

31 March 2026
387-26

Statement of reasons – Proposal P1058 abandonment

Nutrition labelling about added sugars

Food Standards Australia New Zealand (FSANZ) prepared a proposal to consider including added sugars information in the nutrition information panel.

FSANZ has decided to abandon the proposal pursuant to section 56 of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act). The reasons for this decision are summarised in this report.

Information about rights for a review of this decision is provided in this report and in Part 6 of the FSANZ Act.

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Supporting documents

The following document, which informed the decision on this Proposal, is available on the [P1058 webpage](#):

SD1 [Consumer literature review for P1058 – Update](#)

1. Introduction

1.1 The proposal

Food Standards Australia New Zealand (FSANZ) prepared Proposal P1058 to consider amending the Australia New Zealand Food Standards Code (the Code) to include 'added sugars' information in the nutrition information panel (NIP).

1.2 Reason for preparing the proposal

From 2017 to 2019, the Food Regulation Standing Committee (FRSC) undertook policy development work regarding sugar labelling. For this work, the Australia and New Zealand Ministerial Forum on Food Regulation (now known as the Food Ministers' Meeting) agreed the following problem statement:

Information about sugars provided on food labels does not provide adequate contextual information to enable consumers to make informed choices in support of dietary guidelines.

The policy objective of the work as agreed by ministers was that:

Food labels provide adequate contextual information about sugars to enable consumers to make informed choices in support of the dietary guidelines.

FRSC prepared a Consultation Regulation Impact Statement on the labelling of sugars on packaged foods and drinks and undertook public consultation in 2018. Taking into account submitter comments, in June 2019 FRSC published the [Policy paper: Labelling of sugars on packaged foods and drinks](#), which included an evaluation of 7 options for addressing the problem. The paper identified that quantifying added sugars information in the NIP was the option that best met the desired policy objective.

In August 2019, when considering the policy paper, food ministers agreed to request FSANZ review nutrition labelling for added sugars, noting that the option of quantifying added sugars in the NIP best met the desired policy objective (per the 16 August 2019 [Australia and New Zealand Ministerial Forum communiqué](#)).

FSANZ completed and published a [review of nutrition labelling for added sugars](#) in 2021. The key outcome from the review was that, while there may be complexities in setting requirements for including added sugars in the NIP, no technical barriers were identified.

Proposal P1058 was subsequently prepared in April 2022 to consider amending the Code to require the quantification of 'added sugars' in the NIP.

1.3 Scope of the proposal

The purpose of P1058 was to consider including 'added sugars' information in the NIP. All foods required to display a NIP and other situations where a NIP must be provided (e.g. in documentation or displayed in conjunction with a food) were within scope. This includes foods that are labelled in accordance with requirements in the following standards:

- Standard 2.9.2 – Food for Infants
- Standard 2.9.3 – Formulated meal replacements and formulated supplementary foods
- Standard 2.9.4 – Formulated supplementary sports foods

Matters out of scope included:

- Reviewing nutrition declaration requirements in Standards 2.9.1 and 2.9.5
- Reviewing existing exemptions for a NIP, including that for alcoholic beverages
- Front-of-pack labelling and any other labelling options for added sugars, including those assessed in the FRSC policy paper
- Implications of added sugars labelling for the Health Star Rating system
- Implications for the nutrition profiling scoring criterion used for health claims

1.4 Procedure for assessment

The Proposal was assessed under the General Procedure of the *Food Standards Australia New Zealand Act 1991* (FSANZ Act).

1.5 Decision

For the reasons outlined in this report, FSANZ decided to abandon Proposal P1058 under section 56 of the FSANZ Act.

2. Background

2.1 Relevant standards

Subsection 1.1.1—10(8) provides that food for sale must comply with all relevant labelling requirements in the Code.

Standard 1.2.1 sets out when a food for sale is required to bear a label or have other information provided with it. Food for sale includes retail sales, food sold to a caterer and other sales of food.

Standard 1.2.8 sets out nutrition information requirements in relation to foods for sale that are required to bear a label, and for foods for sale that are exempt from these requirements. This standard also sets out when nutrition information must be provided, and the way such information must be provided. A NIP must include (among other things) declarations of the average quantity of 6 specified nutrients including carbohydrate and total sugars, and the average energy content. For NIP declarations, Standard 1.1.2 defines ‘sugars’ as ‘monosaccharides (other than D-allulose) and disaccharides’.

Subparagraph 1.1.2—9(1)(a)(i)(I) of the Code defines a nutrition content claim to mean a claim that is about (among other things) the presence or absence of certain properties, including a component of carbohydrate.

Subsection 1.1.2—9(3) provides that if the Code permits, but does not require, particular information to be included in a NIP, the inclusion of that information constitutes a nutrition content claim.

Standard 1.2.7 sets out the restrictions, requirements and conditions for making voluntary nutrition, health and related claims about food subject to certain exceptions.

Section 1.2.7—12 provides that nutrition content claims for a property of food listed in the nutrition content claims table in section S4—3 must be made in accordance with any corresponding conditions specified in that table. The table includes conditions for 'no added sugar' claims. These conditions in effect prohibit 'no added sugar(s)' claims for food that:

- contains, or is, an 'added sugar' or
- does not contain 'added sugar' but contains more sugars (i.e. monosaccharides (other than D-allulose) and disaccharides) than:
 - 10.0 g /100 g for solid food, or
 - 7.5 g /100 mL for liquid food.

The table defines what constitutes 'added sugar' for the purposes of these conditions.

2.2 Related FSANZ projects

2.2.1 Proposal P1062 – Defining added sugars for claims

Proposal P1062 – Defining added sugars for claims resulted in amendments to the Code that:

- clarified the definition of 'added sugars' for the purpose of voluntary nutrition content claims
- prohibited 'no added sugar(s)' claims where a food exceeds specified sugar thresholds (10 g/100 g for solids; 7.5 g/100 mL for liquids).

The intent of these changes was to align 'no added sugar' nutrition content claims with dietary guidelines, prevent such claims being made on products naturally high in sugar, and minimise the risk that these claims may mislead consumers about the overall healthfulness of these products. The amendments also provided clarity for industry and regulators.

In its P1062 approval report, FSANZ noted the definition of added sugars introduced to manage no added sugar claims may need to be reviewed through P1058 to determine if the definition was also appropriate for use as a declaration in the NIP.

2.2.2 Review of the nutrition information panel

In July 2024, noting that FSANZ's assessment of Proposal P1058 to date indicated that added sugars labelling in the NIP may not achieve the desired policy objective, food ministers agreed to FSANZ scoping work on a holistic review of the NIP instead of progressing Proposal P1058.

The review examined whether the NIP was still meeting its intended purpose of providing consistent, meaningful and accurate information about the nutritional content of foods,

designed for the general population, enabling consumers to make informed food choices in-line with dietary guidelines.

The NIP review considered previous work on nutrition labelling, relevant ministerial policy guidelines, Australian and New Zealand dietary guidelines, dietary consumption surveys, overseas and international regulations, new and existing consumer research, estimated costs of label changes, and stakeholder views.

The evidence base provided a holistic, contemporary understanding of how the NIP is used, understood and applied across the food system in conjunction with the Health Star Rating (HSR) system.

FSANZ completed the review and published a [position paper](#) in December 2025. Based on the available evidence, the review concluded the NIP continues to meet its intended purpose and no regulatory changes to the Code were necessary at this time.

2.2.3 Health Star Rating System

The HSR system is a voluntary front-of-pack labelling scheme supported by both Australian and New Zealand governments that rates the overall nutritional profile of packaged food and assigns a rating from 0.5 to 5 stars. The total sugar content of foods is used in the HSR algorithm for the calculation of star ratings.

In 2024, food ministers asked FSANZ to undertake preparatory work to inform ministers' decision-making on mandating the HSR system if voluntary uptake targets were not met. In February 2026, food ministers requested FSANZ prepare a proposal to consider mandating the HSR system in the Code.

2.3 Australia and New Zealand dietary guidelines

The [Australian Dietary Guidelines](#) and the [New Zealand Eating and Activity Guidelines](#) provide evidence-based policy advice to promote healthy eating and prevent chronic diseases, aiming to improve public health and reduce costs linked to poor nutrition. They are written for the general population, including those with common health conditions.

Both guidelines recommend limiting added sugars due to their association with excess weight gain and dental caries. Foods high in added sugars are not recommended because they tend to be energy dense and may displace more nutritious alternatives.

Both sets of guidelines encourage a variety of nutritious foods, prioritising fresh fruit and vegetables, with frozen or canned options also identified as healthful choices if they contain no added sugars. Fruit juice and dried fruit should be consumed only occasionally. For infants and toddlers, added sugars and fruit juice are not recommended, while older children should limit juice to one diluted glass per day.

Neither the Australian nor New Zealand guidelines define 'added sugars'.

2.4 Ministerial policy guidance

The *Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices* was endorsed in August 2020. It outlines that food ministers expect food labels to

provide adequate information to enable consumers to make informed food choices to support healthy dietary patterns recommended in the dietary guidelines.

The policy guideline stipulates that information that supports consumers to apply the recommendations in dietary guidelines should be provided on food labels in a format which:

- is easily accessed and understood by consumers
- supports consumers to manage energy intakes to assist with achieving and maintaining a healthy body weight
- supports consumers to compare foods
- does not promote consumption of foods inconsistent with dietary guidelines (such as those high in saturated fat, added sugars, added salt and/or foods with little or no nutritional value), and
- takes into account the nutritional content of the whole food, particularly risk nutrients identified in the dietary guidelines, so as not to mislead the consumer.

The context of the policy guidance also states that *to support consumer understanding and use of food labelling, there is a role for education and promotion of the dietary guidelines to raise consumers' awareness and understanding about healthy dietary patterns.*

2.5 Broader policy considerations

2.5.1 Australia and New Zealand

Australia and New Zealand both operate in a broader policy environment of addressing added sugars consumption to limit risks of noncommunicable disease. Major contemporary developments include:

- [The Australian National Obesity Strategy \(2022-2032\)](#). This strategy targets the reduction of discretionary food consumption. Key objectives include lowering the proportion of energy from discretionary foods from over 30% to under 20% and ensuring Australians do not exceed recommended free sugar intake by 2030. The strategy focuses on the social determinants of health in creating healthier food environments, health equity, consumer education and tackling weight stigma and discrimination.
- The [Australian National Preventive Health Strategy \(2021-2030\)](#). This strategy aims to reduce chronic disease risk factors through a range of health lenses including social, environmental, structural, economic, cultural, biomedical, commercial and digital causes of disease. Action items include improving access to and consumption of healthy diets. It includes the target to increase the proportion of adults and children who are not exceeding the recommended intake of free sugars by 2030.
- The Australian [Parliamentary Inquiry into Diabetes](#) (2024). This inquiry recommended a range of measures including front-of-pack labelling schemes to identify added sugar content in food products; a levy on sugar-sweetened beverages (graduated according to sugar content); and the development of a best-practice framework to address obesogenic environments.

- [New Zealand Government policy](#). Published information about activities to address obesity in New Zealand notes the Government is taking a broad population approach to achieving healthy weight with a focus on improved nutrition and increased physical activity.

2.5.2 International guidelines

Internationally, the World Health Organization (WHO) provides intake guidelines based on 'free sugars' rather than 'added sugars' to reduce the risk of noncommunicable disease, dental caries and unhealthy weight gain.

'Free sugars' includes all sugars added to foods and drinks by manufacturers, cooks or consumers, plus sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates. They recommend that both adults and children limit their intake of free sugars to less than 10% of total daily energy intake, and ideally below 5%, to reduce health risks.

To help populations achieve these goals, WHO advocates a comprehensive strategy of policy measures, such as:

- mandating clear nutrition labelling (including easy-to-read front-of-pack labels)
- implementing taxes on sugar-sweetened beverages to discourage excessive consumption
- enforcing restrictions on the marketing of sugary foods and drinks (especially to children)
- promoting reformulation of processed foods to reduce sugar content.

2.6 International and overseas standards

There is no internationally consistent definition or approach to 'added sugars' labelling.

2.6.1 Codex Alimentarius

The [Codex Guidelines on Nutrition Labelling \(CXG 2-1985\)](#) sets out an international framework for nutrition labelling of all foods. The guidelines state that, where a nutrient declaration is provided, information about energy, protein, available carbohydrate, fat, saturated fat, sodium and total sugars should be mandatorily provided. Information about other nutrients may also be provided in support of specific product health claims, or where such information would be relevant 'for maintaining a good nutritional status, as required by national legislation or national dietary guidelines.' 'Added sugars' may fall into the category of other nutrients that could be included as part of nutrition information without violating Codex standards.

In 2024, [the Codex Committee on Food Labelling](#) discussed defining 'added sugars' and whether to include it in the nutrient declaration. Currently, there is no internationally agreed Codex definition of added sugars.

2.6.2 Overseas standards

The United States of America (US) and Brazil both require ‘added sugars’ to be declared in their respective nutrition information tables, using different definitions.

In the US, following the [Nutrition Facts Label revision](#) in 2016, food manufacturers were required to provide added sugars information (both in grams and as a Daily Value percentage) by 2020 or 2021 (depending on food business size). For the purposes of Nutrition Facts declarations, the USFDA defined added sugars as those introduced during food processing or packaged as sweeteners, including sugars from syrups, honey and concentrated juices beyond what’s found in the same volume of 100% juice. They exclude whole fruits, purees, 100% juices and dried fruits, which retain their natural nutrients and properties.

Brazil also mandates disclosure of added sugars in food products’ nutrition information tables, as per regulation [RDC 429/2020 and IN 75/2020](#), published in October 2020. Mandatory added sugars labelling came into effect in 2022, requiring per serve and per 100g/100ml quantities of added sugars. The definition of ‘added sugars’ used for this purpose include ‘all monosaccharides and disaccharides added during food processing, including fractions of monosaccharides and disaccharides from the addition of the ingredients cane sugar, beet sugars, sugars from other sources, honey, molasses, molasses, rapadura, cane broth, malt extract, sucrose, glucose, fructose, lactose, dextrose, invert sugar, syrups, maltodextrins, other hydrolysed carbohydrates’. It excludes ‘polyols, added sugars consumed by fermentation or non-enzymatic darkening and sugars naturally present in milk and dairy products and sugars naturally present in vegetables, including fruits, whole, in pieces, powdered, dehydrated, in pulps, purées, whole juices, reconstituted juices and concentrated juices’.

3. Summary of the assessment

3.1 Evidence summary

3.1.1 Consumer evidence

Three literature reviews informed the assessment for P1058. To support FRSC policy development, FSANZ undertook a [literature review](#) in 2017 to examine consumer knowledge, attitudes and behaviours relating to sugars in foods and associated food labelling. Forty-three studies were identified, of which 16 were conducted in Australia/New Zealand. In 2023, FSANZ undertook a [rapid systematic review of the literature](#) relating to consumer understanding of ‘added sugar’ and similar terminologies, and consumer perceptions of ‘added sugars’ specifically in the NIP or its international equivalents. This literature review was updated with an addendum in 2025 to encompass the latest research (see [Supporting Document 1](#)). Thirty-six studies were captured in the 2023 review, with 3 additional studies identified in the 2025 update. Across all literature reviews, a total of 64 studies were reviewed.

The literature reviews were complemented by [focus group research](#) undertaken in 2024 to investigate consumer use, understanding and value of ‘sugars’ and ‘added sugars’

information, as well as responses to potential formats for including added sugars in the NIP. The focus groups filled identified gaps in the literature, including whether findings from international evidence applied to the Australian and New Zealand context. Ten, 90-minute online groups with 5-8 participants were undertaken across Australia (n=38) and New Zealand (n=33). Participants were aged 18 or over, were a food shopper for their household, and (at least rarely) used the NIP. Focus groups were also segmented by education level, allowing the impact of education on understanding of added sugars labelling to be examined.

3.1.1.1 Key Findings

The evidence suggests there is no clear benefit for consumers in incorporating added sugars information in the NIP. In contrast, its inclusion may mislead or confuse consumers, reduce trust in food labelling and/or encourage purchases inconsistent with dietary guidelines.

Consumers are concerned about the sugar content of food. They believe that consumption of sugar is associated with negative health outcomes, such as weight gain. Consumers who are attempting to reduce their sugar intakes report limiting their consumption of food categories they consider high in sugar (e.g. sugar-sweetened beverages) and reading food labels. However, there is some evidence that consumers underestimate the sugar content of beverages containing fruit.

Consumers are able to use existing total sugars information to identify which of 2 products is lower in sugar. However, they may not be able to use abstract information such as grams of sugar listed on a label to evaluate whether a food is high or low in sugar. As such, consumers may not completely comprehend the high quantity of sugar in foods such as sugar-sweetened beverages or confectionary items.

Consumers typically have a literal interpretation of 'added sugars', perceiving them to be sugars added during manufacturing or food preparation, rather than being inherent or naturally occurring in food. Sugar sources that are perceived as natural or less processed, including fruit sugar and honey, are also generally viewed as healthier, and may not be perceived to be 'added sugar'.

Due to this understanding, declaring added sugars in the NIP on foods perceived to only contain inherent or 'natural' sugars (e.g. honey, fruit juice, products sweetened only with fruit) confused consumers, leading them to question whether the label, the product itself or the manufacturer could be trusted. Clarifying why labelling was presented this way in the focus groups did little to resolve consumer confusion, suggesting that education initiatives to support added sugar labelling may be challenging. Confusion was consistently present irrespective of the participant's education level but may be more pronounced for those with lower education.

In contrast, labelling which presents these foods more positively (by exempting single ingredient foods like honey, or not counting fruit sugars as 'added sugar') may lead to choices inconsistent with dietary guidelines by encouraging consumption of high sugar foods. In comparison tasks in the focus groups, many consumers chose to purchase higher sugar products with no added sugars declared, rather than lower sugar products with added sugars declared in the NIP.

The literature reviews and focus groups found that some consumers are uncertain about the relationship between total and added sugars, with a few mistakenly adding ‘sugars, total’ and ‘added sugars’ together to overestimate total sugar content. Studies suggest this issue could be addressed with formatting changes such as ‘includes’ to indicate that added sugars is a sub-component, however this has not been tested in the Australian-New Zealand environment.

Experimental evidence found that providing added sugars information in nutrition panels improves consumers’ ability to identify added sugars content and select products on that basis. However, consumers generally find ‘total sugars’ information to be more useful and influential than ‘added sugars’ information. In the 2024 Consumer Insights Tracker, FSANZ’s annual survey of 1200 Australian and 800 New Zealand consumers, sugar content was by far the most referred to part of the NIP, with over two thirds of respondents looking for this information when purchasing a product for the first time. In separate focus groups run in 2025 to support the NIP review, consumers rarely raised added sugars when they were asked if there was any additional information they felt should be included in the NIP. It is possible that consumers’ preference for total sugars over added sugars information could change if they were to become more familiar with added sugars.

3.1.2 Population intake of added sugars

The 2023 [National Nutrition and Physical Activity Survey](#) (NNPAS) published by the ABS in September 2025 indicates that under the current food policy settings consumers are, on average, making healthier food choices over time. In Australia, free sugars¹ made up 8.2% of energy intake, within the WHO dietary recommendations of under 10%. This has decreased from 11% in 2011-12. This does not mean that further reductions in added sugar consumption would not be of benefit. The WHO suggests further benefits are achieved when population average free sugar consumption is under 5% of total energy consumption. It is, however, a promising indicator of the effectiveness of existing policy measures to reduce sugar consumption.²

This significant reduction in free sugar consumption has been noted alongside reduction of average intake of total sugars (decreased from 105g per day in 2011–12 to 84g in 2023), and its proportion of total energy intake likewise decreased (from 20.0% to 16.6%). Significant reductions in the proportion of average daily energy intake derived from discretionary foods, spanning age groups and genders, was also observed between 2011-12 and 2023 (35.4% to 31.3%). In addition, overall energy intake has also significantly decreased by, on average, 408kJ per person since 2011-12.

There is no comparable data available from New Zealand, where the last adult nutrition survey was in 2008/09 and the last children’s survey in 2002.

¹ The ABS uses the WHO definition of free sugars, in which ‘free sugars include all the added sugars put into foods during their processing or preparation as well as the sugars that are naturally present in fruit and vegetable juice, syrups and honey.’

² Examples of government initiatives to reduce sugar intake across Australian and New Zealand jurisdictions are listed in Attachment A of the Australian Department of Health’s 2024 document, [Policy context relating to sugars in Australia and New Zealand](#).

3.2 Consideration of costs

The consideration of costs that would be associated with a mandatory declaration of added sugars in the NIP contained in this section is not intended to be an exhaustive, quantitative economic analysis. Rather, the consideration indicates the general costs of requiring a label change.

3.2.1 Estimated SKUs impacted

FSANZ used stock keeping unit (SKU) numbers to estimate the total number of products which carry a NIP and may be impacted by an added sugars labelling change. It is estimated there is around 50,000 SKUs in the Australian and New Zealand market based on data from HSR uptake reports (as at November 2025). The reports note the following numbers of SKUs are intended to carry a HSR (and therefore a NIP), but do not include some foods that may also bear a NIP, such as sugar and eggs:

- 27,939 products in Australia
- 19,021 products in New Zealand.

HSR uptake reports are considered the best available data to calculate total SKUs in the food supply. For Australia, the data is provided to FSANZ by brand owners or collected by FSANZ through in-market store surveys. For New Zealand, data is sourced from the GS1 On Pack Database, an inventory of label information from packaged food products that are, or were, available in New Zealand supermarkets.

A number of SKUs are likely to be available in both Australia and New Zealand, meaning total SKUs impacted by requiring an 'added sugars' declaration in the NIP may be overestimated. Some SKUs might also not be impacted by such a change if they are already voluntarily declaring 'added sugars' in the NIP, dependent on whether a definition of added sugars differs from what is already being declared.

3.2.2 Cost related to label change

One-off label change costs are based on a survey and cost model developed by Marsden Jacob Associates for FSANZ in 2023. The model estimates the costs to the food industry of potential future changes to labelling requirements, based on a scale of minor to major change.

A minor change is categorised as changes to text only, with no changes to the layout of a label. A medium change impacts label text as well as layout. While the mandatory declaration of added sugars in the NIP could lead to either a minor or medium change depending on the product, the proposal has been categorised as a medium labelling change due to an anticipated increase in the size of the NIP. Table 1 presents the modelled costs based on the medium change categorisation.

Table 1. Label change costs for requiring an 'added sugars' line in the NIP

	Average cost per SKU	Total* (AUD million)
2-year transition period	\$4,992	\$249.6
3-year transition period	\$4,278	\$213.9

Note: costs are updated to December 2025. *Assuming 30,000 and 20,000 SKUs are impacted across Australia and New Zealand, respectively.

This cost includes, but is not limited to, administrative activities, label redesign, print plate costs and market testing.

This estimate is an indicative average. Label change costs of an individual SKU may be notably less or more than the average for their packaging type, depending on printing technologies used and the size of available label space, among other factors.

3.2.3 Cost to quantify added sugars

Depending on the definition of 'added sugars' required to be declared in the NIP, industry would incur an administrative cost of quantifying the amount of added sugars present in their products. Unlike other mandatory nutrients, added sugars cannot be analytically determined.

FSANZ has not quantified this cost but notes this cost would be additional to the cost of label changes and would be an ongoing regulatory and administrative burden.

3.2.4. Cost to government

The administrative cost involved in ensuring accurate declaration of added sugars in the NIP would likely extend beyond food producers and manufacturers to government. Depending on the regulatory definition, verification of added sugars content could be a resource-intensive process, relying on industry supplying formulations and details of processing activities.

3.3 Stakeholder views

In September 2022, FSANZ held targeted consultations with industry, public health and consumer groups, and jurisdictions to canvass early views on the direction of P1058.

Stakeholders had polarised views, particularly on the definition of added sugars and how sugars from fruit and vegetable products such as fruit juice, dried fruit, pulps and purees should be accounted for. Public health/consumer stakeholders generally considered sugars from fruit juice and most processed fruit products should be included as 'added sugars', while industry believed these sources of sugar should be excluded.

Work on Proposal P1058, including further stakeholder engagement, was paused in July 2024 pending the outcome of the NIP review. However, as part of the NIP review and HSR preparatory work, FSANZ undertook a program of stakeholder engagement and public consultation throughout 2025. Public health and consumer groups indicated their continued support for the mandatory inclusion of 'added sugars' in the NIP.

4. Rationale for the decision

FSANZ's assessment, based on the best available evidence, is that mandating added sugars labelling in the NIP will not achieve the desired policy objective. There is limited evidence of public health benefits for consumers, while substantial costs to industry and government will be incurred.

4.1 Limited public health benefit

FSANZ's assessment has found limited evidence of public health benefit of the proposed regulatory measure. This conclusion has been reached after considering new evidence and policy developments that have occurred since this regulatory measure was originally proposed, notably:

1. Consumer research undertaken by FSANZ to explore how providing added sugars information in the NIP would likely impact consumers' ability to make food choices.
2. The latest findings from the NNPAS, published by the ABS in September 2025.
3. A holistic review of NIP requirements, undertaken by FSANZ
4. The food ministers' request that FSANZ consider mandating the HSR system in Australia and New Zealand.

FSANZ considers these developments indicate a policy environment that is effectively aligned to provide consumers with nutrition information they can understand and use to make healthier food choices, including about sugar.

4.1.1 Consumer research

The consumer evidence indicates consumers care about the sugar content of their food, refer to the existing sugars declaration in the NIP, find it more useful and influential than 'added sugars' information when available, and are able to use it to compare sugar content between packaged foods. This behaviour supports informed choices in line with dietary guidelines.

The evidence also indicates that, depending on the definition used, providing 'added sugar' information can result in unintended negative outcomes. Consumers generally hold a literal interpretation of 'added sugars' as sugar added during manufacturing or food preparation. They often did not consider sugars from fruit sources to be 'added'. This interpretation is inconsistent with the definition required to guide food choices aligned with the dietary guidelines. Definitions of 'added sugar' that better capture the policy intent were found to be confusing or misleading and reduced consumers' trust in both the label and the food product and/or manufacturer. Hybrid definitions that sought to address the discrepancy between consumer perception and policy objective through exemptions for certain foods were found to reduce comparability and encourage purchases inconsistent with the dietary guidelines.

FSANZ considers the discrepancy between consumer perception and the regulatory intent of 'added sugars' to be a critical barrier to implementation. In contrast, the evidence confirms the existing 'total sugars' declaration is influential information for consumers, supporting informed food choices in-line with dietary guidelines.

4.1.2 Population intake

There is no evidence from population intake surveys that contradicts the findings from the consumer evidence. The latest evidence from the NNPAS showed a reduction in the population consumption of added sugars in Australia between 2011-12 and 2023. Importantly, added sugar consumption has now fallen below the WHO dietary

recommendation of 10% of total energy intake (for free sugar), coinciding with a decrease in total sugar consumption.

FSANZ acknowledges that further reductions in added sugar (and by extension, free sugar consumption) below 5% is desirable, with the WHO recommending that achieving this level can reduce population health risks associated with added/free sugar consumption. However, there is no evidence that 'added sugar' declarations in the NIP are necessary or effective in achieving this.

4.1.3 NIP review and mandated HSR system

The NIP review provided a holistic understanding of how the NIP is used, barriers to its use by consumers, and the interplay between the NIP and other labelling elements, including the HSR system. The review concluded the NIP meets its intended purpose, providing key information needed to make food choices in-line with dietary guidelines. However, it also identified nutritional literacy in the population is a substantial barrier for using provided nutrition information.

In February 2026, food ministers requested FSANZ consider mandating the HSR system as a means of providing consumers with simple, front-of-pack information to drive healthier food choices. While added sugar is not directly included in the HSR algorithm, the algorithm penalises packaged food products high in total sugar and, by extension, added sugars. It also provides automatic 5-star ratings to whole foods such as fruits and vegetables. This system contextualises sugar amongst other positive and negative nutrients as well as the dietary guidelines to provide a more holistic point of comparison between products.

4.2 Substantial costs

The introduction of a mandatory declaration of added sugars in the NIP would impose costs and administrative burden on the food industry and regulators, which must be considered against the likelihood that mandating this information will achieve the policy objective.

FSANZ estimates the cost of introducing an additional mandatory declaration in the NIP will potentially exceed \$213.9 million across the food system (assuming a 3-year transition period). There would also be ongoing costs associated with quantifying added sugars for industry and resource-intensive enforcement costs to verify added sugars content.

4.3 Conclusions

FSANZ's assessment has concluded that including added sugars information in the NIP has no clear public health benefit for consumers or their ability to make informed food choices in-line with dietary guidelines. In contrast, it may mislead or confuse consumers, reduce trust in food labelling or encourage purchases inconsistent with dietary guidelines. Mandating this information would also incur substantial costs on industry and government. FSANZ has therefore decided to abandon Proposal P1058.

FSANZ notes the Code amendments resulting from Proposal P1062, which address voluntary nutrition content claims about 'added sugars' (as discussed in section 2.2.1), are unaffected by the decision to abandon P1058. These regulatory requirements remain.

5 FSANZ Act considerations

Section 18 of the FSANZ Act lists - in descending order of priority – objectives to which FSANZ must have regard to when reviewing provisions of the Code or developing amendments to the Code.

Section 59 of the Act lists criteria to which FSANZ must have regard when assessing a proposal. FSANZ also had regard to these criteria in making its decision under section 56 of the Act to abandon the proposal.

FSANZ considered the 3 objectives listed subsection 18(1) of the FSANZ Act in making its decision to abandon Proposal P1058. As explained below, FSANZ's assessment based on the available evidence was amending the Code to mandate the declaration of added sugars information in the NIP would not further these objectives.

5.1.1 Protection of public health and safety

FSANZ's assessment of the available evidence indicates that mandating the declaration of added sugars information in the NIP would provide no clear public health benefit and would not enable consumers to make informed choices. In contrast, the evidence suggests doing so may detract from public health and safety by encouraging consumers to make purchases inconsistent with dietary guidelines.

5.1.2 The provision of adequate information relating to food to enable consumers to make informed choices

The available evidence is that mandating 'added sugars' labelling in the NIP would not enable consumers to make informed choices and may instead mislead or confuse (see section 3.1 of this report). The evidence also indicates that existing Code requirements to declare total sugars provides appropriate information to enable consumers to make informed food choices in-line with dietary guidelines. FSANZ found consumers who care about reducing their added sugar intake actively use the existing total sugars information and find it more useful and influential than 'added sugars' information.

5.1.3 The prevention of misleading or deceptive conduct

The available evidence indicates inclusion of 'added sugars' in the NIP may mislead or confuse consumers, reduce trust in food labelling, or encourage purchases inconsistent with dietary guidelines.

5.2 Subsection 18(2)

FSANZ has had regard to the objectives listed in subsection 18(2) of the FSANZ Act.

5.2.1 The need for standards to be based on risk analysis using the best available scientific evidence

FSANZ's analysis considered the best available scientific evidence, as summarised in section 3 of this report.

5.2.2 The promotion of consistency between domestic and international food standards

FSANZ had regard to international alignment as summarised in section 2.6 of this report. There is no internationally agreed definition or approach to 'added sugars' labelling.

5.2.3 The desirability of an efficient and internationally competitive food industry

FSANZ considered the costs of implementation of mandatory added sugars labelling as summarised in section 3.2 of this report. The available evidence indicates these costs would outweigh any related direct and indirect benefit.

5.2.4 The promotion of fair trading in food

The available evidence indicates mandating 'added sugars' labelling in NIP would not enable consumers to make informed choices and may instead mislead or confuse consumers and inadvertently lead to reduced trust in the food system.

5.2.5 Relevant written policy guidelines formulated by the Food Ministers' Meeting

In making its decision, FSANZ had regard to all relevant policy guidelines formulated by the Food Ministers' Meeting as summarised in section 2.4 of this report.

5.3 Section 59 criteria

5.3.1 Consideration of costs and benefits

The evidence available to FSANZ is that incorporating added sugars information in the NIP would impose a substantial cost, particularly on industry, for no demonstrable public health benefit. See sections 3.2, 4.1 to 4.3 above.

5.3.2 More cost-effective alternatives to amending the Code

P1058 was raised to consider including added sugars information in the NIP. In the absence of a demonstrable public health benefit and considering the imposed cost on industry and regulators, retaining the status quo is the more cost-effective option.

5.3.3 Any relevant New Zealand standards

The relevant standards apply in both Australia and New Zealand. FSANZ is not aware of any relevant New Zealand only-standards

5.3.4 Any other relevant matters.

See above

5.3 Rights of Review

Subparagraph 143(1)(b)(ii) of the FSANZ Act provides that a person whose interests are affected by FSANZ's decision to abandon this Proposal may apply to the Administrative Review Tribunal for a review of the decision to abandon the proposal.