to these complaints. The high profile large manufacturers who participated in this research fully expect to be the subject of 'tall poppy syndrome' and that they will undergo greater scrutiny from competitors and regulators.

Almost all manufacturers who participated in the research spontaneously raised their concern that, whilst they may be reasonably aware and prepared for compliance, there would be many smaller manufacturers who will not be compliant because they either don't know about the changes, or are not sufficiently resourced to implement them by December. Some large manufacturers were disgruntled that they were having to incur significant up front legal costs to clarify various points so that they are covered in the event of a compliance challenge, yet there will be hundreds of smaller manufacturers who escape detection.

As well, some manufacturers thought that as a consequence of all the implications of labelling changes on implementation, some manufacturers may decide to take a calculated risk and breach compliance for some lines as they prioritise products in their label change-over program.

6.1.7. Perceived Benefits

Overwhelmingly, manufacturers regarded the main benefits of the new labelling requirements as being for consumers, who could now make informed choices about the contents of the products they buy.

However, their assessment of the value of these benefits depended on their beliefs regarding consumers' use of labels. Some felt that the labelling changes are not really wanted by consumers since it was commonly believed that most consumers don't read labels. This view was shared by enforcement officers. Manufacturers with this view were more negative about all the aspects of labelling changes, feeling that the whole exercise was probably a waste of time and money. Other manufacturers were very supportive of changes that provide more information to consumers and helped them to make informed choices, particularly with regards to nutrition and allergen information. The inquiries and comments that they received directly from consumers (via consumer helplines etc) vouched for the very real demand for this information. Their criticisms were contained to the way in which the changes had been implemented by ANZFA, the impact for industry, and with regards to percentage labelling the real versus intended benefit for consumers, rather than being about the introduction of the changes themselves.

The common view amongst all manufacturers was that there are few benefits that will flow to the manufacturer from compliance with the labelling requirements. However some manufacturers did acknowledge the following benefits:

- An opportunity to revamp and redesign their product labels;
- An opportunity for marketing advantage, particularly with regards to lower fat products and 'quality' issues highlighted from percentage labelling, however these opportunities were accompanied by parallel threats as competitors can do the same, or challenge their marketing claims;
- Potential impetus for some manufacturers to pursue lower fat ingredients and products with the introduction of mandatory NIPs and the inclusion of saturated fat;
- An opportunity for manufacturers to strengthen their integrity with consumers and increase trust and consumer confidence (eg. allergen labelling);
- Greater flexibility as the new Code is less prescriptive than the old Code, which could be worked to a manufacturer's advantage. However this was also seen to be a negative in that less prescription allows for variation, subjective interpretation and hence potential lack of standardisation;
- An opportunity for manufacturers to know more about their products, foster relationships with suppliers, and establish some 'company vision' views and procedures on issues such as allergens and GMOs;
- Greater harmonisation between Australia and New Zealand (for manufacturers that trade in both countries).

Manufacturers were asked to what extent they thought that the new labelling changes matched with consumer needs and wants. Again, they were divided in their responses. Some manufacturers felt that consumers were wanting more of this type of information (nutrition and allergen composition) and it was an inevitable step in the right direction, if anything well overdue. Others agreed with the need to provide consumers with this information if they wanted it, but argued that the demand was amongst special or niche groups rather than the general population. Their view was that the whole food industry was being 'turned upside down' in order to meet the needs of the minority, and they felt that this information could be made available through more cost effective means, rather than obligating every manufacturer to label every product.

Many manufacturers were unsure of the way in which a consumer uses the NIP, if at all, to make a product choice, and which consumers were doing so. There were seeking evidence to substantiate the need for mandatory NIPs, particularly when other key foods such as packaged meat and fast foods are exempt from the standard, yet could potentially contribute more fat or sodium to a consumer's diet than their own products would.

The inclusion of the mandatory NIP and percentage labelling were viewed as being 'overkill' by some manufacturers, as is illustrated in the following comment:

"I'm quite happy to support food safety issues but I don't see the need for a NIP on a bag of sultanas" (NZ food manufacturer).

6.1.8. ANZFA Information Resources

How and where manufacturers found out about labelling information and the new standards has been discussed earlier in this report. After general discussion about these information sources, manufacturers were asked specifically about the ANZFA resources such as the website, the user guides and fact sheets, the hotline, and the Nutrition Panel Calculator (discussed previously).

ANZFA website

Amongst those who are advanced in their preparation and implementation, the ANZFA website was used regularly. It was generally viewed as being the most reliable and up to date source of information, as well as a usually efficient means of obtaining that information. However, almost all manufacturers had experienced difficulties at some stage either accessing the information they needed, or negotiating around the website. In this regard, it was not considered to be particularly user-friendly, unless you knew exactly what you were after, and where to find it. Consequently, some manufacturers were regular users, and others had tried once or twice and not used it since.

ANZFA user guides and fact sheets

Similar reactions were reported for the user guides. Overall, manufacturers strongly supported their development in concept, however their usefulness depended on one's base knowledge, and the complexity of the query or product in question when using them. Some manufacturers rated them as very helpful and including all the necessary information, but more commonly their usefulness was limited for a number of reasons (in their view):

- they came out too late in the implementation/transition process;
- they had changed frequently [Technical note – the majority of user guides were available in draft form on the ANZFA website from March 2001; eleven were available in final form in August 2001. Three additional guides were finalised in September 2001, November 2001 and March 2002. Once each user guide was finalised, no further changes have been made.

- they were too simplistic and only addressed simple product examples – although ANZFA did not intend the guides to solve individual product or complex problems, manufacturers pointed out that simple or generic issues could generally be resolved using the new Code standards themselves. It was the more complex issues that required further interpretive information, and thus when the guides were needed;
- they provided no new information or clarification, rather they re-stated what was already in the Standard.

Most manufacturers participating in the research were aware of and had received the ANZFA fact sheets and newsletters, which were accessed either by being on the ANZFA mailing list or other industry mail lists utilised by ANZFA. These materials were regarded as informative, easy to read, and useful.

ANZFA helpline

Not all manufacturers were aware of this service. Smaller manufacturers in particular were pleased to learn of its existence. Amongst those who had used it, this service was regarded as being very good for basic inquiries, but manufacturers had found that staff were unable to answer more complex questions, thus defeating the purpose of calling a helpline! [Technical note – the helpline was set up particularly to assist small manufacturers, who would be likely to have more simple questions]. Some manufacturers had also received conflicting advice from ANZFA staff. Food retailers, particularly large supermarkets also commented that they had found ANZFA very approachable but again, staff did not appear able to give answers to complex questions.

6.2. Food Service Establishments and Food Retailers

Food service establishments and retailers involved in the research were a mix of large chain supermarkets, small independent food retailers, café/deli establishments, restaurants and a large catering company.

Almost all the food service establishments and retailers were aware of ANZFA and the Food Standards Code. The nature and detail of their awareness and understanding of the food labelling requirements was similar to that of food manufacturers.

Large organisations had a great deal of awareness of labelling changes, and the implications for their business. They were advanced in their preparation for implementation and reported similar implications and concerns to that of manufacturers. These are not repeated again in this section.

The larger retailers expressed a number of concerns about the readiness of small and medium sized manufacturers that supply to the larger chains. Their key concern was that smaller suppliers will not be compliant in time, and felt that that a lot may go out of business as a consequence. Some of the larger retail chains were introducing processes to advise their own suppliers of the labelling changes and new requirements, but remained concerned about smaller suppliers. One chain gave examples of how it was trying to coordinate and update their suppliers, such as:

- information updating via an intra/ internet site that links with new ANZFA information;
- building new labelling requirements into contracts with manufacturers and suppliers and educating smaller suppliers of the implications of that contract;
- assisting suppliers in cross-checking and Q&A;
- conducting their own research and surveys to understand how capable suppliers are of complying and providing necessary audit information eg GMO.

Larger retailers also reported experiencing problems in achieving compliance for imported products, where importers lack understanding of the legislation, and retailers find it hard to get information to them in a language that they understand.

Large retailers were also concerned about the significant costs incurred by them, as well as manufacturers, and confirmed many health professionals' concerns that it is likely these costs will be passed on to the consumer.

Retailers and food service establishments that participated in the research also acknowledged that the main benefits of the labelling changes are intended for consumers, and like manufacturers doubted whether consumers would actually use the new labelling provisions.

However one large retailer commented that one benefit to retailers and manufacturers was the changes to date marking requirements which now offers retailers more flexibility in regards to short date-coded products. As these products will be marked with a best before date rather than an expiry date, retailers will be able to sell the product after the best before date is reached.

The large catering company included in the research was extremely positive about the new Code, believing it will improve standards. This participant reported that the changes to the new Code had provided them with the impetus to re-examine their labelling systems as well as their food safety processes.

Large retailers were also concerned that the result of the reduction of prescriptiveness in the new Code was less uniformity, and they too complained about inconsistency in interpretation of the new Code and having received conflicting answers from ANZFA and AQIS.

Smaller businesses (food service and retailers) had more sketchy knowledge, and some had no knowledge at all of the impending labelling changes. When asked about the Food Standards Code, their awareness was associated with food safety and hygiene standards rather than labelling. For some of these business (eg small retailers), the labelling requirements of the new Code had little or no impact on their business. Those who owned or operated franchises relied on the franchiser to advise them of labelling requirements that affect them. For other small retailers and small food service establishments where food was prepared for consumption on site, labelling changes did impact on them, but they were unaware of this.

Small retailers and food service establishments that had taken no action to prepare for implementation had not done so because:

1. they were unaware of the changes that affected them; or
2. they foresaw no significant consequence of non-compliance.

For the few participants in the latter group, they had deliberately adopted a 'wait and see' approach to implementation and until they could see how it was all going to work. These people felt that they had 'been there before' through the implementation of significant food safety and food handling reform in recent years and were reluctant to make any costly changes at this stage.

Smaller retailers and food outlets commented that people are now a lot more sensitive about date marks and will not buy a product if it is approaching or out of date (whether it be a use by or best before or expiry date). The problem for the smaller retailer with slower product turnover is that many products are marked with the month of expiry rather than the date, and a consumer will reject a product as of the beginning of that month rather than the end.

Enforcement and monitoring

Except for larger retailers, most retailers and food service establishments had no idea who would be responsible for monitoring and enforcement of the labelling requirements of the new Code, or how this would be carried out. Most felt that enforcement would be a problem.

Larger retailers were aware that responsibility for enforcement would fall to state health authorities or local councils, but they too had serious concerns about the viability of monitoring and enforcement. The issue of label stock run-out and non-compliance was raised by most of the large retailers who were unsure of how it would all 'work' after December 2002. There was uncertainty about whether products incorrectly labelled would have to be returned to retailers for refunds, whether all non-compliant products would have to be removed from shelves, and how complaints would be handled. Product recalls and re-testing were highly salient issues for retailers, raising questions such as:

- Who has the power to enforce a product recall?
- Who will do the testing, and how reliable will it be?
- Who will pay for it – industry or government?
- How are costs and fault apportioned to retailers vs suppliers and manufacturers?

Retailers also wondered how ANZFA would address the issue of consumer confidence in effective monitoring and enforcement.

Other unresolved issues

Food service establishments were unsure about where they stood with regards to labels on food display cabinets and snack food machines. There was also a lot of confusion and uncertainty about un-packaged foods such as deli style foods, cheeses, take away food (packaged sandwiches versus hot foods like hamburgers), bulk foods and food prepared for consumption elsewhere. Some retailers and food service establishments felt it was unfair that they were required to label foods prepared on their premises and the same exemptions that apply to restaurants and cafes should apply to these circumstances as well. It was noted that although ANZFA has ensured that it has consulted extensively with industry, and has representation from most of the sectors within the industry, there is no representative body for food service establishments and hence some of these unresolved issues have not been addressed.

7 ENFORCEMENT STAKEHOLDERS

In Australia, the inspection and enforcement of food labelling was undertaken by either or both local councils and state health authorities, depending on the jurisdiction. In New Zealand, responsibility for food labelling was undertaken by the Public Health Officers located within local councils, but employed by the Ministry of Health. Therefore to uncover the range of perspectives and issues faced by those with responsibility for monitoring and enforcing the new Code, focus groups were conducted with local council environmental health officers (EHOs) and in-depth interviews were conducted with state health authority Senior Food Officers in Australia (SFOs), and Ministry of Health officials and public health officers (PHOs) in New Zealand.

Generally speaking, the attitudes and experiences of these stakeholders were consistent between Australia and New Zealand and the findings summarised in this section reflect this consistency. However where notable differences between countries did arise, they are reported separately.

7.1. Overall awareness of ANZFA, the Joint Food Standards Code and Labelling

In order to assess the degree of awareness and understanding of changes, prior to the influence of the general discussion, participating EHOs completed an individual written task sheet that asked about their awareness of ANZFA and label changes.

In Australia, all but one of the EHOs were aware of ANZFA and all were aware that there had been recent changes to the Food Standards Code. Perhaps not surprisingly, the most frequently mentioned changes to the Food Standards Code (over all labelling mentions) were food safety and hygiene issues. Their knowledge of the labelling changes was very low, with less than a quarter of all participating EHOs being able to recall each of the label changes prior to the group discussion. As well, not all were aware that the transition date was December 2002. The main label changes that participating EHOs knew of are listed in order of awareness below:

1. NIPs
2. Date marking
3. That the new Code is less prescriptive / more technical
4. Percentage labelling
5. GM labelling

Even amongst those who could recall what labelling changes were taking place, their knowledge and understanding of the detail around those changes was minimal. The few participants who were very well informed about the transition had been involved in the ANZFA consultation process and had commented on drafts for the new food standards code over a number of years.

The low awareness and salience of food labelling issues amongst EHOs is discussed in further detail throughout this section of the report. However these findings were not consistent with New Zealand, where the PHOs who participated in the research were aware of most aspects of the changes and their implications.

As one would expect, the SFOs and MOH officials interviewed all had a detailed awareness and good understanding of each of the labelling changes and most had informed opinions regarding the implications of these changes.

7.2. Use of the new Code in an Enforcement Role

Typically the EHOs (Aust.) and PHOs (NZ) who participated in the research spend 60-80% of their time on food-related issues, and of that between 10% and 5% (or less) was spent on food labelling issues. The bulk of their time on food issues was spent on food safety, food handling and hygiene. Attention to food related issues, and therefore food labelling would also depend on the size of an office and its personnel resources. In a very small office, as low as 20% of the time could be devoted to food related issues.

It should also be noted that EHOs and PHOs who rarely or never advised businesses about food labels were excluded from the study. As well, several participants (both in Australia and NZ) commented that certain (unnamed) local councils are 'slack' in terms of inspection and enforcement, whilst others are more stringent. The proportion of time spent on food-related issues across all EHOs and PHOs would therefore be much less than those involved in this study.

At present, EHOs and PHOs mostly respond to complaints from the public and food industry competitors about labelling rather than pro-actively check local manufacturers' labels to ensure compliance. Most do, as a matter of normal practice, give advice to manufacturers about the requirements, particularly in regard to food handling and safety issues, however labelling issues come up less often.

The council (CEO) usually sets the priorities in terms of the allocation of resources. Within that allocation, the overall environmental/public health work plan and priorities are set by the most senior officer, or by staff teams, which are largely self-managing. In New Zealand, priorities are set in consultation with the Ministry of Health which contracts their services.

7.3. Relative Importance and Priority of Food Labelling Issues

The most important food enforcement issues were felt to be those relating to food safety and public health, especially food borne illnesses.

‘First we have to ensure there are no dead bodies or sick people.’

“Generally, ensuring the food supply is safe is more important [than] ensuring food is labelled correctly.”

Enforcement of most labelling standards was considered to be a low priority particularly those aspects which were viewed as consumer information or fair-trading issues (e.g. NIPs, percentage labelling) rather than food safety issues. Consequently, of all food labelling issues, allergen labelling, date marks and ingredient lists would assume highest priority (keeping in mind the low priority of labelling overall) as well as country of origin labelling when it is relevant to one of these labelling issues.

Diligence to labelling enforcement depends on, like other food safety issues, an individual officer’s interest in and motivation towards a particular issue, making some EHOs and PHOs more pro-active than others. The ‘political will’ in a council was also said to influence how pro-active an officer might be in enforcing compliance, depending on the degree of support to prosecute a breach of compliance, and the likelihood of success in the courts. Support for the prosecution of food labelling non-compliance would take a very low priority compared to food safety breaches.

It was felt that food labelling queries would increase during the year and into next year until the new Code beds down and that there will probably be increased complaints about food labelling non compliance for several reasons:

- the new Code will cover more aspects than the current regulations so there will be more room for non-compliance;
- the public will be more aware of the issues and therefore will be more likely to complain; and
- manufacturers will have additional aspects to complain about regarding their competitors.

7.4. Awareness of Specific Food Labels and Implications for Enforcement

After ascertaining the level of individual awareness of the labelling changes, the moderator provided participants with a summary of the changes (based on the ANZFA Guides) and the understanding, usefulness and anticipated implications of each change was then discussed in detail.

Allergen Labelling

Some participants had a general awareness that the new Code made changes to the information for allergy sufferers but they were not aware of the three levels of advice, or the full range of allergens now included. Once EHOs/PHOs had read the changes to the new code they felt it generally made sense and was understandable. Of all of the new labelling initiatives, allergen labelling was regarded as being most relevant to their work, as there was a directed associated risk with public health and safety.

Several officers mentioned that, while it seemed clear at face value, they liked to have examples of actual labels to confirm their understanding. There was some concern as to whether trace elements of these main foods will be declared and, if not, what quantities need to be present before a declaration is mandatory. However, it was pointed out that comprehensive ingredients listing should assist in overcoming this.

There was also no common understanding as to what situations would require information to be declared (e.g. will a restaurant menu where shellfish is an ingredient in a meal be required to have a warning statement? What is the case for a café or supermarket?). These were very real issues for officers working in the field.

Date Marking

The changes to date marking requirements were felt to be clear and straightforward. The changes were already having a much greater impact in New Zealand than Australia because many NZ manufacturers produce products that have not been required to be date marked previously. However now that all products with a shelf life of up to two years will need to be date marked, PHOs reported that there have been a lot of queries from these manufacturers who are new to date marking. In addition, it was felt that a definition of “health and safety reasons” is needed for EHOs and PHOs to advise retailers on this aspect.

The process for enforcement was also unclear for most. As one officer said:

“if in January 2003 we receive a complaint about a retailer selling a food past its ‘use by’ date at this stage I do not know what action I am required to take. Where do I find the enforcement provisions for this standard?”

Ingredient Lists

Some EHOs and PHOs knew about the labelling change regarding water. Generally, it was felt to be clear and made sense, although the concern of several officers was aptly represented by one officer who said *“my instinct tells me it won’t be as simple as it seems.”*

As with health professionals, enforcement officers were unsure whether the standard referred only to added water or to total water (i.e. water as a naturally occurring part of an ingredient plus added water). From an enforcement perspective, it was felt that it would be difficult to ascertain if water was a principal ingredient or a percentage ingredient, and that manufacturers' recipes would have to be relied upon. From a consumer perspective it was thought to be useful, as the consumer will be able to see the proportion of the products relative to the proportion of water. Bacon, tinned tomatoes, and coconut milk were given as examples of products where this information should be particularly useful for consumers. However most officers felt this change would make no difference to their advice role.

NIP

The mandatory inclusion of an NIP was regarded as helpful for some consumers (those who read labels) but not seen to be particularly relevant to the work of an EHO/PHO. The biggest implication of the introduction of this requirement was considered to impact on small manufacturers, whom EHOs felt would struggle to find the resources (time, money and ability) to comply.

Very few EHOs knew of the ANZFA Nutrition Panel Calculator. Upon learning of its availability and use, most felt that the calculator would be very helpful for small manufacturers, and that they would recommend it in the future. However, PHOs in were less positive about the applicability of the calculator in New Zealand, reiterating the views of NZ dietitians and nutritionists reported earlier:

“ANZFA has got a calculator. I was told by nutritionists that it had scathing reviews. It has not got New Zealand data in it yet and we may not want to put New Zealand data in. It depends on the efficacy.”

Percentage Labelling

Relative to all other labelling additions, quite a few EHOs and PHOs were aware of the percentage labelling requirement. There was considerable disagreement as to the usefulness of this label, for consumers, and the practicality of it for manufacturers.

“Are the percentages for ingoing weights or weights at the end? People in industry have concerns about this standard. It is going to cost a lot to provide this extra information and how many consumers really want to know this. It will push the cost of products up as the costs are passed on to the consumers.”

Enforcement officers views reflected the concerns of health professionals and the food industry regarding the subjectivity in interpreting the characterising ingredient.

“It will be difficult to interpret this. We might say to a bacon and egg pie manufacturer, you need to provide the percentage of bacon and the percentage of egg in your pie. We probably won’t take a case until we get a complaint and if it involves misleading the public we will pass it on to Commerce and they will set the case law.”

There was also considerable concern about advice for compliance and processes for enforcement. These aspects were seen as being additional work for EHOs and PHOs and yet they were not regarded as being health or safety matters. One very frank comment summed up the general feeling:

“These are inherently potential fraud and deception issues. Should we care about this in a health jurisdiction when there are no bodies resulting?”

Enforcement officers were also concerned that the percentage labelling requirement provided the scope for increased complaints from competitors in the food industry:

“We have a number of small confectionery manufacturers and the big companies take it in turns to complain about their products so I expect there will be complaints about their percentage labelling. Being a new area this presents a new opportunity for them to complain about their small competitors.”

GM Labelling

Participants had no problem interpreting the GM standard, but they were less confident as to how they would advise on this standard or enforce it. The lack of consistency with international GM standards was seen to be particularly problematic for compliance by imported products.

"I haven't worked out how we as a regulator and receiver of a complaint would ever be able to verify if an ingredient was GM or not. I don't feel we could enforce the law at this stage. I have no idea how we would progress an examination of GM material so I would contact ANZFA on this."

"What do we do if we get a complaint about fruit and vegetables. Does the law only apply to packaged food?"

"How will we identify products from overseas with GM material in them? Will we have to test them or is there a global list we can use?"

Imported Foods

The general view amongst enforcement officers in Australia was that there already exists a substantial proportion of non-compliant products in the market place, and that, as a result of further labelling requirements (that were largely not public health related) this situation was likely to increase.

The AQIS participants in the research confirmed that only a minority of products (between 10% and 5% of non-risk foods) are inspected at customs. Here, again the priority was to pick up products at risk to public health rather than those not compliant with other labelling requirements.

"Basically what we look for is the [name of] manufacturer, the country of origin, the weights and measures, in English, the lot code, use by date and things like that. If all of that's there we haven't been worrying too much about it [nutrition labelling] in the past ...but now we're going to have all these other things thrown at us. I can see products being on halt all over the country."

"I think it's going to continue on exactly the same. As probably everybody here is under-resourced we just haven't got the resources to up that ...we've been told there's a nutrition panel and we know that there are changes that we're going to have to enforce but at the moment we've got other priorities. We're trying to chase our tail in other areas but when it happens we'll have to make it a priority to check for those things...but as I say, if you look at 10% that means that 90% are not [looked at]. You look at 5% that means 95% are not. It's very difficult".

The lack of education of importers about the food labelling changes was also seen to be a significant issue. Cultural and language issues were seen to be barriers here, but by far the biggest barrier was the lack of resources for education. As one senior EHO explained:

“Part of the role is education, but that’s a luxury. Education is a luxury if you’ve got the time.”

7.5. Level of Preparedness and Information Sources

Whilst most EHOs and PHOs did not have a detailed awareness of the new food labelling legislation, they expected that as they begin to encounter various aspects of the legislation in their day-to-day work, their expertise will grow. At present, most did not feel very well prepared for the adoption of the new Code, largely for workload reasons. For many, the labelling changes were something that they knew were pending, and that they would ‘get to’ at some stage.

ANZFA Information Resources

In Australia, the path for accessing information about the new Code and food labelling depended on the legislated and practical relationship between councils and the state departments of health.

Most, but not all, officers said that they had a copy of the old Code (NZ food regulations) and new Code at work. Almost all were aware of the ANZFA website and had used it from time to time – with mixed success! The resources available on the website were regarded as excellent materials for industry (particularly the user guides, the Nutrition Panel Calculator and the yogurt labelling poster) but it was pointed out that many small manufacturers do not have access to the internet.

Amongst enforcement officers participating in the research, awareness and use of the ANZFA user guides and fact sheets was divided. Some used them as a reference point on a regular basis, but most had given them either a cursory glance, or did not know about them at all.

It was pointed out that the strawberry yoghurt poster on the ANZFA website (which was regarded as an excellent poster) does not print out in its entirety (only the middle section will print) and this was very frustrating. There were also requests for posters for other industries (apart from yogurt) – *“An ANZFA poster for other industries is needed. For instance, why can’t there be one for the juice industry, the corned beef industry and the bakery industry? Posters by food commodity are needed”*.

Training

EHOs and PHOs had received little, if any training covering the new Code and many said that they would welcome workshops where specific aspects could be examined in detail with examples and case studies used to aid understanding. It was suggested that ANZFA should develop a standard workshop for all locations, to make sure that all manufacturers, all councils, and all health departments are receiving the same information in the same way.

7.6. Preparing Industry for Transition

Most agreed that large manufacturers and large retailers were further along the road to compliance than small manufacturers and retailers mainly because the large companies had the resources to employ to advise them on becoming compliant, while small manufacturers, particularly very small manufacturers had neither the time nor the resources to attend to these issues.

Some of the officers had already begun the process of talking to their local manufacturers and retailers about the labelling changes, whereas others (the majority) were aware in theory, but had not yet given consideration to the detail of the new Code, nor to the practicalities of implementation, because they had not had to use it. It was generally thought that once the changes had been confirmed and details had been received by EHOs they would visit each of their manufacturers and tell them about the impending changes. However, given the repeated comments about workload and the general low priority for education against all other priorities, the likelihood of such a strategy being implemented is questionable.

Suggestions for Education

One PHO had developed a checklist which was used in a free assessment of labels received from manufacturers to see if they complied. EHOs in Australia also felt that the development of a checklist resource for inspections would be a very useful tool for them. However others regarded such assessment as being beyond their responsibility and they referred manufacturers to consultants for such a service at the outset.

A kit for the dissemination of information (ie targeted packages for specific groups such as manufacturers) was also a popular suggestion. This would cover the requirements for specific manufacturers to tell them exactly what they need to know. The level of information provided for EHOs (in ANZFA brochures) was considered to be too detailed for use by manufacturers, and there was a need a simplified version for different applications. Education videos were also suggested as useful training tools for industry, particularly those with low levels of English language proficiency.

7.7. Benefits and Implications of the New Code

Like other industry stakeholders, enforcement officers felt that the main benefits of the labelling changes were for consumers.

One or two thought the new Code will make the job of assessment harder - that it might be resource hungry in administration, taking more council resources to administer. Others thought the changes made the new Code more logical, and therefore easier to administer. However overall it was thought that there would be little change in terms of whether it makes things any easier or harder. Some thought manufacturers could be difficult and might complain but that they would come around in the end.

Despite all of the new labelling requirements, which presumably require monitoring and enforcement, most enforcement officers in the end agreed that very little would change in terms of their focus and priority for enforcement. The likely consequence was that more would be missed, unless vigilant consumers and competitive manufacturers made complaints to which they would be required to respond.

7.8. Health Authority Perspectives (Australian Senior Food Officers)

Each of the eight state and territory Senior Food Officers were interviewed in order to obtain a comprehensive understanding of issues faced by state health authorities as well as local councils. These officers shared most of the same views and issues as EHOs and PHOs, and these findings are summarised in this section. However it should also be noted that there were many issues raised that were pertinent to specific states/territories, and there was much diversity between states in terms of what departments have done to prepare for transition from the old to the new Code. These specific details cannot be reported without identifying participants, are therefore not included in the report.

7.8.1. Relative Importance of Labelling and Enforcement of the new Code

As with EHOs and PHOs labelling is said to be less important than the safety and hygiene aspects of the new Code, but this was qualified by the potential for serious harm that can be associated with incorrect or inadequate labelling. Therefore public safety issues are of most importance regardless of whether they come from breaches in food handling or labelling.

Nonetheless, when the new Code is implemented, enforcement of the issues that have most likelihood to translate to health and safety issues will take higher priority than other things. Resources will, as always, be allocated on a risk assessment basis, unless other factors, such as 'politics' influences this. In all likelihood, different labelling issues will carry different priorities in different states depending on what the political 'hot topics' were at any given point in time.

All departments indicated that they operate primarily on a reactive rather than proactive basis, that is, they investigate labelling issues only when they have received a specific query from a consumer or manufacturer.

Apart from one jurisdiction, no additional resources have been put in place to deal with the implementation of the new Code – neither do they have any staff dedicated solely to this matter. All staff are required to be 'across' labelling issues and deal with issues as and when they arise. It was thought that, in the short term, there might be considerable increased contact with consumers as they become aware of the changes and begin to check the labels encountered and then make complaints.

Larger states have already received a lot of inquiries from manufacturers, many of whom wish to use the health authorities on a consultancy basis, sending in labels for approval or advice. This demand is putting strain on departmental resources most of whom are not willing (or able) to undertake consultancy services. A department's response generally involved sending the manufacturer labelling information, then referring them to ANZFA materials and the ANZFA helpline.

There was some acknowledgment of the fact that the new Code in general is more flexible than the old regulations and is therefore open to interpretation, with the result that there may be a lack of uniformity or standardisation in some areas. However there is a feeling that that is an inevitable trade-off.

The labelling requirements generally regarded as being most problematic for implementation and enforcement were percentage labelling, the NIP and GM labelling, as checking these will require chemical analysis and detailed audits. Many expected a lot of consumer confusion over percentage labelling at the start as percentages can easily be misinterpreted or distorted by consumers. Some states indicated categorically that they will not enforce this standard because they cannot interpret it. GM foods, which allegedly have no health implications, were expected to require massive surveillance resources should public pressure be brought to bear. Country of origin labelling was also a source of confusion, particularly over the difference between Made in Australia versus Product of Australia statements.

7.8.2. Level of Preparedness

The SFOs liaise with ANZFA on a regular basis, and hence are very familiar with what information and resources are available and what they are required to do. All felt that they had essentially received sufficient information to ensure they are cognisant of the changes and requirements. In addition, SFOs obtain and pass along information through contacts in the industry and via industry committees. The Senior Food Officer's Group was described by some as particularly helpful.

Smaller states also described ANZFA as having been "*very supportive*" and the other and better-prepared States (eg Qld, Vic and NSW) have been "*very sharing*" of their resources and supplementary information.

As far as their perceptions about industry preparedness, it was believed that "*the big end of town*" was already well-prepared, but the small and medium manufacturers, even though they are probably aware that some change is to happen, have not yet got around to making sure they're compliant. It was felt that they are probably either in denial, or delaying implementation for financial reasons. This is consistent with information from other related sectors.

A further concern was raised about the impact of the labelling changes on cottage industries / charitable groups. Mentioned were such things as jam-makers for markets who would now have to provide NIPs and the Asian Style markets which often sell chilli sauces or the like for which the contents vary from time to time, and cake stalls.

Many SFO's raised the anticipated issue of lack of readiness (by small manufacturers and producers) in the context of a need to extend the transition period, or provide a 'period of grace' to allow manufacturers to run out stock in trade.

One further point made by many States was that food labelling changes have come right on the heels of significant food safety reform (implemented at States' discretion from May 2001), resulting in a great deal of change that enforcement bodies and food industry stakeholders have had to accommodate, and costs that have been incurred as a result.

7.8.3. Information dissemination and industry training

Departments take an active role in dissemination of information and they mainly do this through site visits (through EHOs) and seminars.

States were at different stages with regards to the dissemination of information and training for enforcement officers (their own and council EHOs) and food manufacturers, retailers and food service establishments. Some were embarking on industry 'road shows' however larger states did not feel they were sufficiently resourced to undertake this type of training. Other departments taking responsibility for EHO training were phasing this in over time. Until the new Code became enforceable, training could only be theoretical and it was felt that EHOs would benefit when they could interpret and practise the new Code in the practical sense.

Some departments were preparing their own information leaflets and summary sheets for special industry groups such as cottage industries and Asian marketeers to facilitate the dissemination of information to those who would need it. Others were preparing a more generic 'minimum labelling standards' style information leaflet that could be used in field visits or for information requests from industry.

The Nutrition Panel Calculator was viewed very positively by SFOs. Most regarded it as an innovative approach which would be very helpful to small producers and manufacturers. SFOs and their staff were referring businesses both to the calculator, and to the ANZFA website or helpline as their first 'port of call'.

8 THE NEED FOR CONSUMER EDUCATION

In each component of the stakeholder research, the need for consumer education was confirmed, with questioning who or what organisation would take responsibility for this. The endorsement of a need for a coordinated consumer education strategy was evident amongst health professionals, food industry members and enforcement officers, but was strongest amongst health professionals and the food industry.

It was argued that there was little point implementing such significant labelling changes, most of which it was felt were introduced for the benefit of the consumer, and then to not tell the public what has changed, or how to utilise the benefits of the changes. Whilst informing consumers of the changes was regarded by all as the highest priority for education, it was also argued that the changes provided a unique window of opportunity to broaden consumers' knowledge and skills on how to use the new nutrition labels.

As well, food industry and enforcement stakeholders in this research believed that consumers need to be given clear information about where to direct complaints and inquiries. Manufacturers in particular did not feel that they should have to respond to consumer inquiries (such as whether a product 'recipe' has changed with the apparent addition of an ingredient that previously did not need to be declared or the addition or omission of certain nutrients in the NIP in accordance with the new NIP standards) which have originated as a result of changes in the new Code rather than their own product development or label/marketing initiatives. It was felt that a well-orchestrated consumer education campaign could prevent many of the inquiries, and possibly complaints that they envisage receiving.

There was no agreement on who or what was the most appropriate body to undertake a consumer education campaign, but many speculated that this was an important link in the process of implementing new food legislation and should not be overlooked. There was considerable concern and cynicism, however, that an education strategy would likely fall through the cracks of federal, state, local and non-government jurisdiction and remain unaddressed, speculating that each area would probably absolve themselves of responsibility for education.

A consistent view amongst all stakeholder sectors was that education delivery could be provided by a number of, if not all, stakeholder groups, however it needed to be coordinated and funded at the federal level to ensure continuity, as well as to ensure that it happened! The conclusion in most of the stakeholder discussions was that ANZFA should assume responsibility at least for coordinating consumer education, if not for delivering it as well.

Dietitians and nutritionists who participated in the research felt that their professional bodies (DAA and NZDA) should play a pivotal role in the development or contribution to the content and nature of any consumer education strategy, and for any such strategy to retain credibility amongst this stakeholder group these bodies must be consulted. However, given ANZFA's cooperative relationship with DAA and NZDA to date, participants did not envisage this being problematic. Participants in this stakeholder group stressed however that dietitians and nutritionists should not be relied upon to deliver the communication strategy as they see such a small and skewed proportion of the general community.

Whilst eventually, most stakeholder participants felt that responsibility for education should rest probably with ANZFA, at least for a short information campaign, a few participants in the stakeholder groups thought that ANZFA's responsibility is to develop good food legislation and this takes considerable funding for research and development. Consumer education initiatives should therefore be well tested, targeted and strategically implemented so that ANZFA was not seen to be wasting funds that could be spent elsewhere. Importers and retailers who sell large quantities of imported foods would also benefit from a specific education strategy to assist them in understanding the requirements of the new Code and helping them to be compliant. Such a strategy would be best delivered by EHOs as part of their routine inspection visits, however as many EHOs already battle language barriers in their existing inspection work, labelling education materials would need to be customised by language to overcome these barriers. Education information would need to focus not just on labelling requirements but on the responsibility of the retailer when ordering or accepting deliveries of non-compliant products.

Those working in public health policy roles also raised issues of equity of access to information and education amongst minority groups such as low socio-economic status, non-English speaking, and Indigenous groups. It was argued that these groups of consumers often lack skills or face barriers to accessing information available to mainstream consumers and that any community education strategy should consider the needs of these disadvantaged groups.

9 TECHNICAL AND BACKGROUND NOTES

Since the Australia New Zealand Food Standards Council of Ministers (ANZFSC) agreed on 24 November 2000 to adopt the new Code, ANZFA has had various strategies in place to assist the food industry implement the changes necessary to bring their food products into compliance with the new Code. ANZFA was given joint responsibility with the jurisdictions in the States, Territories and New Zealand to undertake this task. The notes below are provided by ANZFA to offer some context against which the stakeholder findings are reported.

9.1. What ANZFA has done to inform stakeholders

At the end of the review period (September – December 2000), ANZFA held seminars in major centres in Australia and in New Zealand on the outcomes of the review of food standards. Small business forums were also convened to inform this sector about proposed requirements in the new Code as they had been hard to engage in the consultation process for the review of food regulatory measures.

Following the decision of the ANZFSC in November 2000, detailed information on the new Code was placed on the ANZFA website and other material distributed through the ANZFA News and Food Standards News. ANZFA continues to issue public reminders about the need for food businesses to ensure compliance of their products.

ANZFA established a Standards Advisory Unit and introduced a free industry help line in early 2001, aimed at addressing questions from jurisdictions and food businesses, in particular for small businesses. Later in 2001, ANZFA staff also developed a training package to instruct local environmental health officers and businesses on the requirements of the new Code. Information seminars were held in major metropolitan centres in Australia and New Zealand, providing details of the new regulatory measures and the steps that needed to be undertaken by food businesses to meet the requirements for food products set out in the new Code.

By August 2001 ANZFA had provided 11 user guides on the website and a number of fact sheets on major new regulatory measures to help food businesses interpret the new Code. Three additional user guides were provided on September 2001, November 2001 and March 2002. These documents are available free from the ANZFA website. The majority of these user guides were available in draft form on the website by March 2001 and once finalised no further changes have been made to the documents.

In October 2001, ANZFA made a Nutrition Panel Calculator (NPC) available for use by the food industry. The NPC is a website-based calculator developed by ANZFA to assist small manufacturers in particular to produce Nutrition Information Panels for use on food labels so they could meet new labelling requirements for packed foods. Unfortunately, due to technical problems, the NPC has not always been available for use on the website. Nevertheless, the NPC has been available for the overwhelming majority of time since its launch.

9.2. Transitional arrangements

ANZFA is preparing for completion of the transition period for food regulations, such that arrangements are in place to allow the new Code to replace the old Food Standards Code and the New Zealand *Food Regulations 1984* as the only code in force. ANZFA has developed two proposals to deal with the issue of these transitional arrangements: P252 Transitional arrangements and P248 Stock-in-trade, both of which are currently at the final assessment stage. All interested parties have been given the chance to comment on these proposals through the ANZFA public consultation process. A final decision has not yet been made by ANZFSC on these issues. In the meantime, the New Zealand Ministry of Health is assessing comments submitted on a consultation document in relation to the repeal of the New Zealand Food Regulations.

9.3. Timing of labelling decisions

The national Food Safety Standards are part of the new Code were agreed in July 2000 and did not have the same implementation dates as the rest of the new Code. From 24 Feb 2001 they could be implemented in each State and Territory, but this process is not yet completed.

The GM Standard also had different dates – it came into force on 7 December 2001 and had a 12 month stock-in-trade provision at the end of which, all labels are to be compliant with the GM labelling provisions.

The majority of the new Code was adopted in November 2000 and became a legal code in December 2000 with a 2 year transition date. The only exception being the Food Additive Standard that had been adopted at an earlier date. Virtually all the labelling provisions were included in the December 2000 gazette of the Code (including the requirement to list saturated fat in the NIP and % labelling). The main difference for these two requirements compared to many of the other labelling requirements was that they were introduced by ANZFA late in the consultation phase for the review of the Code but prior to Nov 2000. The food industry therefore had less opportunity to make submissions on these proposals.

Additional changes introduced after December 2000 that may have resulted in a need for manufacturers to change labels for a limited number of foods were: the introduction of standards for icon foods in August 2001, which did not contain new labelling provisions but could have resulted in a name or formulation change for some products; a change in declaration of dietary fibre in the NIP in September 2001; and changes in the carbohydrate calculation for the NIP, where an additional calculation method was permitted from Sept 2001 – CHO by direct analysis (previously CHO was calculated by difference ie. 100% minus all other nutrients; now either method can be used). Following this decision the Nutrition Panel Calculator was launched – ANZFA had been unable to do this before this decision as the calculator uses a direct analysis method for CHO.

Issues currently under review

ANZFA has stated clearly that when the review of nutrient claims, health claims and country of origin labelling are completed, if changes are made to the new Code, there will be a separate (additional) transition period for these specific labelling changes.

9.5. Issue of 'may contain' statements for allergens

The new Code is 'silent' on the use of 'may contain' statements. A joint position paper on the issue is being developed by ANZFA in conjunction with the Australian Competition and Consumer Commission (ACCC) and the New Zealand Commerce commission (NZCC). It is intended that this position paper be placed on ANZFA's website when finalised.

The Australian Food and Grocery Council (AFGC) have also recognised the need to address this issues. They have developed an industry Code of Practice (COP) for Allergen Management and Labelling, to be finalised in July 2002 for use by food businesses. The labelling section of the COP acknowledges that the use of 'may contain' statements are not useful to allergy sufferers and recommends that such statements be used only as a last resort where contamination is documented, uncontrollable, sporadic and potentially hazardous. The COP focuses on reducing the risks associated with unintentional contamination of a food with an allergen through the implementation of effective cleaning procedures and good manufacturing processes (GMP).

10 FEEDBACK FROM RESEARCH PARTICIPANTS

It is worth noting that research participants from all stakeholder sectors generally found their involvement in the research a positive experience and that was useful and informative. Many discussion groups and interviews ended with profuse thanks from participants for the opportunity to learn from and share others experiences, as well as the opportunity to put their views and experiences forward.

For those who had major concerns and problems with implementing the new Code, their participation provided an opportunity to voice their concerns and feel heard. The very fact that ANZFA was undertaking this research, and its apparent interest in learning about the diversity of issues and its openness to receiving valid criticism was well received. Many commented that there was 'some hope' if ANZFA were prepared to seek their views in this regard. Most had an appreciation of the complex range of issues and vested interests with which ANZFA was confronted.

“and they’re [ANZFA] consulting ... they’re really trying to get a good idea of what everybody wants and then trying to make us all happy”.