

1. EXECUTIVE SUMMARY

Food Standards Australia New Zealand (FSANZ) first developed an Evaluation Strategy in 2001 to assess how new food regulatory measures were working. The aim of the strategy was to assess the effectiveness and appropriateness of key food regulatory measures¹ by assessing the long-term impact for stakeholders (for example, food industry, consumers and enforcement officers) and to provide evidence to inform future decisions on food regulation.

As part of the FSANZ Evaluation Strategy 2001-2003, baseline research on the consistency of information on labels on packaged foods with labelling provisions was undertaken in a pilot FSANZ Label Monitoring Survey (Phase 1). The pilot project or Phase 1 was undertaken in two stages between 2002 and 2003. The first labelling monitoring survey of Phase 2 was conducted in 2005 (FSANZ, 2008) as a component of the FSANZ Evaluation Strategy for 2004-2008. The current label monitoring survey is intended to provide information that is comparable with the data collected in 2005, and can be used to make some general observations about changes in the consistency of information² provided on food labels over time.

The aims of this 2006 label monitoring survey largely replicate those of the 2005 survey, and were:

- to determine the degree of consistency with the labelling requirements of the Code for certain core label elements;
- to determine the nature of the inconsistency with labelling provisions for those label elements assessed, where labels were inconsistent with the Code;

¹ Key food regulatory measures related to labelling included mandatory nutrition labelling, percentage labelling, allergen labelling and date marking. FSANZ established a Data and Evaluation Steering Committee to provide expert guidance and peer review in the development and implementation of the Evaluation Strategy. The Evaluation Strategy is available on the FSANZ website.

² The only major change to the Code between the 2005 and 2006 surveys relating to the information requirements for food labels was the gazettal of Standard 1.2.11 - Country of Origin Labelling in December 2005.

- to gather data on other label information of interest, for example Country of Origin labelling (requirements for which were not fully in force at the time of the survey and manufacturers were making a transition to this new regulatory requirement); and
- to make comparisons with data collected in 2005 and thus give an indication of changes to the consistency of information provided on food labels since this earlier survey.

In this 2006 survey a total of 12 label elements were assessed, based on the core information required by the Code for a label on a package of food for retail sale. These 12 label elements were³:

1. Legibility of print
2. Product identification
3. Mandatory warning /advisory statements
4. Allergen labelling
5. Ingredient declaration
6. Date marking
7. Directions for use and storage
8. Nutrition information requirements
9. Percent characterising ingredients
10. Altered label (new label placed over incorrect one)
11. Product specific labelling⁴
12. Country of Origin (Australia only)

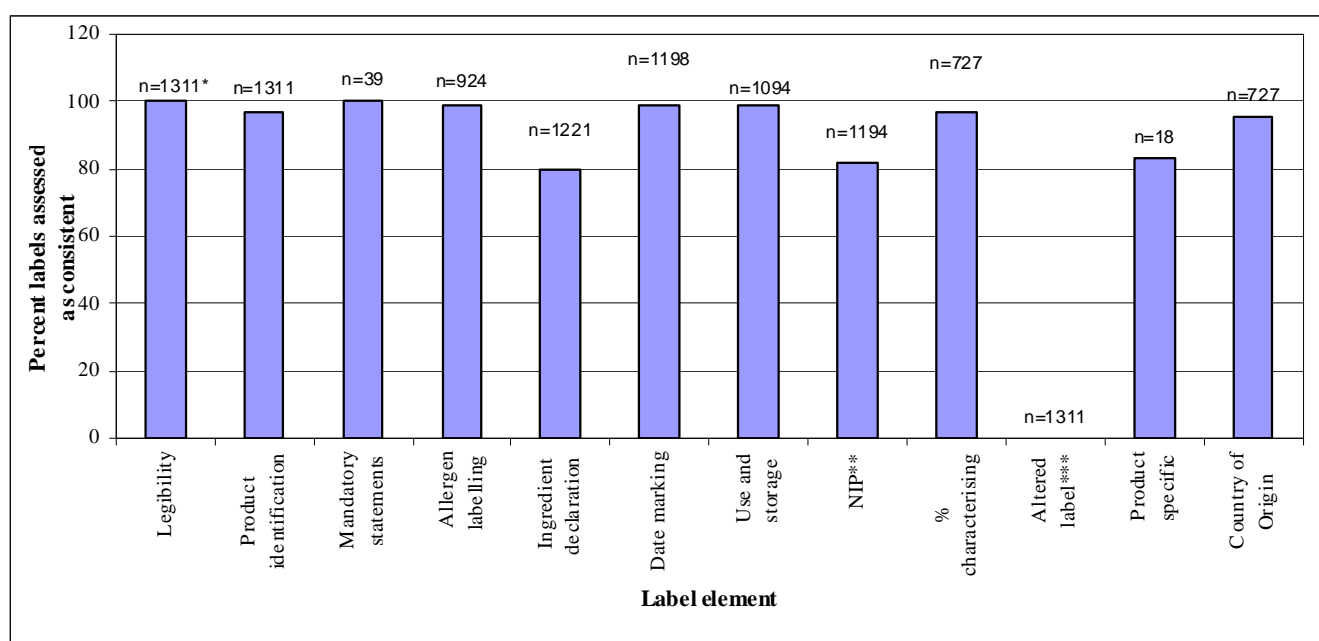
Labels were also assessed for false, misleading or deceptive representations according to the Australian Trade Practices Act and the New Zealand Fair Trading Act. Irradiated food labelling and Genetically modified food labelling (assessed in Phase 1) were not assessed in Phase 2 due to the low number of products carrying such labelling.

³ Although Legibility of print and Altered label are discussed throughout this report as 'label elements', neither are strictly label elements. In assessing labels against legibility requirements, each label element was assessed separately.

⁴ The Code requires that specific information be provided on the label of certain classes of food. As an example, where reference is made regarding the fat content of minced meat, the maximum proportion of fat in the minced meat, expressed in g/100g, must be declared on the label on the package of the food.

Overview of the consistency status of labels collected in 2006, by label element

This survey comprised the assessment of 1311 labels collected from foods available for retail sale in Australia and New Zealand (727 from Australia and 584 from New Zealand). The consistency of labels for individual label elements is given in Figure 1. For eight of the 12 label elements, consistency with the Code was 95% or greater. It should be noted that if any one of the 12 label elements was deemed inconsistent, the label was assessed as inconsistent overall. Excluding labels that had only minor formatting or moderate inconsistencies in the Nutrition information panel (NIP) as their only area of inconsistency, 63% of labels were consistent for all label elements.



* n= total number of labels assessed for that particular element.

** Excluding labels that had only minor formatting or moderate inconsistencies in the NIP.

*** There were no altered labels identified amongst the 1311 labels collected in 2006.

Figure 1: Overview of the consistency status of each label element assessed

As a percentage of the total number of labels assessed for that particular element, consistency with the Code was 95% or greater for the following label elements:

- Label legibility;
- Product identification;
- Mandatory warnings and advisory statements;
- Allergen labelling;
- Date marking;
- Directions for use and storage;

- Percent characterising ingredients; and
- Country of Origin statements.

Label elements responsible for relatively high proportions of inconsistencies (as a percentage of the total number of labels assessed for that particular element) were:

- Product specific labelling (17%);
- Nutrition information panels (18% inconsistent, excluding labels that had only minor formatting or moderate inconsistencies; 91% inconsistent including labels that had minor formatting, moderate and significant inconsistencies); and
- Ingredient declarations (20%).

All labels collected were assessed for Legibility and Product identification, with greater than 99% and 97% of these assessed as consistent with the labelling provisions respectively. Failure to declare the name and address of the supplier according to the labelling provisions was the greatest cause of labels being assessed as inconsistent with the label element Product identification.

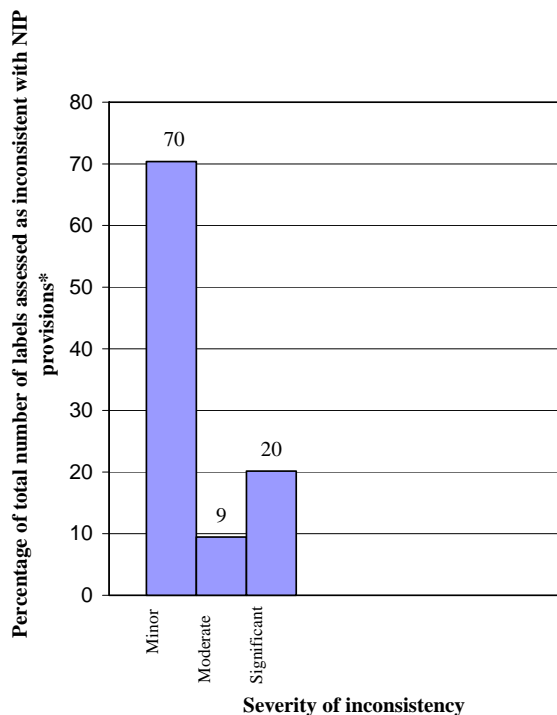
Three percent of all labels (39 labels) were assessed for Mandatory warnings and advisory statements, all of which were assessed as consistent with the labelling provisions.

Seventy percent of all labels (924 labels) were assessed for Allergen labelling, with 99% of these assessed as consistent with the labelling provisions. Those labels assessed as having consistent allergen labelling were further assessed to determine the placement and prominence of the declaration to provide additional information, noting that there are no labelling provisions in relation to placement or prominence of allergen information. On a majority of consistent labels (96%) the presence of the allergen was declared in the ingredient list, with 31% featuring an allergen declaration elsewhere on the packet. This included using the name of the allergen in the name of the food, as well as summary statements and voluntary precautionary statements. Increased prominence of allergen declarations (i.e. bold type) was featured on 52% of the labels assessed as consistent for this label element. Soybeans were declared on 21% of labels with consistent allergen labelling, while gluten-containing cereal was declared on 20% of these labels and milk on 18% of these labels.

Ninety-three percent of all labels were assessed against the labelling provisions for Ingredient declaration, with 80% of these labels assessed as consistent. The main reason for inconsistent ingredient labelling was the additive class name being absent or incorrect. Date marking was assessed on 91% of all labels, and was assessed as consistent on 99% of these. In all cases, the inconsistencies were due to an absence of date marking where it was required by the Code. Directions for use and storage was assessed on 83% of all labels and 99% of these were assessed as consistent with the labelling provisions. The main reason for inconsistency was that directions for use and storage were not provided where required.

Ninety-one percent of the labels collected were assessed as requiring or voluntarily providing a NIP. The level of severity of the NIP inconsistency was assessed; inconsistencies could be categorised as minor formatting inconsistencies, moderate inconsistencies or significant omissions and inconsistencies, according to their potential impact on consumer understanding of the NIP information. Where a NIP had more than one inconsistency, it was rated against the most severe level. Excluding labels that had only minor formatting or moderate inconsistencies, 82% of labels assessed under this element were consistent with the labelling provisions, assuming the NIP was in the prescribed format given in the Code. If minor formatting and moderate inconsistencies were included, 9% of labels assessed under this element were consistent with the labelling provisions.

From Figure 2, 20% of labels assessed as inconsistent with NIP provisions were assessed as having significant omissions and inconsistencies, 9% of labels were assessed as having moderate inconsistencies and 70% of labels had only minor formatting inconsistencies as their most severe level of inconsistency.



* Assessed at their most severe level of inconsistency

Figure 2: Severity of inconsistency of NIP for labels collected in 2006

The majority of inconsistencies for the NIP were due to incorrect internal or external borders (41% of all NIP inconsistencies) when compared with the prescribed format in the Code. This type of inconsistency was assessed as a minor formatting inconsistency as it is less likely to impact on consumer understanding of the information presented on the label. Twenty-five percent of NIP inconsistencies related to the presentation of nutrients. The most common reason was the use of incorrect text case, a minor formatting inconsistency. Less than 1% of NIP inconsistencies relating to the presentation of nutrients were due to the omission of nutrient information from the NIP, a significant omission. A further 22% of NIP inconsistencies related to serving size information. Only a small proportion of these (2%) were due to the absence of serving size information, a significant omission. Most of the remaining inconsistencies for serving size information related to incorrect text case and alignment, these being minor formatting inconsistencies. One percent of NIP inconsistencies were due to the absence of a NIP, a significant omission.

Over half of the labels collected (55%) were assessed as requiring or voluntarily providing percent characterising ingredient information. Of these, 97% were assessed as consistent with the labelling provisions. All inconsistencies were due to the absence of percent

characterising ingredient information for ingredients emphasised in the name of the food or in the product description.

There were no altered labels (new label placed over incorrect one) identified amongst the labels collected in 2006. Eighteen labels out of the 1311 collected were assessed as requiring Product specific labelling. Of these, three labels were assessed as having Product specific labelling that was not consistent with the labelling provisions. One of these labels did not meet the labelling requirements of Standard 2.9.3 – Formulated Meal Replacements and Formulated Supplementary Foods. Two labels were assessed as inconsistent with the requirements of Standard 2.6.2 – Non alcoholic Beverages and Brewed Soft Drinks.

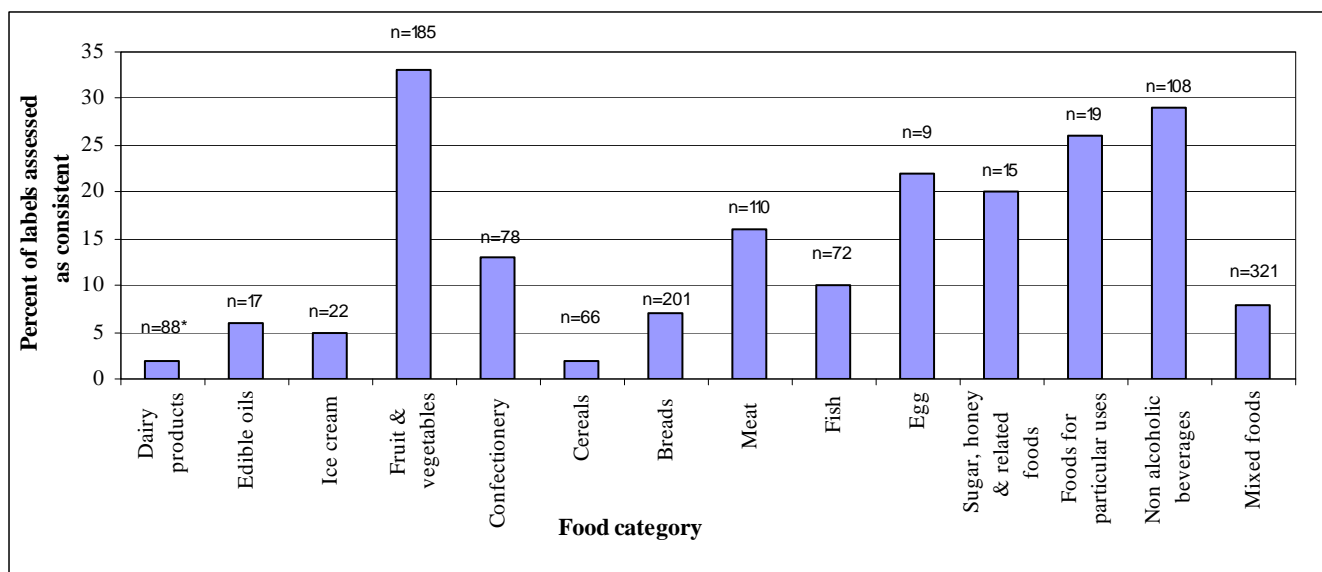
Country of Origin statements were assessed on all 727 labels collected in Australia only, as the Country of Origin Labelling provisions of the Code do not apply in New Zealand. Thirty-three percent of labels were assessed as having ‘Product of’ type claims and 50% featured ‘Made in’ type claims. Of all labels assessed for Country of Origin statements, 5% of labels were assessed as not in agreement with the labelling provisions as they did not carry Country of Origin information, or had inconsistent Country of Origin statements.

More than 99% of all labels collected in Australia and New Zealand were assessed as consistent with the provisions of the trade practices legislation covering false, misleading or deceptive representations.

As this survey was limited to packaged foods, unpackaged food items were not collected or assessed.

Overview of the consistency status of labels collected in 2006, by food category

Notwithstanding large differences in the total number of foods assessed in each food category (as a result of the agreed product sampling plan), the food categories with the highest proportion of consistency were Fruit and vegetables (33%), Non alcoholic beverages (29%) and Foods intended for particular dietary use (26%). Ninety-eight percent of labels in the food categories Dairy and Cereals and cereal products were inconsistent with at least one label element. Note that these results, as presented in Figure 3, include labels that had NIP inconsistencies at any of the three levels of severity.



* n= total number of labels assessed in each particular category.

Figure 3: Overview of the consistency status of each food category with the labelling provisions assessed

Overview of the comparison of label assessments on labels collected in 2005 and 2006

The same methodology was used for the current survey as was used for the survey carried out in 2005. Therefore some general observations about changes to information provided on food labels over time can be made.

A number of label elements had a relatively low proportion of inconsistencies in both 2005 and 2006 (as a percentage of the total number of labels assessed for that particular element); these were Label legibility (1% and less than 1%, respectively), Product identification (2% and 3%, respectively), Mandatory warning/advisory statements (less than 1% and 0%, respectively), Allergen labelling (3% and 1%, respectively) and Country of Origin (9% and 5%, respectively).

Ingredient declaration was the label element with the proportion of inconsistencies that was notably higher in 2006 compared with 2005 (20% and 8%, respectively). The most common reason for an Ingredient declaration to be assessed as inconsistent in 2006 was the use of an incorrect additive class name. Product specific labelling also had a high proportion of inconsistencies, with 17% of labels assessed for this particular element assessed as inconsistent. However, the actual number of inconsistent labels was very small and did not differ markedly in 2006 compared with 2005 (three labels and one label, respectively).

The proportion of inconsistencies for Date marking was notably lower in 2006 compared with 2005 (1% and 10%, respectively), and for Directions for use and storage (1% and 14%, respectively) and for Percent characterising ingredients (3% and 11%, respectively).

Nutrition information requirements had the highest proportion of inconsistencies in both 2005 and 2006. Sixteen and 18% of labels assessed for this element respectively, were inconsistent with respect to NIP requirements (when excluding minor and moderate inconsistencies).

Assessments on labels collected in 2003 were carried out using the same methodology as assessments on labels collected in 2005 and 2006 for Legibility, Date marking and Percent characterising ingredients. This allows results for these three label elements to be compared amongst the 2003, 2005 and 2006 surveys. Each of these label elements had a higher proportion of inconsistent labels in 2003 than in 2005 and 2006; Legibility (9%, 1% and less than 1% respectively), Date marking (20%, 10% and 1% respectively) and Percent characterising ingredients (30%, 11% and 3%). These data suggest that the consistency with the requirements in the Code for these three label elements has improved over the three surveys.