



## **FSANZ preparatory work on the potential mandating of the Health Star Rating (HSR) system - August 2025**

### **Response from the Australian Dairy Industry Council**

The Australian Dairy Industry Council appreciates the opportunity to provide a response to this phase of the consultation on the Health Star Rating (HSR), noting it builds on previous submissions from the Australian dairy industry. We have opted to comment on one relevant question only:

#### **Q 1. In a mandatory context should the HSR system:**

- **Be limited to packaged, manufactured or processed foods for retail sale (unless prohibited), consistent with the original intent of the system**  
**OR**
- **Continue to apply to certain unprocessed foods (e.g. fresh fruit and vegetables, water, meat and eggs) to generally promote healthy food choices as well as packaged and manufactured or processed foods for retail sale.**

The Australian dairy industry has and continues to support the development of an evidence-based HSR system that can help consumers make more informed product choices on packaged, manufactured or processed foods in the retail setting, as per the original intent.

The HSR is one education tool available to consumers and must be accompanied by appropriate education and resources to ensure it is used as intended – in particular, ‘within’ food categories.

In considering the mandatory context, there are several remaining issues with the current voluntary HSR system and algorithm that must first be addressed before the dairy industry can appraise whether the system should become mandatory.

These are:

- the poor HSR for five-food group (FFG) cheeses
- the HSR systems lack of regard for the latest scientific evidence to maintain credibility and relevance
- consumer confusion of how to use the HSR – with three-quarters (74%) of consumer’s continuing to be confused on the understanding that the HSR cannot be used to compare dissimilar foods and 24.5% consumers continuing to distrust the HSR<sup>1</sup>.
- the extension of the HSR system into other policy settings beyond its original scope, including the creation of a 3.5-star threshold.

A founding principle of the HSR front-of-pack labelling was for core foods to score a minimum of 3 stars.

For dairy, our priority issue is that 50% of FFG cheeses continue to score less than 3 stars<sup>2</sup>, despite their strong nutritional profile and scientific evidence that demonstrates neutral or protective effect against chronic disease risk<sup>3</sup>.

For example, everyday, regular-fat cheddar cheeses – which represent the bulk of cheese sold across Australia and New Zealand – scores between 1 to 2.5 stars. This is because the saturated fat criterion is more heavily weighted in cheese versus any other food and beverage categories, despite no evidence to support this penalty.

Food Ministers committed to a review of the HSR for cheese once the Australian Dietary Guidelines (ADG) were finalised (noting the deferred completion date of the guidelines to the end of 2026)<sup>4</sup>.

**As such, the proposal to consider mandating the HSR should not occur until after the ADG review is complete.**

We previously shared other HSR anomalies for dairy foods, that also remain outstanding. That being:

- the poor HSR for cheese and cracker snack packs
- frozen yoghurt – and its recategorisation from Category 2 to Category 2D
- reclassification of plant-based beverages, separate to the dairy category due to their significant (and often poor) nutritional variability when compared to milk and lack of scientifically recognised health benefits

Thereby the following issues must be addressed, as a priority:

1. Improve the HSR of everyday, FFG cheeses.
2. Restate the purpose of HSR system for packaged manufactured or processed foods for retail sale only (unless prohibited), discouraging its use on other foods and beverages and in policy settings beyond this.
3. Commitment to develop an ongoing comprehensive education campaign, aligned with the ADG recommendations to build consumer understanding about nutrition and how to select core foods in line with national dietary guidelines, as well as the role of the HSR within food categories.

We would appreciate the opportunity to discuss this further with you, in working towards practical outcomes to improve the HSR system, particularly for dairy foods.

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<sup>1</sup> FSANZ Health Star Rating – 2024 Monitoring: Consumer Research Report April 2025 [Consumer research | Health Star Rating System](#).

<sup>2</sup> Dairy Australia data. Cheese products available online at Coles and Woolworths, n= 537. Collected October 2024.

<sup>3</sup> Zhang M et al. Cheese consumption and multiple health outcomes: an umbrella review and updated meta-analysis of prospective studies. *Adv Nutr.* 2023 Sep;14(5):1170-1186.

<sup>4</sup> Australia and New Zealand Ministerial Forum on Food Regulation (Forum) – Addendum to 17 July 2020 Communiqué – Health Star Rating (HSR) outcomes. Recommendation 4D.