

28 October 2026
417-26

Supporting document 2

Health Star Rating system technical assessments

Proposal P1067 - Health Star Rating System

Executive summary

This supporting document provides the technical assessments that underpin the 2nd call for submissions (CFS) for Proposal P1067 – Health Star Rating System which is considering amending the Australian New Zealand Food Standards Code to require foods for sale in Australia and New Zealand to display a Health Star Rating (HSR) symbol.

It sets out Food Standards Australia New Zealand's consideration of submitter feedback received in response to the 1st CFS, further assessment undertaken since the 1st CFS, and the proposed technical approaches for key components of a mandatory HSR system.

The components discussed in this supporting document include:

- the application of the HSR system, including the foods for which the display of a HSR symbol would be mandatory, voluntary or prohibited
- aspects of the HSR algorithm, including algorithm overrides, HSR categories, form of the food, fruit, vegetable, nut and legume content, how the algorithm applies to multipack and multicomponent foods and HSR Category 3D cheeses
- the declaration of algorithm components and information required to support implementation and enforcement
- the HSR symbol, including its format, location, presentation and legibility.

This document should be read alongside the 2nd CFS report, which sets out the broader policy context for Proposal P1067 and seeks stakeholder feedback on the proposed approach.

Table of contents

EXECUTIVE SUMMARY.....	1
GLOSSARY	5
1 PURPOSE.....	7
2 APPLICATION OF THE HEALTH STAR RATING SYSTEM.....	7
2.1 Application to specific types of sales	7
2.1.1 Background.....	7
2.1.2 Submitter comments	8
2.1.3 Discussion.....	8
2.1.4 Conclusion	8
2.2 Application to foods for retail sale.....	9
2.2.1 Foods that must display a HSR symbol.....	9
2.2.2 Foods prohibited from displaying a HSR symbol	11
2.2.3 Foods that may display a HSR symbol.....	12
2.2.4 Advertising	15
2.2.5 Imported and exported food	15
2.2.6 Conclusion	16
2.3 Alcoholic beverages, kits used to produce alcoholic beverages and beverages represented as non-alcoholic variations of alcoholic beverages	17
2.3.1 Background.....	17
2.3.2 Submitter comments	18
2.3.3 Discussion.....	18
2.3.4 Conclusion	19
2.4 Special Purpose Foods	20
2.4.1 Background.....	20
2.4.2 Submitter comments	20
2.4.3 Discussion.....	21
2.4.4 Conclusion	22
3 HSR ALGORITHM	22
3.1 Calculating the HSR.....	22
3.1.1 Background.....	22
3.1.2 Submitter comments	23
3.1.3 Discussion.....	24
3.1.4 Conclusion	24
3.2 Algorithm overrides	25
3.2.1 Background.....	25
3.2.2 Submitter comments	25
3.2.3 Discussion.....	26
3.2.4 Conclusion	27
3.3 Algorithm categories	28

3.3.1	Background.....	28
3.3.2	Submitter comments	29
3.3.3	Discussion.....	30
3.3.4	Conclusion	33
3.4	Form of the food.....	34
3.4.1	Background.....	34
3.4.2	Submitter comments	34
3.4.3	Discussion.....	35
3.4.4	Conclusion	36
3.5	Fruit, vegetable, nut and legume (FVNL) content	36
3.5.1	Background.....	36
3.5.2	Submitter comments	37
3.5.3	Discussion.....	37
3.5.4	Conclusion	38
3.6	Layers of packaging, multipacks, individual portion packs and multicomponent foods	38
3.6.1	Background.....	38
3.6.2	Submitter comments	39
3.6.3	Discussion.....	40
3.6.4	Conclusion	41
3.7	Category 3D cheeses.....	41
3.7.1	Background.....	41
3.7.2	Submitter comments	41
3.7.3	Discussion.....	42
3.7.4	Conclusion	42
4	DECLARATION OF ALGORITHM COMPONENTS	43
4.1	Background.....	43
4.2	Submitter comments	43
4.3	Discussion.....	43
4.3.1	Declaration of FVNL and calcium	43
4.3.2	Declaration of dietary fibre	44
4.3.3	75% rule.....	44
4.4	Conclusion	44
5	HSR SYMBOL, LOCATION AND PRESENTATION	44
5.1	HSR symbol	44
5.1.1	Background.....	44
5.1.2	Submitter comments	45
5.1.3	Discussion.....	45
5.1.4	Conclusion	46
5.2	Location of HSR symbol on packaged foods	46
5.2.1	Background.....	46

5.2.2	Submitter comments	47
5.2.3	Discussion.....	47
5.2.4	Conclusion	48
5.3	Presentation, legibility and placement of HSR symbol.....	49
5.3.1	Background.....	49
5.3.2	Submitter comments	49
5.3.3	Discussion.....	49
5.3.4	Conclusion	50
6	REFERENCES	51

Glossary

The glossary below is intended to assist readers understand the terms used in this document. The descriptions are provided for clarification only and should not be interpreted as definitions, or proposed definitions, for inclusion in the Australia New Zealand Food Standards Code, unless otherwise specified.

Term	Term in voluntary system (if applicable)	Description
Alignment with dietary guidelines		Alignment of the HSR algorithm with the Australian Dietary Guidelines was determined using a food's 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 ≥ 3 , and a food classified as discretionary had a HSR < 3 . The Australian Dietary Guidelines have been used as a proxy for assessing alignment of the HSR algorithm with dietary guidelines for New Zealand given the similarities across countries.
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 SD1 and SD2.
Core food		Foods from the 5 food groups that form the basis of a healthy diet in the Australian Dietary Guidelines. In this document, the term is also used as a proxy for broadly equivalent foods recommended in the New Zealand Eating and Activity Guidelines. These 5 food groups are <ul style="list-style-type: none"> • Vegetables, including different types and colours, and legumes/beans • Fruit • Grain (cereal) foods, mostly wholegrain and/or high cereal fibre varieties • Lean meats and poultry, fish, eggs, tofu, nuts and seeds, and legumes/beans • Milk, yoghurt, cheese and/or their alternatives, mostly reduced fat.
Dairy analogue	Dairy alternative or plant-based alternative	A food that is formulated to resemble a dairy food in intended use, and is derived from plant, fungi, or other non-dairy sources e.g. soy, oat, rice, nuts.
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 for foods and drinks high in saturated fats, sugars, salt and/or alcohol that are not necessary for a healthy diet but can provide variety. For the purposes of this document, the term is also used as a proxy for foods that New Zealand dietary guidelines recommend limiting, including foods high in saturated fat, salt and sugars.
FoP		Front of pack

Term	Term in voluntary system (if applicable)	Description
FoPL		Front of pack nutrition label/labelling
FVNL		Fruits, vegetables, nuts and legumes. Includes spices, herbs, fungi, seeds and algae.
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 (or algorithm)		The set of rules and calculations that determine how a HSR is calculated.
HSR algorithm override (or algorithm override)	Policy override	When a food is assigned an automatic HSR, without using the HSR algorithm.
HSR calculator		The tool used to determine a food's health 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 has used HSR symbol in this report to align with the term used in the Australia New Zealand Food Standards 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: Health Star Rating System Implementation Guide
Multi-component food		A food for sale in 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 larger packet. 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
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.

1 Purpose

This supporting document (SD) provides technical assessments underpinning the 2nd call for submissions (CFS) for Proposal P1067 - Health Star Rating System. It should be read in conjunction with the 1st CFS and its supporting documents (SDs), which set out the earlier assessments and rationale for the approaches considered under this proposal.

This document outlines Food Standards Australia New Zealand's (FSANZ's) consideration of submitter feedback received in response to the 1st CFS, and further assessment undertaken since that time and the approaches proposed at the 2nd CFS. Where the assessment and rationale presented at the 1st CFS remain relevant, they are referenced rather than repeated in this document. The proposed approaches should also be considered alongside the proposed draft variation to the Australia New Zealand Food Standards Code (the Code) (See Attachment A to the CFS).

Where submitter feedback or requests for clarification are not addressed in this SD, stakeholders should refer to the 2nd CFS, other SDs and the proposed draft variation at Attachment A to the CFS.

2 Application of the health star rating system

2.1 Application to specific types of sales

2.1.1 Background

FSANZ has considered how a mandatory HSR system should apply to different types of sales, including retail sales, sales to caterers¹, other non-retail sales and intra-company transfers².

In the 1st CFS, for the reasons set out in Section 2.1 of SD5 of that report, FSANZ proposed the HSR symbol:

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

Regardless of the type of sale, or whether the HSR was required or provided voluntarily, FSANZ proposed that any HSR symbol displayed would need to comply with the relevant calculation, format and legibility requirements.

This approach was intended to ensure HSR information is available to consumers at the point of sale for retail sales (subject to prohibition and exemptions), while avoiding unnecessary restrictions on the voluntary use of the HSR symbol in other sales contexts.

FSANZ did not identify a risk to consumers associated with the voluntary provision of HSR information for food sold to a caterer, other non-retail sales and intra-company transfers. Allowing voluntary use would facilitate the sale and trade of foods that are already labelled with a HSR symbol in these situations, compared with if it were to be prohibited.

¹ 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).

² 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.

2.1.2 Submitter comments

Many submitters broadly supported the proposed approach.

Some submitters suggested further clarity is needed on what constitutes retail sales, 'food sold to caterers' and other non-retail sales and who was the responsible party for determining and providing the HSR for each sales type. Clarity was also sought on requirements for the display of the HSR symbol for sales to consumers in a food service environment.

There was also a request to broaden the definition of 'intra-company transfer' to better reflect modern retail models, including cooperatives.

2.1.3 Discussion

FSANZ has considered submitter comments and proposes to retain the approach outlined in the 1st CFS.

The application of the HSR to food for retail sale is discussed in Section 2.2 below. This includes food sold directly to consumers in food service settings, but not the sale of food to a caterer for use in providing that food service (which is 'food sold to a caterer').

'Other types of sales' refers to sales that are neither retail sales (including a sale of a food that is not a retail sale; if the food is sold as suitable for retail sale without any further processing, packaging or labelling) nor sales to caterers, such as wholesale transactions between businesses. For example, the sale of an ingredient to a bakery to make bread.

The proposed approach for distinguishing the extent and type of information that must be provided in different sales scenarios aligns with the existing approach in the Code (Standard 1.2.1 - Requirements to have labels or otherwise provide information). The labelling requirements for food for retail sale in the Code also apply to *a sale of a food that is not a retail sale, if the food is sold as suitable for retail sale without any further processing, packaging or labelling*. For example, if a food sold to a caterer requires further labelling before being suitable for retail sale, it is not food for retail sale. FSANZ does not consider it necessary or appropriate to change the existing approach in the Code solely for the purposes of implementing a mandatory HSR system. Responsibilities for implementation of the HSR system for the different types of food sales should be aligned with the existing approach for labelling requirements currently set out in Standard 1.2.1.

The existing clauses in the Code that require a 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.

2.1.4 Conclusion

After consideration of submissions, FSANZ is proposing the same approach as in the 1st CFS, for the reasons outlined above and in Section 2.1 of SD5 to the 1st CFS.

FSANZ proposes a HSR symbol:

- is prohibited from being displayed on the label of a food or in connection with a food for sale unless required or expressly permitted
- would be required for food for retail sale and a sale of a food that is not a retail sale, if the food is sold as suitable for retail sale without any further processing, packaging or

labelling, if that food is required to bear a label, subject to certain exemptions and prohibitions (see Section 2.2 below)

- would not be required, but could be provided voluntarily, for food sold to a caterer, other types of sales (not including retail sale) and intra company transfers.

Regardless of the type of sale and whether the HSR is required or voluntarily provided, it would need to meet any calculation, format and legibility requirements.

2.2 Application to foods for retail sale

2.2.1 Foods that must display a HSR symbol

2.2.1.1 Background

At the 1st CFS, FSANZ proposed to align HSR and Nutrition Information Panel (NIP) requirements as closely as possible. Under this approach, foods required to display a NIP under the Code, would also be required to display the HSR symbol, unless specifically prohibited.

More specifically, for the reasons set out in SD5 to the 1st CFS, FSANZ proposed a HSR symbol be required for:

- foods for retail sale where a NIP is required, unless prohibited. This includes:
 - foods that do not vary in nutrient composition
 - foods required to bear a NIP because a nutrition content or health claim is made
 - imported foods
- packaged water that receives an automatic HSR, despite not being required to be labelled with a NIP.

Aligning the HSR and NIP requirements where possible was considered to:

- provide clear and consistent labelling requirements for industry
- assist with interpretation of nutrition 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.

Further rationale for the proposed approach at the 1st CFS is in Section 2.2.6 of SD5 to the 1st CFS.

2.2.1.2 Submitter comments

Many submitters supported the proposed approach, including aligning HSR and NIP requirements as closely as possible. Conversely, some industry submitters did not support the proposed approach, although many of these also opposed mandating the HSR, either for specific products, such as olive oil and honey, or across the food supply more generally.

Submitters expressed differing views on the foods and businesses for which HSR display should be mandatory, voluntary or prohibited. Some submitters requested the HSR be prohibited or capped at a very low rating for select products such as discretionary foods. Other submitters supported voluntary display for certain business and food types, including small businesses, honey, eggs, single ingredients or meal components, fresh meat and seafood, fats and oils, products labelled in-store requiring a NIP, and functional probiotic products. There were also requests for an exemption for branded specialty confectionery and

chocolate shops recognising that if all products receive a ½ star rating, mandatory display would provide little additional benefit to the consumer.

Concerns were also raised about extending the HSR to food service settings, given the algorithm was not designed for use in these settings.

Many submitters supported water being required to display a HSR symbol, despite not requiring a NIP. Submitters sought further clarity on the scope of this requirement, including whether it would apply to water in cartons and whether carbonated water and unsweetened water-based flavoured beverages would be captured. Some submitters suggested water should not be required to display a HSR symbol, as it is clearly a healthier choice and mandatory display would provide limited additional consumer benefit.

Some submitters also raised concerns about displaying the HSR on foods marketed to children, particularly where foods perceived to be unhealthy receive high ratings. It was suggested a decision to display the HSR symbol on commercial foods for young children should be deferred until FSANZ completes its work in that area, given concerns the composition, labelling and texture of those foods may not align with infant and toddler feeding guidelines.

2.2.1.3 Discussion

FSANZ has considered submitter comments and is not proposing to change the approach presented in the 1st CFS. The current approach is consistent with the voluntary HSR system and under a mandatory system would align the NIP and HSR requirements in the Code.

FSANZ is not proposing to prohibit or cap the HSR symbol on discretionary foods. The algorithm is designed to assign star ratings to these foods according to their nutrient profile.

Exemptions have not been proposed for certain foods or business types as requested by some submitters. This is to ensure the HSR labelling requirements are equitable, consistently applied and enable consumers to use the system as intended to compare similar foods. A transition period with provision for stock-in-trade has been proposed to assist all businesses to implement the proposed changes (see Section 6.1 of the CFS). Under the proposed approach many fresh meat and seafood products would also already be exempt from the requirement to display a HSR symbol, as outlined in Section 2.2.3 below.

Although some submitters viewed FSANZ's proposed approach as 'extending' the mandatory application of the HSR symbol to food service settings compared to the voluntary system, this is not the case. A HSR symbol would only be required for foods sold from food service settings such as restaurants if a NIP is required on the label of that food. A large proportion of food sold from these types of settings would likely be exempt from the requirement to display a HSR symbol as they are exempt from the requirement to be labelled with a NIP.

FSANZ is proposing to continue requiring a HSR symbol on foods sold in premium packages and specialty shops. As discussed in Section 5.2.3, FSANZ recognises a HSR symbol may not add to the visual presentation for these packages. However, it remains important the HSR symbol is displayed consistently to support consumer use. FSANZ acknowledges submitter concerns that foods such as these, like chocolates in gift wrapping, are likely to all receive low ratings, which does not allow for comparison, and that they are not purchased by the consumer, nor compared, for health reasons. However, FSANZ notes many foods might not be purchased by consumers for health reasons, but the availability of the NIP and a HSR symbol is still important from a public health perspective, by informing consumers of the relative healthiness of the food. Additionally, it would be difficult from an enforcement perspective to effectively define and differentiate these products from other foods.

For packaged water, FSANZ is proposing to retain the approach whereby packaged water eligible for the 5-star algorithm override (see Section 3.2.3) would be required to be labelled with a HSR symbol despite not requiring a NIP. This would assist consumers when comparing beverages and reinforces public health messages about water being the healthiest choice. Consistent with NIP requirements in the Code (section 1.2.8—5), a NIP would not be required on the label despite a HSR symbol being required, as the algorithm is not used to determine its rating. While this doesn't align with the general approach of the NIP and HSR symbol being presented together, a NIP displayed on packaged water would not provide the consumer with any relevant information (macronutrient values would all be zero).

The overall intent is that packaged water for retail sale, irrespective of the packaging type, is required to display a HSR symbol, including carbonated water. Unsweetened water-based flavoured beverages would also be required to display a HSR if required to be labelled with a NIP, noting that, unlike water, these beverages are not exempt from the requirement to be labelled with a NIP in Standard 1.2.8.

FSANZ is currently undertaking preparatory work to consider the Code requirements for commercial foods for young children (aged 1–3 years). The findings of this work will inform whether a proposal to amend the Code is warranted and, if progressed, would not be expected to commence before this proposal (P1067) has been completed. Commercial foods for young children are regulated as general foods in the Code. There is currently no regulated category for foods intended for young children and, therefore, no mechanism to apply HSR requirements that differ from other general foods. In the absence of a definition and regulatory framework for such foods, FSANZ is retaining the approach proposed in the 1st CFS. Accordingly, FSANZ proposes that these foods be required to display a HSR symbol unless they meet the definition of a special purpose food.

2.2.2 Foods prohibited from displaying a HSR symbol

2.2.2.1 Background

At the 1st CFS, FSANZ proposed the following foods be prohibited from displaying a HSR symbol:

- special purpose foods
- standardised alcoholic beverages
- beverages containing $\geq 0.5\%$ alcohol by volume (ABV) that are not standardised alcoholic beverages and are not brewed soft drinks
- beverages containing $\leq 0.5\%$ ABV represented as non-alcoholic extensions of alcoholic beverages
- kits used to produce standardised alcoholic beverages
- 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 medical institution.

Further detail and rationale for the proposed approach at the 1st CFS is in Section 2.2.6 of SD5 to the 1st CFS.

2.2.2.2 Submitter comments

Many submitters supported the proposed approach.

Some submitters did not support, or suggested changes to, the proposed approach for

special purpose foods and foods (including beverages) containing alcohol.

2.2.2.3 Discussion

FSANZ has considered submitter comments and is not proposing any changes to the approach at the 1st CFS for kava, foods delivered to a vulnerable person by a delivered meal organisation and foods other than food in a package provided to a patient in a hospital or medical institution. See Section 2.2.6 of SD5 to the 1st CFS.

The proposed approaches for alcoholic beverages, kits used to produce alcoholic beverages and beverages represented as non-alcoholic extensions of alcoholic beverages and for special purpose foods are discussed in Sections 2.3 and 2.4, respectively.

2.2.3 Foods that may display a HSR symbol

2.2.3.1 Background

At the 1st CFS, FSANZ proposed a HSR symbol be permitted voluntarily for:

- foods where a NIP is provided voluntarily, including:
 - packaged foods not required to bear a label and/or exempt from NIP requirements (including brewed soft drinks)
 - foods in hampers
 - unpackaged foods
 - foods in small packages.
- fresh and minimally processed fruit, vegetables, legumes and fungi, without needing to display a voluntary NIP, that receive an automatic HSR.

This approach aligned 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. However, it was considered 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.

Further rationale for the proposed approach at the 1st CFS is in Section 2.2.6 of SD5 to the 1st CFS.

2.2.3.2 Submitter comments

Many submitters supported the proposed approach.

Submitters sought greater clarity on how the HSR should be displayed on foods that can voluntarily display the HSR symbol. Some suggested the HSR symbol could be displayed either on the label or adjacent to the food, such as on signage, particularly for fruit and vegetables and unpackaged foods.

Some submitters suggested the HSR should be mandatory for certain foods where voluntary display of the HSR was proposed including core foods such as fruit, vegetables and meat, unpackaged food with a NIP, food in hampers, food provided in settings such as schools, hospitals and airlines, and any product with a NIP provided voluntarily.

Submitters generally supported voluntary display of the HSR symbol on fresh and minimally processed fruit, vegetables, fungi and legumes that receive an automatic HSR without requiring a NIP. Some sought further clarity on the circumstances in which this would apply, including the treatment of these foods where they are required to display a NIP.

Many submitters supported the proposed approach to allow a HSR symbol to be voluntarily displayed on the label of food in small packages if accompanied by a NIP. Others did not support this approach, suggesting the HSR could be printed smaller to fit the available space. These submitters noted that foods commonly in small packages, such as snack foods, confectionery and children's lunchbox foods, were among the type of foods they considered should display a HSR symbol.

2.2.3.3 Discussion

FSANZ has considered submitter comments and proposes to retain the overall approach outlined in the 1st CFS, with a minor amendment and further clarification of some aspects of the proposed approach.

The voluntary provision of a NIP is not intended to trigger the requirement for the display of a HSR symbol. If a NIP is provided voluntarily, it is proposed that a HSR symbol may also be displayed voluntarily, unless prohibited. Requiring a mandatory HSR symbol when a NIP is provided voluntarily would impose additional burden and costs and may unnecessarily discourage the voluntary provision of a NIP and is therefore not supported. Allowing unpackaged fruit and vegetables that meet the requirements for the 5-star algorithm override to display a HSR symbol without a NIP (see Section 3.2) may incentivise voluntary display of the HSR symbol on these foods.

2.2.3.3.1 Clarifying where the HSR symbol may be displayed

FSANZ has clarified the proposed approach for where the HSR symbol may be displayed voluntarily (either on a label or in connection with the display of the food) and where the NIP must be located for the voluntary provision to apply, as outlined below (see Section 2.2.6). The following approach would apply to many foods sold from food service settings such as restaurants and takeaway shops, noting a large proportion of the food sold from these premises would be exempt from the requirement to provide a HSR symbol as they are exempt from the requirement to bear a label with a NIP.

For minimally processed fruit and vegetables eligible for the algorithm override and exempt from the requirement to be labelled with a NIP (packaged or unpackaged), the HSR symbol could be on the label or displayed in connection with the display of the food. There would be no requirement for a NIP to be provided. If, however, the food was subject to the override and to the requirement to be labelled with a NIP, it would also be required to be labelled with a HSR symbol.

For unpackaged foods, if a NIP is displayed in connection with the display of the food, the HSR symbol could be displayed in connection with the display of the food.

For food for retail sale required to bear a label under section 1.2.1—6(1) but not required to be labelled with a NIP under Standard 1.2.8 (e.g. iodised salt, coffee, ice, and meat, poultry and fish that comprise a single ingredient or category of ingredients), except for packaged water as outlined in Section 3.2.3, the HSR symbol could be on the label of the food if the food is labelled with a NIP (including brewed soft drinks).

For food sold in a hamper, the HSR symbol could be on the label or accompanying the food in the hamper if a NIP is provided with the hamper for that food.

2.2.3.3.2 Food for retail sale not required to bear a label

FSANZ has clarified the approach proposed at the 1st CFS, i.e. a HSR symbol could be

voluntarily 'displayed' for food for retail sale not required to bear a label³, as follows:

- if a NIP is displayed in connection with the display of the food, the HSR symbol could be displayed in connection with the display of the food (on a sign for example)
- if the food is labelled with a NIP, the HSR symbol could be on the label or displayed in connection with the display of the food.

Taken together, the HSR symbol may be on the label only if the food is labelled with a NIP, however, it may be displayed in connection with the food if the NIP is displayed in connection with the food or is on the label of the food. For example, for food sold from a bulk bin and packed by the customer in a retail store, the NIP and HSR symbol could be displayed on the bulk bin. For food made and packaged in a bakery, if the NIP is provided on the label attached to that food, the HSR symbol could be provided in connection with the sale of that food, such as on a sign, or on the label attached to the food.

2.2.3.3.3 Brewed soft drinks

At the 1st CFS, FSANZ proposed that brewed soft drinks, as defined in the Code, could voluntarily display a HSR symbol if voluntarily labelled with a NIP. FSANZ proposes to retain this approach.

Brewed soft drinks may contain up to 1.15% ABV as per their definition in Standard 1.1.2⁴ and where they contain 0.5% ABV or more, are exempt from the requirement to be labelled with a NIP under Standard 1.2.8. Allowing these beverages to voluntarily display a HSR symbol where a NIP is provided enables comparisons with other beverages alongside which they are often displayed in retail settings.

The proposed approach would not apply if brewed soft drinks are represented as an alcoholic beverage alternative (see Section 2.3).

For brewed soft drinks with less than 0.5% ABV, a NIP and a HSR symbol would be required.

2.2.3.3.4 Foods sold in small packages

At the 1st CFS, FSANZ proposed that food in small packages, as defined in the Code (<100 cm²), could voluntarily display a HSR symbol if labelled with a NIP. FSANZ proposes to retain this approach. Foods sold in small packages are exempt from the requirement to be labelled with a NIP under Standard 1.2.8. While some submitters suggested the HSR symbol should be required on small packages and could be adjusted to fit, it would still need to be legible and accompanied by a NIP to maintain the principle that the HSR symbol and NIP are provided together. Given the limited label space on small packages, both may be difficult to display legibly.

FSANZ notes comments from some submitters that foods sold in small packages often include snack foods, confectionery and children's lunchbox foods, for which HSR information may be relevant to consumers. However, the above rationale equally applies to these foods.

³ Made and packaged on premises from which it is sold

Packaged in presence of purchaser.

Delivered packaged and ready for consumption, at the express order of the purchaser

Packaged food sold at fundraising event

Packaged food displayed in an assisted service display cabinet.

⁴ 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.

These foods are also commonly sold in larger packages not subject to the small package exemption and would therefore be required to display a HSR symbol.

2.2.4 Advertising

2.2.4.1 Background

At the 1st CFS, FSANZ proposed the HSR would be prohibited in advertising for foods that are prohibited from displaying a HSR symbol. If used in advertising material, the HSR would need to meet the requirements for calculation and design.

2.2.4.2 Submitter comments

A number of submitters supported the proposed approach.

Some submitters suggested the display of the HSR should be mandatory in advertising if it is mandatory on the front of pack (FoP), to align with FoP labelling requirements and prevent selective display of high HSRs in advertising.

There were suggestions that where images of product packaging appear in advertising, the HSR should be visible on the packaging.

2.2.4.3 Discussion

FSANZ has considered submitter comments and is not proposing changes to the approach outlined at the 1st CFS for the use of the HSR symbol in advertising. The HSR would be prohibited in advertising for foods that are prohibited from displaying a HSR symbol under existing provisions in the Code which prohibit information, a design or a representation from being included in advertising if prohibited on a label (section 1.2.1—23 of the Code).

Expanding the HSR requirements to advertising, as suggested by some submitters, would go beyond the current intent and provisions of the voluntary HSR system. Additionally, other labelling information, such as the NIP, ingredient lists and allergens, are not required to be provided in advertising. Requiring the HSR symbol in advertising would therefore be inconsistent with the approach for other labelling requirements in the Code.

2.2.5 Imported and exported food

2.2.5.1 Background

At the 1st CFS, FSANZ proposed that imported food would be required to display a HSR symbol, consistent with other labelling requirements in the Code.

For imported foods that are re-labelled, meaning a new label is placed over incorrect information (i.e. over-sticker), FSANZ proposed the HSR symbol could be included on this new label, along with the other required information. In such cases, it would not be necessary to display the HSR symbol separately on the front of the package.

2.2.5.2 Submitter comments

Most submitters supported applying the HSR to imported foods in the same way as domestically manufactured foods.

Many submitters also commented on the location requirements for the HSR symbol on imported foods. These are discussed in Section 5.2.

For exported foods, some submitters noted that displaying the HSR could be inconsistent with overseas market requirements. They suggested that requiring the HSR symbol could limit the use of multi-market labelling and increase the costs associated with maintaining separate SKUs for different markets.

2.2.5.3 Discussion

FSANZ recognises the trade implications that may arise where domestically produced foods that are also exported to overseas markets display a HSR symbol. However, FSANZ notes that this issue is not unique to the HSR system, as food labels may need to be changed to comply with international labelling requirements for other information such as the NIP.

The proposed approach for over stickering and location of the HSR symbol on imported foods is discussed in Section 5.2.3.2.

2.2.6 Conclusion

Following consideration of submitter comments and for the reasons outlined above, FSANZ proposes to retain the general approach proposed at the 1st CFS, including aligning the HSR and NIP requirements as closely as possible. FSANZ is however, providing some clarification and proposing minor amendment to the proposed approach for the reasons outlined above.

The following approach is proposed for foods for retail sale and a sale of a food that is not a retail sale, if the food is sold as suitable for retail sale without any further processing, packaging or labelling.

A HSR symbol be required on the label of the following foods:

- a food required to bear a label with a NIP, unless expressly prohibited from displaying a HSR, including:
 - foods that do not vary in nutrient composition such as sugar
 - foods required to be labelled with a NIP because a nutrition content or health claim is made
 - formulated supplementary foods except for formulated supplementary foods for young children
 - imported foods
- packaged water that receives an automatic HSR, despite not being required to be labelled with a NIP.

A HSR symbol be prohibited for:

- special purpose foods except for formulated supplementary foods other than formulated supplementary foods for young children
- a beverage containing less than 0.5% alcohol by volume that is represented as a non-alcoholic or low alcohol alternative to an alcoholic beverage or is a brand extension of an alcoholic beverage
- a beverage containing no less than 0.5% alcohol by volume that is not a standardised alcoholic beverage
- a standardised alcoholic beverage
- a food represented as a cocktail mixer with directions for use that include the addition of an alcoholic beverage (such as a spirit)
- a kit intended to be used to produce a standardised alcoholic beverage
- kava

- foods delivered to a vulnerable person by a delivered meal organisation
- food, other than food in a package, provided to a patient in a hospital or medical institution.

A HSR symbol be permitted voluntarily for:

- fruit, vegetables, legumes, fungi and herbs, as defined in the minimally processed fruit and vegetables algorithm override and exempt from the requirement to bear a label with a NIP (packaged or unpackaged) (relevant provisions outlined below would apply if the product is not included in the algorithm override):
 - the HSR symbol may be on the label or displayed in connection with the display of the food, no requirement for a NIP to be provided.
- unpackaged foods:
 - if a NIP is displayed in connection with the display of the food, the HSR symbol may be displayed in connection with the display of the food.
- food for retail sale not required to bear a label⁵ and not required to be labelled with a NIP under Standard 1.2.1:
 - if a NIP is displayed in connection with the display of the food, the HSR symbol may be displayed in connection with the display of the food
 - if the food is labelled with a NIP, the HSR symbol may be on the label or displayed in connection with the display of the food.
- food required to bear a label under section 1.2.1—6(1) but not required to be labelled with a NIP under Standard 1.2.8 except for packaged water as outlined in Section 3.2:
 - the HSR symbol may be on the label of the food if the food is labelled with a NIP (including brewed soft drinks).
- food sold in a hamper:
 - the HSR symbol may be on the label or accompanying the food in the hamper if a NIP as required under Standard 1.2.1 is provided with the hamper for that food.
- food sold in small packages:
 - if the food is labelled with a NIP, the HSR symbol may be on the label.

The HSR would be prohibited in advertising for foods that are prohibited from displaying a HSR symbol. If used in advertising material (for foods not prohibited), the HSR would need to meet the requirements for calculation and design.

For foods sold from vending machines, the applicable provision above would apply subject to the individual food. For example, 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.

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

2.3.1 Background

At the 1st CFS, FSANZ proposed the following would not be permitted to display a HSR symbol under a mandatory system:

⁵ Made and packaged on premises from which it is sold

Packaged in presence of purchaser.

Delivered packaged and ready for consumption, at the express order of the purchaser

Packaged food sold at fundraising event

Packaged food displayed in an assisted service display cabinet.

- beverages that contain less than or equal to 0.5% ABV 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% ABV that are not a standardised alcoholic beverage and not a brewed soft drink
- kits intended to be used to produce standardised alcoholic beverages.

The proposed prohibition responds to the potential for the HSR to promote these beverages over other non-alcoholic beverages. FSANZ did not consider this an appropriate application of the HSR system, given the established association between alcohol consumption and health issues. The proposed approach also aligns with the *Codex Guidelines on Front-of-Pack Nutrition Labelling* which state that FoPL should not be used to promote the consumption of alcohol (Codex Alimentarius Commission 2024) (see section 2.3.6 of SD5 to the 1st CFS).

2.3.2 Submitter comments

Many submitters supported the proposed approach. However, some sought clarification on whether the prohibition on displaying the HSR would apply to cocktail mixes, juice blend products sold as mocktails independent from cocktail brands, and foods containing alcohol such as vanilla extract, brandy cake, liqueur filled chocolate, and Christmas pudding.

Some submitters also raised concerns about the description of non-alcoholic alcohol alternatives, suggesting it may not capture all relevant products. In particular, 'new-to-world' brands represented as alternatives to alcohol that do not have a recognisable alcoholic equivalent may not be captured by the proposed description and therefore not prohibited from displaying a HSR. Submitters noted that while these beverages may not be brand extensions, they may contribute to the reinforcement of alcohol culture.

Submitters also noted that beverages cannot be represented as non-alcoholic if they contain alcohol (subsection 2.7.1—7 of the Code). They therefore questioned whether alcohol alternatives containing more than 0.0% ABV but less than 0.5% ABV would be captured by the description and prohibition.

2.3.3 Discussion

FSANZ has considered the submitter comments and proposes to maintain the approach proposed at the 1st CFS, with some amendments. These include revising the non-alcoholic alcohol alternative description and specifically prohibiting cocktail mixers from displaying a HSR symbol, as outlined below.

2.3.3.1 Non-alcoholic alcohol alternatives description

In the 1st CFS, FSANZ proposed prohibiting the HSR symbol on 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. FSANZ agrees this description may not capture all intended beverages. To address this, FSANZ is proposing to expand the description to include beverages represented as:

- low alcohol alternatives (i.e. greater than 0.0% ABV but less than 0.5% ABV), in addition to non-alcoholic alternatives; and
- non-alcoholic or low alcohol alternatives to alcoholic beverages that are not variants or brand extensions.

The addition of 'low alcohol alternatives' is intended to clarify that beverages containing low levels of alcohol (greater than 0.0% ABV but less than 0.5% ABV) that cannot be represented as 'non-alcoholic' are included in the prohibition.

The expanded description is also intended to capture 'new to world' products represented as non-alcoholic or low alcohol beverages, even if they are not variants or brand extensions of a specific alcoholic beverage. Mocktails are intended to be captured by the description, as they are represented as a non-alcoholic alternative of an alcoholic beverage (cocktail).

FSANZ is additionally proposing to amend the alcohol threshold in this description from 0.5% ABV or less, to less than 0.5% ABV. This change removes the unintended overlap at 0.5% ABV with beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages, which was inadvertently included in the 1st CFS, providing a clearer delineation between the two categories.

2.3.3.2 *Cocktail mixers*

FSANZ proposes to specifically prohibit the HSR symbol on products represented for use as cocktail mixers, such as piña colada and mojito mixers. These products are typically intended to be mixed with alcoholic or non-alcoholic spirits and are represented in a manner closely associated with them. FSANZ therefore considers that displaying a HSR symbol on these products could promote alcohol consumption and would not be appropriate, consistent with the rationale for alcoholic beverages and non-alcoholic alcohol alternatives outlined in Section 2.3.6 of SD5 to the 1st CFS. The proposed prohibition would apply to products specifically represented for use as cocktail mixers, but not to other non-alcoholic beverages that may be used as mixers but are not represented for that purpose, such as soft drinks, juice and milk.

2.3.3.3 *Foods containing alcohol*

FSANZ has considered whether to prohibit the HSR symbol on foods, other than beverages, containing alcohol. Dietary guideline advice to limit alcohol intake relates to drinking alcohol rather than consuming it in foods (Ministry of Health 2020; NHMRC 2013). Given these foods generally contain small amounts of alcohol or are consumed in small quantities, FSANZ does not consider that displaying a HSR symbol would promote alcohol consumption in a manner inconsistent with dietary guideline advice.

A HSR may also assist consumers to compare these foods with similar foods that do not contain alcohol. FSANZ therefore proposes to retain the approach outlined in the 1st CFS and not prohibit the HSR symbol on foods containing alcohol.

2.3.4 *Conclusion*

After consideration of submitter comments and for the reasons outlined above and in Section 2.3.6 of SD5 to the 1st CFS, FSANZ is proposing the following would be prohibited from displaying a HSR symbol:

- a beverage containing less than 0.5% alcohol by volume that is represented as a non-alcoholic or low alcohol alternative to an alcoholic beverage or is a brand extension of an alcoholic beverage
- a beverage, other than a brewed soft drink, containing no less than 0.5% alcohol by volume that is not a standardised alcoholic beverage
- a standardised alcoholic beverage

- a food represented as a cocktail mixer with directions for use that include the addition of an alcoholic beverage (such as a spirit)
- a kit intended to be used to produce a standardised alcoholic beverage.

2.4 Special Purpose Foods

2.4.1 Background

At the 1st CFS, FSANZ proposed a mandatory HSR system would prohibit all special purpose foods (SPF) regulated under Part 2.9 of the Code from displaying a HSR symbol. This includes:

- 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
- Standard 2.9.6 Transitional standard for special purpose foods (including amino acid modified foods) [applies in NZ only]

This was a shift from the voluntary system which allowed a HSR to be displayed on formulated supplementary foods (FSF) (not including formulated supplementary foods for young children (FSFYC)) and formulated meal replacements (FMR). For information on the rationale for this proposed approach see Section 2.2.6.2.1 of SD5 to the 1st CFS.

2.4.2 Submitter comments

2.4.2.1 *Formulated Supplementary Foods*

Most submitter comments on SPF related to FSF and views on the proposed prohibition were mixed.

Many submitters supported FSANZ's proposed approach of prohibiting FSF from displaying a HSR and reiterated the rationale provided by FSANZ in the 1st CFS as the reason for their support. They additionally noted the HSR system was not designed for highly specialised foods and that its use on some high-profile products had attracted significant media and public health scrutiny, potentially impacting consumer confidence in the system.

However, many of the same submitters noted these products are often marketed, positioned and consumed as everyday foods, alongside similar products that are not regulated as FSF. Some raised concerns the proposed approach could create a potential loophole whereby foods could be classified as FSF to avoid HSR requirements, and suggested monitoring would be required to mitigate this risk.

Some submitters supported retaining the HSR on FSF, considering the symbol provides valuable nutrition information, supports product comparison and promotes consistency across the packaged food supply. They expressed concern that removing the HSR could reduce consumer trust in the system, particularly as it has been displayed on these products throughout the voluntary system and, in their view, there is no evidence that this has caused harm.

Submitters also considered excluding FSF from the HSR system could create gaps in HSR coverage on supermarket shelves, make product comparisons more difficult and reduce incentives for manufacturers to maintain nutritional quality. They noted FSF have minimal composition and labelling requirements compared with other SPF and considered the role of

HSR on these products to be providing information about nutritional value, rather than encouraging broader consumption.

Many submitters recommended clearly communicating the rationale for the proposed approach. A few suggested allowing continued voluntary display of the HSR on specific FSF that already display one under the voluntary system.

2.4.2.2 Other special purpose foods

Some submitters raised concerns about the proposed prohibition on displaying the HSR on Formulated Supplementary Sports Foods (FSSF). They considered there could be potential for products to be formulated as FSSF to avoid HSR requirements, reducing consumers' ability to use the system as intended. Some also suggested a HSR symbol should be permitted on FSSF to aid comparisons between general purpose foods that serve a similar purpose, such as a sports bar compared with a protein bar.

Submitters also sought clarity on whether the proposed prohibition would apply to general-purpose foods containing SPF as ingredients.

Many submitters supported prohibiting formulated meal replacements (FMR), infant formula products and foods for infants from displaying a HSR.

2.4.3 Discussion

2.4.3.1 Formulated Supplementary Foods

FSANZ has considered submitter comments regarding the treatment of FSF (as regulated in Division 3 of Standard 2.9.3) under the HSR system and proposes to amend the approach outlined in the 1st CFS. Under the revised approach, FSF (not including FSFYC) would be required to display a HSR symbol. As noted by submitters, FSF are often marketed and positioned alongside similar general-purpose foods that consumers may compare when making purchasing decisions. They have also historically been eligible to display a HSR symbol under the voluntary system, with approximately 70% (59 of 86 products) of FSF in the BFD currently displaying one. Prohibiting the HSR on FSF under a mandatory system would therefore remove FoP nutrition information currently available on many of these products and reduce the consistent availability of HSR information across similar foods. Concern has also been raised that excluding FSF from the HSR system could reduce consumers' ability to compare products and may create incentives to reclassify products as FSF to avoid HSR requirements.

FSANZ considers that maintaining HSR information on FSF would better support consumers to compare the nutritional value of similar foods and make informed food choices. Consumers may also be unaware of the regulatory distinction between FSF and general-purpose foods and may not understand why a HSR previously displayed on a product had been removed. This may also diminish consumer confidence in the consistency and trust of the HSR system. Requiring a HSR symbol on FSF would therefore support the intended role of the HSR system and align with the principles set out in the 2009 Front-of-Pack Labelling Policy Statement and the Ministerial Policy Guideline on food labelling to support consumers to make informed healthy choices.

FSANZ acknowledges that FSF are regulated as special purpose foods under Part 2.9 of the Code and that this approach differs from that proposed for other special purpose foods. However, FSANZ considers that the benefits of maintaining HSR information on FSF to support product comparison and informed consumer choice outweigh the rationale for prohibiting its display.

2.4.3.2 Other Special Purpose Foods

FSANZ has considered submitter comments and proposes to retain the approach outlined in the 1st CFS for infant formula products, FMR, FSFYC, FSSF and foods for infants.

While FMR have historically been eligible to display a HSR symbol under the voluntary system, uptake has been limited with only 25% (4 of 16 products) of FMR in the BFD currently displaying a HSR symbol. FSANZ considers the rationale for requiring a HSR symbol on FSF does not apply in the same way to FMR. FMR are specifically formulated and represented as a replacement for one or more meals of the day and are not typically positioned alongside comparable general foods where a HSR symbol would support like-for-like product comparisons. Further, prohibiting HSR on FMR would also not result in a loss of FoP nutrition information from most of these products. FSANZ therefore proposes to retain the approach as proposed at the 1st CFS to prohibit the display of a HSR symbol on FMR.

FSANZ also proposes to retain the prohibition on displaying a HSR symbol on FSSF. Unlike FSF, FSSF have not been eligible to display a HSR symbol under the voluntary system. The proposed approach would not therefore remove HSR information currently available to consumers.

2.4.4 Conclusion

Having considered submitter feedback and available evidence, FSANZ proposes to retain the approach outlined in the 1st CFS to prohibit HSR symbols on all SPF regulated under Part 2.9 of the Code, except for FSF, not including FSFYC. FSANZ considers a different approach is warranted for FSF, given the benefits of maintaining HSR information to support product comparison and informed consumer choice. FSANZ proposes that FSF regulated under Division 3 of Standard 2.9.3, would be required to display a HSR symbol, while other SPF (including FSFYC) would be prohibited from displaying the HSR symbol.

3 HSR algorithm

3.1 Calculating the HSR

3.1.1 Background

At the 1st CFS, FSANZ proposed retaining the algorithm used for the voluntary system, with some minor amendments to more closely align and incorporate the HSR algorithm into the Code's statutory framework and to make the system easier to implement and enforce. This included:

- changing the calcium criteria for Category 1D dairy beverages from 80 mg per serving to ≥ 100 mg/100 mL calcium
- removing the protein criteria for Categories 1D and 3D
- moving fermented milk beverages and yoghurt beverages from Category 1D to Category 2D
- calculating the HSR for foods intended to be drained of any liquid on an 'as drained' bases instead of an 'as sold' basis
- calculating the HSR for cheese and crackers using a weighted average formula
- removing concentrated FVNL from the system, with all FVNL content considered non-concentrated FVNL.

For further information on the proposed calculation method, see Attachment C of the 1st CFS.

3.1.2 Submitter comments

Submitter views on the HSR algorithm were mixed.

Submitters who supported the HSR algorithm considered it to be broadly fit for purpose and generally aligned with dietary guidance. They viewed it as a simple, consistent, and accessible tool that translates complex nutrition information into an easy-to-understand rating, helping consumers compare similar packaged foods and make healthier choices. Submitters also noted evidence that FoPL systems such as the HSR system can support healthier dietary patterns, encourage reformulation and contribute to improved health outcomes.

Submitters who did not support the HSR algorithm argued that it is structurally flawed and potentially misleading because it reduces complex nutritional information to a single nutrient-based score. They considered the algorithm does not adequately account for factors such as ingredient quality, food matrix effects, nutrient bioavailability, level of processing, dietary patterns, or the broader role of foods in the diet. Other concerns included perceived misalignment with dietary guidelines, counterintuitive ratings for some core and discretionary foods, the potential for reformulation to artificially increase ratings, and concerns about the complexity of the system, consumer understanding and trust. Some submitters considered a different FoPL tool would be more effective.

While some submitters preferred the current HSR algorithm be retained, or with only minor changes, to minimise implementation costs and enable timely transition to a mandatory scheme, most submitters identified opportunities to improve the algorithm. Key areas raised included:

- improving alignment with dietary guidelines to better distinguish between core and discretionary foods, and reduce opportunity for health halo effects and counterintuitive ratings
- reviewing the categorisation of certain products, such as ice confectionery and other food categories where classification may affect rating outcomes
- reassessing how the algorithm treats specific product categories, including cheese, juice, minimally processed single-ingredient foods (such as olive oil, nuts, meat, seafood, eggs and honey), sweeteners, plant-based alternatives, condiments, and meal bases
- considering how the level of processing could be incorporated into the algorithm
- strengthening the treatment of nutrients of concern, such as sugars (particularly added sugars), saturated fat, sodium and energy
- reviewing the treatment of non-sugar sweeteners
- reassessing how the positive components, (protein, fibre and fruit, vegetable, nut and legume (FVNL)), are treated within the algorithm
- considering whether additional positive components, such as unsaturated fats, wholegrains, vitamins, and minerals should be incorporated into the algorithm
- reviewing the basis for the calculation, including whether greater consideration should be given to how foods are consumed in practice (for example, as sold, as prepared, drained or intended to be consumed) and the appropriateness of using a per 100 g/100 mL basis for foods consumed in small amounts.

Submitters held differing views on when these issues should be addressed. Some considered a comprehensive review of the HSR algorithm should be undertaken before the system is mandated, while others supported proceeding with mandatory implementation and addressing identified issues through future reviews.

If the system is mandated, many submitters also sought a commitment to a clear, transparent and evidence-based governance framework for managing technical anomalies and future algorithm updates. Submitters also emphasised the importance of ongoing monitoring and evaluation to assess the performance of the system and inform future improvements.

3.1.3 Discussion

A comprehensive review of the HSR algorithm was undertaken as part of the 5-year review of the HSR system between 2017-19. This included investigating a broad range of stakeholder concerns such as which foods should use the algorithm, the appropriateness of the HSR categories and ratings, which components should and should not be part of the algorithm, and how these components should be treated within the algorithm. Despite many issues being investigated, only a small number of updates were implemented to better align HSRs with dietary guidelines, reflect emerging evidence, address stakeholder concerns and encourage positive reformulation. The review also noted that the algorithm is designed to assess foods using a consistent nutrient-based approach. The components included in the algorithm reflect those highlighted in dietary guidelines that consumers are encouraged to limit or consume more of. It cannot account for all factors that may contribute to a food's health benefits. For further information see Health Star Rating 5 Year Review Report⁶.

A full review of the algorithm was not undertaken as part of this proposal. Therefore, changes to the types of components used in the algorithm, baseline and modifying points tables and the methodology for converting the final HSR score into star ratings were not considered. These aspects would be more appropriately considered as part of a holistic review of the algorithm. This leaves limited opportunities to modify the HSR algorithm in response to improvements suggested by submitters. However, FSANZ is proposing some changes to the application of the HSR system and the category definitions as part of the 2nd CFS to more closely align and incorporate the HSR algorithm into the Code's statutory framework and to make the system easier to implement and enforce. FSANZ is also seeking comments on whether rescaling Category 3D should be further considered as part of P1067, noting the approach investigated retains the existing intent, structure, components and methodology of the HSR algorithm without affecting ratings for other food categories (see Section 3.7).

Modelling undertaken for the 2nd CFS indicates the HSR algorithm is generally well aligned with the ADG, with an overall alignment of 79%. Alignment was higher for core foods (85%) than for discretionary foods (74%). However, FSANZ considers the actual level of misalignment is likely to be lower than the modelling suggests. This is because the HSR system and dietary guidelines are designed for different purposes and the core and discretionary food flags used in the modelling were not specifically developed to assess alignment between the two.

FSANZ supports reviewing the algorithm once the ADG review has been completed. Undertaking a holistic review after the ADG review would help ensure the algorithm reflects the latest dietary guidance and provides an opportunity to consider issues raised by submitters and areas where misalignment may occur.

3.1.4 Conclusion

After consideration of submissions, FSANZ is proposing an amended approach to the 1st CFS with some changes to the application of the HSR system and the category definitions, as outlined in the sections below. A HSR would be determined using the algorithm as set out at Appendix 1 of SD1.

⁶ [Health Star Rating system reviews | Health Star Rating System](#)

3.2 Algorithm overrides

3.2.1 Background

At the 1st CFS, FSANZ proposed a mandatory HSR system would have 3 algorithm overrides allowing certain foods to have an automatic HSR without the need to calculate the HSR using the algorithm. The proposed algorithm overrides were:

- plain packaged water and carbonated water (5 stars). No additives permitted except carbon dioxide for sparkling 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). These foods could contain food additives permitted to be used in fruits and vegetables, taking into account the type of processing.

No other algorithm overrides were proposed.

This was to maintain alignment with the voluntary system and to ensure these products receive ratings that appropriately reflect their healthfulness and role within a healthy diet. For further information see Section 3.5.6 of SD5 to the 1st CFS.

3.2.2 Submitter comments

Submitter views on the proposed overrides were mixed. Many submitters supported one or more of the proposed overrides, describing them as practical, sensible and consistent with dietary guidelines, but noted they should be used sparingly. Others supported the approach in principle, subject to conditions such as stronger supporting evidence, closer alignment with current nutrition science, or extension to additional food categories.

Conversely, other submitters suggested the need for overrides indicates fundamental limitations of the underlying algorithm and that the algorithm should instead be redesigned. Concerns were also raised the proposed overrides may increase costs, create inconsistencies by favouring some core or minimally processed foods over others, and encourage product development strategies focussed on meeting override thresholds rather than achieving genuine nutritional improvement.

Submitters primarily sought greater clarity on the scope and application of the proposed overrides, including eligible products, definitions and eligibility criteria. Specific issues raised included whether fluoride-containing waters would remain eligible for the 5-star override; whether edible ice would qualify for the water override; the treatment of sodium-containing additives in unsweetened water-based flavoured beverages; and what constitutes 'minimally processed' fruit and vegetables, including the level of processing that would render products ineligible.

Submitters emphasised the need for overrides to align with dietary guidelines and existing Code provisions and to be supported by clear regulatory classifications and implementation requirements to support industry compliance and enforcement.

Submitters also emphasised the importance of applying clear, consistent and evidence-based principles to any future overrides. Additional foods identified for potential overrides included single-ingredient and minimally processed dairy products and plant foods, eggs,

nuts, seafood, honey, wholegrain products, selected meats such as beef and lamb and extra virgin olive oil. Submitters generally identified these foods as examples where the resulting HSR did not adequately reflect the foods nutritional value. Other submitters advocated for more fundamental changes, including negative overrides or warning statements for foods of concern.

3.2.3 Discussion

FSANZ has considered submitter comments and is proposing to retain the existing algorithm overrides for packaged water, unsweetened water-based flavoured beverages, and fresh and minimally processed fruits, vegetables, legumes and fungi. No additional algorithm overrides are proposed. This will help maintain alignment with dietary guideline recommendations by ensuring these foods receive HSRs that accurately reflect their role as healthier choices consumers are encouraged to consume.

3.2.3.1 Plain packaged water and carbonated water

FSANZ considers the algorithm override necessary to ensure these products receive ratings that appropriately reflect their role within healthy dietary patterns which cannot be achieved using the HSR algorithm as water does not contain any nutritive components considered by the algorithm. This maintains the intent of the current system by distinguishing water as the healthiest beverage choice as recommended in dietary guidelines.

The proposed override would apply to products captured by Division 2 of Standard 2.6.2 of the Code, including packaged waters containing up to 1.0 mg/L fluoride, whether naturally occurring or added.

FSANZ does not propose extending the override to edible ice. While ice is nutritionally similar to plain packaged water, FSANZ considers that displaying a HSR on ice is unlikely to provide meaningful benefit to consumers. Ice is generally not compared with other foods or beverages when making purchasing decisions and is not specifically encouraged in dietary guidelines.

3.2.3.2 Unsweetened water-based flavoured beverages

Like plain packaged water, FSANZ considers the algorithm override necessary to ensure these products receive ratings that appropriately reflect their role within healthy dietary patterns, which cannot be achieved using the HSR algorithm. This maintains the intent of the current system by distinguishing unsweetened flavoured water as the next healthiest beverage after plain water.

FSANZ proposes to retain the list of food additives that are not permitted in unsweetened water-based flavoured beverages eligible for this override. Food additives that contribute sodium would not be permitted, as the intent is to limit eligibility for the override to products whose composition remains closely aligned to water. Mineral salts that do not contain sodium would be permitted.

3.2.3.3 Fresh and minimally processed fruit, vegetables, fungi and legumes

FSANZ considers the algorithm override necessary to support the consistent treatment of these foods within the HSR system, align with dietary guideline recommendations and reinforce public health messaging encouraging their consumption. The proposed approach retains the intent of the existing override while providing greater clarity regarding which foods are eligible, permitted processing methods and ingredients that would make a food ineligible. FSANZ also proposes to extend the override to fresh and minimally processed herbs, given

their similarity to the other foods eligible for the override.

FSANZ is proposing that to be eligible for the algorithm override, a food could only comprise fruit, vegetables, fungi, legumes and/or herbs, with or without added water and permitted food additives except for intense sweeteners and those containing sodium. This would prohibit any foods eligible for the override having added salt, sugar, sweeteners or fats, for example canned tomatoes with added salt.

In response to requests for clarity on the meaning of 'minimally processed', FSANZ proposes this is limited to canning or other forms of hermetic sealing (including associated cooking), freezing, blanching, peeling, cutting and surface treating. Foods subject to more extensive processing methods such as drying (including dried legumes and fruit), pulping or pureeing would not be eligible for the algorithm override. This approach is consistent with the intended application of the algorithm override for these foods under the voluntary HSR system.

FSANZ intends to permit the use of food additives listed in Schedule 15 under classes 4.1 and 4.2 for this override, according to the type of minimal processing the food has undergone. For example, an apple that is surface treated with carnauba wax would be eligible for the override. However, FSANZ is proposing that additives containing sodium or intense sweeteners would not be permitted. This approach will ensure minimal variation from the nutritional quality and value of fresh fruit and vegetables and maintains alignment with the intent of minimally processed.

3.2.3.4 Additional algorithm overrides

FSANZ is not proposing additional algorithm overrides for other core foods, as suggested by some submitters (see Section 3.2.2). FSANZ considers the current HSR algorithm appropriately supports dietary guideline recommendations for these foods. Many of these foods already receive high HSRs and the algorithm enables differentiation between similar foods based on nutrient composition, such as identifying healthier options lower in saturated fat or sodium.

Unlike fruits and vegetables, many of the foods suggested for additional overrides vary in nutrient composition and energy density. Maintaining differentiation between similar foods supports the system's role and is important for supporting informed consumer choice.

Consistent with the findings of the 5-year review, FSANZ considers algorithm overrides should be used sparingly and only where necessary to ensure alignment with dietary guidelines, while maintaining the HSR system's ability to differentiate between products and support healthier choices.

3.2.4 Conclusion

After consideration of submitter comments and for the reasons outlined above and in Section 3.5.6 of SD5 to the 1st CFS, FSANZ is proposing algorithm overrides for the following:

- plain packaged water and carbonated water (5 stars). Cannot contain any ingredients other than carbon dioxide and fluoride.
- unsweetened water-based flavoured beverages (4.5 stars). Must not contain any ingredient other than water and food additives or processing aids permitted to be used in water based flavoured beverages⁷ except for the following substances:
 - caffeine
 - colours

⁷ Water-based flavoured drinks for the purposes of Schedules 15 and 18.

- intense sweeteners
- quinine
- a substance containing sodium.
- fresh and minimally processed fruit (excluding coconut), vegetables, fungi, legumes (except peanuts) and herbs (except stevia) (5 stars). These foods could contain water and processing aids and food additives permitted to be used in unprocessed fruits and vegetables, excluding food additives containing sodium and intense sweeteners.

3.3 Algorithm categories

3.3.1 Background

At the 1st CFS, FSANZ proposed to retain six categories for the purposes of the HSR algorithm in the mandatory HSR system, with categories 1, 2 and 3 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

and categories 1D, 2D and 3D, specifically designed to account for the composition of dairy and dairy alternative/analogue foods, 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 category 1D or 3D
- Category 3D: Cheese and processed cheese, and cheese analogues derived from legumes

Some names of the categories were altered to provide clarity.

FSANZ further specified for only the dairy categories that:

- a food could consist of a mix of different foods (e.g. dairy and soy milk) within a particular category and remain in that category
- references to protein requirements were removed for Categories 1D and 3D
- dairy alternative foods would be referred to as dairy analogues
- kefir and other fermented milk beverages would be in Category 2D
- foods would be required to be at least 75% dairy or dairy analogue ingredients/foods as defined in the Code and calculated using the appropriate method in Standard 1.2.10 of the Code to qualify within a dairy category
- permitted dairy analogue ingredients would not be listed but would comprise part of the dairy alternative food itself, and
- the following criteria would apply:
 - to be categorised within Category 1D, calcium content would need to be ≥ 100 mg/100 mL or 100 g
 - to be categorised within 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 ≤ 320 mg/100 g calcium to not be in Category 3D)
 - to be categorised within Category 3D, cheese or processed cheese and cheese analogues derived from legumes, would need to contain > 320 mg/100 g calcium.

The different categories allow for different components, thresholds, points tables and scaling for each category to be used in the algorithm to achieve better differentiation between foods and better alignment with dietary guidelines. For further information see Section 3.1 of SD5 to the 1st CFS.

FSANZ sought views on the approach for accounting for milk powder in foods in the dairy categories, including how to address reconstitution and the application of the 75% rule.

3.3.2 Submitter comments

Submitter views on the proposed category names and categorisation approach were mixed. However, an overarching theme was the need for clarity, with submitters noting confusion between the categories used in the algorithm to calculate a food's HSR and those used by consumers to compare foods.

Submitters who supported the proposed approach considered retaining the six HSR categories would provide a structured framework that appropriately reflects the differences between food types and provides continuity with the existing HSR system. While many submitters agreed with the overall approach, they also emphasised the need for clearer definitions, guidance materials, consumer education, as well as future review and evaluation of the HSR categories.

Submitters who did not support the proposed categorisation approach considered the categories were too broad and overly complex, not well understood by consumers and do not adequately distinguish minimally processed from highly processed foods.

Many submitters sought clarification on the implementation, scope and practical implications including category boundaries, inclusions and product classification in relation to ice confectionery, fermented milk beverages, dairy and dairy analogue definitions and eligibility, and application of the 75% rule for dairy foods.

Several submitters opposed the proposed calcium criteria for Category 1D noting it would exclude some predominantly dairy-based beverages unless they were fortified and requested separate categories for dairy and dairy analogues, arguing these foods are not compositionally similar. Submitters also sought clarity on the rationale for re-categorising fermented milk beverages from Category 1D to Category 2D, considering all beverages should be kept within the same HSR category.

Some submitters did not support the proposed approach for removing the protein requirements for Categories 1D and 3D suggesting it should be retained for transparency and clarity on eligibility for dairy analogue products. While others supported removal, considering the requirements redundant and noting protein deficiency is generally not a concern.

Submitters generally supported counting genuine dairy ingredients, including milk solids, towards the 75% dairy threshold, but sought greater clarity on the treatment of milk-derived fractions and the approach to reconstitution. While many submitters considered a prescribed reconstitution ratio to be impractical and supported not specifying one, others were concerned this could allow highly diluted products to qualify. These submitters suggested alternative safeguards, such as minimum milk-solids requirements or composition-based criteria. Several submitters also noted manufacturers should be able to substantiate how products meet the 75% threshold, including any assumptions used when determining the reconstitution of milk powder.

3.3.3 Discussion

FSANZ has considered submitter comments and is proposing to retain the six categories outlined in the 1st CFS, with some amendments to their names and criteria and further clarification of their intent and boundaries.

3.3.3.1 Clarification for the intent of the algorithm categories

As noted above, the HSR categories support the operation of the HSR algorithm by allowing different components, thresholds, points tables and scaling to be used in the algorithm for each category to improve differentiation between foods and alignment with dietary guidelines. They are not intended to be used by consumers, or to define what foods should be compared. Foods within the same HSR category may not be similar for comparison purposes. For example, breakfast cereals and peanut butter are both HSR Category 2 foods, but their HSRs should not be compared with one another. Foods should only be compared to similar foods. Consumers therefore do not need to know a food's HSR category to use the HSR system as intended.

3.3.3.2 Category boundaries and inclusions

3.3.3.2.1 Ice confectionery

FSANZ continues to propose the inclusion of ice confectionery in Category 1 rather than Category 2 due to their composition and characteristics being similar to beverages and for the reasons outlined in Section 3.1.3.3 of SD5 to the 1st CFS. The proposed draft variation (Attachment A to the CFS) refers to ice confectionery as ice confections and clarifies that ice confections intended to be captured in Category 1 includes water-based ice confections, frozen juice products, and frozen fruit- or fruit puree-based ice confections. It excludes frozen products containing any dairy-derived or dairy alternative ingredients, including coconut milk which would be captured within Category 2.

3.3.3.2.2 Fermented milk beverages

While these products share characteristics with other fermented dairy foods in Category 2D such as yoghurt, after considering submitter comments FSANZ does not think it is necessary for all fermented milk products to be grouped together and proposes to align with the voluntary system. Therefore, FSANZ proposes that fermented milk and yoghurt beverages are in Category 1D. This change from the proposed approach in the 1st CFS reverts the HSRs of the 9 previously impacted products back to their original ratings under the voluntary system, which would not affect alignment with dietary guidelines.

FSANZ considers it unnecessary to define 'beverages' for the purposes of the HSR system. Consistent with the broader application of the Code, the regulatory distinction between beverages and other foods is based on a product's nature, its intended method of consumption, and common understanding of the term beverage.

3.3.3.2.3 Permitted derivatives for dairy analogues

As noted in Section 3.1.4.5 of SD5 to the 1st CFS, the types of foods proposed to be considered 'dairy alternatives' align with those that are permitted to be fortified in accordance with Schedule 17 of the Code. Dairy dessert, yoghurt and cheese analogues are currently only permitted to be fortified if they are derived from legumes. As a result, consideration of their nutritional adequacy relative to dairy foods is limited to products derived from legumes only.

Dairy dessert, yoghurt and cheese analogues derived from cereals or nuts remain in Category 2. This approach could be reconsidered if an application is made to permit the fortification of dairy dessert and yoghurt analogues and/or cheese analogues derived from cereals or nuts and subject to the outcome of the assessment.

3.3.3.3 Calcium criteria

At the 1st CFS, FSANZ proposed changing the calcium requirement for milk and milk-based beverages from ≥ 80 mg calcium per serving (as per the voluntary HSR system) to ≥ 100 mg calcium per 100 mL. This reflected the criterion applied to dairy alternatives, which is based on the ADG and NZEAG. Under these guidelines, dairy substitute beverages are generally only considered appropriate substitutes if they contain at least 100 mg calcium per 100 mL.

FSANZ has considered the limitations of this approach raised by submitters and has concluded that a ≥ 75 mg/100 mL threshold (75% of the proposed calcium criterion) represents a more proportionate approach. This threshold accounts for the 75% rule, avoids unnecessary fortification of foods with naturally occurring calcium, reduces unintended category changes for genuine dairy beverages, and still provides a meaningful safeguard where reconstitution ratios are not prescribed.

Continuing to apply a calcium criterion for dairy beverages is important from a public health perspective, given their contribution to dietary calcium intake and the importance of calcium for bone and dental health. Naturally occurring calcium provides a useful marker of dairy content and a safeguard for eligibility for the dairy category.

FSANZ proposes to retain the ≥ 100 mg calcium per 100 mL/100 g criterion for dairy analogue beverages as this aligns with dietary guidelines.

FSANZ considers that a calcium criterion is not appropriate for Category 2D. Foods within this category vary in their naturally occurring calcium content, making it difficult to establish any meaningful threshold without unintentionally excluding dairy foods that are inherently lower in calcium, such as cream.

3.3.3.4 75% rule for dairy categories

Clarification was sought on the treatment of dairy-derived ingredients for the purposes of the 75% dairy requirement in the dairy categories.

In the 1st CFS, it was proposed that only whole dairy foods, beverages and their analogues, could count towards the 75% requirement for Categories 1D, 2D and 3D. The distinction of what is permitted and what is not lies between ingredients that are a recognised dairy food, and ingredients that are merely derived from dairy. Ingredients that contribute to the composition of a dairy food defined in the Code may contribute towards the 75% dairy requirement. However, dairy-derived fractions or isolates that are added independently, such as casein, do not qualify simply because they originate from milk.

The relevant consideration is whether the ingredient contributes to the composition of a defined dairy food (refer to Standards 2.5.1-2.5.4 and 2.5.7) or is made up of a defined dairy food, rather than whether it is dairy-derived. Milk solids defined in Standard 4.2.4 are not considered to contribute to total dairy when added to foods in isolation, for example as milk solids, whey or casein in a snack bar, or whey or casein added to milk to position the product as a protein beverage. Conversely, when milk solids are used as an ingredient of a recognised dairy food the entire product (which includes the milk solids) would contribute to total dairy content. For example, reconstituted milk or ricotta cheese made from milk solids and water, and yoghurt using whey or casein as an ingredient would count towards the 75%

requirement. However, a reconstituted protein powder made from >75% whey powder would not be permitted within the dairy categories.

FSANZ proposes to retain the approach outlined in the 1st CFS for determining permitted dairy analogue ingredients for the purposes of the 75% rule (see 3.1.4.5.1 of SD5 to the 1st CFS). That is, that the dairy analogue itself can contribute to the 75%, for example, soy milk comprised of soybeans, water and permitted food additives would be counted towards the 75%.

A dairy food from any category would also be considered a dairy ingredient for the purposes of the 75% rule, irrespective of the final category that the products lands in, e.g. yoghurt (Category 2D) as an ingredient in a dairy beverage (Category 1D) would contribute to total dairy content for the beverage. Additionally, both dairy analogue and dairy components combined could count towards the 75% of a beverage e.g. a soy and dairy milk beverage or a soy and dairy yoghurt.

3.3.3.5 *Treatment of milk and dairy analogue powders*

Based on FSANZ's initial assessment and information on current market practices provided in response to the 1st CFS, FSANZ considers it is unnecessary to specify the powder to water reconstitution ratio for milk/dairy analogue powders or products containing milk/dairy analogue powders. This approach is consistent with the approach under the voluntary HSR system and is less likely to unintentionally exclude dairy-based products where the original milk-to-water ratio is hard to determine. FSANZ considers other options considered in the 1st CFS would be more difficult to implement and enforce.

In accordance with the proposed requirement for the form of the food for the purposes of the algorithm (see Section 3.4), if the food is labelled with directions for reconstitution with water, the calculation should be based on the food after reconstitution according to those directions.

The calcium requirements in Category 1D and 3D will prevent highly diluted dairy/dairy analogue ingredients from being added to qualifying foods.

3.3.3.6 *Protein Requirements*

Protein requirements for dairy analogues were originally in place in the voluntary HSR system for all dairy categories, in line with Schedule 17. FSANZ initially considered the protein requirements unnecessary for Category 1D and 3D because, as per Schedule 17, dairy beverage and cheese analogues must have certain protein levels to be permitted to be fortified with calcium and they were therefore considered redundant. However, it has been noted that there are industry practices where the calcium requirement can be met from the use of certain food additives, not just through fortification under Schedule 17. For these reasons, FSANZ considers the protein requirements consistent with those in Schedule 17 should be included as part of the dairy analogue eligibility requirements for all dairy categories. This approach would better safeguard the dairy categories, ensuring that dairy analogues are also providing equivalent levels of protein to dairy milk, not just calcium.

3.3.3.7 *Category Names*

FSANZ proposes to update some of the HSR Category names to provide clarity based on submitter comments and to better reflect the foods included in each category. The revised category names are listed in the conclusion below.

3.3.4 Conclusion

After consideration of submitter comments and for the reasons outlined above and, in Section 3.1 of SD5 to the 1st CFS, FSANZ is proposing to retain the 6 categories in the mandatory HSR system, with categories 1, 2 and 3 identified as:

- Category 1: Beverages not captured in Category 1D, jelly and ice confections
- Category 2: Foods that are not captured by other categories
- Category 3: Fats, edible oils and/or edible oil spread.

Categories 1D, 2D and 3D, specifically designed to account for the composition of dairy and dairy analogue foods, are identified as:

- Category 1D: A beverage containing milk, a dairy food from category 2D, and/or dairy analogues derived from legumes, cereals, nuts, and/or seeds
- Category 2D: Non-frozen dairy foods and/or dairy analogues derived from legumes, not captured in Category 1D or 3D
- Category 3D: Cheese, processed cheese, and/or analogues of cheese derived from legumes.

A food that consists of a mix of different foods (e.g. dairy and soy milk), all of which are within the same health star rating food category, is itself a food within that HSR food category.

In addition, for categories 1D, 2D and 3D only:

- dairy alternative foods are referred to as dairy analogues
- Category 1D is intended to capture all dairy based beverages, including fermented yoghurt beverages
- foods would be required to be at least 75% dairy and/or dairy analogue ingredients/foods as applicable to the category to qualify within Category 1D, 2D or 3D
- a dairy food from any of these categories would be considered a dairy ingredient for the purposes of the 75% rule, irrespective of the product's category
- the following calcium and protein criteria would apply:

	Proposed calcium criteria for foods other than dairy analogues	Proposed calcium and protein criteria for dairy analogues
Category 1D	≥75 mg/100 mL or 100 g calcium	<p>≥100 mg/100 mL or 100 g calcium.</p> <p>Legume-derived dairy analogue: ≥3% m/m protein derived from legumes.</p> <p>Dairy analogues derived from seeds, nuts and/or cereals that contain: ≥0.3% m/m protein derived from seeds, nuts and/or cereals.</p>
Category 2D	N/A	<p>Yoghurt analogues and dairy dessert analogues derived from legumes: ≥3.1% m/m protein derived from legumes.</p> <p>Cheese analogues derived from legumes: ≥15% m/m protein derived from legumes (and contain <320 mg/100 g calcium to not be in Category 3D).</p>

	Proposed calcium criteria for foods other than dairy analogues	Proposed calcium and protein criteria for dairy analogues
Category 3D	≥320 mg/100 g calcium	Cheese analogues derived from legumes: ≥15% m/m protein derived from legumes. ≥320 mg/100 g calcium.

3.4 Form of the food

3.4.1 Background

At the 1st CFS, FSANZ proposed a HSR would be calculated on:

- a reconstituted basis for foods intended to be reconstituted with water before consumption
- a drained basis for foods intended to be drained before consumption
- an ‘as sold’ basis for all other foods not intended to be reconstituted or drained before consumption.

This was to align, where appropriate, with the nutrition information provided in the NIP to enable consumers to compare similar foods on a consistent basis and to support implementation and enforcement.

FSANZ also proposed requiring wording to clearly indicate when the HSR was calculated on a drained or reconstituted basis together with the HSR symbol. This was intended to increase transparency and assist consumers to understand the basis on which the HSR had been determined.

In addition, FSANZ proposed FVNL content and the percentage of dairy or dairy analogue ingredients used to determine compliance with the 75% dairy rule would be calculated using the applicable methods in Standard 1.2.10. This approach was intended to promote consistency with other Code requirements and avoid situations where different percentages would need to be determined for the same food for different regulatory purposes.

See Section 3.3.6 of SD5 to the 1st CFS for more information.

3.4.2 Submitter comments

Many submitters supported the proposed approach noting they align with the NIP requirements and would provide greater clarity and transparency for consumers.

Some submitters requested that terminology for identifying foods intended to be drained or reconstituted before consumption align with terminology used in the Code, including sections 1.2.8—11 and 1.2.8—12.

Some submitters did not support the proposed approach for foods requiring preparation with other ingredients, particularly for recipe bases. They considered calculating the HSR on an ‘as sold’ basis does not reflect the nutrient profile of the food as consumed and recommended calculation on an ‘as prepared’ basis. Some submitters also suggested accompanying statements such as ‘serve with...’ or ‘meal component’ to support consumer understanding. Conversely, other submitters supported the proposed approach, noting it would facilitate product comparisons at the point of sale.

Views were mixed on whether including additional wording should accompany the HSR symbol to indicate the form of the food on which the HSR is based for foods intended to be reconstituted or drained. Some submitters supported the approach, noting it would improve clarity and consistency for consumers. Others raised concerns about limited label space, additional implementation costs and duplication of information already provided in the NIP and questioned whether the wording would improve consumer understanding. Some submitters requested flexibility in how the information is presented, including plain language or an asterisk linking the HSR symbol to the NIP.

Some industry submitters also raised concerns about calculating FVNL percentage in accordance with Standard 1.2.10 for foods intended to be drained. They noted that ingredient percentages are calculated based on the food as sold, while the NIP values are based on the food when drained. This creates inconsistencies between the label information and the HSR and could result in lower HSRs for some canned vegetables, beans and legumes products than if ratings were calculated on a drained basis.

3.4.3 Discussion

FSANZ has considered submitter comments and proposes to retain the general approach outlined in the 1st CFS for determining the form of the food on which the HSR is calculated, with some amendments and clarifications.

3.4.3.1 Foods intended to be prepared or consumed with at least one other food

For foods intended to be prepared or consumed with at least one other food, FSANZ is proposing to retain the approach set out in the 1st CFS. While calculating the HSR for these foods on an 'as sold' basis may not reflect the nutritional profile of the food as consumed, FSANZ considers it provides the clearest and most consistent basis for comparison at the point of purchase. Further rationale for this approach is outlined in Section 3.3.6.3 of SD5 to the 1st CFS.

3.4.3.2 Foods intended to be drained or reconstituted before consumption

FSANZ proposes to retain the approach of calculating the HSR on a drained or reconstituted basis, where the label indicates the food should be drained or reconstituted before consumption, and the NIP includes nutrient information for these forms of food. This approach will ensure alignment between the HSR calculation and NIP requirements.

For the reasons outlined in Section 3.3.6.1 of SD5 to the 1st CFS, FSANZ also proposes to retain the requirement for wording indicating the form of the food on which the HSR is based. FSANZ is not proposing to prescribe the exact wording that must accompany the HSR symbol for these foods, allowing businesses flexibility with how this information can be communicated. While some submitters noted this approach may duplicate wording already required in the NIP under sections 1.2.8—11 and 1.2.8—12 of the Code, FSANZ considers the requirement provides greater transparency and will assist consumers to compare foods with HSRs calculated on the same basis. This approach also aligns with existing Code requirements for form of the food wording in connection with nutrition and health claims (section 1.2.7—11 and paragraph 1.2.7—20(3)(b)).

FSANZ proposes to amend the approach to determining FVNL content for foods intended to be drained before consumption. Under the approach proposed at 1st CFS, FVNL content would have been determined using the methods in Standard 1.2.10, which could result in a lower FVNL content for some marinated, canned or pickled vegetables than if calculated on a drained basis.

FSANZ now proposes the FVNL content would be calculated on the same basis as the HSR calculation. This would ensure the same form of the food is used for all components of the HSR calculation, including for drained foods, and aligns with the approach used under the voluntary HSR system. FSANZ acknowledges this approach differs from the NPSC but considers the difference reasonable and necessary to ensure the FVNL content used in the HSR calculation appropriately reflects the form of the food on which the HSR is based.

The primary reason for aligning the FVNL calculation with Standard 1.2.10 at the 1st CFS was to ensure a consistent approach between the HSR system and characterising ingredients/NPSC requirements for declaring FVNL on the label. However, noting the FVNL declaration on the label is proposed to be provided to enforcement agencies on request (see Section 4), this approach is no longer necessary. FSANZ considers that not referencing Standard 1.2.10 when determining the form of the food for FVNL calculations under the HSR system will help avoid confusion between the HSR requirements and other requirements in the Code.

FSANZ also proposes that the dairy or dairy analogue ingredient percentages for the 75% rule would be calculated on the same basis as the HSR calculation. This would avoid excluding foods from a dairy category solely because the 75% requirement was determined on an 'as sold' basis for a food intended to be drained before consumption. It would also ensure the same form of food is used to determine the HSR category and HSR.

3.4.4 Conclusion

Accounting for the feedback received and further consideration, for the reasons outlined above, FSANZ is proposing the following approach for the form of the food:

- a HSR would be calculated based on a food after reconstitution for foods where the label contains directions indicating the food is intended to be reconstituted with water before consumption
- a HSR would be calculated based on a food after draining for foods where the label contains directions indicating the food is intended to be drained before consumption
- a HSR would be calculated on an 'as sold' basis for all other foods
- the content of FVNL and the percentage of dairy or dairy analogue ingredients for the 75% rule would be calculated on the same basis as the HSR calculation
- the form of the food the HSR is based on for foods where the label includes directions for draining or reconstitution before consumption, must be set out in a statement adjacent to the HSR symbol on the label.

3.5 Fruit, vegetable, nut and legume (FVNL) content

3.5.1 Background

At the 1st CFS, FSANZ proposed the following approach to FVNL content:

- 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 that at a high level would remain the same as that specified in the implementation guide
- chia seeds would be considered eligible to score V points despite chia being considered a grain in Schedule 22 of the Code
- 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.

The rationale for the above proposed approach was based on the following:

- modelling suggesting retaining V points in the HSR system improves alignment with dietary guidelines
- chia seeds are considered a seed in the ADG
- removing the concentrated FV thresholds and treating all eligible FVNL content as non-concentrated did not affect the overall alignment of the HSR system with dietary guidelines and reduced administrative burden on industry and enforcement agencies by removing the need to identify what is considered concentrated FV
- aligning the form of the food with Standard 1.2.10 would ensure clarity and parity.

See Section 3.4.6 of SD5 to the 1st CFS for further information.

3.5.2 Submitter comments

Many submitters supported the proposed removal of the distinction between concentrated and non-concentrated FV. They noted it would reduce administrative burden, affect relatively few foods, maintain the overall alignment of the HSR system with dietary guidelines and improve consistency with similar international FoPL algorithms, such as the UK OfCom model and Nutri-Score.

Conversely, several submitters raised concerns the proposed approach would reduce alignment with the NPSC, resulting in two different frameworks within the Code for assessing the healthfulness of foods. They consider this could lead to inconsistent outcomes where the HSR and NPSC are used in different contexts and recommended the HSR remain aligned with the NPSC.

Several submitters requested potato crisps and similar vegetable- or legume-based snack foods no longer be eligible for FVNL points. This approach would result in lower HSRs for these discretionary food 'outliers' and better align ratings with dietary guidelines and consumer expectations.

One submitter suggested maintaining a list of eligible and ineligible foods, informed by relevant international definitions, to support consistent application in a mandatory system. This was considered particularly relevant for seeds, where the distinction between a seed and a grain may not always be clear.

3.5.3 Discussion

FSANZ has considered submitter comments and proposes no change to the proposed approach of retaining V points and to treat all fruit and vegetable content consistently, regardless of concentration, for the reasons outlined in Sections 3.4.6.1 and 3.4.6.3 of SD5 to the 1st CFS.

FSANZ acknowledges this approach differs from the NPSC but considers this appropriate given the different purposes and regulatory contexts of the two systems. While alignment between the systems is desirable where appropriate, FSANZ does not consider absolute alignment necessary where an alternative approach better supports the objectives, usability and integrity of the HSR system.

3.5.3.1 FVNL eligibility criteria

At the 1st CFS, FSANZ proposed the FVNL eligibility criteria would remain consistent with the HSR implementation guide but did not list the specific criteria that would apply. The HSR implementation guide contains overarching FVNL eligibility principles broadly consistent with the NPSC, together with additional guidance arising from decisions and points of clarification made by the Health Star Rating Advisory Committee (HSRAC).

FSANZ proposes aligning the FVNL eligibility criteria used in the HSR system with those used in the NPSC. While this approach may not fully reflect all guidance previously provided by HSRAC, FSANZ understands the relevant HSRAC guidance was based on an interpretation of existing Code requirements. FSANZ therefore does not consider alignment with the NPSC changes the underlying intent of the HSR system.

FSANZ recognises this approach may result in chia seeds being ineligible for V points due to chia being classified as a grain under Schedule 22 and cereal grains listed in Schedule 22 being considered ineligible. However, FSANZ does not consider this would affect HSR outcomes, as chia seeds score 5 stars regardless of whether V points are awarded.

FSANZ is not proposing to remove potato crisps and similar vegetable- or legume-based foods from FVNL eligibility. Modelling undertaken as part of the 1st CFS indicated this would have little impact on HSRs or alignment with dietary guidelines (see Section 3.1.2.4 of SD3 to the 1st CFS). Retaining FVNL eligibility also maintains alignment with the NPSC.

3.5.3.2 FVNL form of the food

See Section 3.4.3.2 above for the proposed approach regarding the form of the food used to calculate FVNL content.

3.5.4 Conclusion

Accounting for the feedback received and further work, FSANZ is proposing the following approach at the 2nd CFS:

- FVNL content could score modifying points (known as V points) in the HSR algorithm
- FVNL eligibility would be the same as that specified in the NPSC (i.e. S5—4(1) to (3) of the Code)
- all FVNL content, regardless of concentration level, would be treated the same in terms of FVNL content thresholds and associated V points in the HSR algorithm
- the non-concentrated FVNL thresholds and points table in the voluntary system would be used to determine V points
- the content of FVNL is calculated on the same form of food as the HSR calculation.

3.6 Layers of packaging, multipacks, individual portion packs and multicomponent foods

3.6.1 Background

At the 1st CFS, FSANZ proposed the following approach regarding layers of packaging, multipacks, individual portion packs and multicomponent foods:

- a HSR symbol would only be required on one layer of packaging, in alignment with subsection 1.2.1—6(2)

- 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 of the Code)
- a HSR symbol would not be required on ‘individual portion packs’⁸ as they would usually not be able to be seen in the retail context
- packages containing individually packaged foods (individual portion packs) which are different and not intended to be consumed together and that are labelled with more than one NIP could either have:
 - 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.
- multicomponent foods (i.e. packages for sale that contain different foods intended to be consumed together) would be required to display only one HSR symbol calculated for the combined food using the standard HSR calculation, as the components are intended to be consumed together
- for cheese and cracker multicomponent foods, one HSR symbol would be displayed, which would be calculated using a weighted average formula as set out in Section 3.2.3.3 of SD5 to the 1st CFS.

The rationale for the proposed approach was to align them with Code requirements wherever practical, ensure the HSR reflects the nutrition information in the NIP for most foods, and address cheese and cracker packs scoring a lower HSR than their individual components when sold separately. See Sections 3.2.2 and 3.2.3.4 of SD5 to the 1st CFS for further information.

3.6.2 Submitter comments

Submitters raised a range of suggestions and implementation issues relating to the application of the HSR to multipacks and multicomponent foods. Some submitters proposed the HSR also be displayed on inner packages where the outer packaging is likely to have been removed, such as in school canteens, at sporting events, convenience stores, petrol stations or fundraisers.

Other submitters suggested an additional option for multipacks containing nutritionally similar components, such as chocolate gift boxes, whereby a single HSR could be displayed based on the averaged or combined NIP(s).

Several submitters suggested extending the weighted average formula for cheese and cracker multicomponent foods to other multicomponent foods, such as yoghurt and muesli, tuna and crackers, cheese and processed meats, bread sticks and cheese, and cheese and crackers with an additional component. They considered this would provide a more consistent calculation method across similar multicomponent foods.

Some submitters also sought clarification on whether explanatory statements would be required when the lowest, average or weighted average HSR was displayed, and how these statements would be displayed, particularly on small packages.

⁸ Food sold in packaging that includes individual packages for servings that are intended to be used separately

3.6.3 Discussion

3.6.3.1 HSR on inner packages

FSANZ has considered submitter suggestions to require the HSR on inner packages but proposes to retain the approach outlined at the 1st CFS.

The proposed requirements apply to the package presented for retail sale. Requiring the HSR on additional layers of packaging based on potential secondary sale or distribution would introduce additional burden and costs particularly for products that are not removed from outer packaging for retail sale. If an inner package was removed from the fully labelled outer package and provided for retail sale, the requirements for labelling with the HSR symbol would apply.

3.6.3.2 Multipacks containing nutritionally similar foods

FSANZ has considered submitter suggestions to permit a single HSR based on averaged or combined nutrition information for multipacks containing nutritionally similar foods but does not consider a separate provision necessary. The proposed approach already accommodates many such multipacks. Where foods in a multipack receive the same HSR, a single HSR may be displayed indicating that it applies to all foods in the multipack. Where a single NIP represents the average nutritional contribution of the components, only one corresponding HSR is required.

Allowing the HSR to be averaged across multiple NIPs would result in a HSR not directly based on the nutrition information presented on the label. FSANZ does not consider there is sufficient justification to depart from the key principle of aligning the HSR with the NIP in this instance. A separate provision would also require the inclusion of clear and enforceable criteria in the Code for determining when foods are nutritionally similar, which FSANZ does not consider feasible.

3.6.3.3 Weighted average formula for multicomponent foods

FSANZ has considered submitter suggestions to extend the weighted average formula beyond cheese and cracker packs but is not proposing to adopt that approach. The formula addresses a specific issue where combining cheese and crackers can reduce the proportion of dairy ingredients below the 75% dairy threshold, resulting in a lower HSR for the combined product than for the individual components.

Extending the approach to the additional foods suggested by submitters is unlikely to provide a meaningful benefit for many other multicomponent foods. For example, most yoghurt and muesli products already contain more than 75% dairy ingredients allowing them to be calculated using a HSR dairy category (Category 2D). Tuna and cracker products contain two components classified within the same HSR category (Category 2), meaning a weighted average formula approach would not change their HSR.

FSANZ acknowledges that limiting eligibility to cheese and cracker packs excludes foods containing cheese, crackers and an additional component. However, these foods generally contain a smaller proportion of cheese and often contain discretionary foods. FSANZ considers that limiting the weighted average formula to cheese and cracker packs appropriately addresses the identified issue while providing a clear criterion to assist with implementation and enforcement.

3.6.3.4 HSR calculation or presentation wording

FSANZ does not propose to require wording identifying that a HSR has been derived using a weighted average formula. The formula is a calculation methodology underpinning the displayed HSR and requiring explanatory wording may increase label complexity without a corresponding consumer benefit. Additionally, this is consistent with not requiring the HSR category on the label. For multipacks, FSANZ proposes to retain the status quo, and the voluntary system approach, of labelling the pack with the lowest HSR.

3.6.4 Conclusion

After consideration of submissions, FSANZ is proposing to retain the same approach as in the 1st CFS.

FSANZ considers the approach maintains consistency with existing Code requirements where appropriate, supports alignment between the HSR and the nutrition information presented to consumers and provides clear and enforceable requirements for implementation and compliance.

3.7 Category 3D cheeses

3.7.1 Background

At the 1st CFS, FSANZ identified the cheese category as having the highest number of core foods receiving a HSR below 3 stars. In total, 391 cheeses, representing 55% of the category received a HSR <3. The analysis showed that cheeses with lower ratings generally contained higher levels of saturated fat and sodium than cheeses with higher ratings. Ratings were also affected by how products were classified within the HSR system, with many cheeses receiving 0.5 stars classified in HSR categories 2 or 2D because they did not meet the calcium requirements for Category 3D.

No changes were proposed to the HSR algorithm for cheese at the 1st CFS, as this issue had previously been considered through both an anomaly process and the 5-year review. These reviews concluded the algorithm was consistent with current dietary guidelines because it distinguishes between lower- and higher-fat cheeses. However, the 5-year review did recommend a review of the cheese category after the completion of the ADG review.

FSANZ's analysis for the 1st CFS supported these earlier findings, indicating that the algorithm continues to perform as intended for cheese and remains consistent with current dietary guidance, with cheeses lower in fat generally receiving higher HSR. FSANZ also supported the recommendation to wait for the outcomes of the revised ADG to determine whether there is sufficient evidence to support any changes to the algorithm for cheese.

See Section 3.2.1 of SD3 to the 1st CFS for further information.

3.7.2 Submitter comments

Some industry submitters raised concerns that HSR Category 3D cheeses remain insufficiently aligned with dietary guidelines, noting FSANZ findings that 55% of core cheeses across all relevant HSR categories receive a HSR below 3 stars. They argued these ratings do not adequately reflect cheese's role as a nutrient-dense core food or emerging evidence on the dairy matrix, regular-fat dairy products and cardiometabolic health outcomes.

These submitters recommended further review before mandating the HSR system for cheese, including consideration of changes to saturated fat scoring, allowing protein points,

rescaling Category 3D, or introducing a minimum rating of 3 stars for core cheeses. They expressed concern low ratings may confuse consumers and discourage consumption of a core food. Some submitters suggested the use of HSR on cheese should remain voluntary until these issues have been addressed and consistency with the dietary guidelines of both Australia and New Zealand has been achieved.

3.7.3 Discussion

FSANZ acknowledges stakeholder concern about the alignment of HSR Category 3D cheeses with dietary guidelines.

As noted in Section 3.1.3, a full review of the HSR algorithm is not being undertaken as part of P1067. As a result, changes to the types of components used in the algorithm, the baseline and modifying points systems and the methods used for converting the HSR profiling points into a star rating were not specifically considered. These aspects would be more appropriately considered as part of a holistic review of the algorithm. This leaves limited opportunities to modify the HSR algorithm to address specific rating outcomes.

Nonetheless, FSANZ has considered possible options for improving the alignment of core Category 3D cheeses with the ADG, while limiting changes to the HSR algorithm. The only option available, is whether rescaling Category 3D, which affects the conversion of the final HSR score to star ratings for this HSR Category, using a larger and more up to date dataset than that used previously could improve the alignment of cheese ratings with dietary guidelines. This approach retains the existing intent, structure, components and methodology of the HSR algorithm without affecting ratings for other food categories.

Category 3D was rescaled during the 5-year review after surface-ripened cheeses were added to this category, using the Technical Advisory Group (TAG) dataset of 443 cheeses. Applying the same approach to the larger and more up-to-date dataset, which includes 594 cheeses, would increase alignment with dietary guidelines from 50% to 70%. However, this change would also reduce the number of Category 3D cheeses receiving the highest ratings. The number of products rated 5 stars would decrease from 63 to 33, while those rated 4.5 stars would decrease from 61 to 30. Most reduced-fat cheeses (21 of 34 products) would also receive a lower rating under the revised scale.

When combined with the proposed mandatory approach outlined in the 2nd CFS, rescaling increased overall alignment of the HSR algorithm with the ADG from 79% to 80% and core food alignment from 85% to 86%, while discretionary food alignment remained unchanged at 74%.

3.7.4 Conclusion

There is limited opportunity under this proposal to improve the alignment of core Category 3D cheeses with the ADG. Rescaling Category 3D using a larger and more current dataset was identified as the only possible option and would improve alignment with dietary guidelines. However, it would also reduce the ratings of many cheeses, including most reduced-fat cheeses which is inconsistent with the intent of the system.

Given these trade-offs, FSANZ is seeking submitter views on whether the option of rescaling Category 3D should be considered further as part of P1067 or whether potential changes to the treatment of cheese are best considered as part of a comprehensive review of the HSR algorithm following completion of the ADG review.

4 Declaration of algorithm components

4.1 Background

At the 1st CFS, FSANZ proposed the average quantity of dietary fibre and calcium per 100 g/100 mL, and FVNL content as a percentage, would be required to be displayed on the label when used in the algorithm or to determine the HSR category of the food. Requiring this information on the label would support transparency for consumers and enforcement agencies.

Additionally, information on the application of the 75% rule for determining, in part, a food's eligibility for the dairy and dairy analogue categories would be required to be provided to enforcement agencies on request. This was due to this information likely being complicated for industry to provide on the label and would be of limited benefit to consumers (see Section 4.1.6 of SD5 to the 1st CFS).

4.2 Submitter comments

Many submitters generally supported the proposed approach noting it would improve transparency and accountability, support compliance and align with the approach for health claims. Others also noted support on the basis that industry is not required to claim positive points in the HSR algorithm if they do not wish to declare the relevant components on the label.

Conversely, some submitters did not support the proposed approach, questioning whether the information would improve consumer understanding. They also raised concerns about implementation costs, including those associated with updating product specifications and nutrient datasets, redesigning labels and undertaking additional analytical testing, which could increase food prices which may be passed on to the consumer.

Many industry submitters were also concerned declaring FVNL could reveal proprietary information.

Some submitters considered additional information requirements should be targeted, proportionate and limited to information necessary for enforcement or meaningful to consumers. They suggested information used primarily for substantiation or enforcement could instead be provided on request, consistent with the suggested approach for the 75% rule, and existing approaches to country-of-origin labelling and health claims.

Submitters also sought clarity on whether fibre and FVNL must be declared where they have a non-zero value but do not contribute F points or V points or impact the HSR.

4.3 Discussion

4.3.1 Declaration of FVNL and calcium

After considering submitter comments, FSANZ is proposing FVNL values used in the HSR algorithm would only be required to be provided to enforcement agencies on request. Unlike nutrients declared in the NIP, FVNL is calculated from a food's formulation rather than determined using recognised analytical methods. Requiring HSR-specific FVNL values on the label could therefore reveal proprietary formulation information.

FVNL ingredients will continue to be required to be listed in the statement of ingredients and many foods (46% (2,334 of 5,065) products in the BFD) already declare the percentage of FVNL ingredients, as characterising ingredients, to meet requirements under Standard 1.2.10. Collectively, this information would enable a reasonable estimate of the V points contributing to a HSR, while protecting sensitive compositional information.

FSANZ also proposes calcium content would not be required to be declared on the label for dairy foods for HSR purposes. Calcium is principally used to determine the applicable HSR category rather than as an input to the HSR algorithm, similar to the 75% dairy rule, which is not required to be declared on the label. Calcium information used to determine the HSR category would instead be required to be provided to enforcement agencies on request.

4.3.2 Declaration of dietary fibre

FSANZ considers a different approach is warranted for dietary fibre. Unlike calcium, dietary fibre can contribute directly to the HSR calculation through modifying points and, unlike FVNL, can be determined using recognised analytical methods. There is also no practical way for consumers or other third parties to estimate the dietary fibre value used in the HSR calculation if it is not declared. Therefore, FSANZ proposes dietary fibre would be required to be declared in the NIP when used in the HSR calculation.

As use of modifying points remain optional, manufacturers can choose whether to include dietary fibre in the algorithm and, consequently, whether to declare on the label. Where a product contains dietary fibre, but the amount is unknown, negligible or not declared in the NIP, a manufacturer can choose not to include dietary fibre in the HSR algorithm. Importantly, where dietary fibre is declared in the NIP it must comply with all relevant Code requirements.

4.3.3 75% rule

Following consideration of submitter feedback on the proposed approach for the 75% rule, FSANZ is proposing to retain the approach outlined in the 1st CFS for the reasons provided in Section 4.1.6 of SD5 to the 1st CFS.

4.4 Conclusion

FSANZ is proposing the following approach to the declaration of algorithm components:

- calcium and FVNL content and information related to the 75% rule are to be provided to enforcement agencies on request
- the average quantity of dietary fibre is to be declared in the NIP on the label of the food when used in the HSR algorithm.

5 HSR symbol, location and presentation

5.1 HSR symbol

5.1.1 Background

At the 1st CFS, FSANZ proposed the:

- HSR system be presented to consumers using the trademarked HSR symbol
- HSR symbol comprise the stars element only

- energy and nutrient elements are not permitted.

The rationale for this proposed approach is provided in Section 1.1.6 of SD4 to the 1st CFS.

FSANZ additionally sought any information or evidence to inform the consideration of colour, including as it relates to supporting consumption of foods identified in Guideline 2 of the ADG and Eating Statement 1 of the NZEAG.

5.1.2 Submitter comments

Views on the proposed stars-only HSR symbol were mixed. Submitters who supported the approach considered a single, consistent display would provide a simpler, more accessible and standardised FoPL tool. They also thought it could improve consumer understanding and make product comparisons easier, particularly for products with limited label space, and for consumers with lower literacy levels. Submitters also noted more detailed energy and nutrient information would remain available in the NIP.

Whereas some submitters considered removing the energy and nutrient elements from the HSR symbol could oversimplify nutrition information, increase the risk of misinterpretation and reduce confidence in the system. They considered consumers may not understand how ratings are determined or may interpret higher-rated products as inherently healthy without considering their overall nutritional composition or the role within a balanced diet. Some submitters also considered the energy icon provides useful serving-size information that is not conveyed by a stars-only symbol. Concerns were raised about the interaction of a stars-only symbol with other FoP information, such as nutrition content claims and percent daily intake (%DI) information, and the potential emergence of proprietary icons if HSR icons are prohibited. Some submitters suggested these additional elements should be retained on a voluntary basis, while others suggested the stars plus energy and nutrients elements should be mandatory.

Greater flexibility in the design of the stars-only graphic was also sought. Some submitters considered the proposed format difficult to apply to certain packaging types due to fixed shapes, proportions and orientations. Application to irregularly shaped packaging, specifically curved or narrow containers with finite printable surface area were considered a particular challenge. Flexible formats, similar to the Australian Made, Australian Grown logo were suggested to accommodate a broader range of packaging types.

Submitter views on the potential use of interpretive colour in the HSR symbol were also mixed. Some submitters considered colour could make the HSR symbol more prominent and easier to understand. However, some did not support the example presented and considered using colour to highlight foods aligned with dietary guidelines was inconsistent with international best practice in FoPL. Others raised concerns about consumer confusion, oversimplification of complex nutrition information, implementation costs and consistency with the purpose of the HSR system. Among submitters supporting the use of colour, there was broad agreement that any future consideration should be informed by robust consumer research and stakeholder consultation and occur after completion of the ADG review.

5.1.3 Discussion

FSANZ has considered submitter comments on the proposed stars-only format and is proposing to retain the approach outlined at the 1st CFS.

As noted in the 1st CFS, FSANZ 2024 consumer research indicates the stars-only format better supports the primary purpose of the HSR system, which is to help consumers identify healthier options when comparing similar foods. While consumers expressed a preference

for formats containing more information, this preference did not translate into improved performance when identifying the higher-rated product. Whereas consumers were consistently able to identify the higher-rated product more quickly, accurately and easily using the stars-only format.

Detailed energy and nutrient information would continue to be available in the NIP. Removing this information from the HSR symbol reduces duplication and label-space requirements, removes inconsistencies in existing HSR display options, and supports simpler education, implementation and enforcement. The absence of the nutrient icons may also reduce the incorrect perception that the selected nutrients alone determine the rating, and confusion where the nutrient information displayed on the front of the package appears inconsistent with the overall HSR.

Consumer education explaining the purpose of the HSR, how it should be used, and where consumers can obtain more detailed nutritional information would ensure the effective use of the HSR system.

FSANZ is not proposing to introduce interpretive colour through P1067. Consistent with the proposed approach outlined in the 1st CFS, any future consideration of interpretive colour would be undertaken separately following completion of the ADG review and informed by appropriate consumer research. This approach allows P1067 to proceed while preserving the opportunity for any future colour proposal to be considered through its own evidence-based policy and regulatory process.

5.1.4 Conclusion

Following consideration of submitter comments, FSANZ is retaining the proposed approach as at the 1st CFS.

On balance, FSANZ considers the available consumer evidence indicating improved accuracy, speed and ease of comparison, together with the benefits of consistency, reduced label duplication, lower space requirements and simpler implementation and enforcement, continue to support retaining the proposed single stars-only format. The trademarked formats containing energy and nutrient elements would therefore not be permitted.

5.2 Location of HSR symbol on packaged foods

5.2.1 Background

At the 1st CFS, FSANZ proposed:

- the HSR symbol must be presented on the front of a package of food (when required or voluntarily applied), except for certain imported foods
- the HSR symbol(s) may also be displayed elsewhere on the label, providing the rating is the same as the rating displayed on the front of the package (see Section 3.2.1 of SD5 to the 1st CFS for the proposed approach for multipacks labelled with more than one NIP).
- for imported foods that are re-labelled, meaning a new label is placed over incorrect information (i.e. over-sticker), 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.

The proposed approach was intended to give consumers ready access to a consistent, at-a-glance nutrition indicator while allowing additional displays, where useful. It also sought to avoid requiring an additional front-of-pack sticker solely for the HSR symbol where imported food is already being lawfully re-labelled.

Further detail on the proposed approach and its rationale is provided in Section 4.4.2 of the 1st CFS and Section 1.2 of SD4 to the 1st CFS. Relevant application issues for imported foods and multipacks are discussed in Sections 2.2 and 3.2 of SD5 to the 1st CFS.

5.2.2 Submitter comments

Submitter views on the proposed FoP presentation requirement were mixed. Many submitters supported the FoP requirement, considering it central to the purpose of the HSR system as a simple FoPL tool and would support integrity, consistency and enforceability of a mandatory system.

Conversely, other submitters considered a more flexible approach was needed to accommodate the diversity of food packaging. Concerns were raised about foods with limited FoP space, including irregularly shaped packages and narrow products where the available FoP space may be limited. Some submitters suggested that available FoP space, rather than total package size, should be considered when determining application and location. Concerns were also raised about premium, gift, seasonal and limited-edition packaging, where some submitters considered a prominent FoP HSR symbol could detract from the intended presentation of the product without providing meaningful consumer benefit. Other submitters suggested the HSR symbol should be required to be displayed prominently on the package, rather than specifically on the FoP, or be co-located with the NIP.

Submitters also raised questions regarding the meaning of 'front of a package'. While some considered the ordinary meaning sufficient, others sought greater clarity for specific packages such as those that are cylindrical, flexible, shaped or multi-panel packages.

Views on the treatment of imported foods were also mixed. Some submitters supported allowing the HSR to be displayed using a non-front-of-pack over-sticker where imported food is already being re-labelled, on the basis that this would reduce costs, packaging impacts and the risk of obscuring other label information. Other submitters opposed different location requirements for imported and domestically manufactured foods, considering this could reduce consistency and comparability and create uneven competitive conditions.

Submitters also proposed supplementary or alternative methods of displaying the HSR. These included shelf labels, QR codes, explanatory material and display in online retail environments. Views differed on whether these approaches should complement or provide an alternative to on-pack presentation.

5.2.3 Discussion

5.2.3.1 Front-of-pack presentation

Following consideration of submitter comments, FSANZ is retaining the proposed approach as at 1st CFS.

As outlined in Section 1.2 of SD4 to the first 1st CFS, evidence indicates nutrition information presented on the FoP is more likely to be noticed, understood and used than information presented on the back of the pack. Qualitative consumer research also identified ready access to the HSR on the FoP as a key benefit, particularly when consumers are making decisions under time pressure.

Market analysis also found 97% of foods displaying a HSR in the assessed dataset already displayed the symbol on the FoP. This supports the feasibility of the proposed requirement and indicates a consistent industry understanding of FoP.

FSANZ therefore considers requiring the primary HSR symbol on the FoP remains appropriate to support consistent visibility and comparison. Additional HSR symbols may be displayed elsewhere on the pack, provided they align with the primary HSR symbol. This provides flexibility where a product may commonly be displayed with another surface facing the consumer.

FSANZ notes submitter requests for a definition of 'front of a pack' but does not propose to define the term. The term is already used in the Code without definition and existing market practice indicates that its ordinary meaning is generally understood and adopted correctly. FSANZ also acknowledges concerns about accommodating the HSR symbol on packages of different shapes and designs. However, a prescriptive definition would need to accommodate a wide range of packaging formats and could unnecessarily limit flexibility. Further flexibility is provided by not specifying a minimum size for the HSR symbol, provided it is legible.

While FSANZ acknowledges FoP space may be commercially important it does not consider this as sufficient justification for permitting the primary HSR symbol to be displayed on another package surface. The position of the symbol on the FoP, including flexibility to accommodate other label information and design features, is discussed under Section 5.3.3 below.

5.2.3.2 Imported foods and over-stickering

FSANZ acknowledges concerns about consistent treatment of domestic and imported foods. Limited flexibility in HSR symbol location would apply only where imported food is re-labelled by applying a new label over incorrect information (i.e. over-sticker), to meet information requirements in the Code. In these circumstances, the HSR symbol may be included on the new label with the other required information and would not need to be on the FoP or on a separate FoP sticker. This approach balances consumer access to the HSR with the practical impacts of re-labelling imported foods. It avoids an additional sticker solely for the HSR. Importantly, where a HSR symbol (e.g. on a sticker) is applied on a label separately from a new label over incorrect information on an imported food, it would be required to appear on FoP.

5.2.3.3 Supplementary displays and retail environments

Shelf labels, QR codes, online displays and explanatory material may support consumer awareness and education, but do not provide the same consistent on-pack cue as the HSR symbol on pack. FSANZ therefore does not propose these mechanisms as substitutes for the FoP requirement.

5.2.4 Conclusion

FSANZ has considered submitter comments on packaging design and presentation, placement flexibility, implementation costs, the meaning of "front of a package" and the treatment of imported foods. The available consumer evidence and current market practice continue to support presentation of the primary HSR symbol on the front of the package. Current market practice also indicates that the ordinary meaning of "front of a package" is generally understood.

Matters relating to the position of the symbol within the front of the package are addressed in the following section. FSANZ therefore proposes to retain the approach outlined in the 1st CFS, including allowing additional displays elsewhere on the label where the same rating is shown and the limited over-stickering arrangement for imported foods that are relabelled.

5.3 Presentation, legibility and placement of HSR symbol

5.3.1 Background

At the 1st CFS, FSANZ proposed the:

- HSR symbol must be displayed according to the trademarked design
- existing legibility requirements in the Code would apply to the HSR symbol.

The trademarked symbol design elements would be set out in the Code.

General legibility requirements in section 1.2.1—24 of the Code require words, statements, expressions and designs to be legible and prominent so as to contrast distinctly with the background of the label.

FSANZ's assessment considered market practice against criteria for presentation and legibility of the HSR symbol. Further details are provided in Section 4.4.3 of the 1st CFS and Section 1.3 of SD4 to the 1st CFS.

5.3.2 Submitter comments

Submitter views on the proposed approach to colour, size and placement were mixed. Industry and some other submitters supported retaining flexibility to accommodate different package sizes, shapes, materials and printing methods, as well as other mandatory label information and branding. They considered this flexibility would help minimise implementation costs and regulatory burden.

Conversely, public health, consumer, government and academic submitters generally supported clearer requirements for colour, contrast, size, clear space, readability, prominence and placement. They considered these would support consistent application, consumer understanding and accessibility, as well as compliance and enforcement, and reduce the risk of the HSR being difficult to identify or read.

Some submitters also emphasised the importance of clear requirements for people with low vision, colour vision deficiency, lower literacy and other barriers to accessing nutrition information. They emphasised the HSR should be an accessible public health tool and that requirements should avoid variation that reduces visibility or comprehension.

Several submitters requested standardised placement on the FoP, particularly in the top half, to make the HSR easier to locate and facilitate product comparisons. A small number of submitters suggested including government endorsement or attribution within the symbol to support trust.

Some submitters favoured retaining the proposed regulatory approach initially, with post-implementation monitoring used to determine whether more prescriptive requirements are warranted.

5.3.3 Discussion

Following consideration of submitter comments, FSANZ is retaining the proposed approach as at 1st CFS.

FSANZ acknowledges submitter concerns about variation in the presentation, legibility and accessibility of the HSR symbol. Under the proposed approach, the symbol would be required to conform to existing Code requirements for legibility, prominence and contrast.

The market assessment found that most inconsistencies related to departures from the design requirements, including stylisation, layout, typeface and component spacing. Issues with contrast, visibility, readability and size were less common, and stars-only symbols were generally more consistent. FSANZ considers the proposed stars-only design and existing Code requirements provide an appropriate basis for implementation while allowing flexibility for different packaging formats and printing processes. Guidance and monitoring may support consistent implementation and inform future reviews.

5.3.4 Conclusion

On balance, FSANZ considers that the proposed approach outlined in the 1st CFS remains appropriate. Under this approach, the HSR symbol would be displayed according to the trademarked design set out in the Code and would be subject to the existing Code legibility requirements. This would provide a consistent design framework while retaining some flexibility for different package formats and printing processes.

Where guidance is developed, this may further support legible and consistent implementation, including in relation to scaling, contrast, clear space, placement and accessibility. Monitoring following implementation could also help determine whether further guidance or more specific requirements should be considered in the future.

6 References

Codex Alimentarius Commission (2024) [*Guidelines on nutrition labelling \(CXG 2-1985\)*](#), Food and Agriculture Organization of the United Nations (FAO) and World Health Organization (WHO), accessed June 2026.

FSANZ (Food Standards Australia New Zealand) (2025) Health Star Rating – 2024 Monitoring Consumer Research Report, accessed June 2025

Ministry of Health (2020) Eating and activity guidelines for New Zealand adults: Updated 2020, Ministry of Health. [*Eating and Activity Guidelines for New Zealand Adults - 2020*](#)

NHMRC (National Health and Medical Research Council) (2013) Australian dietary guidelines. NHMRC. [*https://www.nhmrc.gov.au/about-us/publications/australian-dietary-guidelines*](https://www.nhmrc.gov.au/about-us/publications/australian-dietary-guidelines)