

Let's talk shop.

Submission regarding Draft Healthy Food Partnership

September 2026

The Australian Retail Council (ARC) welcomes the opportunity to provide feedback on the voluntary *Healthy Food Partnership (HFP): Rationale and Action Plan for Improvement Activities in the Quick Service Restaurant Sector (QSR)*.

General comments

As the HFP is a voluntary program, ARC considers that participation should be encouraged through practical, flexible, and partnership-based arrangements rather than compliance-style obligations. ARC recommends the following changes to the voluntary HFP:

1. Targets should remain voluntary, flexible, and category-specific, with recalibrated expectations for fresh, made-to-order, and ingredient-dense products, particularly beverages.
2. Uniform reformulation should not be the default pathway, as it may dilute products, increase processing, encourage synthetic substitution, reduce quality or narrow product offerings without necessarily improving health outcomes.
3. Implementation, monitoring and reporting should be practical, proportionate and phased, with clear guidance, realistic timeframes and arrangements that reflect business size, capability, supply chain complexity, third-party supplier reliance, existing disclosures, and agreed priority nutrition outcomes.
4. The framework should avoid duplicative or impractical Health Star Rating-style requirements and support flexible nutrition-improvement pathways, including product innovation, consumer education, nutrition literacy, and accessible information to help consumers make informed choices.

Finally, views on participation in the HFP differ among members. Many already offer healthier options within their product portfolios, including fresh, made-to-order beverages and products containing substantial amounts of fruit and other minimally processed ingredients. Some members are concerned that the proposed framework may not adequately distinguish between products containing naturally occurring nutrients and those containing added ingredients. As a result, products with different nutritional characteristics may be assessed in a similar manner with disproportionate emphasis being placed on individual nutrient measures rather than overall nutritional composition.

Members also note that existing industry-led governance arrangements, including marketing codes administered by the Australian Association of National Advertisers (AANA), should be appropriately considered before the introduction of additional regulatory or voluntary measures.

Detailed comments

Implementation challenges to consider

The QSR sector is diverse, with different product types, serving sizes, operating models and supply chains. A uniform approach to voluntary reformulation, labelling or reporting may create unintended consequences unless the program reflects these differences.

Implementation costs are a significant challenge and increased costs on businesses will be passed through to consumers raising prices in a cost-of-living crisis. Costs would include recipe review and product redevelopment, nutrition analysis and testing, updates to menu boards, packaging and digital ordering platforms, staff training,



Let's talk shop.

supplier engagement, and systems for monitoring, reporting and ongoing compliance. These costs may be more acute for smaller businesses.

Reducing serving sizes solely to meet nutrition targets may create unintended consequences for consumer value perception. Where portion sizes decrease without a corresponding price reduction, consumers may reasonably feel they are receiving less value for money. This could raise concerns about “shrinkflation” and undermine customer trust, particularly while households remain highly sensitive to food prices and overall value.

Approaches for promoting the initiative and achieving uptake of targets

Voluntary participation may be improved if businesses can use flexible pathways, including reformulation, ingredient changes, serving size review, consumer information and category-specific approaches. A staged and gradual rollout may allow time to test changes, engage suppliers and assess consumer acceptance.

Implementation should consider business size especially smaller businesses with limited resources, capability and operating model, with practical options and consideration of support to offset costs. Guidance should clearly define product categories, serving size assumptions, baseline measures, voluntary reporting expectations and which businesses are in scope, including responsibility across retailers, suppliers and manufacturers.

Access to nutrition information at point of sale

Existing kilojoule, allergen and nutrition disclosures already provide substantial consumer information. Any additional point-of-sale requirements must be assessed for practicality, including packaging impacts, menu-board complexity, digital platforms and small-format products prior to inclusion in the HFP.

Regarding the utilisation of Health Star Rating-style labelling, there are concerns in relation to a lack of credibility, the creation of confusion for consumers and the facilitation of “health washing”, particularly where highly processed products achieve favourable ratings through reformulation or synthetic additives. For example, fresh juice gets a lower health rating than some soft drinks. Ingredient transparency and nutrition information panels may be more meaningful than a Health Star Rating-style approach for QSR products.

Additional menu-board labelling is not supported. Existing requirements are sufficient (including information online) and adequately balance information clarity with consumer needs. In the absence of consumer education and nutrition literacy support, additional information may not influence consumer choices or lead to healthier outcomes or improved behaviour.

Monitoring and reporting progress

Given the voluntary nature of the program, monitoring and reporting arrangements should be practical, proportionate and focused on agreed priority categories and measurable nutrition outcomes. Reporting should utilise existing nutrition information, business systems and self-regulatory frameworks wherever possible to minimise duplication and unnecessary administrative costs.

Requirements should be supported by clear guidance, streamlined processes and simple reporting tools or templates, including self-reporting against agreed targets. Monitoring and reporting should also recognise differences in product mix, operating models, supply chains and global product frameworks, with initial efforts focused on the highest-consumed food and beverage categories.

Please direct any queries in relation to this submission to our policy team at policy@retail.org.au

Let's talk shop.

About ARC

ARC represents the Australian retail sector. Valued at \$444 billion, retail is the nation's second largest private sector employer, supporting more than 1.5 million jobs, including more young Australians aged 15 to 24 years than any other industry. ARC's membership is diverse. From family-owned small and independent businesses, comprising 95 per cent of our membership, to large national and international retailers supporting communities across metropolitan and regional Australia. With more than 155,000 retail outlets nationwide and a growing online presence, the retail sector is embedded throughout the economy, playing a critical role in the supply chain of Australian businesses. ARC advocates for policies and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it. At a time of rapid change, from technological disruption and international competition to shifting consumer behaviour and sustainability expectations, effective policy settings are critical for retailers, workers, consumers, and communities.