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**393-26**

## **Supporting document 5**

Health Star Rating technical assessments

Proposal P1067 - Health Star Rating System

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### **Executive summary**

This supporting document provides the technical assessments that underpin Proposal P1067 – Health Star Rating System.

It sets out Food Standards Australia New Zealand’s (FSANZ) assessment of how a mandatory Health Star Rating (HSR) system could be applied and calculated in practice and the technical approaches considered for key components of the system.

The components discussed in this supporting document include:

- the application of the HSR system: the foods for which the display of a HSR symbol would be mandatory, voluntary or prohibited
- aspects of the HSR algorithm including the HSR categories, multipack and multicomponent foods, form of the food, the definition and calculation of fruit, vegetable nut and legume (FVNL) content, and algorithm overrides
- the declaration of algorithm components on the label.

This document should be read alongside the call for submissions (CFS) report, which sets out the broader policy context for Proposal P1067 and the matters on which FSANZ is seeking stakeholder feedback.

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# 1 Glossary

Term	Term in voluntary system (if applicable)	Description
Algorithm		The set of rules and calculations that determine how a Health Star Rating (HSR) is to be calculated.
Algorithm override	Policy override	When a food is assigned a HSR, without using the HSR algorithm.
Alignment with dietary guidelines		Alignment of the HSR algorithm with the Australian Dietary Guidelines (ADGs) was determined using a foods Core and Discretionary Classification and HSR, which was compared to a threshold. The HSR algorithm was considered to align with dietary guidelines if a food classified as core had a HSR $\geq 3$ , and a food classified as discretionary had a HSR $< 3$ .
BFD		The Australian Branded Food Database. It contains information about foods sold in Australia and is the key dataset used to support FSANZ technical assessments and modelling throughout SD3, SD4 and SD5.
Core food		Foods that form the basis of a healthy diet in the Australian Dietary Guidelines. These are the 5 food groups that the Australian dietary guidelines recommend the consumption of. They include: <ul style="list-style-type: none"> <li>• Plenty of vegetables, including different types and colours, and legumes/beans</li> <li>• Fruit</li> <li>• Grain (cereal) foods, mostly wholegrain and/or high cereal fibre varieties</li> <li>• Lean meats and poultry, fish, eggs, tofu, nuts and seeds, and legumes/beans</li> <li>• Milk, yoghurt, cheese and/or their alternatives, mostly reduced fat.</li> </ul>
Dairy analogue	Dairy alternative or plant-based alternative	A food that is formulated to resemble a dairy food in appearance, taste, texture, and intended use, and is derived from plant, fungi, or other non-dairy sources e.g. soy, oat, rice, nuts. The term analogue relates to comparability, indicating they are compositionally similar.
Dietary Guidelines		Unless otherwise specified, dietary guidelines refer to both the Australian Dietary Guidelines and the New Zealand Eating and Activity Guidelines.
Discretionary food		A term used in the Australian Dietary Guidelines. It includes foods and drinks high in saturated fats, sugars, salt and/or alcohol, and are therefore described as energy dense. They are not necessary for a healthy diet but can provide variety.
FoP		Front of pack
FoPL		Front of pack label/labelling
FVNL		Fruits, vegetables, nuts and legumes
HSR		Health star rating

HSR Advisory Committee (HSRAC)		A group of representatives from government (Australian Commonwealth, State and New Zealand), industry, public health and consumer sectors to provide guidance and support to the continued implementation of the voluntary HSR system.
HSR algorithm		The set of rules and calculations that determine how a HSR is to be calculated.
HSR calculator		The tool used to determine a foods star rating.
HSR symbol	HSR graphic	The physical symbol that is displayed on the front of pack of foods. In the voluntary system, a HSR symbol is referred to as a HSR graphic. Food Standards Australia New Zealand (FSANZ) has used HSR symbol in this report to align with the term used in the Australia New Zealand Food Standards Code (the Code).
HSR System Implementation Guide (2025)		The Implementation Guide contains information for industry on how to calculate a HSR and apply a HSR graphic (symbol) to a food. It was previously called the Style Guide. See here: <a href="#">Health Star Rating System Implementation Guide</a>
Intended foods		Foods that are intended to display a HSR graphic (symbol) in the voluntary system and are counted towards the HSR uptake monitoring figures. These foods are listed in table 1 of this paper.
Multi-component food		Packaging that contains different types of foods intended to be consumed together e.g. cheese and crackers, crackers and dip.
Multipack foods		This is a term used in the voluntary HSR system for packs that contain individual pre-portioned units intended for consumption as single portions and not intended for individual sale e.g. 6 pack of soft drinks, individual packets of chips in a multipack. They can contain individual packs of the same food within the same outer packaging and individual packs of different foods within the same outer packaging e.g. variety pack of muesli bars.
NIP		Nutrition information panel
Not intended foods		Foods that are permitted to display a HSR graphic in the voluntary system but are not considered intended. These foods are listed in table 1 of this paper.
Vary in nutrient composition		This is a term used to identify foods that are intended to use the voluntary HSR system. It includes multi-ingredient packaged foods for which the composition can be altered, and some single ingredient foods such as flours, milks, edible oils and canned fruits and vegetables where the composition may vary between similar foods. This term is not being used in the proposed mandatory system.

## 2 Application of the health star rating system

### 2.1 Application of the HSR system to specific types of sales

As explained in the call for submissions (CFS) report, FSANZ's assessment concluded amending the Code to mandate the HSR system appears warranted (see section 4.1 of the CFS).

As part of that assessment, FSANZ considered whether a HSR symbol should be required for specific types of sales including retail sales, sales to caterers<sup>1</sup> and intra-company transfers<sup>2</sup>.

#### 2.1.1 Proposed approach

FSANZ proposes the following approach:

- for food for retail sale that is required to bear a label, a HSR symbol would be required to be provided, subject to certain exemptions and prohibitions
- for food sold to a caterer, other types of sales (not including retail sale) and intra company transfers, a HSR symbol is not required to be provided, but could be provided voluntarily.

Regardless of the type of sale and whether a HSR symbol is required or voluntarily provided, it must meet the calculation, format and legibility requirements.

#### 2.1.2 Current voluntary approach

The focus of the approach in the voluntary system is on foods for retail sale. Foods are classified in the system as foods:

- intended to display a HSR graphic, e.g. foods required to have a nutrition information panel (NIP)
- that may display a HSR graphic (not intended), e.g. unpackaged foods, foods not required to have a NIP
- that must not display a HSR graphic, e.g. alcoholic beverages, certain special purpose foods.

Other types of sales, such as sales of food to caterers are not specifically mentioned in the 2025 HSR System Implementation Guide (Implementation Guide).

#### 2.1.3 Relevant Code provisions

The Code requirements for labelling of 'retail sales' apply to:

- retail sales of a food e.g. sale of a packet of biscuits from a supermarket
- food sold as suitable for retail sale without any further processing, packaging or labelling.

The relevant Code provisions for retail sales are covered in more detail in section 2.2 below.

Packaged foods sold to caterers are required to bear a label with certain information

<sup>1</sup> caterer means a person, establishment or institution (for example, a catering establishment, a restaurant, a canteen, a school, or a hospital) which handles or offers food for immediate consumption (section 1.2.1—2).

<sup>2</sup> intra-company transfer means a transfer of a food between elements of a single company, between subsidiaries of a parent company or between subsidiaries of a parent company and the parent company.

(sections 1.2.1—12 and 1.2.1—15). Other information, including NIPs (unless exempt), can be provided either on the label or in documentation (section 1.2.1—16). This requirement (i.e. the requirement to provide a NIP) would not apply to foods that are exempt under Standard 1.2.8 from the requirement to be labelled with a NIP unless a nutrition content or health claim is made about that food. Additionally, the caterer must be provided with any information they request to enable them to comply with any compositional, labelling or declaration requirement of the Code (paragraph 1.2.1—17(a)).

There are labelling requirements in the Code (Standard 1.2.1, Division 4) for foods sold where the sale is not a retail sale or food sold to a caterer, or an intra-company transfer. Packaged food for sale that is not for retail sale, or sale to a caterer or an intra-company transfer must be labelled with the name and address of the supplier (unless in documentation accompanying the food), name of the food and lot identification. Additionally, for these types of sales, the Code sets out that the purchaser must be provided with any information requested to enable them to comply with the Code requirements (section 1.2.1—21). There are no labelling requirements in the Code for intra-company transfers.

## **2.1.4 Stakeholder views**

During the HSR preparatory work many stakeholders questioned the scope of the HSR system and whether it would only continue to apply for foods for retail sale. One industry stakeholder questioned whether the scope of the system would extend to catering, food service or sales made direct to the customer.

## **2.1.5 Rationale for proposed approach**

### **2.1.5.1 Food for retail sale**

FSANZ is proposing that a HSR symbol is mandatory for certain foods for retail sale that are required to bear a label under the Code. Further details are provided in section 2.2 of this report.

### **2.1.5.2 Other sales of food**

This section covers:

- food sold to a caterer
- food for sale that is not food for retail sale or for sale to a caterer (e.g. wholesale foods to a manufacturer)
- intra-company transfers.

FSANZ is not proposing to require the provision of a HSR symbol for these foods. The existing clauses in the Code that require the caterer or purchaser to be provided with any information requested to enable them to comply with Code requirements would apply. This enables caterers or purchasers to obtain the information needed to calculate a HSR should it be required.

Under the voluntary system, food intended for further processing, packaging or labelling prior to retail sale is prohibited from displaying a HSR symbol. FSANZ is not proposing to retain this approach. A HSR symbol could therefore be voluntarily provided for these foods, in which case it would need to meet the proposed requirements for calculation, legibility and design (see section 3 of this report and SD4). This would allow for ease of trade or sale of foods in these situations that are already labelled with a HSR symbol, compared with if it were to be prohibited.

The NIP needs to be provided for foods sold to caterers under the current Code requirements. If these foods are then provided directly to the consumer, the food would be a food for retail sale and therefore covered by the requirements for food for retail sale. For example, for a beverage sold to a caterer, a NIP must be provided to the caterer, however if that beverage is sold to a consumer by the caterer, the requirements for food for retail sale would apply.

FSANZ has not identified a risk to consumers with this proposed approach and therefore considers prohibiting a HSR symbol on food sold to a caterer or other types of sales would be unnecessarily restrictive.

**Question for submitters:**

Do you support FSANZ's proposed approach for the application of a HSR symbol to specific types of sales, including food for retail sale? Please provide reasons and describe any practical or implementation issues FSANZ should consider.

## 2.2 Application of the HSR system to foods for retail sale

### 2.2.1 Proposed approach

FSANZ proposes the following approach:

A HSR symbol would be **required** to be displayed for foods for retail sale where a NIP is required (if not prohibited). This would include:

- foods that do not vary in nutrient composition
- foods that are normally exempt from the requirement to be labelled with a NIP, but make a nutrition content or health claim in relation to the food, triggering the requirement to be labelled with a NIP
- imported foods.

A HSR symbol would be required for packaged water that receives an automatic HSR (despite not being required to be labelled with a NIP).

A HSR symbol could be **voluntarily** displayed (if not prohibited) for:

- packaged foods not required to bear a label and/or display a NIP, if that food is labelled with a NIP (including brewed soft drinks)
- foods in hampers, if a NIP is provided for that food
- unpackaged foods, if a NIP is displayed with that food.

Fresh and minimally processed fruit and vegetables that receive an automatic HSR would be able to voluntarily display a HSR symbol without being labelled with a NIP.

The following foods would be **prohibited** from displaying a HSR symbol:

- special purpose foods
- standardised alcoholic beverages<sup>3</sup>
- beverages containing no less than ( $\geq$ ) 0.5% alcohol by volume that are not a standardised alcoholic beverage or a brewed soft drink

<sup>3</sup> In section 1.1.2—2, *Standardised alcoholic beverage* is defined as beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product.

- beverages represented as non-alcoholic extensions of alcoholic beverages (see section 2.3 of this report)
- a kit used to produce a standardised alcoholic beverage
- kava
- foods delivered to a vulnerable person by a delivered meal organisation
- foods other than food in a package, provided to a patient in a hospital or a medical institution.

## 2.2.2 Current voluntary approach

The voluntary HSR system is designed for application on the physical front of most packaged foods available for retail sale in Australia and New Zealand and is intended to apply to both domestically manufactured and imported foods.

Table 1 outlines how foods for retail sale are currently classified in the voluntary system.

**Table 1. The application of the HSR in the voluntary system**

Foods intended to display a HSR graphic (Permitted and intended)	Foods that may display a HSR graphic (Permitted not Intended)	Foods that must not display a HSR graphic
<p>Foods:</p> <ul style="list-style-type: none"> <li>• required by the Code to have a NIP; and</li> <li>• that can vary in nutrient composition, including multi-ingredient packaged foods for which the composition can be altered, and some single ingredient foods such as flours, milks, edible oils and canned fruits and vegetables where the composition may vary between similar foods; and</li> <li>• that are not prevented from using the HSR system (must not display foods).</li> </ul>	<ul style="list-style-type: none"> <li>• Unpackaged foods e.g. loose fruit and vegetables</li> <li>• Foods not required to label with a NIP (section 1.2.8—5 of the Code) OR foods not required to bear a label (section 1.2.1—6)</li> <li>• Products for which composition does not vary significantly across products (such as eggs, sugar and baking powder), even though they are required to label with a NIP</li> </ul>	<ul style="list-style-type: none"> <li>• Most special purpose foods in Standard 2.9, excluding divisions 2 and 3 of Standard 2.9.3 (formulated meal replacements and formulated supplementary foods)</li> <li>• Products containing more than 0.5% alcohol by volume (ABV)</li> <li>• Beverages containing less than or equal to 0.5% ABV that are represented as a non-alcoholic variant or brand extension of an alcoholic beverage.</li> <li>• Alcohol kits</li> <li>• Kava</li> <li>• Foods mentioned in section 1.2.7—5.</li> </ul>

When the HSR system was implemented in mid-2014, the intention was that if a food carried a NIP, the use of the HSR system should be considered. Foods that were voluntarily permitted to display a NIP were classified as permitted but not intended to display a HSR graphic, to ensure consistency with the NIP requirements in the Code. Additionally, given a lot of these foods were low in nutritive value (e.g. herbs, spices, vinegar), a HSR was not considered useful information for consumers.

Unlike other special purpose foods, formulated meal replacements (FMRs) and formulated supplementary foods (FSFs) are intended to use the voluntary HSR system. The reason given for this was as follows: *Different exclusions in the HSR system for Standard 2.9.3 Formulated meal replacements and formulated supplementary foods compared to Standard 1.2.7 were made because they met the general principle agreed at the time that FoPL*

*applied, as composition could be varied within regulatory constraints; these foods were considered to be no longer restricted to consumption by target groups and were part of everyday diets* (mpconsulting, 2018).

Packaged water (as defined in the Code) was assigned an automatic five-star rating to promote its hydration role consistent with dietary guidelines (NHMRC 2013) when the system was first implemented. Automatic HSRs for flavoured unsweetened water and minimally processed fruit and vegetables were also introduced following the five-year review of the HSR system (see section 3.5 of this report).

Foods that do not vary in nutrient composition were not intended to display a HSR graphic. This was clarified following the five-year review and was driven by the need to determine which foods should be captured for HSR uptake monitoring purposes. It was thought that given the purpose of the HSR system was to compare similar foods, if comparisons could not be made because the composition of similar foods was the same, the HSR system did not serve a purpose for these foods.

The treatment of several food categories in the HSR system have been considered previously as part of the five-year review or anomaly process such as nuts, eggs, confectionery and edible oils. Ultimately, these categories remained part of the system and continue to use the HSR algorithm. This is because the system was found to be performing as intended, by allowing consumers to make healthier choices when comparing similar foods. For more details, see the five-year review report (mpconsulting 2019) or the anomaly register.<sup>4</sup>

Beverages marketed as non-alcoholic extensions of alcoholic beverages (non-alcoholic alcohol alternatives) were added to the list of foods that must not use the HSR system in June 2022 as they were not considered to align with the intent of the system (see section 2.3 for further discussion).

### **2.2.3 Relevant Code provisions**

Section 1.1.1—3 specifies the Code applies to foods that are imported into Australia and New Zealand.

Section 1.1.1—12 specifies that the provisions of the Code relating to labelling are applicable to food that is imported with the labelling with which it is intended to be sold.

Section 1.2.1—6 requires food for retail sale in a package to bear a label with the information specified in subsection 1.2.1—8(1), with the following exemptions:

- made and packaged on the premises from which it is sold on
- packaged in the presence of the purchaser
- whole or cut fresh fruit and vegetables in packaging that does not obscure the nature or quality of the foods
- delivered packaged and ready for consumption, at the express order of the purchaser (other than foods in vending machines)
- sold at a fund raising event
- displayed in an assisted service display cabinet.

If a nutrition content or health claim is made about these foods, certain information only, including a NIP must be displayed in connection with the food or provided upon request (section 1.2.1—9(6)).

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<sup>4</sup> [Anomaly Register – 2020 onwards](#)

Fruit and vegetables is defined in Standard 1.1.2 as any of fruit, vegetables, nuts, spices, herbs, fungi, legumes and seeds.

Subsection 1.2.1—6(4) states that if the food for sale is not in a package, it is not required to bear a label.

Subsection 1.2.1—8(1) includes a requirement for foods required to bear a label (unless exempt) to be labelled with nutrition information in accordance with Standard 1.2.8. Section 1.2.8—5 requires those foods to be labelled with a NIP. Section 1.2.8—5 lists foods that a NIP is not required for, unless a nutrition content or health claim is made. A NIP can still be voluntarily displayed on these foods. These foods are:

- (i) a standardised alcoholic beverage
- (ii) a herb, a spice or a herbal infusion
- (iii) vinegar or imitation vinegar
- (iv) iodised salt, reduced sodium salt mixture, salt or salt substitute
- (v) tea or coffee, or instant tea or instant coffee
- (vi) a substance that is approved for use as a food additive
- (vii) a substance that is approved for use as a processing aid
- (viii) a food that is sold to be \*used as a processing aid
- (ix) fruit, vegetables, meat, poultry, and fish that comprise a single ingredient or category of ingredients
- (x) gelatine
- (xi) water (including mineral water or spring water) or ice
- (xii) prepared filled rolls, sandwiches, bagels and similar products
- (xiii) jam setting compound
- (xiv) a kit which is intended to be used to produce a standardised alcoholic beverage
- (xv) a beverage containing no less than 0.5% alcohol by volume that is not a standardised alcoholic beverage
- (xvi) kava.

A food in a small package (<100 cm<sup>2</sup>) is also not required to be labelled with a NIP, even if a nutrition content or health claim is made. Section 1.2.8—14 sets out the nutrition labelling information that is required if a nutrition content or health claim is made about a food in a small package.

The following definitions apply to requirements in Standards 1.2.7 and 1.2.8:

**fruit** means the edible portion of a plant or constituents of the edible portion that are present in the typical proportion of the whole fruit (with or without the peel or water); and does not include nuts, spices, herbs, fungi, legumes and seeds.

**vegetable** means the edible portion of a plant or constituents of the edible portion that are present in the typical proportion of the whole vegetable (with or without the peel or water) and does not include nuts, spices, herbs, fungi, dried legumes (including dried legumes that have been cooked or rehydrated) and seeds.

Section 1.2.7—5 states that Standard 1.2.7 does not apply to:

- (a) food that is intended for further processing, packaging or labelling prior to retail sale; or
- (b) food that is delivered to a vulnerable person by a delivered meal organisation; or
- (c) food, other than food in a package, that is provided to a patient in a hospital or a \*medical institution.

Special purpose foods are regulated under standards in Part 2.9 of the Code and have specific definitions and requirements for composition and labelling. These standards are:

- Standard 2.9.1 (infant formula products)
- 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)
- Standard 2.9.5 (food for special medical purposes).

**2.2.4 Stakeholder views**

Stakeholders across industry, public health, and academic groups raised concerns about how the voluntary system applies to some foods during the HSR preparatory work. They requested clearer guidelines for foods intended, not intended and not permitted to display a HSR symbol under a mandatory scheme. Specific areas stakeholders suggested required review are outlined in Table 2.

**Table 2. Specific areas of concern relating to the application of the HSR raised by stakeholders**

Food/Category of foods	Issue
Foods with a voluntary NIP (e.g. foods in 1.2.8—5)	<p>Most industry, government and academic stakeholders, and some public health stakeholders suggested a HSR symbol should be voluntary on foods with a voluntary NIP to avoid costs and additional regulatory burden for industry, allow flexibility for a HSR symbol to be applied when meaningful for consumers, and increase visibility of the system.</p> <p>Alternatively, most public health and some industry stakeholders supported requiring a HSR symbol on foods with a NIP, irrespective of whether the NIP is required or applied voluntarily, to ensure nutritional information is always provided in an easy format that interprets the nutritional information and to improve system visibility.</p> <p>Some industry and public health stakeholders opposed both the voluntary and mandatory application of a HSR symbol to these foods, suggesting it would not be useful for consumers on these foods.</p>
Foods that do not vary in nutrient composition	<p>Stakeholders had mixed views on whether these foods should be required to display a HSR symbol. Most industry, government and some public health stakeholders suggested it would not be in line with the system’s purpose of enabling comparisons, could cause consumer confusion and potentially undermine the credibility of the system.</p> <p>Most public health and academic stakeholders suggested a HSR symbol should be required for all foods with a NIP, regardless of whether the food varied in nutrient composition to increase the system’s visibility and align the NIP requirements with HSR requirements.</p>
Minimally processed foods (fruit, vegetables, water)	<p>Most public health, academic, industry and government stakeholders supported continuing to allow a HSR symbol to be voluntarily displayed on minimally processed foods under a mandatory scheme to support healthy eating messages and broader public health policies. Some public health and industry stakeholders disagreed and thought the system was not designed for these foods.</p>

Food/Category of foods	Issue
Formulated meal replacements (FMRs)	Most public health and government stakeholders, and some industry stakeholders, supported prohibiting a HSR symbol on FMR's noting they are designed for specific clinical needs, not for the general public. Other industry stakeholders supported permitting voluntary use of a HSR to maintain flexibility.
Formulated supplementary foods (FSFs)	Most public health stakeholders and some industry and government stakeholders supported either requiring or permitting voluntary use of a HSR symbol on FSFs as they are consumed by the general public and ratings would likely support comparisons. Other public health and industry stakeholders did not support this approach because the HSR algorithm does not account for the specific nutritional composition of FSFs, for example, vitamins and minerals.
Formulated supplementary sports foods (FSSFs)	There was support from all stakeholder groups for continuing to prohibit a HSR symbol on FSSFs because of their specific composition as a special purpose food which cannot be reflected in the algorithm. Some public health stakeholders suggested allowing a HSR symbol as it could help consumers make informed choices given these foods are often positioned next to general purpose foods.
Imported foods	<p>Industry and government stakeholders highlighted issues relating to the application of a HSR symbol to imported foods, particularly if the HSR system is mandated. These included:</p> <ul style="list-style-type: none"> <li>• increased complexity for importers, particularly small businesses</li> <li>• implementation issues as some elements of the algorithm are currently not required to be displayed on the label leaving an importer unable to calculate the HSR</li> <li>• increased costs from label changes that would likely be passed on to consumers</li> <li>• how it would be effectively enforced</li> <li>• how requiring a HSR symbol could be a trade barrier.</li> </ul> <p>Suggestions to assist with implementation and compliance of imported foods with the HSR system such as over-stickering were made. However, they noted that as a HSR symbol is on the FoP, importers may need to over sticker more elements, requiring a sticker on both the front and back of the package. Over-stickering a HSR symbol on the FoP may also cover other important information.</p>
Non-alcoholic alcohol alternatives	A public health stakeholder suggested that FSANZ should consider permitting a HSR symbol on beverages with no and low alcohol.
Small packages	Industry stakeholders suggested considering products that are slightly larger than a small package (as defined in the Code). They noted that the inclusion of a mandatory HSR symbol might require an adjustment to the small package size definition.
Eggs and nuts	Industry stakeholders suggested that eggs and nuts should automatically score 5-stars. If not, they should be exempt from the requirement to display a HSR symbol. (Discussed further in section 3.5 of this report.)
Cooking Oil	Industry stakeholders considered the rating for olive oil is too low compared with other oils and suggested cooking oils could be exempt from displaying a HSR symbol.

Food/Category of foods	Issue
Confectionery	Industry stakeholders suggested that gifts, seasonal, novelty shapes, chewing gum, and other confectionery in small packages should all be exempted from carrying a HSR symbol.
Commercial foods for young children	Academia and public health stakeholders suggested foods for young children (12 months+) should be excluded or prohibited from displaying a HSR symbol unless specific changes are made to the system to strengthen its use on these foods.

### 2.2.5 Evidence

In focus groups undertaken on behalf of FSANZ (see SD2), most participants thought that fresh fruit and vegetables, eggs and water should be excluded from the HSR system, noting a HSR symbol would add little value as they are already seen as healthy, and might on balance have a negative impact on costs to consumers and the environment. However, a small number of participants supported the idea of extending the system to these foods to help those with less nutrition knowledge to identify these very healthy foods, noting that a mandated system should have no exceptions.

Focus group participants commonly referred to the NIP as well as a HSR symbol when completing comparison tasks. While noting that the focus groups excluded participants who reported never using the NIP, this indicates the importance of the NIP being present alongside a HSR symbol to assist consumer understanding.

Participants also noted they expected universal (mandatory) application of the HSR symbol would support both use and understanding of the system. They commented it would allow more comparisons to be made between similar foods than is currently possible.

Published evidence on what foods consumers think a HSR symbol should be displayed on is limited (see Research question 1 (page 14) in SD1). However, some older literature did indicate that breakfast cereals and muesli bars were among the top foods that shoppers use the HSR system for, while meat products, milk and confectionery were among the categories of food where consumers reported using the HSR the least (Colmar Brunton 2018). Another study also found participants were less likely to look at nutrition information on discretionary foods given they are purchased for non-health related reasons (Talati et al. 2016).

### 2.2.6 Rationale for proposed approach

FSANZ has considered which foods for retail sale should be required, voluntarily permitted or prohibited to display a HSR symbol. In developing the proposed approach, FSANZ specifically considered:

- what best supports consumer use, understanding and trust in the HSR system
- ensuring the HSR system and NIP complement and support each other
- that any approach is practical to implement and enforce.

Generally, FSANZ is proposing that if a food for retail sale is required to be labelled with a NIP under the Code, a HSR symbol must be displayed, or if a NIP is voluntarily provided, a HSR symbol may be provided. This would support consumer understanding and use, as well as transparency of the system, as the consumer and enforcement agencies would have the information used to calculate the rating (see section 4 of this report).

Table 3 outlines the proposed approach for the application of the HSR system to foods for retail sale. The rationale for the proposed approach is explained in more detail below. Changes from the voluntary system are indicated with an asterix\*.

**Table 3. Proposed approach: Application of HSR requirements to foods for retail sale**

Foods that must display a HSR symbol	Foods that can voluntarily display a HSR symbol	Foods that must not display a HSR symbol
<p>Packaged foods that are required to be labelled with a NIP and are not prohibited from displaying a HSR symbol. This includes foods in section 1.2.8—5 where a NIP is required because a claim is made.</p>	<p>The following foods if exempt from the requirement for a NIP under section 1.2.8—5 and if voluntarily labelled with a NIP:</p> <ul style="list-style-type: none"> <li>• herbs, spices or a herbal infusion</li> <li>• vinegar or imitation vinegar</li> <li>• iodised salt, reduced sodium salt, salt and salt substitutes</li> <li>• tea or coffee or instant tea or coffee</li> <li>• a substance approved for use as a food additive or processing aid</li> <li>• a food sold to be used as a processing aid</li> <li>• fruit, vegetables (if not eligible for an automatic HSR), meat, poultry, and fish that comprise a single ingredient or category of ingredients</li> <li>• gelatine</li> <li>• ice</li> <li>• prepared filled rolls, sandwiches, bagels and similar products</li> <li>• jam setting compound</li> <li>• food in small packages</li> <li>• brewed soft drinks*.</li> </ul>	<p>Special purpose foods, as defined in Standard 1.1.2:</p> <ul style="list-style-type: none"> <li>• infant formula products</li> <li>• food for infants</li> <li>• formulated meal replacements*</li> <li>• formulated supplementary foods*</li> <li>• formulated supplementary food for young children</li> <li>• formulated supplementary sports foods</li> <li>• food for special medical purposes</li> </ul>
<p>Water*</p>	<p>The following foods for sale in a package (exempt from the requirement to bear a label under section 1.2.1—6), if labelled with a NIP:</p> <ul style="list-style-type: none"> <li>• made and packaged on the premises from which it is sold</li> <li>• packaged in the presence of the purchaser</li> <li>• whole or cut fresh fruit and vegetables in packaging</li> </ul>	<p>A standardised alcoholic beverage.</p> <p>A beverage containing no less than 0.5% alcohol by volume that is not a standardised alcoholic beverage and that is not a brewed soft drink.</p> <p>Non-alcoholic alcohol alternatives: Beverages containing less than or equal to 0.5% ABV that are represented as a non-alcoholic variant or brand extension of an alcoholic beverage.</p> <p>A kit which is intended to be used to produce a standardised alcoholic beverage.</p> <p>Kava</p> <p>Foods listed in section 1.2.7—5 of the Code:</p> <ul style="list-style-type: none"> <li>• food that is delivered to a vulnerable person by a delivered meal organisation</li> </ul>

Foods that must display a HSR symbol	Foods that can voluntarily display a HSR symbol	Foods that must not display a HSR symbol
	<p>that does not obscure the nature or quality of the foods, if not eligible for an automatic HSR</p> <ul style="list-style-type: none"> <li>• is delivered packaged, and ready for consumption, at the express order of the purchaser (other than when the food is sold from a vending machine)</li> <li>• is sold at a fund-raising event</li> <li>• is displayed in an assisted service display cabinet.</li> </ul> <p>Unpackaged foods, if a NIP is displayed in association with said food.</p> <p>Fresh and minimally processed fruit, vegetables, legumes and fungi, including when unpackaged which receive an automatic HSR, may display a HSR symbol without the presence of a NIP.</p> <p>Foods sold within a hamper, if a NIP is provided for that food.</p>	<ul style="list-style-type: none"> <li>• food, other than food in a package, that is provided to a patient in a hospital or a medical institution.</li> </ul>

Additionally, FSANZ proposes that the provisions that apply to foods sold in vending machines would be applicable to the individual food sold in the vending machine e.g. if it is required to have a HSR symbol outside of the vending machine context, it would be required to have a HSR symbol if sold from a vending machine.

### **2.2.6.1 Foods that must display a HSR symbol**

FSANZ is proposing a HSR symbol is required to be displayed on the label of packaged foods available for retail sale in Australia and New Zealand, including both domestically manufactured foods and imported foods, unless specifically exempt or prohibited. It is also proposed the HSR system applies to imported foods in the same way as domestically manufactured foods, as discussed in section 2.2.6.4 of this report.

FSANZ is proposing the HSR and NIP requirements closely align where possible, given their close relationship, i.e. if the food is required to be labelled with a NIP under the Code, FSANZ is proposing a HSR symbol must be displayed. This would:

- provide clear and consistent labelling requirements for industry
- assist with interpretation of nutritional information displayed on the NIP for consumers
- aid transparency, support enforcement and allow for consistency of information presented

- ensure a HSR symbol and NIP complement and support each other.

This approach would be subject to exemptions and prohibitions as outlined in sections 2.2.6.2 and 2.2.6.3 of this report.

Foods not normally required to be labelled with a NIP under section 1.2.8—5 are required to have a NIP if they make a nutrition content claim or health claim. To align with the proposed approach, i.e. if a NIP is required on the label, a HSR symbol is required, we are proposing that if a nutrition content claim or health claim is made about a food listed in section 1.2.8—5 prompting the requirement to be labelled with a NIP, a HSR symbol will also be required to be displayed for that food.

#### *2.2.6.1.1 Foods that do not vary in nutrient composition*

The proposed approach would mean foods not varying in nutrient composition (e.g. eggs, sugar) would have to display a HSR symbol given they are required to be labelled with a NIP. During the preparatory work, stakeholder feedback was divided on this topic (see Table 2). While most industry, government and some public health stakeholders suggested these foods should not be required to display a HSR symbol, most public health and academic stakeholders thought the 'vary in nutrient composition' clause should be removed to increase visibility of the system and streamline the rules for the application of the HSR system.

From a regulatory perspective, attempting to define and enforce a 'vary in nutrient composition' approach would be challenging and the Code currently does not have any definitions or language to draw on to assist with this. Additionally, creating a clause to exempt a small proportion of foods in the market (less than 1% of total foods in BFD dataset) would increase the systems complexity unnecessarily. Therefore, FSANZ is proposing to require these foods to display a HSR symbol on the label, consistent with the overall approach.

#### *2.2.6.1.2 Bottled water*

While a NIP is not required on bottled water, FSANZ is proposing to require a HSR symbol on these products. This approach would assist consumers with comparisons in a retail context given water is usually positioned with other beverages and enable consumers to clearly identify water as the healthiest beverage option.

Of 50 products categorised as plain packaged water in the Australian Branded Food Database (BFD) collected in late 2025<sup>5</sup>, 24 of these displayed a rating (5 stars).

Consistent with NIP requirements in the Code (section 1.2.8—5), a NIP would not be required to be on the label despite a HSR symbol being required, as the algorithm is not used to determine its rating (see section 3.5.6.1 of this report). While this goes against the general approach for the NIP and HSR symbol being presented together to complement and support each other, a NIP displayed on packaged water would not provide the consumer with any relevant information (macronutrient values would all be 0).

#### *2.2.6.1.3 Confectionery*

Foods designed for gifting and seasonal confectionery would be required to display a HSR symbol in the proposed system. While during the preparatory work some stakeholders considered these should not be required to display a HSR symbol, FSANZ considers they should be required to. Reasons for this include:

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<sup>5</sup> Includes data for 27,939 foods collected from brand owners and in-store collections undertaken by FSANZ to support HSR monitoring against the final uptake target.

- alignment with the NIP requirements (NIP and HSR should complement and support each other)
- it is consistent with the objective of consumers being able to use the HSR system to compare the nutritional value of similar foods to make informed healthier choices.

#### *2.2.6.1.4 Commercial foods for infants and young children*

Commercial foods for infants and young children are currently regulated as general foods under the Code and would be required to display a HSR symbol under the current system. These foods do not include special purpose foods such as infant formula products (Standard 2.9.1), food for infants (Standard 2.9.2) or formulated supplementary foods for young children (Division 4 of Standard 2.9.3). While some stakeholders suggested that commercial foods for young children should not be eligible to display a HSR symbol, they were referring to foods regulated outside of Part 2.9 of the Code.

FSANZ acknowledges the World Health Organization's (WHO) guiding principles document for FoPL outlines that the scope for FoPL schemes should not include foods specifically manufactured for young children (WHO, 2019).

FSANZ will undertake work to review Code requirements for commercial food for infants and young children as part of the 2030 Roadmap<sup>6</sup>. However, requirements for the display of a HSR symbol are considered in the context of the current Code, where there is the absence of a definition for these foods distinguishing them from other general purpose foods. Therefore, FSANZ is proposing that commercial foods for infants and young children would be required to display a HSR symbol, if they are required to be labelled with a NIP.

#### *2.2.6.1.5 Edible Oils*

FSANZ is proposing edible oils would be required to display a HSR symbol, given their requirement to be labelled with a NIP. Stakeholder comments noted above (see cooking oils in Table 2) were also made during the five-year review. In the 5-year review it was noted the HSR system cannot consider all the different reasons a food may have health benefits, and it would not be appropriate to increase the rating of one type of oil over another based on factors not considered for any other product. In light of this previous consideration, a HSR symbol would be required on edible oils for retail sale.

#### *2.2.6.1.6 Multi-component and multi-pack foods*

The application of the HSR system on multi-component and multi-pack foods is discussed in section 3.2 of this report.

### **2.2.6.2 Foods prohibited from displaying a HSR symbol**

FSANZ is proposing that, consistent with the voluntary HSR system, certain foods are prohibited from displaying a HSR symbol.

#### *2.2.6.2.1 Special Purpose Foods*

FSANZ is proposing that special purpose foods would be prohibited from displaying a HSR symbol. Special purpose foods have specific labelling and compositional requirements under Part 2.9 of the Code and are intended for a specific purpose and target population. The HSR algorithm has not been designed for the specific composition of a special purpose food.

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<sup>6</sup> [FSANZ 2030 Roadmap](#)

The Policy Guideline on the intent of Part 2.9 of the Code - Special Purpose Foods<sup>7</sup> sets out policy principles for special purpose foods including that they should only be targeted to physiologically vulnerable individuals and population sub-groups. Adequate information should be provided to:

- assist consumer understanding of the specific nature of the food, the intended population group and intended special purpose; and
- to provide for safe use by the intended population and to help prevent inappropriate use by those for whom the special purpose food is not intended.

A HSR symbol on special purpose foods would be inappropriate and inconsistent with the intent of Part 2.9 of the Code and the special purpose food policy guideline if it encouraged their consumption by the non-target population outside of their special purpose.

In many international FoPL schemes special purpose foods are not permitted to use the label e.g. Nutri-Score (Eurofins 2024; Attachment B). Guidelines for FoPL prepared by Codex also exclude certain special purpose foods from the scope of the guideline and recommend other foods for special dietary uses could be considered for exclusion at a national level (FAO 2021).

FSANZ has considered formulated meal replacements (FMRs) and formulated supplementary foods (FSFs), as both are special purpose foods regulated under Part 2.9 of the Code and are currently permitted to display a HSR symbol under the voluntary system.

FMRs are designed for specific purposes, and technical assessments and stakeholder consultation undertaken during the preparatory work identified concerns that high HSRs on these products may encourage purchase by consumers for whom they are not intended. Similarly, FSFs are specifically formulated to supplement the normal diet in circumstances where intakes of energy and nutrients may be inadequate. FSFs are commonly sold as powders or ready-to-consume liquids, and some are positioned near breakfast cereals and other beverage-based powders in retail settings.

During consultation, most public health stakeholders and some industry and government stakeholders supported allowing HSR symbols on FSFs to enable comparisons with similar non-special-purpose foods. However, other public health stakeholders and industry did not support this approach, noting that the HSR algorithm does not account for the foods' specific nutritional composition or intended use. A prohibition of a HSR symbol on FMRs was generally supported by stakeholders (see Table. 2).

FSANZ is proposing to prohibit the use of HSR symbols on both FSFs and FMRs, consistent with the proposed approach for other special purpose foods, the policy principles in the Ministerial Policy Guideline, and the intent of foods regulated under Part 2.9 of the Code.

In addition, most FSFs and FMRs receive high HSRs. BFD product information collected in late 2024 indicates that over 70% of FSFs (n = 86) score 4 stars or more, with 40% scoring 5 stars. Similarly, 69% of FMRs (n = 16) in the BFD database had a HSR of 4 stars or greater, with 50% scoring 5 stars. If such high ratings encourage consumption by non-target populations outside the foods' special purpose, this would contradict the intent of Part 2.9 of the Code. FSANZ therefore considers that comparisons between FSFs and similar non-special-purpose foods using the HSR would be inappropriate, notwithstanding their proximity in the retail environment.

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<sup>7</sup> [Policy guideline on intent of Part 2.9 of the Food Standards Code – Special purpose foods | Food Regulation](#)

#### *2.2.6.2.2 Alcoholic beverages, kits used to produce alcoholic beverages and kava*

FSANZ is proposing to prohibit the following from displaying a HSR symbol:

- a standardised alcoholic beverage<sup>8</sup>
- a beverage containing no less than 0.5% alcohol by volume (ABV) that is not a standardised alcoholic beverage and that is not a brewed soft drink
- kits used to produce a standardised alcoholic beverage
- beverages containing less than or equal to 0.5% ABV that are represented as a non-alcoholic variant or brand extension of an alcoholic beverage.

This is discussed in section 2.3 below.

FSANZ is also proposing to prohibit a HSR symbol on kava given its sedative and intoxicating properties. This approach would also align with its prohibition from making all nutrition content and health claims under section 1.2.7—4.

#### *2.2.6.2.3 Foods delivered to a vulnerable person or patient*

FSANZ proposes food delivered to a vulnerable person by a delivered meal organisation and provided to a patient in a hospital or a medical institution (unpackaged) as outlined in subsections 1.2.7—5(b) and (c) would be prohibited from displaying a HSR symbol. These are foods provided to vulnerable individuals, and it would not be necessary or practical to display a HSR symbol on them. Additionally, a HSR symbol displayed on such foods could be misleading or confusing for these vulnerable populations particularly on foods designed to meet special dietary or medical needs.

#### **2.2.6.3 Foods that may display a HSR symbol**

FSANZ proposes that allowing the voluntary display of a HSR symbol in certain circumstances may be appropriate.

##### *2.2.6.3.1 Foods that are not required to be labelled with a NIP*

Foods that are exempt from the requirement to bear a label and/or be labelled with a NIP under sections 1.2.1—6 and 1.2.8—5 of the Code may voluntarily display a NIP. FSANZ proposes that if these foods bear a label with a NIP voluntarily, a HSR symbol may also be displayed voluntarily, unless expressly prohibited (e.g. alcoholic beverages). FSANZ is not proposing to mandate a HSR symbol on these foods.

This approach aligns the NIP and HSR requirements in the Code: where a NIP is permitted on a voluntarily basis, a HSR symbol should also be permitted on the same basis. While this may result in some foods displaying a NIP without a HSR symbol, requiring a HSR symbol whenever a NIP is voluntarily displayed could discourage industry from providing a NIP at all, thereby reducing the amount of information available to consumers.

Additionally, a HSR symbol may not always be useful or practical to display for some of these foods, for example, foods with low nutritive value like tea or coffee. There are, however, some instances where a HSR could be useful and permitting a voluntary HSR symbol on these foods allows for it to be displayed when meaningful without imposing additional regulatory burden compared to requirements for the NIP.

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<sup>8</sup> standardised alcoholic beverages are beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product as defined in section 1.1.2—2.

Consultation during the HSR preparatory work indicated most industry, government and academic stakeholders, and some public health stakeholders, supported maintaining the voluntary application to foods exempt from the requirement to be labelled with a NIP under section 1.2.8—5 for reasons listed in Table 2. Alternatively, most public health and some industry stakeholders supported requiring a HSR symbol on foods with a NIP, irrespective of whether the NIP is required or applied voluntarily, to ensure nutrition information is always provided in an easy, interpretable format.

It is important that a HSR symbol is not displayed without the presence of a NIP to ensure transparency of the system for both consumers and for enforcement purposes, with the exception of fresh and minimally processed fruit and vegetables (see the following section) and packaged water (see section 2.2.6.1.2 of this report). Recent consumer focus groups revealed the NIP is often used in conjunction with a HSR (see SD2). Some participants said they look at the HSR symbol first, followed by the NIP to check the specific nutrients (e.g. sodium, sugar). Only a small number of consumers said they used the HSR symbol alone, without referring to the NIP at all. While noting that the focus groups excluded participants who reported never using the NIP, this indicates the importance of the NIP being present alongside a HSR symbol to assist consumer understanding.

#### *2.2.6.3.2 Fresh and minimally processed fruit, vegetables, fungi and legumes*

As outlined in section 2.2.6.3.1, fresh fruit and vegetables<sup>9</sup> (including fruit and vegetables which comprise a single ingredient or category of ingredients and whole or cut fresh fruit and vegetables) would be voluntarily permitted to display a HSR symbol. This approach aims to maintain the current general exemption from labelling for these foods (by not requiring a HSR symbol), while supporting promotion of the consumption of fruit and vegetables to consumers, given most are not meeting the minimum daily intake recommendations, particularly for vegetables (AIHW 2024; Ministry of Health 2022).

Unlike the rest of the foods proposed to be permitted to voluntarily display a HSR symbol, fresh and minimally processed fruit, vegetables, legumes and fungi may display a HSR symbol without the presence of a NIP. This is because the algorithm, including relevant nutrient information, is not used to determine the rating (it is proposed they receive an automatic 5-star rating (see section 3.5 of this report)). This approach is intended to encourage the display of a HSR symbol on fruit and vegetables without the need to also display a NIP. Most stakeholders supported this approach as it reinforces healthy eating messages without creating complexity in the system. However, others disagreed as they considered having a HSR symbol on fruits and vegetables was not the intent of the system (see Table 2).

Additionally, as noted in section 2.2.5, some focus group participants supported fresh fruit and vegetables using the HSR system. They believed it would help those with less nutrition knowledge to identify healthy foods and suggested it would not make sense to prohibit them from using the system as they are some of the healthiest foods and should be able to show that using a HSR symbol. However, most participants thought that fresh fruit and vegetables should be excluded from the HSR system, as they believed it would add little value as most consumers know they are healthy foods.

FSANZ is not proposing to apply the definitions of ‘fruit’ and ‘vegetables’ that apply in Standards 1.2.7 and 1.2.8 to these foods, as those definitions were developed for a different purpose and are not considered appropriate in this context (see section 3.5.6.3).

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<sup>9</sup> In this section, the term ‘fruit and vegetables’ is not intended to mean the term ‘fruit and vegetables’ as defined in Standard 1.1.2, i.e. it does not include nuts, spices, herbs, fungi, legumes and seeds.

### 2.2.6.3.3 *Unpackaged foods*

For unpackaged foods, FSANZ is proposing that if a NIP is provided in connection with the sale of the food, a HSR symbol can be provided voluntarily, also in connection with the display of the food, e.g. on a sign.

These unpackaged foods might include fresh and minimally processed fruit, vegetables, legumes and fungi in which case, a HSR symbol is able to be displayed without the connection to the NIP for the reasons discussed above. Allowing a HSR symbol to be displayed on these foods in connection to the food, rather than on the packaging, will reduce the need for unnecessary packaging in order to display a HSR symbol, which was a concern for both stakeholders and focus group participants (see section 4.7.2 in SD2).

Many unpackaged foods fall under provisions set out in section 1.2.1—6 of the Code, e.g. food displayed in a display case (e.g. in a delicatessen). In these instances, a HSR symbol can be displayed on a sign if a NIP is displayed in connection with the product.

This aligns with the general approach whereby the NIP and HSR system complement and support each other.

### 2.2.6.3.4 *Brewed soft drinks*

FSANZ is proposing that brewed soft drinks as defined in the Code<sup>10</sup>, which includes beverages such as kombucha, are permitted to display a HSR symbol voluntarily, if labelled with a NIP. They are clearly defined in the Code, alongside non-alcoholic beverages in Standard 2.6.2, and in the retail context, are often displayed with other soft drinks. Additionally, they are not permitted to exceed 1.15% alcohol by volume. Therefore, if these foods are labelled with a NIP, they may voluntarily display a HSR symbol to aid comparisons between other beverages. This approach would not apply if they are represented as an alcoholic beverage alternative (see section 2.3 of this report).

### 2.2.6.3.5 *Foods sold in a hamper*

Foods sold within a hamper<sup>11</sup> must have a NIP even if they are not in a package (e.g. loose fruit or vegetables).<sup>12</sup> FSANZ is proposing that for foods inside hampers, whether individually packaged or not, a HSR symbol is permitted voluntarily if a NIP is also provided but would not be required. This is because requiring HSR symbols on all foods within hampers would not serve the intended purpose of allowing consumers to compare similar foods quickly and at a glance, due to hampers containing a variety of foods. The voluntary permission would provide for the situation whereby some of the foods in the hamper would be required to display a HSR symbol if they were sold for retail sale not in the hamper, given they are required to be labelled with a NIP.

### 2.2.6.3.6 *Foods sold in small packages*

To align with the rationale for other foods that do not require a NIP, FSANZ is proposing foods in small packages, as defined in the Code (<100 cm<sup>2</sup>), could be voluntarily labelled with a HSR symbol if a NIP is also displayed. However, FSANZ acknowledges that these

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<sup>10</sup> Section 1.1.2—3 defines a brewed soft drink as a food that is the product prepared by a fermentation process from water with sugar and one or more of: (i) fruit extractives or infusions; or (ii) vegetable extractives or infusions; and (b) contains no more than 1.15% alcohol/volume.

<sup>11</sup> Section 1.1.2—2 defines a hamper as a decorative basket, box or receptacle that contains separately identifiable foods and may contain other non-food items.

<sup>12</sup> Subsection 1.2.1—8(2) outlines the requirements for foods sold in a hamper. Each package in the hamper must bear a label with the information mentioned in subsection 1.2.1—8(1), which includes a nutrition information panel.

foods are unlikely to be labelled with a NIP because of the space limitations, and therefore a HSR symbol on these foods is unlikely to be displayed.

Whilst stakeholders suggested that the definition for small package size should be adjusted for the HSR system requirements, FSANZ is not proposing to do so. If the small packaging size was increased for HSR requirements, this would mean that a NIP might be required but a HSR symbol would not, which would misalign with the overall approach of requiring a HSR symbol if a NIP is required. Additionally, FSANZ is proposing to permit flexibility in the size of a HSR symbol, which can be adjusted based on the size of the packaging whilst ensuring the symbol is still legible (see SD4).

**Question for submitters:**

Are there specific foods for which there would be space limitations in fitting a legible HSR symbol on the label (beyond small packages <100 cm<sup>2</sup>)? Please provide examples and outline any practical solutions or approaches to address these challenges.

#### **2.2.6.4 Imported foods**

The Implementation Guide states the intent of the HSR system is that it applies to both domestically manufactured and imported foods. Importers of packaged foods into Australia and/or New Zealand are strongly encouraged to apply the HSR system. This has been the intent of the voluntary system since it was implemented.

To facilitate comparison of similar foods as is the intent of the system, FSANZ is proposing all imported foods for retail sale that are required to be labelled with a NIP are required to display a HSR symbol. To not apply the same requirements for imported foods as for domestically produced foods would reduce consumers' ability to use the system effectively. Data from the BFD collected by FSANZ in-store in late 2025<sup>13</sup> from 4 main retailers to support the HSR uptake monitoring (n = 18,763) indicates about a third of foods identified were imported (32%; n = 6,021).<sup>14</sup> Of these imported foods, 32% (1,930 foods) displayed a HSR symbol. In comparison, of the 12,742 foods that were not identified as an imported food, 48% (6,172) displayed a HSR symbol. Comparable data from New Zealand are not currently available.

FSANZ recognises the challenges for implementation of a HSR symbol on imported foods if the values needed for the algorithm are not on the label (see section 4 of this report) and the costs of changing labels for the Australia and/or New Zealand markets, particularly for small importing businesses. As per section 1.2.1—21, the purchaser must be provided with any information requested to enable them to comply with Code requirements (see section 2.1.3 above). Therefore, if an importer requests the information that they need to be able to calculate a HSR, it should be provided. To provide some flexibility with the display of a HSR symbol for imported foods that are re-labelled with mandatory label information, meaning a new label is placed over incorrect information (i.e. over-sticker), FSANZ is proposing the HSR symbol could be included on this new label, along with the other required information and not be on the front of the package (see section 1.2.6 of SD4 for further discussion).

<sup>13</sup> Includes all foods collected in-store by FSANZ regardless of whether they displayed a HSR or not. See section 2.2.1 in SD3 for further details.

<sup>14</sup> Foods were identified as imported if they displayed a 'made in', 'product of' or 'packed in' statement referring to a country other than Australia or New Zealand. Foods with statements such as *Packed in Australia with ingredients from [other countries]* and *Product of [other countries], packed in Australia* were not considered an imported product for this exercise.

## 2.3 Alcoholic beverages, kits used to produce alcoholic beverages and beverages represented as non-alcoholic extensions of alcoholic beverages

### 2.3.1 Proposed Approach

FSANZ proposes the following approach:

The following products would not be permitted to display a HSR under a mandatory system:

- beverages that contain less than or equal to 0.5% alcohol by volume that are represented as a non-alcoholic variant or brand extension of an alcoholic beverage
- standardised alcoholic beverages
- beverages containing no less than 0.5% alcohol by volume that are not a standardised alcoholic beverage and not a brewed soft drink
- kits intended to be used to produce standardised alcoholic beverages.

### 2.3.2 Current voluntary approach

Under the voluntary HSR system the following beverages must not display a HSR symbol:

- beverages containing more than 0.5% alcohol by volume (ABV)
- alcohol kits
- beverages containing less than or equal to 0.5% ABV that resemble an alcoholic beverage (in look and/or taste) and are marketed as a non-alcoholic variant or brand extension of an alcoholic beverage.

This last category includes, but is not limited to, beverages labelled and advertised as 'alcohol free', 'non-alcoholic', 'zero alcohol', 'dealcoholised', and 'alcohol removed' (Department of Health, Disability and Ageing 2025). For the purposes of this report, these beverages will be referred to as non-alcoholic alcohol alternatives.

The decision that non-alcoholic alcohol alternatives must not display a HSR symbol was made by the Food Regulation Standing Committee (FRSC) in 2022 based on findings provided by the HSR Implementation Working Group (IWG) and HSRAC.

These findings determined the use of a HSR symbol on low alcoholic beverages ( $\leq 1.15\%$  ABV) and non-alcoholic line extensions of alcoholic beverages was not consistent with the intent of the HSR system, as its purpose is to allow comparison of similar foods. As full-strength alcoholic beverages are prohibited from displaying a HSR, there is no ability for comparison. Additionally, they found the display of a HSR symbol on these beverages could imply a level of healthiness or be perceived as promoting the consumption of alcohol.

These conclusions were based on:

- some public health representatives, the Alcohol Beverages Advertising Code, and the New Zealand Advertising Standards Authority's views that the advertising of no and low alcohol beverages (i.e. beverages with  $\leq 1.15\%$  ABV (NoLo beverages)) is similar to that of alcohol as they share product branding and packaging
- some public health views that the sale of NoLo beverages in supermarkets normalises alcohol use and promotes alcohol as they replicate the taste and branding of alcohol and are in an environment where young people may be exposed to them
- Codex guidelines stating front of pack labelling should not promote alcohol consumption

- research highlighting the presence of a HSR has the potential to be misinterpreted as an indicator of superior nutritional quality
- non-alcoholic alcohol alternatives generally not being considered appropriate alternatives to non-alcoholic beverages, for example to children or for use in school canteens, despite their composition (HSRAC 2021).

### 2.3.3 Relevant Code provisions

Section 1.2.8—5 exempts certain foods from the general requirement to be labelled with a NIP unless a nutrition content or health claim is made in relation to the food, including:

- standardised alcoholic beverages
- beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages
- a kit which is intended to be used to produce a standardised alcoholic beverage.

In section 1.1.2—2, *Standardised alcoholic beverage* is defined as beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product. These beverages are all defined in section 1.1.2—3 of the Code. Most of these definitions are process based and do not include a minimum alcohol percentage, except for brandy, liqueur and spirits. Additionally, there is a limit on the ethanol content for wine and sparkling wine produced in Australia of no less than 45 mL/L (4.5% ABV) (subsection 4.5.1—5(1)).

There are no specific definitions for non-alcoholic alcohol alternatives in the Code. However, section 2.7.1—7 notes a food containing alcohol must not be represented in a form that suggests the product is a non-alcoholic beverage.

Section 2.7.1—5 states an alcoholic beverage with more than 1.15% ABV must not be represented as low alcohol.

### 2.3.4 Stakeholder views

During the preparatory work, one public health stakeholder suggested non-alcoholic alcohol alternatives be treated like soft drinks and be eligible to display a HSR symbol as they are not alcoholic beverages. Conversely, one government stakeholder supported the continued prohibition of a HSR symbol on beverages which resemble alcoholic beverages.

Additionally, one government stakeholder supported the current foods prohibited from using the HSR system, including alcohol.

### 2.3.5 Evidence

To inform the assessment on whether it is appropriate to apply the HSR system to alcoholic beverages or non-alcoholic alcohol alternatives, FSANZ determined ratings for these beverages and other non-alcoholic beverages as set out in the following two sections.

#### 2.3.5.1 *Estimated HSR of non-alcoholic alcohol alternatives vs HSR of other non-alcoholic beverages*

The HSR of 88 non-alcoholic alcohol alternative beverages from the BFD<sup>15</sup> was calculated based on the values in the NIP. These were then compared to the HSR of 1,381 other non-

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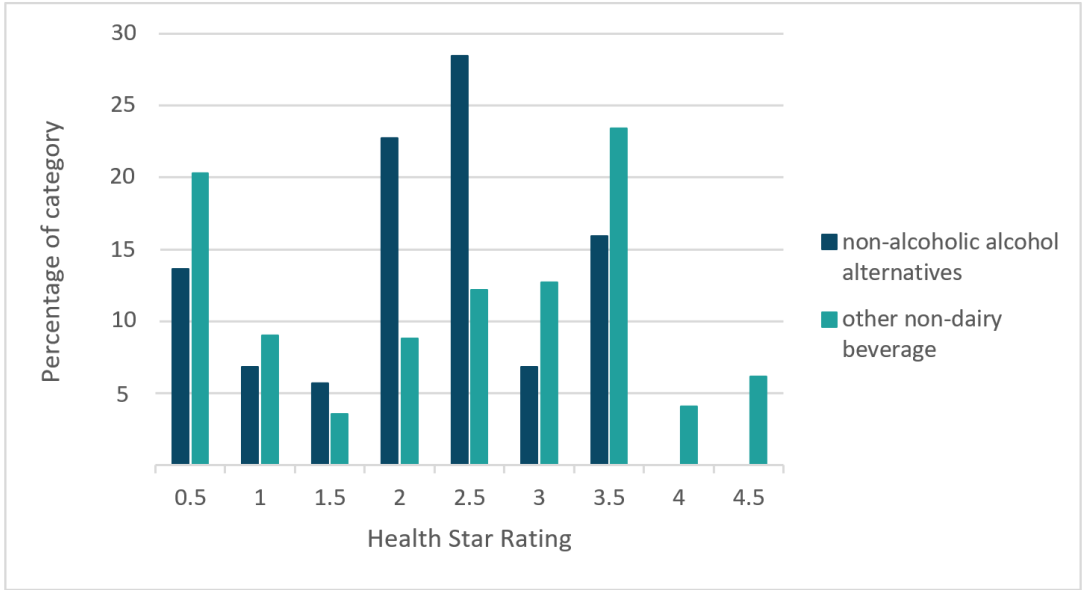
<sup>15</sup> Data collected in late 2024 from brand owners and in-store collections undertaken by FSANZ to support HSR monitoring,

dairy beverages which appear to have a similar nutritional composition to non-alcoholic alcohol alternatives or have alcoholic counterparts (e.g. iced teas and kombuchas can contain less than or greater than 0.5% ABV). This included carbonated drinks, flavoured waters, fruit and/or vegetable juices and drinks, iced teas and kombuchas (Table 4). As can be seen, the average HSR for non-alcoholic alcohol alternatives is slightly lower than that for similar non-dairy beverages. However, both beverage categories have a relatively broad range of HSR's, ranging from 0.5 to 3.5 for non-alcoholic alcohol alternatives and 0.5 to 4.5 for other non-dairy beverages.

**Table 4: HSR for non-alcoholic alcohol alternatives and other non-dairy beverages**

	Non-alcoholic alcohol alternatives HSR (n = 88)	Other non-dairy beverages HSR (n = 1,381)
Average	2.0	2.5
Range	0.5 – 3.5	0.5 – 4.5

When looking at the distribution of the HSR's for each of these categories (Figure 1), most non-alcoholic alcohol alternatives (78%) score a HSR of 2.5 stars or less, with most (51%) scoring 2 or 2.5 stars. Comparatively, most other non-dairy beverages (58%) score 2.5 stars or more, with most (48%) scoring 2.5 to 3.5 stars. However, 42% score a HSR of 2 or less, with 20% scoring a HSR of 0.5.



**Figure 1. Distribution of the HSR's for non-alcoholic alcohol alternatives and other non-dairy beverages**

**2.3.5.2 Estimated HSR of alcoholic beverages**

The AUSNUT 2023 database<sup>16</sup> and HSR calculator<sup>17</sup> were used to estimate the HSR for full-strength and light/reduced strength alcoholic beverages. As seen in Table 5, full strength alcoholic beverages tend to have a HSR between 1 – 2 stars and reduced strength beverages between 1.5 – 2.5 stars depending on the type of beverage.

<sup>16</sup> [Foods and nutrients | Food Standards Australia New Zealand](#)  
<sup>17</sup> [Calculator | Health Star Rating System](#)

**Table 5. Estimated HSR of various strengths of alcoholic beverages**

Type of beverage	Full strength HSR	Light/reduced strength HSR
Beer	2	2.5
Cider	1	ND <sup>18</sup>
Red wine	1	1.5
White wine	1	1.5
Spirits	1	ND

FVNL content was not considered eligible for these beverages, such as cider and wine, as the fruits have undergone further processing and fermentation to convert the sugars into alcohol. This does not meet the eligibility criteria for FVNL. Additionally, V points are intended to offset some of the negative nutrients in the food. As fermentation converts most of the sugars in the food into alcohol, the V points would not offset any negative nutrients in the algorithm. Therefore, these beverages would be benefitting from V points inappropriately if they were eligible for V points.

### **2.3.5.3 World Health Organization – Public Health perspective on zero and low alcohol beverages**

In its 2023 brief *A public health perspective on zero- and low-alcohol beverages*, the World Health Organization (WHO) identifies NoLo beverages of public health relevance. The brief notes that the rapidly expanding NoLo market has the potential to influence the acceptability, availability and affordability of alcohol-related beverages, with implications for population-level alcohol consumption and exposure to alcohol-related cues.

The WHO brief highlights concerns that NoLos may contribute to the normalisation of alcohol consumption, particularly where these beverages closely resemble alcoholic beverages in branding, packaging, naming and marketing. The guidance notes that NoLo beverages can function as 'gateway' beverages by reinforcing alcohol brand identities and promoting alcohol-associated tastes.

The WHO brief further observes that regulatory approaches for NoLos are currently fragmented and inconsistent across jurisdictions, with limited or unclear controls on labelling, marketing and availability. In the absence of clear regulatory boundaries, NoLos may be used for so-called 'alibi marketing' or brand stretching, whereby alcohol producers promote full-strength alcohol brands indirectly through NoLo variants.

To illustrate these concerns, WHO references policy approaches adopted or under consideration in several countries that treat NoLo beverages within the broader context of alcohol control. These include:

- restrictions in Norway that limit advertising of goods sharing branding or identifiable characteristics with alcoholic beverages
- advertising controls in the Netherlands designed to protect children and other at-risk groups from exposure to NoLo marketing
- proposals in Thailand to apply alcohol taxation measures to non-alcoholic beer in order to address regulatory and promotional loopholes.

<sup>18</sup> ND – not determined in the AUSNUT database.

While WHO acknowledges that the current evidence base on the population health impacts of NoLos remains limited and that research to date identifies both potential benefits and potential harms, the brief emphasises the importance of precautionary policy consideration. In particular, WHO notes that uncertainty regarding substitution effects is not, in itself, sufficient to exclude NoLos from alcohol-related policy frameworks, given plausible risks related to increased acceptability, availability and normalisation of alcohol-related beverages and practices.

Accordingly, WHO outlines a number of policy considerations relevant to NoLos, including:

- restricting or prohibiting marketing that links NoLo beverages to full-strength alcohol brands
- extending existing alcohol marketing and advertising controls to include NoLo beverages
- considering where and how NoLo beverages are made available for sale, with a view to maintaining alcohol- and alcohol-cue-free environments where appropriate (World Health Organization, 2023).

#### **2.3.5.4 Consumers perceptions of NoLo beverages**

FSANZ's systematic literature review did not identify any research on the effect of applying the HSR to NoLo beverages (see SD1). However, FSANZ is aware of research which suggests that consumers may perceive NoLo drinks differently from other non-alcoholic beverages and may hold some concerns about them (Bartram et al. 2025; Booth et al. 2025; Harrison et al. 2024; Pettigrew et al. 2026).

In reaction time experiments with 331 Australians aged 15 – 17 years, 90.7% of alcohol brand extension NoLo beverages and 85.6% of “new to world” branded NoLo beverages<sup>19</sup> shown (20 randomised images) prompted participants to think of alcohol, compared to 5.2% of soft drinks (Bartram et al. 2025). In focus group research with Australian adults (n = 83), consumers generally compared NoLo beverages to alcohol in terms of taste but assessed price relative to both alcohol and non-alcoholic alternatives (Pettigrew et al. 2026).

In Australian focus groups with adolescents aged 15 – 17 (n = 44, Booth et al. 2025), adults (n = 83, Pettigrew et al. 2026), and in-depth interviews with parents of 12 – 17 year olds (n = 38, Harrison et al. 2024), concerns raised included that NoLo beverages could familiarise adolescents with the taste and branding of alcohol and normalise alcohol consumption. These concerns were raised alongside perceived benefits related to reducing alcohol consumption.

Australian and Taiwanese survey research suggests there may be an association between adolescents who drink NoLo beverages and those who drink alcohol (Booth et al. 2025; Hou et al. 2023). In Australia, 15 – 17-year-olds who consumed alcohol had 1.83 greater odds of using NoLos compared to alcohol abstainers (Booth et al. 2025). However, this does not imply causation. For example, both may be independently caused by increased sensation seeking (Booth et al. 2025). In the nationally representative Australian survey of adolescents aged 15 – 17 (n = 679), rates of alcohol consumption exceeded consumption of NoLo beverages (41% consumed alcohol in the past 12 months vs 27% who consumed NoLo) (Booth et al. 2025). FSANZ is unaware of any direct evidence on how NoLo beverages may impact alcohol consumption or consumption intentions.

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<sup>19</sup> New-to-world NoLo beverages are brands unique to non-alcoholic alcohol alternative drinks but are packaged and labelled similarly to alcoholic drinks.

## **2.3.6 Rationale for proposed approach**

### **2.3.6.1 Alcoholic beverages and kits used to produce alcoholic beverages**

FSANZ is proposing to prohibit the display of a HSR symbol on alcoholic beverages, including 'low alcohol' beverages and kits intended to be used to produce standardised alcoholic beverages.

As outlined in section 2.3.5, the HSR of full and reduced strength alcoholic beverages (range of 1 – 2 stars and 1.5 – 2.5 stars respectively) could be higher than that of some non-alcoholic beverages (e.g. 20% of other non-dairy beverages score 0.5 stars) (see Table 5 and Figure 1). The possible promotion of these beverages by way of a more favourable HSR compared to non-alcoholic beverages is not appropriate given the established association between alcohol consumption and health issues as noted in dietary guidelines (Ministry of Health 2020; NHMRC 2013). Additionally, the Codex nutrition labelling guidelines state front of pack labelling systems should not be used in any way that could promote the consumption of alcohol (FAO 2021).

This approach would not apply to brewed soft drinks, which may contain up to 1.15% ABV. See section 2.2.6.3.4 for the proposed approach for brewed soft drinks.

### **2.3.6.2 Non-alcoholic alcohol alternatives**

FSANZ is proposing to prohibit the display of a HSR symbol on non-alcoholic alcohol alternatives.

Non-alcoholic alcohol alternatives are generally considered to be associated with alcoholic beverages by various organisations due to their similar taste, branding and marketing, and not seen as suitable for children (see sections 2.3.2 and 2.3.5.3 of this report). Furthermore, consumers may perceive non-alcoholic alcohol alternatives differently from other non-alcoholic beverages (see section 2.3.5.4 of this report). FSANZ also notes concerns from various organisations these beverages can be seen as normalising alcohol use.

Based on the range of HSRs these beverages could receive, some non-alcoholic alcohol alternatives could score higher HSRs than other non-alcoholic beverages (see section 2.3.5.1 of this report). This could create the impression these beverages are healthier than other non-alcoholic beverages. Noting the concerns outlined above, FSANZ does not consider this situation an appropriate application of the HSR system.

Additionally, given how consumers perceive non-alcoholic alcohol alternatives, alcoholic beverages are a more suitable comparator for non-alcoholic alcohol alternatives than non-alcoholic beverages. As full-strength alcoholic beverages are proposed to be prohibited from displaying a HSR symbol, extending this prohibition to non-alcoholic alcohol alternatives would ensure consistency and alignment across these product categories, particularly as there is no ability for comparison with alcoholic beverages.

The definition specified in the implementation guide (*beverages containing less than or equal to 0.5% ABV that resemble an alcoholic beverage (in look and/or taste) and are marketed as a non-alcoholic variant or brand extension of an alcoholic beverage*) would be used as the basis for identifying non-alcoholic alcohol alternatives in a mandatory system. For example, *beverages containing less than or equal to 0.5% alcohol by volume that are represented as a non-alcoholic variant or brand extension of an alcoholic beverage*. FSANZ considers this approach would provide regulatory clarity for manufacturers and enforcement agencies.

FSANZ understands there are differing industry practices for the broader labelling of non-

alcoholic alcohol alternatives. This may relate to regulatory aspects covered by other relevant legislation or codes of practice (e.g. liquor acts, advertising and marketing codes, etc). The broader labelling of these beverages is outside the scope of this proposal and any reference to them in this proposal and potentially in the Code, would be for the purposes of the HSR system only.

## 3 HSR algorithm

### 3.1 Algorithm categories

#### 3.1.1 Proposed approach

FSANZ proposes the following approach:

Categories 1, 2 and 3 would be identified as:

- Category 1: All beverages not captured in 1D, jellies and ice confectionery
- Category 2: Foods that do not fit in any other category
- Category 3: Fats and edible oils

Categories 1D, 2D and 3D would be identified as:

- Category 1D: Milk, milk-based beverages and dairy beverage analogues derived from legumes, cereals, nuts, and/or seeds, including dried milk/milk analogues
- Category 2D: Non-frozen dairy foods, and dairy analogue foods derived from legumes, not included in categories 1D or 3D
- Category 3D: Cheese and processed cheese, and cheese analogues derived from legumes

A food could consist of a mix of different foods (e.g. dairy and soy milk) within a particular category and still remain in that category.

Dairy alternative foods or plant-based alternatives to dairy would be referred to as dairy analogues (as above) to align with terminology already used in the Code.

Kefir and other fermented milk beverages would be in Category 2D.

The following criteria would apply:

- to be in Category 1D a foods' calcium content would need to be  $\geq 100$  mg/100 mL or 100 g
- to be in Category 2D:
  - yoghurt analogues and dairy dessert analogues derived from legumes would need to contain no less than 3.1% m/m protein derived from legumes
  - cheese analogues derived from legumes would need to contain no less than 15% m/m protein derived from legumes (and contain  $\leq 320$  mg/100 g calcium to not be in Category 3D).
- to be in Category 3D, cheese or processed cheese and cheese analogues derived from legumes would need to contain  $> 320$  mg/100 g calcium.

To qualify for Category 1D, 2D or 3D, foods would be required to be at least 75% dairy or dairy analogue. Definitions in the Code for dairy foods would be used to determine what dairy foods are included in each category and permitted for the  $\geq 75\%$  rule. The percentage

would need to be calculated using the appropriate method in Standard 1.2.10 – Information requirements – Characterising ingredients and components of food.

For dairy analogues, permitted dairy analogue ingredients would not be listed but would comprise part of the dairy alternative food itself, e.g. soy milk is a dairy analogue which consists of soy beans, water and permitted food additives.

FSANZ is seeking views on the approaches considered for accounting for milk powder in foods in the dairy categories, including how these approaches address reconstitution and the application of the 75% rule.

### 3.1.2 Current voluntary approach

When using the HSR algorithm, each food is assigned to one of six HSR categories based on the general food type and compositional requirements as described in Table 6 below. This separation allows for the algorithm to use different components, thresholds, points tables and scaling for each category (see the HSR Implementation Guide) to achieve better differentiation between like foods and provide better alignment with the ADGs.

**Table 6: Categories and their eligibility criteria as per the current Implementation Guide**

Category	Eligibility criteria
Category 1: Non-dairy beverages, jellies and water-based ice confections	All beverages that do not qualify for Category 1D or an automatic HSR. Also includes jellies, water-based ice confections including frozen juices.
Category 1D: Milk (defined in Standard 2.5.1 of the Code), dairy beverages and dairy alternative beverages that meet specified dairy criteria	Dairy beverages that contain: <ul style="list-style-type: none"> <li>• ≥80 mg calcium per serving AND</li> <li>• ≥75% dairy or permitted dairy alternative ingredients<sup>20</sup>.</li> </ul> Legume-based dairy alternatives that contain: <ul style="list-style-type: none"> <li>• no less than 3%<i>m/m</i> protein from legumes AND</li> <li>• ≥100mg calcium per 100mL AND</li> <li>• ≥75% permitted dairy alternative ingredients.</li> </ul> Dairy alternatives derived from seeds, nuts and/or cereals that contain: <ul style="list-style-type: none"> <li>• no less than 0.3%<i>m/m</i> protein from those sources AND</li> <li>• ≥100mg calcium per 100mL AND</li> <li>• ≥75% permitted alternative ingredients.</li> </ul>
Category 2: Foods	Foods that do not fit in any other category.
Category 2D: Other dairy foods	Non-frozen dairy foods not included in HSR Categories 1D or 3D, provided they contain ≥75% dairy or permitted dairy-alternative ingredients. Legume-derived cheese alternatives that contain no less than 15% <i>m/m</i> protein derived from legumes and contain ≤320 mg/100 g calcium. Legume-derived yoghurt/dairy dessert alternatives that contain no less than 3.1% <i>m/m</i> protein derived from legumes.

<sup>20</sup> For the purposes of Categories 1D, 2D and 3D 'permitted dairy-alternative ingredients' are those that are permitted by the Code and would otherwise be expected to be found as an ingredient in a 'dairy-alternative' food. e.g. water, oil, acidity regulators, stabilisers, emulsifiers, and thickening agents.

Category	Eligibility criteria
Category 3: Oils and oil-based spreads	Edible oils, Edible oil spreads, Margarine, Butter as defined in the Code
Category 3D: Cheeses	Cheese (including surface ripened cheeses) and processed cheese, as defined in Standard 2.5.4 of the Code, with a calcium content >320 mg/100 g. Must consist of ≥75% dairy ingredients. Cheese alternatives derived from legumes that contain no less than 15% m/m protein derived from legumes AND have a calcium content >320 mg/100 g AND contain ≥75% permitted dairy-alternative ingredients.

### 3.1.3 Categories 1, 2 and 3

Categories 1, 2 and 3 are the three non-dairy categories in the HSR system and are based on the original three nutrient profiling scoring criterion (NPSC) categories in section S4—6 of the Code (noting that for the purposes of the HSR system, most dairy foods are not in Category 1, 2 or 3 given the creation of the dairy categories). There has only been one notable change to these categories since implementation. In 2020, changes were made to Category 1 to include jellies and water-based confections based on recommendations in the five-year review. This decreased their HSR, provided better discrimination between high and low sugar products and aligned them with nutritionally similar non-dairy beverages e.g. fruit and vegetable juices or cordials.

#### 3.1.3.1 Relevant Code provisions

Standard 1.1.2 includes definitions for edible oil, edible oil spreads, margarine, and butter.

Standard 2.4.1 outlines the requirements for a product to be sold as an edible oil.

Standard 2.4.2 outlines the requirements for a product to be sold as an edible oil spread, including margarine.

Standard 2.5.5 outlines the requirements for a product to be sold as butter.

Schedule 4 of the Code outlines the three categories in the NPSC.

#### 3.1.3.2 Stakeholder views

During the HSR preparatory work, an industry stakeholder suggested recategorizing frozen juice products as Category 2 (as it was prior to the five-year review) rather than Category 1 to improve overall ratings.

#### 3.1.3.3 Rationale for proposed approach

FSANZ proposes that the foods included in Category 1 in the current voluntary system are included in Category 1 in a mandatory HSR system. For the purposes of the HSR system, ice confectionery only captures water based and juice based frozen confectionery and does not include any dairy based frozen products.

While stakeholders suggested moving frozen juice products to Category 2, FSANZ is proposing no changes to their categorisation. This issue was considered in the five-year review, and changes were introduced as outlined in section 3.1.3 of this report, to ensure they were categorised appropriately. Given there is no new evidence, and their HSRs are

calculated in the same way as nutritionally similar products (e.g. fruit juices), no changes are proposed.

FSANZ proposes to change the name of Category 1 slightly to ensure clarity. While it has always been the intention that dairy and dairy alternative beverages that do not meet the requirements of Category 1D fall into Category 1, the name of the category does not clearly identify this. Therefore, FSANZ proposes labelling Category 1 as *Category 1: All beverages not captured in 1D, jellies and ice confectionery*. Category 1 does not include beverages that are awarded an automatic HSR because of an algorithm override (see section 3.5 of this report).

No changes are proposed to Category 2 food inclusions. However, the category name is proposed to be altered slightly to be more specific as *Category 2: Foods that do not fit in any other category*. Stakeholders did not raise issues with this category during the HSR preparatory work, and no issues were found during the technical assessments.

The foods currently included in Category 3 are also proposed to be maintained in the mandatory HSR system, meaning edible oils, edible oil spreads, margarine and butter would continue to be assigned to Category 3. However, the current name for Category 3 is 'Oils and oil-based spreads' which does not include butter. Therefore, FSANZ is proposing to change the name of Category 3 from *oils and oil-based spreads* to '*Category 3: Fats and edible oils*' which better describes the foods the category intends to encompass.

For Categories 1, 2 and 3, a food could consist of a mix of different foods within a particular category and remain in that category, for example, a food containing a mixture of vegetable oil and butter would be a Category 3 food.

### **3.1.4 Categories 1D, 2D and 3D – dairy and dairy alternatives/analogues**

The dairy categories (which include dairy alternatives/dairy analogues) were added during the development phase of the HSR system to allow dairy products which are inherently high in saturated fat and contain natural sugars (lactose) to receive star ratings more aligned with dietary guidelines.

Each dairy category has set criteria to distinguish it from other foods including calcium and/or protein requirements and a minimum level of dairy food ingredients required in the food ( $\geq 75\%$ ). The existing HSR system dairy categories were designed to improve comparability between dairy foods and allow for many dairy foods and their dairy alternatives to score a higher HSR than they would under Categories 1, 2 or 3.

Following the five-year review, Category 2D was redefined to include dairy desserts and other chilled dairy products and Category 3D was redefined to include surface ripened cheeses. Both categories were also rescaled to improve the comparability of HSRs across products and ensure the healthier core dairy food options received higher ratings.

#### **3.1.4.1 Relevant Code provisions**

The Code has definitions in Standard 1.1.2 and compositional requirements for the following dairy foods:

- milk, skim milk, dried milk (Standard 2.5.1)
- cream (Standard 2.5.2)
- fermented milk products, yoghurt (Standard 2.5.3)
- cheese, processed cheese (Standard 2.5.4)
- dried milk, evaporated milk, condensed milk (Standard 2.5.7).

Standard 1.2.10 – Information requirements – Characterising ingredients and components of food, outlines the method for calculating the proportion of characterising ingredients and components of a food.

There are no definitions in the Code for dairy alternative/anologue products however certain dairy analogues are referred to in the Code as outlined below.

Standard 1.3.2 and Schedule 17 set out the permissions for the fortification of foods with nutritive substances (vitamins and minerals). Schedule 17 lists the vitamins and minerals which can be used as a nutritive substance and the foods they can be used in, for example dried milk, modified milk, skim milk, condensed milk, evaporated milk, soy bean beverage, analogues derived from legumes (beverages containing no less than 3% m/m protein derived from legumes), analogues of yoghurt and dairy desserts containing no less than 3.1% m/m protein derived from legumes, analogues of cheese containing no less than 15% m/m protein derived from legumes.

Standard 1.3.1 and Schedule 15 set out when substances are permitted to be used as food additives in food. The permissions listed in Schedule 15 apply to specific classes of food, for example, liquid milk and liquid milk-based drinks, fermented milk products, rennetted milk products.

Standard 1.3.3 and Schedule 18 list the substances that are permitted to be used as a processing aid.

#### **3.1.4.2 Stakeholder views**

During the HSR preparatory work, dairy industry stakeholders raised concerns about plant-based beverages and foods being in the same category as dairy beverages and foods and suggested creating a new category, separate from dairy products. Their reasoning for this was that compared with dairy foods, dairy alternatives:

- have non-equivalent protein quality
- lack micronutrient fortification standards
- have significant (and often poor) nutritional variability
- have no scientific rationale for health benefits.

They believed that classifying plant-based dairy products with dairy products is misleading consumers because dairy products are based on a single food source (milk) and both lactose and saturated fat are naturally inherent. As such, dairy alternative beverages without inherent lactose (sugars) and/or saturated fat score well when placed in dairy categories.

One industry stakeholder suggested re-categorising frozen yoghurts with the same or very similar nutritional composition to regular yoghurt as Category 2D with other spoonable dairy products rather than Category 2, to increase the rating of frozen yoghurts.

Another industry stakeholder suggested re-categorising cream cheese as Category 2, rather than Category 2D to increase its HSR and to encourage reformulation.

#### **3.1.4.3 Evidence**

Section 3.2 in SD3 details the modelling undertaken by FSANZ relating to dairy categories and dairy and dairy alternative foods.

The modelling results indicate there is good alignment between the HSR algorithm and the ADGs for most dairy foods, with dairy foods with lower saturated fat, sugar and sodium

contents generally scoring higher star ratings (see section 3.2 of SD3).

The modelling also shows that dairy foods generally score either the same or better than their equivalent plant-based dairy alternatives.

#### **3.1.4.4 Rationale for proposed approach – dairy**

FSANZ is proposing to use the existing voluntary approach for dairy foods, with some minor changes mainly to more closely align with approaches and terminology used in the Code (see defined foods in Table 7).

This approach maintains the original intent that these foods, as primarily core dairy foods, score higher HSRs than they would if in Category 1, 2 or 3 providing better alignment with the ADGs which recommends consuming reduced fat milk, yoghurts, cheese and their alternatives. Modelling undertaken by FSANZ supported this, revealing that dairy foods with lower saturated fat, sugar and sodium contents generally score higher star ratings (see section 3.2.1.4 in SD3).

The rationale for the proposed approach for each dairy category is provided in the sections below.

Table 7 outlines the existing categories in the HSR system for dairy foods and the proposed approach. Note that in totality, Categories 1D, 2D, and 3D would comprise both the dairy and dairy analogue foods as set out in the proposed approach in section 3.1.1 above. For categories 1D, 2D and 3D, a food could consist of a mix of different foods within a particular category and still remain in that category, for example, a food containing a mixture of dairy milk and soy milk.

**Table 7. Dairy categories in the existing HSR system and the proposed approach**

Existing HSR system <sup>21</sup>	Proposed approach <sup>22</sup>
<p><b>Category 1D – milk</b> Milk (defined in Standard 2.5.1 of the Code), dairy beverages and dairy alternative beverages that meet the below criteria:</p> <p>Dairy beverages that contain:</p> <ul style="list-style-type: none"> <li>• ≥80mg calcium per serving* AND</li> <li>• ≥75% dairy or permitted dairy alternative ingredients.</li> </ul> <p>Includes: Plain or flavoured milk, protein shakes (if calcium requirements are met, and not including Formulated Supplementary Sports Foods).</p> <p>Does NOT include evaporated or condensed milk (these are Category 2D), any Formulated Supplementary Sports Foods or non-milk like drinks that are fortified with protein, e.g. protein water.</p>	<p><b>Category 1D</b> <b>Milk and milk-based beverages, including dried milk</b> The following foods, or a mixture of the following foods:</p> <p><i>Milk</i> <i>Skim milk</i> <i>Dried milk</i> Butter milk</p> <p>May contain any other ingredient(s) up to 25%, i.e. the above foods must comprise ≥75% of the food for which the HSR calculation is based on but must be a beverage.</p> <p>The final food (i.e. dairy component plus other ingredients) must contain ≥100 mg calcium per 100 mL; or per 100 g for dried milk. Dried milk may be reconstituted with water (ratio</p>

<sup>21</sup> As it applies to dairy foods only. Dairy alternatives are covered in Table 8 below.

<sup>22</sup> Foods defined in the Code are in italics.

not specified)

\*This equates to sufficient calcium to meet the requirements for a 'source of calcium' claim under Standard 1.2.7 of the Code

Existing System	Proposed approach
<p><b>Category 2D – other dairy foods</b> Non-frozen dairy foods not included in HSR Categories 1D or 3D, provided they contain <math>\geq 75\%</math> dairy.</p> <p>Includes: Yoghurt, cheeses that contain <math>\leq 320</math> mg/100 g calcium, ricotta, cottage cheese, cream cheese, fermented dairy products, cream, dairy desserts (such as custards), condensed or evaporated milk, and other chilled (but not frozen) dairy products.</p> <p>Does NOT include: frozen dairy products such as ice cream, gelato, ice-confection or frozen yoghurt; cheeses that are eligible for Category 3D, non-dairy cheeses that are not legume-based.</p>	<p><b>Category 2D Non-frozen dairy foods not included in Category 1D or 3D</b></p> <p>The following foods, or a mixture of the following foods:</p> <p><i>Fermented milk</i> <i>Yoghurt</i> Fermented milk beverage <i>Yoghurt beverage</i> <i>Condensed milk</i> <i>Evaporated milk</i> <i>Cream</i> <i>Cheese and processed cheese and cheese products and processed cheese products not meeting requirements in Category 3D</i> Products made using <i>milk</i> or <i>dried milk</i> (including reconstituted with water), not captured by 1D, i.e. not 'milk' and not a milk-based beverage.</p> <p>May contain any other ingredient(s) up to 25%, i.e. the above foods must comprise <math>\geq 75\%</math> of the food for which the HSR calculation is based on.</p>

Existing system	Proposed approach
<p><b>Category 3D – Cheeses</b> Cheese (including surface ripened cheeses) and processed cheese, as defined in Standard 2.5.4 of the Code, with a calcium content <math>&gt; 320</math> mg/100 g. Must consist of <math>\geq 75\%</math> dairy ingredients.</p> <p>Includes: hard cheese, brie cheese</p> <p>Does NOT include: ricotta, cream cheese, cottage cheese (Category 2D).</p>	<p><b>Category 3D Cheese and processed cheese</b></p> <p>The following foods, or a mixture of the following foods:</p> <p><i>Cheese</i> <i>Processed cheese</i></p> <p>May contain any other ingredient(s) up to 25%, i.e. the above foods must comprise <math>\geq 75\%</math> of the food for which the HSR calculation is based on.</p> <p>The food (cheese/processed cheese plus other ingredients) must have a calcium content <math>&gt; 320</math> mg/100 g.</p>

In summary, the proposed changes include:

- calcium requirement for Category 1D changed from  $\geq 80$  mg calcium per serving to  $\geq 100$  mg calcium per 100 mL
- milk powder and buttermilk specifically listed in Category 1D
- dairy foods as defined in the Code specifically listed in each category as applicable rather than referring more generally to 'dairy foods' or 'dairy beverages'
- fermented milk beverages (such as kefir) and yoghurt beverages are specifically listed in Category 2D rather than included in Category 1D.

All foods with definitions in the Code as listed in Table 7 could contain food additives as permitted under Standard 1.3.1, processing aids as permitted under Standard 1.3.3, phytosterols, phytostanols and their esters if permitted in the relevant standard, and/or vitamins and/or minerals as permitted under Standard 1.3.2; and remain the defined food.

The proposed approach of maintaining the 75% rule (outlined in section 3.1.4.4.1 below), adjusting the calcium criterion for Category 1D and recategorising fermented milk beverages, as outlined above, was modelled by FSANZ to determine the impact on ratings (see section 3.2.3.3 in SD3). Overall, these changes resulted in 22 foods being categorised differently to the current voluntary system (9 kefir products changed from Category 1D to 2D and 13 dairy beverages from Category 1D to 1). The rating of 21 of these foods (<1% of all products in the modelling dataset) was impacted, with all impacted foods classified as core. The rating of 12 foods decreased by between 2 and 4.5 stars, and the HSR of 9 foods increased by between 0.5 and 1 star. Using the existing Code definitions to define dairy categories (i.e. foods had to be at least 75% of the dairy food as defined by the Code) had no impact on star ratings. Overall, this approach had minimal impact on the overall alignment with the ADGs, with alignment remaining at 79%.

The proposed approach therefore provides a balanced approach with minimal impact on the rating of dairy foods while achieving the intent of clearly defining dairy foods. See Table 10 in SD3 for a breakdown of the changes in ratings for the affected foods.

#### 3.1.4.4.1 75% rule for dairy foods

For all dairy categories, FSANZ proposes applying the existing approach whereby a food is captured by the dairy category provided it contains  $\geq 75\%$  dairy ingredients/foods as defined in the Code. This allows for the dairy food as defined in the Code to contain up to 25% additional ingredients and still be captured by a dairy category, e.g. flavoured milk, cheese with herbs or spices, yoghurt with added fruit. If a dairy product, as defined, is not mixed with other foods (e.g. it meets the Code definition of a cheese and is not mixed with nuts) the 75% rule is not relevant.

Without this approach and if relying on defined terms in the Code, the range for some dairy foods would be very limited or it could be unclear whether a food was a dairy food or not for the purposes of the HSR system. For example, yoghurt is defined as a *fermented milk where the fermentation has been carried out with lactic acid producing microorganisms* and under that definition, does not include other ingredients.

FSANZ modelled the impact of not applying the 75% rule to dairy foods (see section 3.2.3.2 in SD3). This approach resulted in the recategorisation of 422 foods. This impacted the rating of 395 foods (93.6% of recategorised foods or 2% of all foods) with decreased ratings of between 0.5-4.5 stars for 293 foods, and increased ratings by up to 1.5 stars for 102 foods. Most foods with increased ratings were discretionary dairy foods such as cream, dairy desserts and dairy dips. Therefore, this approach does not support the intent of the changes made during the five-year review, when these foods were moved into Category 2D to reduce

their ratings and provide better alignment with the dietary guidelines.

If the 75% rule for dairy foods was not applied, the overall alignment with the ADGs would decrease from 79% to 78%, with alignment for core foods decreasing from 85% to 83%. Table 9 in SD3 details the impact of the approach on the ratings of impacted foods.

Given the above, FSANZ proposes to maintain the 75% rule in a mandatory system, as this helps to more closely align the system with the dietary guidelines.

FSANZ proposes the percentage of the dairy ingredient is calculated using the calculation for determining the percentage of characterising ingredients in Standard 1.2.10, as appropriate to the food. The use of this established method would provide clarity and parity and mean there would be no need for manufacturers to determine different percentages for the one food, i.e. one for the purposes of declaring characterising ingredients and one for the purposes of the HSR.

For some foods, this may mean the basis for calculating the percentage is not the same as the basis for the calculation of the rest of the HSR as set out in section 3.3. e.g. for foods requiring draining before consumption, for foods requiring reconstitution before consumption, or if the percentage is calculated on an ingoing basis before cooking and moisture loss during processing of the food into the 'as sold' form is not taken into account. In the latter two examples however, there are options in Standard 1.2.10 to calculate the percentage following reconstitution or moisture loss, respectively.

#### *3.1.4.4.2 Category 1D – Milk and milk-based beverages, including dried milk*

Category 1D would be limited to milk (as defined in the Code) and milk-based beverages. Under the proposed approach, it would also include dried milk powder, reconstituted milk powder (see section 3.1.4.4.5 below on reconstitution) and buttermilk given these products are based on 'milk' as defined in the Code and have a similar nutritional profile.

FSANZ is proposing to change the calcium requirement for milk and milk-based beverages from  $\geq 80$  mg calcium per serving to  $\geq 100$  mg calcium per 100 mL. This criterion aligns with the criterion for dairy alternatives which is based on the ADGs in which dairy substitute beverages are only considered appropriate dairy substitutes if they contain at least 100 mg calcium per 100 mL (NHMRC 2013). The New Zealand Eating and Activity Guidelines (NZEAGs) also recommend consuming dairy analogue beverages with at least 100 mg/100 mL of calcium. The existing criterion of  $\geq 80$  mg calcium per serving is based on the criterion for a 'source of' nutrition content claim about calcium, however the Australian Food Composition Database (AFCD) indicates that most milk-based beverages contain  $>100$  mg/100 mL of calcium.<sup>23</sup>

As stated in section 3.1.4.4. of this report, when modelling the overall approach, the change of the calcium criterion would mean that approximately 12 dairy beverages would be recategorised into Category 1 because they contain  $<100$  mg/100 mL of calcium. This is a small number of products and includes flavoured milks and iced coffee drinks. The HSR for these foods would reduce by between 2 to 4.5 stars, however, they would likely be able to be reformulated to meet the new calcium requirements, if desired, as they currently typically contain 80-90 mg/100 mL of calcium.

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<sup>23</sup> [Australian Food Composition Database | Food Standards Australia New Zealand](#)

#### 3.1.4.4.3 Category 2D – Non-frozen dairy foods not included in Category 1D or 3D

For Category 2D, FSANZ proposes to list the applicable dairy foods as defined in the Code rather than to state 'dairy foods', for clarity. This would limit the category to those foods meeting the applicable definition (see Table 7 above) and foods that contain at least 75% of those listed foods. FSANZ considers that under that approach, the foods listed as 'included' in Category 2D in the current system would remain in that category. Foods made from milk that are not beverages and that consist of at least 75% milk, for example, custard and some dairy desserts, would remain in Category 2D. This category would not include foods derived from milk such as whey and casein; hence these would be Category 2 foods.

This category would also include fermented milk beverages (such as kefir) and yoghurt beverages, which are currently captured in Category 1D of the HSR system. This proposed approach aligns with the approach of referring to certain defined foods in each category and will ease enforcement and implementation by keeping all fermented foods within one category. Additionally, modelling revealed there are only 9 products affected by this recategorisation, keeping the impact of these changes to a minimum. The impacted kefir and fermented milk products would all have an increase in HSR of 0.5-1 stars which would not affect alignment with dietary guidelines (see section 3.2.3.3 in SD3).

Category 2D would not include ice cream or other similar dairy-based frozen desserts. These products currently fall into Category 2 and FSANZ intends for this to be maintained under the proposed approach. FSANZ received feedback from stakeholders suggesting moving frozen yoghurt into Category 2D alongside non-frozen yoghurt. Frozen dairy foods were considered in the five-year review where it was confirmed that the distribution of HSRs was appropriate for these products in Category 2 (mpconsulting 2019). Frozen dairy foods categorisation was also considered by HSRAC and rejected as an anomaly.<sup>24</sup> Some spoonable chilled dairy products were recategorised from Category 2 to Category 2D following the five-year review, to provide better alignment of ratings with the dietary guidelines and to ensure comparability with foods positioned next to each other on shelf that consumers are likely to compare and consume in a similar way (e.g. yoghurt and chocolate dairy dessert). However, all frozen dairy products remained in Category 2. FSANZ supports this decision as frozen yoghurts are located alongside ice cream in the supermarket and consumers may choose between ice cream and frozen yoghurt, not yoghurt and frozen yoghurt. It is also important to note that re-categorising a frozen dairy product into Category 2D will not always result in a higher HSR.

Category 2D would also not include beverages made using milk or dried milk that are not captured by Category 1D as these would fall into Category 1.

Category 2D would continue to include cream cheese, even though stakeholders raised concerns during the HSR preparatory work. As noted above, this issue was considered in the five-year review where it was recommended that spoonable dairy and dairy desserts including cream cheese were recategorised into Category 2D as they were scoring higher HSRs in Category 2 compared to core dairy foods in Category 2D e.g. yoghurt. This was due to the different scaling of points in Category 2D compared to in Category 2. FSANZ continues to support this decision as it improves alignment with dietary guidelines and ensured core dairy foods receive higher HSRs compared to cream cheese which are considered discretionary.

FSANZ considered whether it would be useful to introduce a calcium criterion for Category 2D (for both dairy alternatives and dairy foods). However, the variation in the calcium content and overall composition of foods captured in this category is substantial and it would therefore be difficult to determine a suitable calcium level. Additionally, depending on what

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<sup>24</sup> [Anomaly Register – 2020 onwards](#)

the calcium criterion was set at, it would mean dairy products that are inherently lower in calcium, such as cream, would be recategorised from Category 2D to Category 2. This would cause an increase in the ratings for these products which does not support decisions made in the five-year review to shift some discretionary products from Category 2 to 2D to reduce their rating.

#### *3.1.4.4.4 Category 3D – Cheese and processed cheese*

FSANZ proposes that Category 3D remains the same as in the voluntary system for dairy foods.

Categorising cheese and processed cheese in Category 3D results in a HSR that is consistent with current dietary guidelines recommending reduced fat dairy to assist in meeting nutrient recommendations within energy requirements. This is supported by the modelling results which indicate cheeses lower in fat achieve higher ratings (see section 3.2.1 in SD3).

#### *3.1.4.4.5 Reconstituted milk powder*

FSANZ has considered how dairy ingredients, such as milk powder and other dried dairy-based powders (e.g. yoghurt bases) should be treated in determining eligibility for dairy categories. This is not specifically dealt with in the voluntary system. It is difficult to determine and describe an ‘appropriate’ level of reconstitution, particularly in products containing more than just milk powder and water, for the purposes of a mandatory HSR system in the Code.

FSANZ has considered an option whereby the ratio of milk/dairy product powder to water is not specified. This would mean:

- a product that is just milk powder or just milk powder with water, irrespective of the ratio of milk powder to water, would be in Category 1D (if it met the calcium requirements)
- a dairy beverage that contains milk powder and water would be a Category 1D product if it contained at least 75% milk powder and water combined (or additional dairy products listed in Category 1D) and may contain 25% other ingredients (if it met the calcium requirements)
- a food, that contains milk powder and water would be a Category 2D product if it contained at least 75% milk powder plus water (or additional dairy foods in Category 2D) (e.g. a yoghurt that is made from reconstituted milk powder).

Milk powder that is not reconstituted may also count toward the  $\geq 75\%$  dairy food on its own in products e.g. a product that contains 65% milk, 10% milk powder, 25% other ingredients would be a dairy category product.

As proposed in section 4 on the declaration of algorithm components, an enforcement agency could request information from a manufacturer to determine whether a food meets the requirements of the 75% rule. The manufacturer would need to demonstrate that the water and milk solids in their food meet the requirements.

FSANZ recognises this approach leaves a level of ambiguity to the dairy category criteria as foods with a small amount of milk powder/solids and a higher percentage of water may be considered to be a dairy category food. However, FSANZ expects that products with a low milk solid content will also have low calcium content and would therefore not be eligible for the dairy categories.

FSANZ has also considered an option whereby the milk powder must be reconstituted back to its original composition in terms of water to milk solids to be considered a dairy food. It

could be difficult however, to determine the level of reconstitution in a mixed food containing a variety of other ingredients.

Another option considered was that the milk powder itself is considered a dairy ingredient without taking into account reconstitution/added water. However, FSANZ recognises that this could mean that foods containing reconstituted milk powder would not meet the requirements for a dairy category and hence may have a lower HSR than similar dairy foods if recategorised in Category 1 or 2.

As noted, the reconstitution issue has been difficult to address, with definitions for appropriate levels of reconstitution not currently existing within the Code. Additionally, it would be difficult to define a certain level of reconstitution, or an appropriate milk solids level, for every dairy food that exists on the market.

FSANZ welcomes feedback on these approaches and any alternative suggestions that might better address the reconstitution issue and the application of the 75% rule. As discussed above, modelling suggested removal of the 75% rule would result in reduced alignment with the dietary guidelines.

**3.1.4.5 Rationale for proposed approach – dairy alternatives/analogues**

FSANZ is proposing to use a similar approach to that in the voluntary HSR system for the dairy categories, for dairy alternative foods, with some minor changes.

Table 8 outlines the existing categories in the HSR system for dairy alternatives and the proposed approach. Note that in totality, Categories 1D, 2D, and 3D would comprise both the dairy and dairy analogue foods as set out in the proposed approach in section 3.1.1 above and a food could consist of a mix of different foods within a particular category and still remain in that category.

**Table 8. Dairy alternative/analogue categories in the existing HSR system and the proposed approach**

Existing HSR system	Proposed approach
<p><b>Category 1D</b> Dairy alternative beverages that meet the criteria below:</p> <p>Legume-based dairy alternatives that contain:</p> <ul style="list-style-type: none"> <li>no less than 3%<i>m/m</i> protein from legumes AND</li> <li>≥100 mg calcium* per 100mL AND</li> <li>≥75% permitted dairy alternative ingredients<sup>25</sup>.</li> </ul> <p>Dairy alternatives derived from seeds, nuts and/or cereals that contain:</p>	<p><b>Category 1D</b> <b>Dairy beverage analogues derived from legumes, cereals, nuts, and/or seeds, including dried milk analogues</b></p> <p>Dairy beverage analogues derived from legumes, cereals, nuts, or seeds, or a mixture of two or more of any of these sources. Includes the water component used to make the product.</p> <p>Dried versions of the above.</p> <p>May contain any other ingredient(s) up to 25%, i.e. the above foods must comprise ≥75% of the food for which the HSR calculation is based on but must be a</p>

<sup>25</sup> Permitted dairy-alternative ingredients: For the purposes of Categories 1D, 2D and 3D ‘permitted dairy-alternative ingredients’ are those that are permitted by the Code and would otherwise be expected to be found as an ingredient in a ‘dairy-alternative’ product. Examples include water, oil, acidity regulators, stabilisers, emulsifiers, and thickening agents. These ingredients do not include substances added for flavouring (e.g. chocolate powder).

- no less than 0.3% m/m protein from those sources AND
- $\geq 100$  mg calcium per 100 mL AND
- $\geq 75\%$  permitted alternative ingredients.

Includes: fortified plant-based products

Does NOT include: plant-based milks with  $< 100$  mg calcium.

\* The requirement for dairy beverage alternatives to contain at least 100 mg calcium per 100 mL aligns with the recommendation of the ADGs to select milk and dairy beverages alternatives with at least 100 mg of added calcium per 100 mL.

beverage.

The final food (i.e. dairy analogue beverage plus other ingredients) must contain  $\geq 100$  mg calcium per 100 mL or per 100 g for powder.

Dried product may be reconstituted with water.

Existing HSR System	Proposed approach
<p><b>Category 2D – other dairy foods</b></p> <p>Non-frozen dairy alternative foods not included in HSR Categories 1D or 3D, provided they contain <math>\geq 75\%</math> permitted dairy-alternative ingredients.</p> <p>Includes the following dairy alternatives<sup>26</sup>:</p> <p>Legume-derived cheese alternatives that contain no less than 15% m/m protein derived from legumes and contain <math>\leq 320</math> mg/100 g calcium.</p> <p>Legume-derived yoghurt/dairy dessert alternatives that contain no less than 3.1% m/m protein derived from legumes.</p> <p>Includes: [no relevant dairy alternatives listed].</p> <p>Does NOT include: non-dairy cheeses that are not legume-based.</p>	<p><b>Category 2D</b></p> <p><b>Non-frozen dairy analogue foods derived from legumes not included in Category 1D or 3D</b></p> <p>Yoghurt and dairy dessert analogues derived from legumes that contain no less than 3.1% m/m protein derived from legumes.</p> <p>Cheese analogues derived from legumes that contain no less than 15% m/m protein derived from legumes and contain <math>\leq 320</math> mg/100 g calcium.</p> <p>Or a mixture of the above foods.</p> <p>The above foods (including additives etc) may contain other ingredients (no limits on the type of ingredient) up to 25%, i.e. the above foods must comprise <math>\geq 75\%</math> of the food for which the HSR calculation is based on.</p>

Existing HSR system	Proposed approach
<p><b>Category 3D – Cheeses</b></p> <p>Cheese alternatives derived from legumes that contain no less than 15% m/m protein derived from legumes AND have a calcium content <math>&gt; 320</math> mg/100 g AND contain <math>&gt; 75\%</math> permitted dairy-alternative ingredients.</p>	<p><b>Category 3D</b></p> <p><b>Cheese analogues derived from legumes</b></p> <p>Limited to:</p> <p>Cheese analogues derived from legumes that have a calcium content <math>&gt; 320</math> mg/100 g</p>

<sup>26</sup> The types of products permitted to be considered 'dairy alternatives' align with those that are considered analogues and are permitted to be fortified with calcium in accordance with Schedule 17 of the Code, e.g. the Code does not provide for fortification of analogues of cheeses derived from nuts, and consequently these types of products are treated as Category 2 – food, and not category 2D – dairy food.

Includes: legume-based cheese alternatives.

Does NOT include: plant-based cheeses not derived from legumes (Category 2).

The above foods may contain up to 25% other ingredients (no limits on the type of ingredient) i.e. the above foods must comprise  $\geq 75\%$  of the food for which the HSR calculation is based on.

In summary, the proposed changes compared to the existing approach are to:

- not include protein levels in the definition for Categories 1D and 3D
- use the term 'analogue' instead of 'alternative'
- not specifically list the 'permitted dairy alternative ingredients'.

FSANZ is proposing to include limits for calcium but not for protein for Categories 1D and 3D as they are redundant, i.e. if a product is meeting the calcium requirement, they must be meeting the protein requirements as they cannot be fortified unless the protein requirements are met. This is discussed in section 3.1.4.5.2 below.

There are no foods in these categories with definitions in the Code, however the term 'analogues' is referred to in Schedule 17 of the Code, for example, analogues of yoghurt and dairy desserts, analogues of cheese. It is therefore proposed that the term 'analogues' is used for consistency with the term used in the Code for the same foods.

The types of foods proposed to be considered 'dairy alternatives' align with those that are considered analogues and are permitted to be fortified with calcium in accordance with Schedule 17 of the Code. Dairy dessert and yoghurt analogues and cheese analogues are currently only permitted to be fortified with calcium if they are derived from legumes. The Code does not provide for fortification of cheese analogues derived from nuts and consequently these types of foods would be in Category 2.

This proposed approach of continuing to include dairy analogues in Categories 1D, 2D or 3D within the HSR algorithm aligns with dietary guidelines which recommend the consumption of reduced fat milk, yoghurts, cheese and their alternatives. Modelling also revealed that dairy foods generally score either the same or better than their equivalent plant-based dairy alternatives. See section 3.2.2 in SD3 for a breakdown of the distribution for all three categories.

#### *3.1.4.5.1 Permitted dairy-alternative ingredients and 75% rule*

The voluntary HSR system allows for certain 'permitted dairy-alternative ingredients' to be included as part of the dairy alternative food and lists some examples including water and certain classes of food additives.

FSANZ proposes there is no need to specifically list the 'permitted dairy-alternative ingredients' as part of the system, as they would comprise part of the dairy alternative food itself, e.g. soy milk is comprised of soy beans, water and permitted food additives as considered necessary. Therefore, as with the dairy foods, these foods could contain water, food additives as permitted under Standard 1.3.1 (including certain flavourings), processing aids as permitted under Standard 1.3.3 and/or vitamins and/or minerals as permitted under Standard 1.3.2 and still be considered a dairy analogue.

The voluntary HSR system also requires a dairy alternative food to contain  $\geq 75\%$  permitted dairy alternative ingredients. FSANZ is proposing to apply the 75% rule to dairy analogues (discussed above in section 3.1.4.4.1). This would still allow a soy milk or oat milk beverage containing cocoa, or a soy-based dessert containing fruit ( $< 25\%$ ) for example, to be classified in Category 1D or 2D respectively.

To count toward the  $\geq 75\%$  requirement, an ingredient must itself be a complete dairy analogue food (like soy milk), not just a component that could be used to make one. For example, for a food containing dairy milk, soy protein, oil, flavour and thickening agent, only the dairy milk could be counted towards the  $\geq 75\%$  requirement. In contrast, for a food containing soy milk, dairy milk, flavour and thickener, both the dairy milk and soy milk could be counted towards the  $\geq 75\%$  requirement.

FSANZ proposes that the percentage of the dairy analogue foods as ingredients are calculated using the calculation for determining the percentage of characterising ingredients in Standard 1.2.10, as appropriate to the food. The rationale for this approach is discussed previously in section 3.1.4.4.1.

#### *3.1.4.5.2 Calcium and protein requirements for dairy analogues*

FSANZ proposes to apply the existing requirements for calcium content, i.e.:

- $\geq 100$  mg calcium per 100 mL for dairy beverage analogues (or per 100 g for dried powders) which aligns with the ADGs and NZEAGs recommendations for dairy substitute beverages
- $> 320$  mg/100 g for cheese analogues, which aligns with the NPSC Category 3 requirements outlined in S4—6 for cheese.

It is important for these calcium requirements to continue as part of the HSR system. The ADGs recommend the consumption of milk substitutes that are fortified with at least 100 mg/100 mL of calcium. Eating statement 1 of the NZEAGs recommends choosing plant-based milk alternatives that have calcium, vitamin B12 and riboflavin added, in particular calcium.

Although dairy analogues are not required by the Code to be fortified with calcium, they are permitted to be. The proposed calcium requirements in Categories 1D and 3D would ensure that foods in these categories are fortified with calcium, so only dairy analogues recommended in the dietary guidelines are receiving the benefits of being in Categories 1D and 3D.

As per Schedule 17, dairy beverage and cheese analogues must have certain protein levels to be permitted to be fortified with calcium. Therefore, any dairy beverage or cheese analogues fortified with calcium must meet the protein requirements. FSANZ therefore considers that specifying the protein requirements for the dairy beverage analogues in Category 1D and the cheese analogues in Category 3D, in addition to calcium requirements, is redundant.

As explained in section 3.1.4.4.3 of this report, FSANZ proposes there is no calcium criterion set for both dairy and dairy analogues in Category 2D. The protein level would apply for Category 2D dairy analogue foods, which would limit dairy analogues in this category to those permitted to be fortified.

#### *3.1.4.5.3 Category 1D – Dairy beverage analogues derived from legumes, cereals, nuts, and/or seeds (including dried milk analogues)*

As outlined above, FSANZ proposes not to apply the current protein requirement in the HSR system, but to require that dairy beverage analogues be derived from legumes, cereals, nuts, or seeds. This approach aligns with the Code, which permits calcium fortification only for dairy beverage analogues derived from these sources.

FSANZ notes that these dairy beverage analogues could be derived from a mixture of legumes and cereals/seeds/nuts, in which case the fortification permissions would apply to the individual ingredient before combining to make a mixed food.

FSANZ notes comments from stakeholders (section 3.1.4.2 above) about dairy beverage analogues without lactose or saturated fat scoring well when placed in Category 1D. However as noted in dietary guidelines, these beverages are an appropriate dairy substitute and therefore FSANZ considers this is appropriate. Additionally, as noted, modelling has not revealed that these products score disproportionately higher than dairy beverages which suggests that dairy beverage analogues are well-placed in Category 1D.

#### *3.1.4.5.4 Category 2D – Non-frozen dairy analogue foods derived from legumes not included in category 1D or 3D*

Category 2D would not include dairy analogues derived from cereals, nuts or seeds. These foods would be in Category 2.

Category 2D would include:

- cheese analogues that contain no less than 15% m/m protein derived from legumes and have a calcium level of  $\leq 320$  mg/100 g
- yoghurt and dairy dessert analogues derived from legumes that contain no less than 3.1% m/m protein derived from legumes.

#### *3.1.4.5.5 Category 3D – cheese analogues*

As outlined above, FSANZ proposes to not apply the protein requirement for cheese analogues but to apply the calcium requirement. The proposed requirement to be derived from legumes aligns with the current Code permission to fortify with calcium, which is limited to cheese analogues derived from legumes.

FSANZ notes that modelling indicates that currently no cheese analogues qualify for Category 3D as most are not derived from legumes, or do not meet the protein requirements to be able to fortify with calcium. When the protein requirements were set in the Code for fortification of analogue products, the intention was for them to be considered a substitute food to dairy products, and as such meet a significant compositional parameter of the reference food such as protein content. The 15% m/m protein level was established as this aligns with the protein content of low fat cheddar cheese.<sup>27</sup> Reviewing protein and fortification provisions for cheese analogues in the Code is out of the scope of this proposal.

#### **3.1.4.6 Dairy and dairy analogue category names**

The 3 dairy category names have been proposed to be altered to be more specific about their inclusions to assist understanding of a complicated part of the HSR system. They are proposed to be:

- Category 1D: Milk, milk-based beverages and dairy beverage analogues derived from legumes, cereals, nuts, and/or seeds, including dried milk/milk analogues
- Category 2D: Non-frozen dairy foods, and dairy analogue foods derived from legumes, not included in categories 1D or 3D
- Category 3D: Cheese and processed cheese, and cheese analogues derived from legumes.

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<sup>27</sup> P166 enquiry report is available from FSANZ on request.

**Questions for submitters:**

Do you support FSANZ’s proposed approach with respect to the categorisation of foods for the algorithm (Categories 1, 2, 3, 1D, 2D, and 3D)? Please provide reasons for your response.

What are your views on the approaches considered by FSANZ for accounting for milk powder in foods in the dairy categories, including how these approaches address reconstitution and the application of the 75% rule (section 3.1.4.4.5)? Please describe any alternative approaches that may better address the issues identified.

## 3.2 Layers of packaging, multipacks, individual portion packs and multicomponent foods

### 3.2.1 Proposed approach

FSANZ proposes the following approach:

Product type	Examples	Proposed approach
<p>Single food with one layer of packaging (not a multipack).</p> <p>Single food with more than one layer of packaging (not a multipack).</p>	<p>Canned food.</p> <p>Bag of muesli packaged inside a cardboard box.</p> <p>Chocolate bar wrapped in foil and packaged inside cardboard.</p>	<p>HSR symbol only required on one layer of packaging (subsection 1.2.1—6(2)). Would need to be legible (section 1.2.1—24).</p>
<p>Package that contains individual servings of the same food, intended for consumption as single portions and not intended for individual sale ('individual portion packs').</p>	<p>Individual packets of potato crisps in a larger bag</p> <p>Individual bottles sold in a 6-pack.</p>	<p>As above. Only one HSR symbol needed. HSR on individual portion packs not required.</p>
<p>Package that contains individual servings of foods of different varieties or different flavours, intended for consumption as single portions and not intended for individual sale ('individual portion packs') and that are labelled with more than one NIP.</p>	<p>Box of muesli bars of different varieties.</p> <p>Box of different ice creams and ice blocks.</p>	<p>HSR symbol only required on one layer of packaging (subsection 1.2.1—6(2)). Would need to be legible (section 1.2.1—24).</p> <p>A supplier could choose to apply one of the following:</p> <ul style="list-style-type: none"> <li>one HSR symbol on the front-of-pack (FoP) that indicates the lowest HSR of all the foods within the package, as well as separate HSR symbols presented together with the applicable NIPs; or</li> <li>each individual HSR symbol on the FoP together with an explanation of what food each HSR applies to. This could just be the one HSR symbol, if all foods had the same HSR score, despite different NIPs.</li> </ul>
<p>Package that contains</p>	<p>Crackers and dip to go</p>	<p>Only one HSR symbol, for the</p>

different types of foods intended to be consumed together (multicomponent foods).	pack. Tuna and crackers lunch kit. Yoghurt and muesli.	combined food using the standard HSR calculation.  HSR symbol only required on one layer of packaging (subsection 1.2.1—6(2)). Would need to be legible (section 1.2.1—24).
Packs containing cheese* and crackers only (* as defined in Standard 1.1.2 and meeting the calcium requirement in category 3D)	Cheese and crackers Light cheese and crackers	Only one HSR symbol calculated using a weighted average formula on one layer of packaging (subsection 1.2.1—6(2)). Would need to be legible (section 1.2.1—24).

The proposed approach for the location of a HSR symbol and the use of more than one HSR of the same rating on a label is in SD4.

### 3.2.2 Layers of packaging, multipacks and individual portion packs

#### 3.2.2.1 Current voluntary approach

In the HSR Implementation Guide, multipacks are described as *packs that contain individual pre-portioned units intended for consumption as single portions and not intended for individual sale. Examples include individual packets of potato crisps in a multipack; individual packs of yoghurt in a 4-serve multipack; individual bottles (600 mL or under) in a 6-pack of soft drinks. It also includes multi-component foods, like individually portioned cheese and crackers.*

For multipacks that display more than one NIP on the outer pack, the preferred display option is one HSR symbol to represent each NIP or product in the pack.

Where businesses choose to display only one HSR symbol, then an average HSR which represents the average nutrient content of all products within the outer pack should be displayed. Alternatively, businesses may choose to display the lowest HSR and indicate that the products within the multipack are either equivalent to the displayed HSR or higher. In either case there should be a statement on how the HSR was derived (e.g. ‘average of nutrient content of all varieties’ or ‘minimum star rating of varieties’).

The Implementation Guide states for multicomponent foods, a single HSR may be calculated and displayed for the combined food, or multiple HSR symbols can be displayed for each of the individual components of the food. If a single HSR is calculated, the category must reflect the combined food – for example, cheese and crackers would fall under Category 2 (Department of Health, Disability and Ageing 2025).

#### 3.2.2.2 Relevant Code provisions

For retail sales, subsection 1.2.1—6(2) states that if the food for sale has more than one layer of packaging and subsection 1.2.1—6(1) requires it to bear a label, only one label is required in relation to the food for sale.

Subsection 1.2.1—6(3) outlines that if the food for [retail] sale is sold in packaging that includes individual packages for servings that are intended to be used separately (‘individual portion packs’), but which are not designed for individual sale and have a surface area of 30 cm<sup>2</sup> or greater, then the individual portion pack is also required to bear a label with the warning statements and declarations information referred to in subsection 1.2.1—8(3).

### **3.2.2.3 Rationale for proposed approach**

In alignment with subsection 1.2.1—6(2), FSANZ proposes a HSR symbol would only be required on one layer of packaging. The HSR symbol would need to be legible in accordance with the legibility requirements in the Code at the time of retail sale (section 1.2.1—24) to allow consumers to compare similar foods.

FSANZ proposes not to require a HSR symbol on ‘individual portion packs’ as they would usually not be able to be seen in the retail context and therefore would not serve their intended purpose. This also aligns with the requirements for a NIP, which are not required on individual portion packs.

FSANZ notes that some packages are labelled with more than one NIP, when the individual foods inside the outer package are different, e.g. different varieties of muesli bars or different types of ice cream products. For these foods (not intended to be consumed together), FSANZ is proposing the following approach, whereby a supplier could choose which option to apply:

- one HSR symbol on the front of the package that indicates the lowest HSR of all the foods within the package, as well as separate HSR symbols presented together with the applicable NIPs; or
- each individual HSR symbol presented on the front of the package, together with an explanation of what food each HSR symbol applies to. This could just be the one HSR symbol if all foods had the same HSR score, despite different NIPs.

Under this approach, the consumer would be provided with the relevant HSR(s) for each food within the package. It avoids the need for more complicated calculations by suppliers, which could result in a single HSR symbol that may not be applicable to any individual food within the package.

## **3.2.3 Multicomponent foods**

### **3.2.3.1 Stakeholder views**

Some industry stakeholders were concerned the HSR of foods such as cheese and crackers is inconsistent with the intent of the HSR system, dietary guidelines and recommendations from some public health bodies. This is due to them scoring poorly under Category 2 (typically scoring 1 star) but are encouraged as an everyday snack.

They were also concerned the HSR on these foods does not appropriately recognise the HSR of the individual components of the food when sold separately, which does not promote healthier choices or incentivise reformulation.

Additionally, it was mentioned whilst there is the option to display individual HSR symbols on the food for each component, there is rarely room on the label to do this.

As such, these stakeholders would like to see a solution that better represents the HSR of the individual components or to consider these foods as not intended to have a HSR symbol in the system.

### 3.2.3.2 Evidence summary

#### 3.2.3.2.1 Multicomponent foods scan

In 2025, FSANZ conducted a preliminary online scan of Woolworths Australia and New Zealand New World websites to identify cheese and cracker multicomponent foods. Seventeen foods were identified (Table 9). While cheese is a primary ingredient in these foods, the amount often falls just below the 75% threshold, so the multicomponent food is assigned to Category 2. As such, these foods do not benefit from the different scaling applied to Category 3D and may be scoring a lower HSR under Category 2 than they would under Category 3D.

**Table 9. HSR and proportion of cheese in cheese and cracker multicomponent foods**

Food (n = 17)	Components	HSR category	Average percentage of cheese	Overall HSR category	Average HSR
Cheese and crackers (n = 16)	Cheese	3D	69%	2	1
	Crackers	2			
Light cheese and crackers (n = 1)	Cheese	3D	62%	2	1.5
	Crackers	2			

#### 3.2.3.3 Weighted average HSR formula for cheese and crackers

In 2026, FSANZ identified 49 cheese and cracker foods in the BFD collected in late 2024<sup>28</sup> to assess the impact of using a weighted average approach for calculating a foods' HSR.

The weighted average HSR was determined for each food using the formula below:

$$\text{HSR of cheese and crackers} = \frac{(\text{cheese HSR in Category 3D} \times \text{cheese proportion}) + (\text{cracker HSR in Category 2} \times \text{cracker proportion})}{\text{cheese proportion} + \text{cracker proportion}}$$

The result of the calculation is rounded to the nearest 0.5.

#### Example:

Cheese and cracker snack pack:

- cheese has a HSR of 4 and makes up 65% of the food (Category 3D)
- crackers have a HSR of 2.5 and make up 35% of the food (Category 2)

<sup>28</sup> 2024 collection includes data for 21,675 permitted and intended foods collected from brand owners and in-store collections undertaken by FSANZ across Coles, Woolworths and Aldi stores in the ACT to support HSR monitoring against interim target 2.

Using this information the weighted HSR would be calculated as follows:

$$\begin{aligned}
 \text{HSR of cheese and crackers} &= (\text{cheese HSR in Category 3D} \times \text{cheese proportion}) + \\
 &\quad (\text{cracker HSR in Category 2} \times \text{cracker proportion}) \\
 &= (4 \times 0.65) + (2.5 \times 0.35) \\
 &= 2.6 + 0.875 \\
 &= 3.475
 \end{aligned}$$

*Rounded to nearest 0.5 = HSR 3.5*

As can be seen in Table 10, the current algorithm results in a HSR for cheese and crackers which is lower than the HSR of the individual components when calculated and sold separately. However, the weighted average formula results in higher HSRs more appropriately reflecting that of the individual components.

**Table 10. Weighted average HSR of cheese (in category 3D) and cracker multicomponent foods compared to the original HSR of the food and its individual components**

Food (n = 49)	Average HSR	Components (component category)	Component's average HSR	Weighted average HSR to nearest 0.5
Cheese and Crackers (n = 44)	0.5	Cheese (3D)	2	2
		Water / rice / oat / wheat / soy cracker (2)	2.5	
Light cheese and crackers (n = 5)	1.5	Low fat cheddar (3D)	4	3.5
		Water cracker (2)	2.5	

### 3.2.3.4 Rationale for proposed approach

In the context of this section, multicomponent foods are considered to be a package for sale that contains different foods intended to be consumed together.

As for other multipack foods as outlined above, FSANZ proposes that a HSR symbol will only be required on one layer of packaging of multicomponent foods. A HSR symbol would need to be legible in accordance with the legibility requirements in the Code (section 1.2.1—24) to allow consumers to compare similar foods.

FSANZ is proposing that multicomponent foods would be required to display a single HSR symbol calculated for the combined foods because as the components are intended to be consumed together, the HSR should be based on the combined food. Furthermore, industry has raised the issue that there is often not enough label space to display multiple HSR symbols on these foods. This approach differs to that in the voluntary system which allows multiple, different, HSR symbols on multicomponent foods, i.e. one HSR symbol for each component.

Additionally, FSANZ is proposing that for cheese and cracker multicomponent foods, the HSR would be determined using a weighted average formula as set out in the section above.

Cheese would be as defined in Standard 1.1.2 and would need to meet the condition for calcium content specified in Category 3D. This would result in the HSR for cheese and crackers to better reflect the average HSR of the individual components as demonstrated in Table 10 above and bring the HSR more in line with dietary guidelines.

While the weighted average method would result in the HSR not being based on the NIP values displayed on the label for cheese and crackers, ensuring the HSR on these foods more closely represents the average HSR of the individual components when calculated separately thereby aligning more closely with dietary guidelines is viewed as more beneficial to the consumer than being able to verify the HSR from the NIP values. The NIP information could be provided on request to validate the HSR calculation when required.

**Question for submitters:**

Do you support FSANZ's proposed approach regarding layers of packaging, multipacks, individual portion packs and multicomponent foods? Please provide reasons for your response.

### 3.3 Form of the food

#### 3.3.1 Proposed approach

FSANZ proposes the following approach:

*Foods intended to be reconstituted with water before consumption*

A HSR would be calculated on a reconstituted basis, in alignment with the NIP requirements in section 1.2.8—11.

*Foods intended to be drained before consumption*

A HSR would be calculated on a drained basis, in alignment with the NIP requirements in section 1.2.8—12.

*All other foods*

A HSR would be calculated on an 'as sold' basis for all other foods which are required or voluntarily permitted to display a HSR, which are not intended to be reconstituted or drained before consumption.

Wording that clearly indicates the HSR relates to the food 'as drained' or 'reconstituted' would be required together with a HSR symbol for foods which have a HSR calculated 'as reconstituted' or 'as drained'.

The content of FVNL and the percentage of dairy or dairy analogue ingredients for the 75% rule is proposed to be calculated using the appropriate method in Standard 1.2.10.

#### 3.3.2 Current voluntary approach

The form of the food refers to the basis used for calculating a HSR, such as 'as drained', 'as sold' or 'as reconstituted'.

Under the voluntary system, a HSR should be calculated and displayed on an 'as sold' basis for most foods. This includes foods intended to be drained of any liquid other than water or brine (e.g. oil or syrup) and foods intended to be prepared with at least one other food, such as recipe bases and cake mixes. There are two exceptions to this approach:

- a HSR should be calculated on a reconstituted basis for foods intended to be reconstituted or diluted with water
- a HSR should be calculated on a drained basis for foods intended to be drained of water or brine before consumption (Department of Health, Disability and Ageing 2025).

A HSR can only be calculated on a reconstituted or drained basis if the label clearly specifies directions for that preparation before consumption (Department of Health, Disability and Ageing 2025).

The Implementation Guide notes for foods intended to be drained of any liquid, the NIP values are determined on a drained basis in accordance with section 1.2.8—12. Therefore, for foods intended to be drained of anything other than water or brine (e.g. oil or syrup), the NIP values cannot be used to determine the HSR. Only the star element, and not the energy or nutrient elements, should be displayed for foods intended to be drained of any liquid other than water or brine and a statement to the effect of 'HSR calculated undrained' should be displayed on packaging where possible (Department of Health, Disability and Ageing 2025).

This approach was implemented in 2020 based on public consultation and workshops with stakeholders, consideration of consumer evidence and modelling conducted by the Technical Advisory Group (TAG). Prior to this, HSRs were calculated on an 'as prepared' basis according to instructions on the package for foods not intended to be consumed 'as sold'. However, there was significant stakeholder concern that this approach undermined consumer confidence in the HSR system as many foods can be prepared in a variety of ways that may or may not align with specific preparation instructions on the label (mpconsulting 2018).

### **3.3.3 Relevant Code requirements**

Section 1.2.8—11 requires that where a food is labelled with directions for reconstituting with water before consumption, the NIP must express the information as a proportion of the reconstituted food.

Section 1.2.8—12 requires that where a food is labelled with directions for draining the food before consumption, the NIP must relate to the drained food and clearly indicate that the information relates to the drained food.

For foods intended to be prepared or consumed with at least one other food, section 1.2.8—13 provides the option to include a description of the additional food and an additional column in the NIP. This additional column must specify the average energy content and quantities of nutrients and biologically active substances for that food as prepared or consumed. If a nutrition content or health claim is made about a food intended to be prepared or consumed with at least one other food, this additional column must be provided.

### **3.3.4 Stakeholder views**

Most public health and government stakeholders supported applying the approach in the voluntary system in a mandatory scheme. Some industry stakeholders, however, raised concerns that current rules may not reflect the nutritional value of foods intended to be prepared with other foods which may limit meaningful comparisons for consumers. Some suggested an alternative option could be to not require a HSR symbol on these foods.

Industry stakeholders also considered that calculating HSRs on an 'as sold' basis for foods drained of liquids other than water or brine should be reviewed to better align with Code and NIP requirements, as the current approach adds complexity and cost and could cause consumer confusion.

Feedback from the FSANZ 2025 webinars indicated most attendees across all stakeholder groups favoured including foods intended to be prepared with at least one other food in a mandatory system to align with NIP requirements and enable easy comparison of similar foods. Other approaches suggested included voluntarily displaying a HSR calculated on an 'as prepared' basis in online environments only or displaying a HSR on both the 'as prepared' and 'as sold' bases on the label provided preparation instructions are given.

### **3.3.5 Evidence**

#### ***3.3.5.1 Consumer adherence to on-label preparation instructions***

In 2017, the National Heart Foundation of Australia investigated the proportion of respondents who follow on-label recipe or preparation instructions for certain food categories, as part of their HSR monitoring survey. Fifty-six percent of respondents said they followed directions for cake and pancake mixes, 39% for cooking sauces, 38% for finishing sauces, 19% for ready meals/meal kits and 18% for sauce mixes and recipe bases (National Heart Foundation of Australia 2018).

A more recent study investigated Australian consumer use of convenience cooking products. Sixty-three percent of participants reported using one or more convenience cooking products. Of these participants, 25% said they followed the recipe exactly for meal/recipe bases, 22% for marinades, 32% for simmer sauces and 23% for other cooking sauces (Brasington et al. 2021).

#### ***3.3.5.2 Foods intended to be prepared or consumed with at least one other food***

FSANZ has identified a variety of foods that are intended to be prepared or consumed with other foods, and grouped these into six categories:

- Dry recipe bases – powders intended to be mixed with liquid and other ingredients for use in specific recipes.
- Concentrated wet recipe bases – sauces, typically in pouches, intended to be mixed with liquid such as cream, coconut milk, stock, canned tomatoes, etc and other ingredients.
- Simmer sauces – sauces, typically in jars, intended for specific recipes that require the addition of vegetables, meat and rice/noodles only.
- Baking mixes – cake, cupcake, cookie, brownie, etc. packets that require additional ingredients such as milk, eggs, oil and/or butter.
- Meal kits – e.g. taco, enchilada, burrito, curry, noodle kits, etc.
- Pasta sauces – tomato or cream-based sauces intended for pasta dishes.

In March 2026, FSANZ reviewed the Woolworths Australia website to gain insights into which foods in the above categories included a recipe on the product label, how specific the recipe instructions were, and whether multiple preparation instructions were provided. FSANZ also investigated whether these foods utilised the option to include a description of the additional food and an additional column in the NIP (under section 1.2.8—13). As can be seen in Table 11, while most of these foods have specific preparation instructions provided on the label, many of these labels suggest variations to these recipes as well. This includes suggesting other ingredients for a vegan/vegetarian alternative, specifying a selection of meats the consumer could use, or suggesting optional additions to the recipe such as various toppings, extra ingredients or side dishes. There is also variability on whether these foods include the additional 'as prepared' column in the NIP as per section 1.2.8—13 of the Code.

**Table 11. Proportion of identified foods intended to be prepared or consumed with other foods displaying preparation instructions and the additional 'as prepared' NIP column**

Food category (n = 149)	Percentage of foods with a recipe on label (%) (n = 143)	Percentage of foods with a recipe with specific preparation instructions <sup>2</sup> (%) (n = 127)	Percentage of foods with a recipe with multiple preparation instructions <sup>3</sup> (%) (n = 96)	Percentage of foods with 'as prepared' column in NIP (%) (n = 49)
Dry recipe bases (n = 22)	100 (n = 22)	100 (n = 22)	73 (n = 16)	68 (n = 15)
Concentrated wet recipe bases (n = 12)	100 (n = 12)	75 (n = 9)	92 (n = 11)	75 (n = 9)
Simmer sauces (n = 17)	100 (n = 17)	76 (n = 13)	23 (n = 4)	59 (n = 10)
Baking mixes (n = 31)	100 (n = 31)	100 (n = 31)	58 (n = 18)	45 (n = 14)
Meal kits (n = 45)	100 (n = 45)	91 (n = 41)	89 (n = 40)	0 (n = 0)
Pasta sauces (n = 22)	73 (n = 16)	50 (n = 11)	32 (n = 7)	5 (n = 1)

<sup>2</sup> Specific preparation instructions were recipes which included the specific amounts and types of food.

<sup>3</sup> Multiple preparation instructions included a label having either multiple separate recipes, suggesting various meat or vegetarian alternatives or optional ingredients such as extra fruits or vegetables or various garnishes, toppings or side dishes.

### 3.3.5.3 Foods intended to be drained of liquid other than water or brine

In November 2025, FSANZ extracted data from the BFD collected in late 2024<sup>29</sup> and Woolworths Australia website to identify foods intended to be drained of liquids other than water or brine. Forty foods were identified and analysed including seafood or vegetables marinated in oil. The HSRs of these foods were determined on an 'as sold' basis using either the BFD data to calculate a rating or the HSR symbol displayed on the label. Data from labels were used to calculate the HSR of these foods on an 'as drained' basis (Table 12).

Overall, minimal differences in the HSR were identified for these foods when calculated on an 'as sold' versus 'as drained' basis. The HSR for seafood in oil either did not change or increased by 0.5 stars. Vegetables in oil had a HSR between 2 – 3.5 when calculated on an 'as sold' basis, and a HSR between 2 – 4 stars when calculated 'as drained', increasing by up to 1 star (Table 12).

Additionally, FSANZ identified a small number of cheese or fetta products marinated in oil. However, most of these foods did not include enough data to assess the difference in the HSR when calculated on an 'as sold' versus 'as drained' basis. Nonetheless, it is anticipated that these differences will be minimal and are likely to align more closely with equivalent unmarinated cheeses.

<sup>29</sup> Includes data for 21,675 permitted and intended foods collected from brand owners and in-store collections undertaken by FSANZ to support HSR monitoring against interim target 2.

**Table 12. Average HSR ‘as sold’ and ‘as drained’ for foods in oil intended to be drained before consumption**

Food (n = 40)	Average HSR ‘as sold’	Average HSR ‘as drained’
Unflavoured canned salmon in oil (n = 1)	4	4
Smoked rainbow trout fillet pieces (n = 1)	3.5	4
Smoked mussels in oil (n = 1)	3.5	3.5
Smoked oysters in oil (n = 2)	4	4
Unflavoured canned tuna in oil (n = 12)	4	4
Sardines (n=1)	4	4
Vegetables in oil (e.g. artichoke, eggplant, capsicum, zucchini, olives or mushrooms) (n = 8)	2.5	3
Sundried tomatoes <sup>30</sup> (n = 3)	2.5	3.5
Semi-sundried tomatoes (n = 5)	3.5	4
Stuffed olives/bell peppers (n = 3)	2	2
Tomato salads (n = 3)	2	3

The BFD data was also used to identify vegetable in oil foods which are not intended to be drained before consumption. As seen in Table 13, similar vegetable in oil foods can either be intended to be drained of oil before consumption or not. However, there are only slight (0 – 1 stars) differences in the average HSR between these foods when calculated on their different bases.

**Table 13. Average ‘as drained’ HSR of vegetables in oil intended to be drained compared to ‘as sold’ HSR for those not intended to be drained**

Food (n = 42)	Average HSR ‘as drained’ for foods intended to be drained (n = 28)	Average HSR ‘as sold’ for foods not intended to be drained (n = 14)
Vegetables in oil (e.g. artichoke, eggplant, capsicum, zucchini, olives or mushrooms) (n = 26)	3 (n = 16)	3 (n = 10)
Sundried tomatoes <sup>31</sup> (n = 6)	3.5 (n = 5)	4 (n = 1)
Stuffed olives/bell peppers (n = 6)	2 (n = 4)	2.5 (n = 2)
Tomato salads (n = 4)	3 (n = 3)	2.5 (n = 1)

### 3.3.6 Rationale for proposed approach

#### 3.3.6.1 Foods intended to be reconstituted or drained before consumption

FSANZ is proposing to require foods intended to be reconstituted or drained before consumption to calculate a HSR on an ‘as reconstituted’ or ‘as drained’ basis respectively.

Requiring any foods intended to be drained to calculate a HSR on an ‘as drained’ basis is a change from the voluntary system, however, this approach aligns the basis of calculating the HSR for these foods with the NIP requirements in section 1.2.8—12.

<sup>30</sup> FVNL of sundried and semi-sundried tomatoes considered non-concentrated.

<sup>31</sup> FVNL for sundried tomatoes were considered non-concentrated.

Aligning the basis for determining the HSR with NIP requirements would assist implementation and enforcement and improve transparency for consumers. Additionally, it would enable consumers to more appropriately compare the HSR symbol of similar foods intended to be drained (e.g. canned tuna in oil with canned tuna in brine) as the HSR for all foods intended to be drained would be calculated 'as drained'. It would also reduce costs for industry as energy content and nutrient quantities for both 'as sold' and 'as drained' conditions would not be required.

Based on calculated and on-label HSRs of relevant foods in the market, this change is expected to have minimal impact on star ratings of the impacted foods (see section 3.3.5.3 of this report).

Additionally, FSANZ is proposing a HSR symbol must include wording that clearly indicates the form of the food the HSR is calculated on for foods intended to be reconstituted or drained before consumption. This is similar to the approach in the Implementation Guide whereby a HSR can only be calculated on a reconstituted or drained basis if the label clearly specifies directions for that preparation before consumption. Additionally, as seen in Table 13, similar foods exist in the marketplace that may or may not be intended to be drained before consumption. As such, this requirement will increase transparency to consumers to ensure they are comparing similar foods calculated on the same HSR form of the food basis.

### **3.3.6.2 All other foods**

FSANZ is proposing to require all remaining foods, beyond those mentioned in section 3.3.6.1, which either are required or voluntarily permitted to display a HSR to calculate the HSR on the basis of the food 'as sold'. This aligns with the current voluntary system and allows consumers to more appropriately compare foods at the point of sale.

Note that the content of FVNL (see section 3.4.6.4) and the percentage of dairy or dairy analogue ingredients for the 75% rule (section 3.1.4.4.1) is proposed to be calculated using the appropriate method in Standard 1.2.10 – Information requirements - characterising ingredients and components of food.

### **3.3.6.3 Foods intended to be prepared or consumed with at least one other food**

FSANZ recognises the concerns raised by some industry stakeholders regarding the HSR on an 'as sold' basis for foods intended to be prepared or consumed with at least one other food (see section 3.3.4 of this report). This is primarily those foods mentioned in section 3.3.5.2, and not other foods intended as ingredients such as flour or sugar, etc. FSANZ has examined this issue and found, while the available consumer evidence on adherence to on-label recipe instructions is limited, it consistently indicates that fewer than half of consumers follow preparation instructions exactly, except for cake and pancake mixes (see section 3.3.5.1 of this report). This suggests a HSR calculated on an 'as prepared' basis may not align with how most consumers actually prepare and consume the food.

In addition, based on a limited dataset, FSANZ has identified that while most of these foods include specific on-label preparation instructions, they also often contain additional preparation instructions or suggestions on the label (see section 3.3.5.2 of this report). This tends to include optional additional ingredients or side dishes or variations to the specific recipe for different types of meat or vegan/vegetarian alternatives. This variability in preparation instructions on the label highlights it may not be appropriate or feasible for these foods to display a HSR calculated on an 'as prepared' basis.

Furthermore, not all foods intended to be prepared or consumed with other foods include specific preparation instructions (see section 3.3.5.2 of this report) and therefore would likely

not be able to calculate a HSR on an 'as prepared' basis. Variability in the basis of the HSR calculation for these foods would likely undermine comparability between similar foods and would limit consumers' ability to make meaningful comparisons between like foods.

More broadly, there is diversity and overlap in the range of foods intended to be prepared or consumed with other foods in the marketplace. This could make it difficult to draw clear and enforceable boundaries in the Code between foods for which a HSR based on the food 'as prepared' would be appropriate and those for which it would not.

In light of these considerations, FSANZ is proposing that foods intended to be prepared or consumed with at least one other food be required to calculate a HSR on an 'as sold' basis only (except for foods intended to be reconstituted or drained before consumption as outlined above). FSANZ recognises the food 'as sold' is also not the final form of the food the consumer would be consuming. However, requiring all such foods to calculate a HSR on an 'as sold' basis will support clearer and more consistent comparisons for consumers at point of purchase without being impacted by what other ingredients may or may not be added. Additionally, this is a simpler and more practical approach for implementation and enforcement and aligns with most stakeholders' views that a HSR symbol should be displayed on these foods.

Regarding the suggestion from stakeholders to permit the HSR 'as prepared' for foods intended to be prepared or consumed with at least one other food online, the online display of the HSR symbol is not being considered in this proposal as FSANZ is undertaking a separate review of digital food labelling more generally, as mentioned in section 1.4 of the CFS.

**Question for submitters:**

Do you support FSANZ's proposed approach with respect to the form of the food used when calculating the HSR? Please provide reasons for your response, including any specific aspects of the proposed approach that you consider problematic or could be improved.

### **3.4 Fruit, vegetable, nut and legume (FVNL) content**

#### **3.4.1 Proposed approach**

FSANZ is proposing the following approach:

- FVNL content could score modifying points (known as V points) in the HSR algorithm.
- V points could be scored for the percentage of FVNL content of a food, including spices, herbs, fungi, seeds and algae, based on eligibility criteria.
- All FVNL content, regardless of concentration level, would be considered non-concentrated FVNL.
- The non-concentrated FVNL thresholds and points table in the voluntary system would be used to determine V points.
- The percentage of FVNL would be calculated using the appropriate calculation for determining the percentage of characterising ingredients in Standard 1.2.10.

### 3.4.2 Current voluntary approach

#### 3.4.2.1 FVNL eligibility

The FVNL content (including spices, herbs, fungi, seeds and algae) of the food is a positive component used in the HSR algorithm. FVNL content is determined as a percentage of the food and scores HSR modifying points, known as V points.<sup>32</sup>

The eligibility of foods to score V points is specified in Table 14 below:

**Table 14. Foods which are eligible and ineligible to score V points**

Foods which can score HSR V points	Foods which may not score HSR V points
FVNL that are fresh, cooked, frozen, canned, pickled, preserved, peeled, diced or cut (or otherwise reduced in size), puréed or dried.	A constituent, extract or isolate of a food.
Fruit or vegetable juice, as standardised in the Code, and concentrated juices and purees.	Processed coconut products (such as coconut milk, cream, or oil).
Water in the centre of the coconut and coconut flesh that has been juiced, dried or desiccated.	Cacao/cocoa beans, coffee beans, carob.
Flours derived from vegetables and legumes (other than flours where the legume has been partially de-fatted). Vegetable flours are considered concentrated, whereas legume flours are considered non-concentrated.	Cereal grains (other than sweet corns). This includes but is not limited to those listed at item 3 in the Table to subsection S22—5(7) of the Code.

Concentrated and non-concentrated FVNL are treated differently in the HSR system for all HSR categories except Category 1, with different thresholds and points allocated for the percentage of concentrated fruit and vegetables (FV) compared to the percentage of non-concentrated FVNL (see Table 14). Fruits and vegetables can be considered concentrated if they have had the moisture removed or have been dehydrated or desiccated. Only fruits and vegetables count as concentrated, such as concentrated fruit or vegetable juice, tomato paste, and dried fruit. Nut, legume, spice, herb, fungi, seed and algae content cannot be considered concentrated (Department of Health, Disability and Ageing 2025).

The HSRAC has made determinations on the HSR V point eligibility of certain foods whose eligibility was previously unclear (Table 11).

**Table 15. Foods not eligible to score HSR V points as determined by HSRAC**

Food	Decision	Rationale
Quinoa	Ineligible for V points	Quinoa contains a similar nutritional profile to and is consumed in the same way as foods defined as cereal grains which are ineligible for V points.
Cocoa/cacao beans and coffee beans	Ineligible for V points	Fruits, vegetables, nuts and legumes are awarded V points in recognition of the nutritive benefits they provide (i.e. vitamins, minerals, fibre and other micronutrients). Within the Code, these beans are defined as a seed intended for use in beverages and sweets. This subgroup of seeds is not referred to in any Australian Guide to Healthy Eating

<sup>32</sup> HSR modifying points are points allocated to beneficial food components within the HSR calculation.

Food	Decision	Rationale
		category for daily consumption as they do not contain equivalent levels of nutrients as the other seed sub-categories (i.e. tree nuts and oil nuts).
Carob	Ineligible for V points	Carob is used in confectionary and in other ways similar to cacao and does not provide sufficient nutritive value to justify scoring HSR V points.
Canihua	Ineligible for V points	Canihua is a pseudocereal used in a similar way to quinoa.
Defatted legume flours	Ineligible for V points	Defatting or partially defatting legume flours makes it a constituent of a food as some of the intrinsic fat content is removed. Constituents of foods are ineligible for V points.

A non-exhaustive list specifying the V point eligibility for a selection of foods as outlined in the HSR Implementation Guide is also provided (Table 14) (Department of Health, Disability and Ageing 2025).

**Table 16. Examples of foods which are eligible and not eligible for concentrated and non-concentrated FVNL**

Eligible for FVNL (non-concentrated)	Eligible for concentrated FV	Not eligible for FVNL/concentrated FV
Sweet corns	Dates – packaged, dried, specified	Agave syrup
Coconut flour/powder (100% coconut), coconut water, coconut flesh including desiccated coconut	Dried fruits and vegetables e.g. sultanas, sundried tomato, dried potato or onion flakes, dried fruit peel (other than low-moisture products like potato crisps)	Coconut milk, coconut cream, coconut oil Oils derived from seeds, nuts, vegetables/herbs
Canned vegetables and legumes	Tomato paste	Fruit pectin
Seeds (and seed meals) – chia, hemp, flaxseeds/linseeds, poppy, mustard, pumpkin, sesame, sunflower, fenugreek, cumin	Fruit and vegetable juice concentrate (if not reconstituted)	Mycoprotein, pea protein Psyllium husk Cane juice
Shelled nuts (and nut meals), including roasted nuts	Dehydrated sweet corn (but not maize)	Corn as a cereal – e.g. cornflour, cornflakes, corn chips, popcorn
Low-moisture products – potato crisps, sweet potato crisps, vegetable crisps	Dried ginger, turmeric Dried mushrooms	Cacao beans Coffee beans
Olives		Carob
Fruit and vegetable juice, including reconstituted juice from fruit and vegetable juice		Quinoa

Eligible for FVNL (non-concentrated)	Eligible for concentrated FV	Not eligible for FVNL/concentrated FV
concentrate		Defatted legume flours (e.g. peanut flour)
Dried legumes (including legume flours), other than peanut flour (as it has been de-fatted)		Fruit fibres/gums (guar, agar, locust bean gum)
Tofu (soy content only)		Deionised / clarified juices
Seaweed/nori		Cereal flours e.g. wheat, spelt, bulghur, cañihua, cornflour, buckwheat, maize, barley, millet, oats, sorghum, rice

### 3.4.2.2 Form of the food

The percentage of FVNL should be based on the form of the food for which the HSR is to be calculated, i.e., 'as sold' for most foods. For foods requiring reconstitution, the percentages of concentrated ingredients should be calculated based on the ingredient when reconstituted (as per subsections 1.2.10—4(3) and (4) of the Code). The form of the food for calculating the FVNL percentages for foods requiring draining of water or brine before consumption should be 'as drained' (Department of Health, Disability and Ageing 2025).

### 3.4.2.3 FVNL calculation

The FVNL thresholds for V points are different for foods in Category 1 compared to the other HSR categories. Additionally, foods in Category 1 can score up to 10 points, whereas foods in Categories 1D, 2, 2D, 3 and 3D can score up to 8 points (Tables 14 and Table 15 respectively), (Department of Health, Disability and Ageing 2025).

**Table 17. HSR V points for Category 1**

Points	% FVNL
0	< 25
1	≥ 25
2	≥ 33
3	≥ 41
4	≥ 49
5	≥ 57
6	≥ 65
7	≥ 73
8	≥ 81
9	≥ 89
10	≥ 96

**Table 18. HSR V points for Category's 1D, 2, 2D, 3 and 3D**

Points	Column 1: % concentrated fruits or vegetables	Column 2: % non-concentrated FVNL
0	< 25	≤ 40
1	≥ 25	> 40
2	≥ 43	> 60
3	≥ 52	> 67
4	≥ 63	> 75
5	≥ 67	> 80
6	≥ 80	> 90
7	≥ 90	> 95
8	= 100	= 100

For foods in Categories 1D, 2, 2D, 3 and 3D, if the food contains a mixture of concentrated fruits or vegetables and non-concentrated FVNL sources, the percentage of total FVNL must be worked out per the equation on page 31 of the Implementation Guide.

### 3.4.3 Relevant Code provisions

The current HSR system has similar eligibility criteria, form of the food rules and calculation methods for V points to the Nutrient Profiling Scoring Criteria (NPSC), as the HSR system is based on the NPSC framework (see subsection S5—4 of the Code).

### 3.4.4 Stakeholder views

During the preparatory work, one government stakeholder raised several FVNL related issues for consideration by FSANZ in a mandated system including:

- How much moisture needs to be removed for a fruit or vegetable to be considered concentrated?
- It is unclear whether chia in Schedule 22 of the Code as a grain also includes chia seeds. This creates uncertainty on whether chia seeds should be eligible for V points in the HSR system.
- Why are dehydrated legumes excluded from being considered concentrated FVNL?

Additionally, one public health stakeholder suggested reassessing the appropriateness of modifying points to ensure these do not unduly offset high amounts of negative nutrients. This included assessment of the ability for ingredients that are free sugars (e.g. ingredients extracted from fruits and vegetables that are high in sugar, including juice, juice concentrates and pastes) to receive V points.

### 3.4.5 Evidence summary

#### 3.4.5.1 FVNL modelling

FSANZ used the BFD to identify the impact of V points, non-concentrated FVNL and concentrated fruits and vegetables (FV) on the HSR as outlined below:

- all V points from non-concentrated FVNL and concentrated FV were completely removed
- non-concentrated FVNL and concentrated FV were combined as non-concentrated FVNL for categories 1D, 2, 2D, 3 and 3D using the thresholds and points in column 2 of Table 16

- removed concentrated FV (except foods that were >95% dried fruits or vegetables) and some non-concentrated FVNL sources (i.e. dried potato crisps and similar vegetable or legume type foods).

Removing V points from the HSR system under the first approach reduced the HSR of 67% of the foods in the BFD currently scoring V points. Most of the impacted foods were classified as core foods (67%) under the ADGs, resulting in reduced alignment of the HSR system with dietary guidelines (see section 3.1.1.3.2 of SD3 for further details).

The second and third approaches had minimal impact on the star ratings and overall alignment with dietary guidelines (see section 3.1.2 of SD3 for further details).

### **3.4.6 Rationale for proposed approach**

#### **3.4.6.1 V points**

FSANZ is proposing to retain V points as modifying points for FVNL content in the HSR system in a mandated context. This is supported by modelling which highlighted that removal of V points reduces the HSR system's alignment with dietary guidelines, as outlined in the section above.

#### **3.4.6.2 FVNL eligibility**

FSANZ is proposing that at a high level, the foods eligible for V points would remain the same as that specified in the Implementation Guide, i.e. V points could be scored for the fruit, vegetable, nut, legume, spice, herb, fungi, seed and algae content of a food, as listed in section 3.4.2.1 above. Additional detail would also be provided regarding the types of foods and level of processing that would be eligible and not eligible to score V points, consistent with the intent of the current system, as per Table 14 in section 3.4.2.1.

FSANZ notes that foods in dairy categories 1D, 2D and 3D cannot score V points because this would require the food to contain more than 40% FVNL (see Table 16), whereas foods in these categories must contain at least 75% dairy or dairy analogue foods. FSANZ is therefore proposing that FVNL points can only be scored for categories 1, 2 and 3.

Additionally, chia seeds would be considered eligible to score V points despite chia being considered a grain in Schedule 22 (S22—5(7)) of the Code. This is a similar approach taken to that for sweet corn in the NPSC. The ADG's and New Zealand Eating and Activity Guidelines for Adults both recommend the consumption of seeds (Ministry of Health 2020; NHMRC 2013), with the ADG's listing chia seeds as an example of a seed (NHMRC 2013).

#### **3.4.6.3 Concentrated and non-concentrated FVNL**

FSANZ is proposing to remove concentrated FV from the HSR system (column 1 of Table 16 above) for Categories 2 and 3. This means all FVNL content for these foods, regardless of concentration level, would be considered non-concentrated FVNL content (column 2 of Table 16).

This approach aligns with that for Category 1 and would simplify implementation and enforcement as it removes the administrative burden for both manufacturers and enforcement agencies of identifying whether a fruit or vegetable is considered concentrated. It also addresses most of the questions raised by stakeholders surrounding FVNL as these largely revolve around the definition of concentrated fruits and vegetables. Lastly, the modelling has shown this approach has minimal impact on the star ratings of a small number of foods in the BFD and did not change the HSR system's overall alignment with dietary

guidelines (see section 3.4.5.1 of this report).

It is unlikely high sugar foods extracted from fruits and vegetables, such as pastes and concentrated juices, are unduly offsetting the negative nutrients, as questioned by stakeholders (see section 3.4.4 of this report). This is based on the modelling which highlights only a small reduction in stars for most impacted foods when concentrated fruits and vegetables are ineligible for V points (see section 3.1.2.3 of SD3). Therefore, no further action is required to address this.

#### **3.4.6.4 Form of the food for FVNL content**

FSANZ proposes that the percentage of FVNL is calculated using the calculation for determining the percentage of characterising ingredients in Standard 1.2.10, as appropriate to the food. The use of this established method would provide clarity and parity and mean there would be no need for manufacturers to determine different percentages for the one food, i.e. one for the purposes of declaring characterising ingredients and one for the purposes of a HSR.

For some foods, this may mean the basis for calculating the percentage is not the same as the basis for the calculation of the rest of the HSR as set out in section 3.3 (form of the food). This includes foods requiring draining before consumption, reconstitution before consumption, or if the percentage is calculated on an ingoing basis before cooking and moisture loss during processing of the food into the 'as sold' form is not taken into account. However, in the latter two examples there are options in Standard 1.2.10 to calculate the percentage following reconstitution or moisture loss, respectively.

#### **Question for submitters:**

Do you support FSANZ's proposed approach with respect to FVNL content used when calculating the HSR? Please provide reasons for your response, including any specific aspects of the proposed approach that you consider problematic or could be improved.

### **3.5 Algorithm overrides for specific foods**

#### **3.5.1 Proposed approach**

FSANZ proposes the following approach:

Algorithm overrides, i.e. a particular star rating is assigned, are proposed for:

- plain packaged water and carbonated water (5 stars). No additives permitted except carbon dioxide for carbonated water.
- unsweetened water-based flavoured beverages (4.5 stars). Could contain additives permitted to be used in *water based flavoured drinks* except for quinine, intense sweeteners, colours and food additives containing sodium. Could not contain any other ingredients or those additives specifically permitted in *electrolyte drink and electrolyte drink bases, cola type drinks (caffeine), and brewed soft drinks*.
- fresh and minimally processed fruit, vegetables, fungi and legumes (5 stars). Could contain food additives permitted to be used in *fruits and vegetables*, taking into account the type of processing.

No other algorithm overrides are proposed.

### 3.5.2 Current voluntary approach

Certain foods have been assigned a HSR independent of the HSR calculator. These are known as policy overrides<sup>33</sup> in the voluntary system and are outlined in Table 17.

**Table 19. Policy overrides in the existing HSR system**

Product	Definition in implementation guide	HSR
<i>Packaged water</i>	Packaged water as defined in Standard 2.6.2 of the Code (which sets out composition and chemical limits for packaged water).	5 stars
<i>Unsweetened flavoured water</i>	<p>Packaged beverages similar in nutritional profile to water that may contain only:</p> <ul style="list-style-type: none"> <li>• carbon dioxide, whether added or naturally occurring</li> <li>• permitted flavouring substances (as defined by Standard 1.1.2-2 of the Code)</li> <li>• mineral salts at Good Manufacturing Practice (GMP) (Schedule 16 of the Code)</li> <li>• additives that provide a specific safety or stability function at GMP (Schedule 16 of the Code)</li> </ul> <p>and must not contain:</p> <ul style="list-style-type: none"> <li>• added sugars, sweeteners, colours, sodium, caffeine, quinine, or any other ingredient that contains energy and is not expressly permitted above (e.g. protein).</li> </ul>	4.5 stars
<i>Fresh and minimally processed fruit and vegetables</i>	<p>All whole fresh fruit (except coconut) and vegetables, fungi and legumes (except peanuts) as sold with no processing, plus these same products that have only been peeled, cut and/or surface treated and/or blanched and/or frozen (not dried), or canned without the addition of fat, sugars/sweeteners or salt.</p> <p>The above definition of fresh and minimally processed fruit and vegetables excludes dried products, and canned or fermented fruit and vegetables in juice and brine. The addition of these liquids provides an additional source of sugar and/or salt which should be reflected in its HSR and is not permitted under the definition of minimally processed fruit and vegetables.</p>	5 stars

The policy override for packaged water was applied when the system was first implemented. It was introduced as plain packaged water does not contain components used in the HSR algorithm and so does not score either baseline or modifying points resulting in a low HSR, which is not in line with dietary advice to drink plenty of water (mpconsulting 2018).

Prior to the five-year review, unsweetened flavoured waters were scoring a HSR of 2, despite being a healthy, low kilojoule alternative to plain water. They were also scoring lower than other non-dairy beverages with higher sugars and energy content, such as fruit juices. A policy override was applied to these beverages following the five-year review, assigning a 4.5 star rating so that they were not inappropriately represented as unhealthy options for consumers (mpconsulting 2019).

Following the five-year review a policy override of 5 stars was also applied to packaged fresh, frozen and canned fruits and vegetables (with no added sugar, salt or fat). This was

<sup>33</sup> The term 'algorithm override' is being used instead of 'policy override' in this proposal.

because these products were scoring 4-4.5 stars depending on their sugar and fibre contents. The variation in star ratings misaligned with dietary guidelines which recommend eating a wide variety of fruits and vegetables without distinction and current consumption of these foods are well below recommendations (mpconsulting 2019).

### **3.5.3 Relevant Code provisions**

#### **3.5.3.1 Packaged water and unsweetened flavoured water**

Sections 2.6.2—3 and 2.6.2—4 of the Code set out compositional requirements for water presented in packaged form. Packaged water may contain carbon dioxide, whether added (subject to Standard 1.3.2 and Schedule 15 as outlined below) or naturally occurring, and fluoride up to specified levels.

Section 1.1.2—3 defines mineral water or spring water as ground water obtained from subterranean water-bearing strata that, in its natural state, contains soluble matter.

Standard 1.3.2 and Schedule 15 set out the substances that may be used as food additives. Mineral water may contain added carbon dioxide. Carbonated, mineralised and soda waters and water-based flavoured drinks may contain additives permitted at GMP (Good Manufacturing Practice) (including carbon dioxide, flavourings and some intense sweeteners), colourings permitted at GMP, and colourings permitted to specified maximum levels. Water based flavoured drinks may also contain certain additional intense sweeteners (such as steviol glycosides) up to specified maximum permitted levels.

Schedule 16 contains the lists of the 'additives permitted at GMP', the 'colourings permitted at GMP', and the 'colourings permitted to a maximum level'.

#### **3.5.3.2 Fresh and minimally processed fruit and vegetables**

In Standard 1.2.7 and Standard 1.2.8:

- **fruit** means the edible portion of a plant or constituents of the edible portion that are present in the typical proportion of the whole fruit (with or without the peel or water); and does not include nuts, spices, herbs, fungi, legumes and seeds.
- **vegetable** means the edible portion of a plant or constituents of the edible portion that are present in the typical proportion of the whole vegetable (with or without the peel or water) and does not include nuts, spices, herbs, fungi, dried legumes (including dried legumes that have been cooked or rehydrated) and seeds.

In section 1.1.2—3, **fruit and vegetables** is defined as any of fruit, vegetables, nuts, spices, herbs, fungi, legumes and seeds.

Schedule 5, S5—4 outlines what foods are permitted to score fruit, vegetable, nut and legume (FVNL) points in the Nutrition Profiling Scoring Criterion (NPSC). The NPSC allows V points to be scored for fruits, vegetables, nuts and legumes including coconut, spices, herbs, fungi, seeds and algae. This includes: fvnl that are fresh, cooked, frozen, canned, pickled or preserved and, fvnl that have been peeled, diced or cut (or otherwise reduced in size), puréed or dried.

### **3.5.4 Stakeholder views**

Industry, government, academic and public health stakeholders supported the application of the 5-star algorithm override to plain packaged water. They noted that a HSR symbol on water will likely be compared to HSR symbols on other non-dairy packaged beverages (e.g.

fruit juices, soft drinks etc.) and it is therefore important that consumers have this information to support healthier choices.

Stakeholders across all groups supported retaining the current algorithm override for minimally processed fruits, vegetables, legumes and fungi. Some industry stakeholders suggested the algorithm override should be extended to other minimally processed core foods (e.g. eggs, meat, fish, nuts). For example, for nuts they noted the ADGs do not distinguish between different types of nuts and instead just focus on encouraging a wide range of fruits, vegetables, nuts and legumes. However, some industry and government stakeholders noted that including further algorithm overrides is not aligned with the intent of the system to enable comparisons between similar foods and that doing this could be problematic, given the variation in nutritional value within some core foods.

Unsweetened flavoured waters have not been raised by stakeholders.

**3.5.5 Evidence**

Table 18 outlines the number of products in the BFD<sup>34</sup> for unprocessed eggs, fish/seafood and meat and nuts collected in late 2024, and their mean, median, minimum, maximum and range of HSRs.

**Table 20. Range of HSRs for unprocessed eggs, fish and seafood, meat and nuts**

Category	No. of products	Mean HSR	Median HSR	Min HSR	Max HSR	Range
Eggs – unprocessed	55	4.0	4.0	4.0	4.0	0
Fish & seafood – unprocessed	157	4.0	4.0	3.0	5.0	2.0
Meat - unprocessed	47	4.0	4.5	3.5	4.5	1.0
Nuts <sup>35</sup>	252	4.5	5.0	3.0	5.0	2.0

**3.5.6 Rationale for proposed approach**

FSANZ proposes the existing algorithm overrides be included in the mandatory system and that no further algorithm overrides are introduced.

**3.5.6.1 Packaged water**

FSANZ is proposing that the 5-star algorithm override would apply.

While evidence indicates that most consumers do not expect a HSR symbol to be on packaged water, FSANZ considers that in real-world retail contexts, it will be useful for a HSR symbol to be on water to represent it as the best choice given it will be positioned next to other beverages, including soft drinks. It is important to highlight that without the algorithm override, packaged water would receive a low HSR, which would be lower than other comparable beverages. Such an approach would not align with the dietary guidelines, which recommend drinking plenty of water (NHMRC 2013) and making water your first choice over

<sup>34</sup> Includes data provided by brand owners and in-store collections undertaken by FSANZ to support HSR monitoring against interim target 2.

<sup>35</sup> Includes all unsalted, salted and cooked with oil single nut varieties except coconut.

other drinks (Ministry of Health 2020), and would likely reduce consumer trust in the system.

This approach is consistent with preferences of industry, government, academic and public health stakeholders, as well as some consumers. It is also consistent with similar international FoPL schemes such as Nutri-Score, which also have an override to ensure plain water is the only non-dairy beverage to score A/Dark green (i.e. the highest rating) (Sante publique France 2025).

FSANZ has considered how this algorithm override could be incorporated into the Code. It is proposed that, to align with section 2.6.2—3, which states that packaged water may contain carbon dioxide, and the permissions for the addition of food additives to mineral water (see section 3.5.3.3 above), packaged water includes and is limited to:

- plain packaged water
- mineral water and spring water (as defined in the Code)
- carbonated mineral and carbonated spring water, without the addition of food additives other than carbon dioxide, or any other ingredients.

Packaged water would also be permitted to contain fluoride as per 2.6.2—4.

A HSR would be required on these products without the need for a NIP on the label (see Section 2.2.6.1.2 of this report).

Overall, this approach would ensure that packaged water displays a high HSR which aligns with the dietary guidelines and allows for consumers to make informed, healthier choices when comparing and choosing non-dairy beverages.

### **3.5.6.2 Unsweetened flavoured water**

FSANZ proposes that the 4.5-star algorithm override would be applied to unsweetened water based flavoured beverages, recognising them as a healthy alternative to other beverages given their similar nutritional profile to plain water. This algorithm override would allow for unsweetened flavoured beverages to be represented as the second healthiest beverage choice (after plain water).

The current Implementation Guide definition appropriately captures all products that are closest in nutritional composition to water and excludes water-based drinks that contain sweeteners, sugars and other ingredients containing energy. It is proposed that the basis of this definition would continue in a mandatory scheme.

To align with provisions in the Code and maintain the intent of the existing HSR system, FSANZ proposes that in a mandatory system, this algorithm override would apply to 'unsweetened water based flavoured beverages' which:

- could contain food additives permitted to be used in *water based flavoured drinks* except for quinine, intense sweeteners, colours and food additives containing sodium. Must not contain those food additives specifically permitted in *electrolyte drink and electrolyte drink bases, cola type drinks* (caffeine), and *brewed soft drinks*.
- could not contain any other ingredients.

Regarding food additives, FSANZ is proposing the above approach rather than specifying food additives that perform a specific function in the food only (as per the current HSR system), for ease of implementation and enforcement. FSANZ considers this reflects the intent of the current system and ensures that for the products included, the nutrient composition is as close to water as possible.

### **3.5.6.3 Fresh and minimally processed fruits, vegetables, legumes and fungi**

FSANZ proposes the 5-star algorithm override for minimally processed fruits, vegetables<sup>36</sup>, legumes and fungi would be applied in a mandatory scheme. This approach would ensure all fresh and minimally processed fruit, vegetables, legumes and fungi would be treated the same within the system and alignment with the ADGS which recommend choosing 'a wide variety' of fruits and vegetables, not focusing on individual types (NHMRC 2013). This also aligns with the NZEAGs; except that they group legumes with protein sources, rather than with fruits and vegetables as is the case with the ADGs.

While evidence indicates that few consumers expect fruit and vegetables to use the HSR system, allowing a 5-star rating on these foods would assist in clear public health messaging, that all fruit, vegetables, legumes and fungi are among the healthier choices. Stakeholders across all groups in the consultations held during the preparatory work also supported retaining the algorithm override for fruit and vegetables. They suggested that this approach will encourage consumption of fruit and vegetables and assist consumer education around the health benefits of fruit and vegetables.

As discussed in section 2.2.6.3.3, a HSR symbol would be permitted to be displayed in connection with unpackaged fruit and vegetables (noting a HSR is voluntary for these foods) for example, on shelf tags or in-store displays, to reduce the need for unnecessary packaging.

The existing Implementation Guide definition for fresh and minimally processed fruit and vegetables would be drawn on for identifying the foods that would fall into this category. It is important to note that there are currently no definitions in the Code for 'minimally processed'. Therefore, what processing methods would be permitted may need to be specified.

Using the basis of the definition in the Implementation Guide and drawing from what processing methods are permitted in the NPSC for the allocation of V points, FSANZ proposes the following processing methods are considered to be minimal for the definition of minimally processed fruit and vegetables:

- fresh
- frozen
- canned (including cooked)
- blanched
- peeled, diced or cut
- surface treated.

While canning, blanching, peeling and freezing might have some impact on the nutritional composition, FSANZ notes that these foods are still among the healthiest and should be encouraged, particularly for when fresh fruit and vegetables may not be available or affordable for some consumers. Additionally, the dietary guidelines recommend seasonal, frozen and canned fruit and vegetables for individuals, particularly those living in remote areas or in lower socioeconomic groups, as nutritious accessible alternatives as long as they are produced without added salt, sugars (including concentrated juice) or fat (NHMRC 2013; Ministry of Health 2020).

As with the current system, it is proposed the algorithm override would not be permitted for fruit and vegetable products that contain additional fats, sugars/sweeteners (including food additives that are intense sweeteners) or salt (e.g. vegetables in brine, canned fruit in juice).

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<sup>36</sup> Fruit and vegetables in this section is not referring to the definition in section 1.1.2 which includes herbs, spices, nuts and seeds in the definition, or to the definitions of 'fruit' and 'vegetables' in Standards 1.2.7 and 1.2.8.

It is also proposed to prohibit coconut and peanuts from using the algorithm override in a mandatory system given their composition is closer to nuts.

Fruit, vegetable, legumes and fungi could contain food additives permitted to be used in accordance with Standard 1.3.2 and section 4 (Fruits and vegetables) of Schedule 15, subject to the type of processing method as outlined above, for example, not including canned fruit with added intense sweetener.

While a new provision including a definition would need to be developed for a mandatory HSR system in the Code, the intention and application of the algorithm override would remain the same as in the voluntary system.

#### **3.5.6.4 Additional algorithm overrides**

While further algorithm overrides were suggested by stakeholders during the preparatory work, FSANZ is proposing no further algorithm overrides would be introduced for other core foods (e.g. nuts, meat and fish, eggs). Reasons for this include:

- dietary guidelines do not discriminate between different types of fruit and vegetables, rather they state a wide variety should be consumed. Whereas, for other core foods, lower saturated fat versions (cheese/dairy) or lean (protein/meat) alternatives are recommended
- fruit, vegetables, legumes and fungi are lower in energy density compared to other core foods. Giving nuts, cheese or meats an automatic 5-star rating may encourage excess consumption of these core foods when serving sizes (e.g. 30 g of unsalted nuts) should be taken into consideration.
- the range of HSRs is greater for nuts and unprocessed meats and fish/seafood compared to fruit and vegetables and allows for consumers to select healthier options such as unsalted and leaner options (see Table 18).
- the HSR system already provides some core foods with benefits to provide better alignment with dietary guidelines e.g. FVNL points (for nuts), and dairy foods have their own categories to account for the inherent sugars and saturated fat in dairy
- unprocessed eggs and nuts already score high HSRs, with mean HSRs of 4 and 4.5 respectively appropriately reflecting their classification as a core food.

These reasons align with reasons given in the five-year review where they did not recommend additional algorithm overrides in the HSR system.

FSANZ also notes algorithm overrides should be used sparingly and only when necessary, given one of the purposes of the HSR is enabling consumers to compare nutrient profiles to support healthier choices.

#### **Question for submitters:**

Do you support FSANZ's proposed approach with respect to algorithm overrides? Please provide reasons for your response, including any specific aspects of the proposed approach that you consider problematic or could be improved.

## 4 Declaration of algorithm components

### 4.1.1 Proposed Approach

FSANZ proposes the following approach:

The average quantity of dietary fibre and calcium per 100 g/100 mL and FVNL content as a percentage, be required to be displayed on the label when used in the algorithm or to determine the HSR category of the food.

Information on the application of the 75% rule for determining, in part, a foods' eligibility for the dairy and dairy analogue categories be required to be provided to enforcement agencies on request.

These approaches are in addition to energy and the other nutrients used in the algorithm already being required to be declared in the NIP.

### 4.1.2 Current voluntary approach

Most components of the HSR algorithm (energy, saturated fat, total sugars, protein and sodium) are already required to be declared in the NIP.

However, one component (calcium) used to determine in part a foods' eligibility for categories 1D and 3D and two components used in the HSR calculation (dietary fibre and FVNL content) do not have to be displayed on the label. However, the Implementation Guide encourages businesses to list any ingredients contributing to FVNL content as a percentage in the statement of ingredients or to keep records of FVNL content to support transparency in the HSR system.

### 4.1.3 Relevant Code provisions

#### Energy, protein, sugars, saturated fat and sodium

Subsection 1.2.8—6(1) provides that a NIP must contain the average energy content and amongst other things, the average quantity of protein, sugars, saturated fatty acids and sodium.

#### Dietary fibre

The Code defines dietary fibre (subsection 1.1.2—2) and does not require dietary fibre to be declared in the NIP (paragraph 1.2.8—6(1)(d) and subsection 1.2.8—6(2)) except in certain circumstances. Subsection 1.2.8—6(5) requires the presence or absence of dietary fibre to be declared in the NIP if a claim requiring nutrition information is made about dietary fibre or any specifically named fibre, or sugars or any other types of carbohydrate.

Subsection 1.2.7—26(2) states that if a food must meet the NPSC in order to make a claim, the particulars of a property of a food (e.g. dietary fibre) must be declared in the NIP if the property of food, other than FVNL, is relied on to meet the NPSC and those particulars are not otherwise required to be included in the NIP.

Subsection 1.1.2—9(3) permits the voluntary declaration of dietary fibre in the NIP, without it being considered a nutrition content claim, if the food contains less than 2 g per serving of dietary fibre.

Schedule 11—4 describes the permitted methods of analysis for dietary fibre and other fibre content to be used for the declaration of dietary fibre in the NIP.

### FVNL content

If a food is required to meet the NPSC to make a claim, the claim is not a health claim about fruits and vegetables, and the food scores V points, the percentage of each element of FVNL that is relied on to meet the NPSC must be declared (subsection 1.2.7—26(4)). This information is required on foods which are required to bear a label (paragraph 1.2.8—6(1)(h)). The location of this information on the label is not specified.

For the NPSC, the percentage of FVNL in the food is to be calculated in accordance with the appropriate method in Standard 1.2.10 – Information requirements – Characterising ingredients and components of food (subsection S5—4(4)). For example, the percentages of all concentrated ingredients are calculated based on the ingredient when reconstituted (according to subsections 1.2.10—4(3) and (4)). Additionally, characterising ingredients must be declared in accordance with section 1.2.10—8.

### Calcium

The Code does not require calcium to be declared in the NIP (paragraph 1.2.8—6(1)(d) and subsection 1.2.8—6(2)) unless a nutrition content or health claim about calcium is made (subparagraph 1.2.8—6(1)(d)(iv)).

In addition, if a food must meet the NPSC in order to make a claim, the calcium content of a food must be declared in the NIP if it is cheese or processed cheese with a calcium content of more than 320 mg/100 g for the purposes of determining the foods nutrient profiling score (subsection 1.2.7—26(3)).

#### **4.1.4 Stakeholder views**

Some industry, government and public health stakeholders suggested nutrients/ingredients involved in the HSR calculation, including dietary fibre and FVNL content, should be displayed in the NIP or statement of ingredients, as appropriate. This would ensure a HSR could be validated by the public and enforcement authorities, without the need to request specific information from food businesses.

#### **4.1.5 Evidence summary**

##### **4.1.5.1 Consumer evidence**

Evidence consistently shows that consumers have a poor understanding of how the HSR is calculated and would appreciate greater transparency around this (see SD1 and SD2). While some consumers appear to understand that the star rating is calculated using a formula based on nutritional composition (approximately one third in a 2017 Australian survey), the specifics of the algorithm are generally unknown, often leading to speculation in qualitative research. This lack of understanding appears to contribute to reduced trust in the system. In a 2025 monitoring survey, 27 – 44% of Australians and 35 – 52% of New Zealanders who said they did not trust the HSR chose “I don’t understand how it is calculated” as a reason why (FSANZ 2025).

In FSANZ’s focus group research, when consumers felt that the star rating was inconsistent with their understanding of a product’s healthiness, they often reverted to the NIP or statement of ingredients for further information. In the 2025 CIT, 22% of consumers reported

using the NIP to check the basis of a product's HSR.

#### **4.1.5.2 Display of dietary fibre, FVNL and calcium content on labels**

In 2025, FSANZ examined the proportion of foods in the BFD<sup>37</sup> collected in late 2024 displaying dietary fibre in the NIP and FVNL content in the statement of ingredients. FSANZ also investigated the proportion of foods in the dairy categories displaying calcium in the NIP.

Overall, 67% of intended foods in the BFD which score F points currently declare fibre in the NIP and 46% of intended foods which score V points either quantified the FVNL content in the statement of ingredients or were exclusively FVNL ingredients (see sections 3.1.1.3.1 and 3.1.1.3.2 of SD3). Additionally, FSANZ identified 68% of intended foods in the BFD in the dairy categories display calcium in the NIP.

#### **4.1.6 Rationale for proposed approach**

FSANZ is proposing to require dietary fibre and calcium content of a food to be declared in the NIP when used in the HSR algorithm or to determine the HSR category of a food respectively. This is in addition to energy and the other nutrients used in the algorithm which are already required to be declared in the NIP. FSANZ is also proposing to require the percentage of FVNL, as calculated per the requirements in Standard 1.2.10 (see section 4.1.3 of this report), to be declared on the label if used in the HSR algorithm. As shown from our examination of foods in the BFD, many foods already display this information.

The consumer research highlights many consumers do not understand how the algorithm works and look at information such as the NIP and statement of ingredients for a deeper comparison, to validate their judgement on the HSR score. Some stakeholders have requested this information be available on the label to ensure the HSR calculation can be validated by consumers and enforcement agencies.

Requiring relevant information for the HSR algorithm on food labels would assist with transparency for consumers and support enforcement.

FSANZ notes that this approach is consistent with the approach for declaring dietary fibre, calcium and FVNL in relation to the NPSC and this information is already included on the label of many foods (see sections 4.1.3 and 4.1.5.2 of this report).

If a HSR symbol is voluntarily displayed on a food with FVNL content which is not required to bear a label, the FVNL content would be required to be provided on request to enforcement agencies.

FSANZ is proposing that on request by enforcement agencies, information indicating the percentage of dairy or dairy alternatives for the purposes of establishing whether the food has  $\geq 75\%$  dairy or dairy alternative ingredients must be provided. This is due to it likely being complex for industry to give such information on the label and it may be of limited benefit to consumers.

#### **Question for submitters:**

Do you support FSANZ's proposed approach for the declaration of algorithm components? Please provide reasons for your response including any implications for transparency, enforcement or cost.

<sup>37</sup> Includes data for 21,675 permitted and intended foods collected from brand owners and in-store collections undertaken by FSANZ to support HSR monitoring against interim target 2.

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