



BIENNIAL STAKEHOLDER FORUM

WATERVIEW LAKE ROOM
FIT FOR PURPOSE
FOOD REGULATION
NOW AND IN THE FUTURE

Trust—future proofing the system

Trevor Webb, Food Standards Australia New Zealand

Thanks Melanie. I'd like to acknowledge the traditional owners of the land upon which we meet this afternoon and this morning, the Wangal people and pay my respects to elders past and present and a warm welcome to any indigenous people within the audience as well. As Melanie mentioned, I work in Food Standards and I look after a unit which is responsible for looking at the costs and benefits of the standards we develop in FSANZ. We seek to deliver the best outcomes for the community in terms of a good nutritious food supply as well as ensuring a vibrant and innovative industry.

But, really, the reason why I'm interested in this stuff is because of food. I mean it's great, isn't it? We just love it. You could see even in Martin's slide, following strawberries, there were still about 50% of the population that were saying positive things even though the strawberry incident had taken place. I mean food is fantastic in the ways that it delivers to us a whole lot of benefits, the sort of things that Linda pointed out earlier in terms of our nutritional sustenance. It keeps us going through all sorts of ingredients, components, things that we probably don't even know about yet that interact in all sorts of ways. We are probably yet to understand these and may never will.

We also heard from Tanya about the importance of the food industry and from Lisa in terms of the scale of the food industry, in terms of restaurants and people employed within New South Wales. Food is really fundamental to our economy and it contributes overwhelmingly in rural and regional areas. But food is not just great just because of its economic benefits or its sustenance. It's also great because people enjoy it, people are involved with food, people are passionate about food. People contest food in various different ways. And food, as a consequence is endowed with so much meaning, with so much value, with so many different ways of looking at food, it forms our identity.

Food is who we are, not just from how we eat it and absorb the nutrients and chemicals from the substance itself, but also in the messages that it sends about ourselves. You can think of something like halal or kosher food or perhaps the *Buche de Noel* that the French make at Christmas time. These are all potent symbols of who we are and how we relate to food. Indeed, it's at the centre of some great national debates about identity in terms of who we are as a nation. I suspect that this one here is quite clearly an Australian Pavlova with no kiwi fruit to be seen, but certainly a good dose of passion fruit there.

What I wanted to talk to you about today is a little bit about the work of the social sciences area in FSANZ and also talk about some of the work we've done on trust. And I think trust is one of the growing areas that we're starting to look at FSANZ, but as a number of people have already highlighted today, it underpins so much of the important functioning of the system itself. Without trust, the system is not going to work and we know what happens when it falls over, but first, the social sciences.

Melanie mentioned that she brought me over to FSANZ some years ago. At that stage, FSANZ had a full set and complement of risk assessment approaches based in the natural sciences—toxicology, microbiology, various chemical analysis, nutrition etc and was doing incredibly competent (as it still does) risk assessments. However, the sorts of questions that were starting to be asked of the system were beyond those disciplines. So while we could do a fantastic risk assessment and workout what proportion of the community is going to be in excess of a particular chemical if we allow it at this level or at that level, we couldn't answer questions about behaviour very well, and they were the questions that we started to be confronted with.

So we started to have questions about how a consumer might behave or what impact regulation might have on a particular class of people. They were often raised in the public submission processes and typically, they were related to when we did a permission to add a substance to a food. Will the addition of a substance to a food, a fortification, encourage people to consume more of that food than they "should" or avoid that food completely? Would it increase their burden of high energy, low nutrient foods? And these were questions that went to the preferences and values of consumers and their choices, rather than the chemicals in the food itself. So FSANZ being an evidence-based organisation employed, a group of social scientists and economists to start looking at those questions in much the same way we would unpack the rest of the risk assessment questions within the agency.

Now most of the work we do is actually pretty boring, it's reviewing literature, it's not quite as fun as doing empirical research, but occasionally, we do get to do some empirical research. And we've got three general approaches that we would use. One of them is more of an in-depth approach using some of the techniques in here, some of the more group-based techniques where we want to get an understanding about something that's happening in the community to try and get a better understanding of the meanings that people might contribute to particular foods in order to try and understand or think about their behaviours.

We might also do more representative studies where we survey a population of interest such as the result here where we looked at the sorts of information that people use on the nutrition information panel. And this is more about where we want to look at and make a statement about the population in general or a sector of it. So the highest bar on the left-

hand side shows the proportion of people reporting that they used the “amount of sugar” information quite regularly in the NIP when they’re making first-time purchases.

The third type of work we do is much more of an experimental design where we want to test an intervention of some form and so we’ve done a series of experiments looking at the impact for example of content claims on foods, of low nutritional value to see what impact those claims may have to try and unpick some of these questions that we get asked about, what consumers might do. This was some work we did a few years ago as a part of the health claims standard relating to nutrition content claims where on the whole, what we were finding was not a great deal of impact in these studies. These are points in time however and things have certainly moved on from then so I’m not sure whether these findings would still hold true today.

And so that was the big picture of what we do at FSANZ and why we do it. So onto trust. Trust is a bit of a slippery concept to try and nail down. I think we have an implicit understanding of what it means on a personal level. We know when we can trust somebody to do something that that expectation will be delivered. That if we ask our partner to pick up the kids after school because we can’t make it, that will happen. And we can understand trust in that personal domain, it’s a relational concept between two people that’s built up overtime and through repeated expectations being satisfied and being met. So overtime we learn to trust people, we also learn to trust brands even. So trust can go beyond the personal into brands and into other areas. Trust is really important because it functions as a way of reducing the cognitive work that we have to do when we make decisions. If we can trust a brand to deliver regularly on a particular attribute, we don’t have to think about it and compare the next time we go there. We can just trust the brand to deliver. And that works fine while those expectations continue to be satisfied, hence, the damage that sometimes can happen to brands when those expectations are not met, particularly in the case of reformulations and changing flavour profiles.

But we also have trust in institutions, and institutions in recent times have had a bit of a battering, there’s been a few royal commissions going on that have unearthed a whole lot of things where we probably expected better behaviour in terms of some of our leaders both in civil life and in business life. And within Australia, we know that perhaps the level of trust is not as good as it could be across time profiles. This is looking at trust for institutions, the four lines here represent media, the orange line at the bottom. Government, the blue line. Business, the grey line, the third one from the bottom. And NGO sector, the yellow line at the top. And this is from the Edelman barometer — Allan talked about earlier today and I suppose what you can see here, there’s a bit of an upside down dip, a bit of a hill in about 2016 and then it drops back down to lower levels in terms of the general levels of trust across institutions.

Now of course, this is really broad scale. It combines the Federal Government with all the state governments for example. It also combines the Daily Telegraph with the ABC for example. So it’s a bit of a broad measure, but it indicates I think that the level of trust is a bit middle of the road which is where we’re expecting. There are also more detailed studies that will show that the level of trust in other institutions such as scientists has dropped down. But interestingly, the most recent work out of Edelman has highlighted that those that are most informed and most privileged, most educated are much more trusting than those that aren’t.

And there's a real gap developing between the intellectual of the community and the rest of the community. And I think that shows perhaps in some comments around things like the 'Canberra Bubble' that you might hear from politicians and the like. But there is a real gap that's starting to develop within our community in terms of how people view institutions. Now, as I mentioned, trust is really important because it's fundamental to assist decisions that people make, but it's also the basis of the market. If we didn't have trust, the market itself wouldn't work. And when the trust is gone, then you can see the impacts that the scale of which can be quite dramatic.

Now, the modern food production system is way too complex with way too many parts for an individual consumer to be able to have trust in the system through personal relationships. There may be some individuals that people would know within the system, but on the whole, the average consumer has to trust the system or develop a level of trust in the system and that's quite complex to do. But the junction point if you like, for consumers (in the case of packaged food) is the food label. This is the space in which the consumer, the business and the food regulator all meet at one point. This is the one space where all three can have a conversation, albeit at somewhat one-sided about the product. And as you know, at FSANZ, we develop standards for various bits of information that are there, it must be on the label or that can be on the label in the case of claims and health claims. And so trust in these sources of information becomes really important to our work and ensuring that we're not asking business to do things that people don't want or don't trust. So we do the occasional survey with results like this, the two colours, Australia green on that side and New Zealand blue on the other side. A standard type scale from strongly disagree to strongly agree with a majority of people saying that they generally trust the information on food labels. This was collected about 2015, so it's a few years old now. Two-thirds of Australians and three-quarters of New Zealand generally trust the information on food labels. There's about 18 per cent of Australians and 9 per cent of New Zealand that are down the other end, that they don't trust the information on food labels. And there's about 14 or 15 per cent that sit in the middle group that are yet to move one way or the other. The data do suggest that New Zealanders are slightly more trusting than Australians in terms of what we've got here. But in terms of other differences, we don't find a great deal of change except in younger people. There's a slightly higher level of trust compared to older people, and higher SES people tend to be more trusting than others or lower SES. We also look at the nutrition information panel and here you can see the results for a question, how much do you trust the information in the nutrition information panel, so focusing it in on one particular thing, this scale going from – I don't trust it at all through to I trust it completely. Again, the colours are the same as before. And again, New Zealanders are on average a little stronger in their trust in the information in the NIP than Australians about two-thirds, about 66 or so per cent of New Zealand versus about 60 per cent of Australians report a good level of trust in the NIP. And that's a good place to be but clearly there's room for some improvement there with moving the distribution further to the right. But it's also important knowing that the NIP is one of the most used pieces of information that people report. Regarding another less used piece of information, there is much less trust in the statement of ingredients there but the same pattern there, a bit of work to do.

Now, this information is talking about trusting the information in the label itself. Emma Tonkin is a PhD student, and I should disclose that I was one of her supervisors, she did some work recently at Flinders University for a PhD that looked at labelling and issues of trust. And she

drew further out rather than just the trust in the information, but recognising the label as access point for the food regulatory system and recognising that people can trust the information, but they also make trust judgements beyond the information to the system itself. So people will use the everyday experiences of interaction with the label to form judgements about the businesses that make the food, but also about the system that underpins the regulation of that food itself. And one of the interesting things that Emma found in her work was that in some instances the labelling can actually help to erode trust in the food system and that was particularly the case with some of the often talked about things today. Health claims and content claims where people would see, for example, a 99% fat-free claim on a jellybean and whilst accurate and correct, and compliant, there was an issue that people felt like there was something that business was trying to pull over, it was a bit of marketing that was being held over them if you like. I suppose the interesting aspect for us in the regulatory system was that consumers expected business to do that a little bit, but they expected more from the system in order for the system to regulate itself a bit better. They expected the regulators to be technically competent, but also have a stronger fiduciary type obligation to consumers as well. They expected that the system would put consumers above and think of consumers more and put the consumers' interests first. Now there was also in some of Emma's work, a confirmatory bias. So not unlike the sort of echo chambers we get on the internet, where people will seek out the information to confirm what they already believe. So there's some bias that's occurring in some of these assessments as well. Now this is an initial study and there's clearly a need to explore it more generally rather than in an exploratory study like this, but I think it highlights that being technically competent in our work is no longer enough to satisfy consumers. We need to go beyond that. It's about putting the consumer first to ensure that their expectations of the system are also satisfied, otherwise they start to erode trust in the system.

Now, another piece of work that we did was looking at food irradiation. This is one of the areas of technology that is being used more and is not so modern anymore perhaps. But at least for a consumer is a bit of a scary type of technology and the response to the technology can be informative. This is work done by CHERE, the Centre for Health Economics Research and Evaluation in response to FSANZ needing to do some work on the removal of mandatory irradiation labelling on foods coming out of the Blewett review. Now we undertook, in this case, a choice experiment. Choice experiment is one where you can manipulate different levels of attributes that are considered important to the purchase decision. So in the case of the strawberries here, we looked at a number of attributes, the labelling about it being irradiated or not, product shelf life, the cost of the product and country of origin. And through some intelligent econometric modelling, we're able to break down the choices that people make and apportion these different attributes in different levels. Now, we did an experiment with this where we had three different labels for the irradiated food or the non-irradiated food, there's the no label, not irradiated. There was a— "this product has been irradiated" label and "this product was irradiated as an alternative to chemical treatment to protect against the spread of fruit fly". So there was no label, a simple statement of fact and a label that gave the consumer the reason why it had been treated in a way that it has been treated. We also undertook three education scenarios where participants were given slightly different amounts of information. The first one was just baseline information. This is a technology used in some places and it's safe. Middle one, a little bit more information highlighting where it's been used in other countries and who supports it, who sponsors or acknowledges that it's useful. And then the third that went into some of the phytosanitary

benefits of irradiation, particularly for fruits. And when we get the results, they look a bit like this and if I got a pointer—what we've got here is if you like to think this line is the baseline, there. Things that are below here tend to be where we have to compensate the consumer in order to buy that product. We have to pay them more. They don't want it unless they're compensated in some way. Above the line, that's where there's a premium. You can get a premium out of the consumer because the consumer's willing to pay for that attribute. So what we've got here is a set of results around the irradiation, a set of results on the shelf life and a set of results on country of origin labelling. Now, the baseline here for country of origin is set to Australia, this one here represents New Zealand. This is Thailand and this is an unlabelled area. And what this is generally showing is that in order for Australians to buy strawberries, not from Australia they need to be cheaper by a certain amount, far more cheaper if they were Thai compared to New Zealand and a little bit less so for an unnamed third country. If they're Australian, they'd be on that line there. These ones here, look at shelf life, and in this case you can see that there's a bit of a premium, a small premium that people are willing to pay for an extended shelf life, a potential benefit out of irradiation. So you could get a bonus if you like there. Now, this group here are all the products or the conditions related to the label that this product's been irradiated. And the important thing here is as the probability of irradiation goes up, the more the compensation needs to increase, that general trend down that way. But this green dot and in particular, in the third scenario of an irradiated product reduces that compensation to effectively zero, so with a label that explains why the product's been irradiated and also with education explaining what it is, we're able to reduce that design not to purchase the product to zero in effect. You don't have to make it cheaper because you've given the information, they'll accept it at face value.

So to the last slide, look, I don't know what the future's going to be in terms of food and I think Martin had some pictures of what that could look like. The advances in 3D printing certainly start to approximate the replicator of Star Trek. However, food will continue to be endowed with numerous meanings and values and it will continue to be argued and contested passionately by members of our community. So for us working in this sector, we need to continue—we will continue to be held to account for the expectations of consumers and the trust is going to be essential element in there. And I think focusing on maintaining and building trust in the system is one of the best ways to ensure that it continues to the benefit of all Australians. And finally, I'd just like to acknowledge some of the many helpers that have inputted into the work I've shown today. Thank you.