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# **National Food Security Strategy: discussion paper**

October 2025



AUSTRALIAN  
**FOOD &  
GROCERY**  
COUNCIL

CELEBRATING  
**30** YEARS  
1995-2025

## PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, beverage and grocery manufacturing sector.

With an annual turnover in the 2023-24 financial year of \$173 billion, Australia's food and grocery manufacturing sector makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. Each business in the sector has contributed towards an industry-wide \$4.8 billion capital investment in 2023-24.

Food, beverage and grocery manufacturing together forms Australia's largest manufacturing sector, representing over 32% of total manufacturing turnover in Australia. The industry makes a large contribution to rural and regional Australia economies, with more than 35 per cent of its 294,200 employees being in rural and regional Australia.

It is essential to the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

The industry has a clear view, outlined in *Sustaining Australia: Food and Grocery Manufacturing 2030*, of its role in the expansion of domestic manufacturing, jobs growth, higher exports and enhancing the sovereign capability of the entire sector.

*This submission has been prepared by the AFGC and reflects the collective views of the membership.*

## NATIONAL FOOD SECURITY STRATEGY

The AFGC welcomes the opportunity to make a submission to the Department of Agriculture, Fisheries and Forestry regarding the National Food Security Strategy discussion paper. As the leading organisation representing Australia’s suppliers of fast-moving consumer goods (FMCG), with membership including Australia’s biggest food manufacturers and processors as well as some of the smallest manufacturers, the AFGC has a strong interest in the objective of boosting the productivity, resilience and security of Australia’s food system.

### GENERAL COMMENTS

Before addressing the specific questions listed in the discussion paper, the AFGC would like to offer several preliminary comments on developing the strategy. Given the early stage of the project, our comments are principally focused on the proposed scope and conceptualisation, noting there will be future opportunities to provide more detailed comment on specific items as the strategy’s development progresses.

It is important to begin with the fundamental point of definitions. The discussion paper adopts the UN definition of food security:

“when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life”.<sup>1</sup>

The implications of this expansive definition are clear throughout the discussion paper, with a wide range of subjects potentially to be included in the strategy. The AFGC is concerned that the breadth of this approach, combined with the limited time and resources available for developing the strategy, may dilute its effectiveness by attempting to address too many areas at once.

This does not fully align with the articulated objective “to futureproof the security of Australia’s food system by strengthening food system resilience and *addressing vulnerabilities*”,<sup>2</sup> which implies a need to ‘triage’.

Of the many potential vulnerabilities facing Australia’s food system, some are more probable and of higher priority than others. Therefore, a preliminary assessment is required to determine the likelihood of particular vulnerabilities disrupting the food system, the severity of those vulnerabilities, and the urgency of work required (with consideration given to work that may have already been done).

The AFGC recommends that the proposed strategy would be more effective if its scope were narrowed to prioritise identifying and mitigating the most likely and significant risks to the food system. We consider this

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<sup>1</sup> Discussion paper, p. 2.

<sup>2</sup> Discussion paper, p. 4, emphasis added.

should form the starting point and core of the strategy, with other themes from the discussion paper subsequently incorporated as complementary elements.

Further comments are required on the objective of *strengthening food system resilience*. The AFGC welcomes the whole-of-system focus, and the necessary emphasis that will be placed on food processing and manufacturing. Experience shows that food inquiries often underemphasise these essential components of the food system – specifically, those that transform raw agricultural products into usable forms (e.g. wheat into flour), and those that convert ingredients into ready-to-eat products.

The AFGC emphasises the importance of a thriving, commercially-prosperous food industry – including food processors and manufacturers – to a resilient food system. Only through maintaining or improving the conditions that enable a successful industry can the desired domestic capabilities be maintained in the long-term. A thriving industry contributes significantly to national prosperity under ‘normal’ conditions, and also provides strong domestic capabilities that can pivot in response to crises. In contrast, an industry that is not commercially-successful does not support the maintenance of domestic capabilities as capability is incentivised to move offshore. The resulting lack of strong domestic capability constrains the national responses under crises.

## SPECIFIC COMMENTS

### 1) What other principles should government, industry and community prioritise to support the development of the strategy and why are these important?

The AFGC supports the four principles that have been identified to shape the development of the strategy:

- Whole of food system
- Collaborative
- Ambitious and forward-looking
- Outcomes-based and practical.

The AFGC proposes that emphasis be given to the latter principle, designed to “prioritise tangible impacts and real-world benefits”.<sup>3</sup> We consider this is best achieved through a revised scope that centres on identifying and addressing the most significant real-world risks to the food system. This could be subsequently ‘built out’ by additional work in other areas covered within the discussion paper.

#### *Sovereignty*

The AFGC would additionally recommend sovereignty as a guiding principle of the strategy’s development. The experience of the 2020s has brought renewed emphasis on this concept across multiple sectors,

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<sup>3</sup> Discussion paper, p. 5.

reflected in the emergence of terms such as ‘onshoring’ and the Government’s articulation of “Australian sovereign capability” as key objective.

The renewed importance of sovereignty was demonstrated most vividly during the COVID-19 era, which revealed the vulnerability of global supply chains to disruptive events. The importance of the concept has only grown through the decade with regional conflicts in Eastern Europe and the Middle East – each of which has seen significant disruption to international supply chains – and ongoing adjustments to international trade settings.

In a rapidly-changing geopolitical environment, characterised by deteriorating strategic circumstances,<sup>4</sup> it is prudent to assess the nation’s capacity to produce and distribute food domestically. Reducing dependence on foreign supply chains will strengthen national resilience against disruptions in the international environment. While Australia is a net food exporter, it is heavily reliant on imports for many key inputs, ingredients, and packaging materials. A strategy that prioritises sovereign capability would reduce the vulnerability of the nation’s food system to international supply chain shocks and geopolitical instability – ensuring a system resilient enough to withstand contingencies.

## **2) What timeframe should the strategy work towards – short (1 to 2 years), medium (5 to 10 years) or long (10-plus years) term, and why?**

The AFGC recommends that the strategy should work towards a medium-long (10-year) timeframe, with an implementation plan including intermediate milestones to provide shorter-term objectives and assess progress. A 10-year timeframe is preferable due to its greater likelihood of providing stability, consistency and predictability for stakeholders, and superior opportunity to affect any significant structural changes that may be required. In contrast, a shorter-term approach is more likely to seek temporary fixes than lasting reforms.

Working towards this timeframe would also naturally align with the above suggestion to begin with an initial investigation to identify key vulnerabilities to the food system; a foundational piece of work that could be subsequently built upon.

## **3) Are there examples of current or planned initiatives by you or your organisation to improve food security in your sector?**

Australia’s FMCG sector plays a key role in supporting the nation’s food security and food relief system. Member companies provide food and grocery donations to organisations such as Foodbank, Second Bite,

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<sup>4</sup> [2024 National Defence Strategy – Department of Defence](#)

and Oz Harvest helping ensure access to essential items for those in need. These contributions also promote sustainability by reducing food loss and waste.

Many AFGC member companies also promote food security through investment in research and development to improve their products. Given its strong links to other parts of the economy, some businesses collaborate with universities and research centres to develop digital, data-driven solutions that benefit the wider agrifood sector. An example is through Cooperative Research Centres, where businesses and researchers collaborate to address complex challenges that no single organisation can solve alone. These partnerships also advance research in areas such as renewable energy, the circular economy, and regenerative agriculture, contributing to solutions in the agricultural industry.

In a related context, and highly relevant to the proposed approach, the AFGC conducted a confidential assessment in 2021 to evaluate supply chain resilience within Australia's food and beverage manufacturing sector.<sup>5</sup> This assessment included mapping vulnerabilities in global supply chains, particularly for critical inputs characterised by a concentrated source of supply. It found that the sector is dependent on a wide range of imported ingredients and packaging inputs for the production of food in Australia. These inputs are often imported due to the absence of domestic supply sources, domestic capacity constraints, or commercial factors such as price or quality. Furthermore, these international sources of many food ingredients and packaging can be highly concentrated, offering few alternative sourcing options. The AFGC can provide details on this confidential assessment, upon request, which could serve as a template for additional work under the strategy to identify vulnerabilities across the broader food system.

The AFGC has also been involved in a CSIRO-led initiative titled *Food Manufacturing 2050*,<sup>6</sup> aiming to develop an industry R&D agenda with the vision of ensuring a sustained and successful food manufacturing industry in Australia. Contingent on securing industry-government funding, the outcomes of this work could be a significant contributor to the National Food Security Strategy objectives.

#### **4) Do the proposed key priority areas and whole-of-system considerations adequately represent the actions needed for an effective food security strategy? If not, what is missing?**

The AFGC offers the following comments on the proposed key priority areas:

##### *Supply chains*

Supply chains are an indispensable consideration of any national food strategy, amplified in importance by Australia's comparative isolation. The AFGC recommends mapping supply chain vulnerabilities, including through identifying key inputs and measures to mitigate risks and vulnerabilities, should be central to the strategy's development. Building upon the work already undertaken by the AFGC to map supply chain vulnerabilities in food ingredients and packaging, further assessments should be performed to map critical

<sup>5</sup> With support provided by the Department of Industry, Science, Energy and Resources.

<sup>6</sup> [Reshaping Australian Food Systems – CSIRO](#)

inputs (including attendant supply chain risks) for the entire food system, including production, processing, manufacturing, and distribution. Priority areas could include liquid fuels – such as diesel – fertilisers, and water.

The AFGC also recommends consideration be given to scenarios in which Australia experiences a sustained disruption of its international supply chains, in order to identify contingency measures that would enable the essentials of food production and distribution to continue under such conditions.

Along with international supply chains and their vulnerabilities, the AFGC recommends that consideration is given to domestic supply chains – the roads, rail lines, ports, and airports essential for moving, storing and delivering products across the nation. Much of this infrastructure is ageing and was not designed to withstand the increasing frequency and severity of natural disasters. The AFGC recommends mapping the domestic supply chain network, focusing on the risks and challenges specific to the food sector. This will allow the identification of key road and rail routes with a high risk of disruption that require further investment to ensure food availability.

#### *Productivity, innovation and economic growth*

The AFGC fully supports the proposed focus on these areas, while emphasising the importance of both industrial and agricultural sector productivity. As noted above, productivity and prosperity are vital to maintaining the domestic capabilities key to upholding Australia's food security. The objective should be to identify measures to incentivise much-needed investment in the sector itself, and those adjacent sectors that provide (or could pivot to provide) essential inputs to keep the sector functioning under a contingency scenario.

The AFGC has recently developed a 'productivity playbook' to identify measures to improve productivity within the processing and manufacturing sector, using such diverse levers as taxation and energy policy.<sup>7</sup>

#### *Competition and cost of living*

The AFGC notes that this section of the discussion paper focuses largely on supermarkets. While supermarkets are undeniably important participants in the food system, they represent only the final link in the food supply chain.

Further to comments above, the AFGC strongly recommends that this key priority area be adjusted to focus on *competitiveness* instead of *competition*. The competitiveness of Australian food producers, processors, and manufacturers is ultimately key to ensuring domestic capabilities. This is because a sector with increased competitiveness is one that can prosper in the international marketplace under 'normal' operating conditions, ensuring that capabilities remain onshore and contribute to the nation's food security. The declining competitiveness of food products made in Australia incentivises offshoring with negative impacts on the nation's domestic capabilities.

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<sup>7</sup> [Productivity Playbook – Australian Food and Grocery Council](#)

Similarly, while nobody can deny the importance of the *cost of living*, there needs to be an equal focus on the *cost of doing business*. Elevated consumer prices do not occur in isolation; they reflect a considerably increased level of cost at every prior point along the supply chain. Australian-based businesses do not have an unlimited capacity to absorb increasing costs, which impact the ultimate price competitiveness of their products. A sole focus on consumer prices without accounting for the increased cost of doing business is equivalent to focusing on symptoms but not causes. The AFGC can provide further details, on request, of the increased cost of doing business in recent years.

## 5) What actions could the strategy take to address challenges under each key priority area?

With regard to the key priority areas identified in the discussion paper, the AFGC proposes several actions:

### *Supporting product innovation for better nutritional outcomes*

To address challenges under the key priority areas, the strategy could adopt actions that enable the food industry to develop and deliver a wider range of nutritious products. This includes:

- **Driving regulatory reform** to streamline approval processes, making it easier for companies to bring healthier, innovative products to market.
- **Supporting R&D and product development** to encourage creation of foods designed to optimise health outcomes, such as low-fat, low-sodium, high-fibre, or nutrient-fortified products.
- **Creating an environment for profitable innovation** that allows companies to invest in technologies and scientific advances, ensuring new products are evidence-based and contribute to better diets and public health outcomes.

With a wider range of food production technologies and product offerings food security becomes more resilient. The foods are not designed to replace current and more traditional food production systems, but are complementary to those traditional systems. With global demand for protein predicted to increase substantially over the next 30 years and beyond, novel protein sources will have a greater role to play in contributing to food security in Australia.<sup>8</sup>

These actions would strengthen the sector's ability to respond to evolving nutritional challenges while supporting economic growth and a resilient, health-promoting food system.

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<sup>8</sup> [Australia's Protein Roadmap – CSIRO](#)



*Reducing food waste*

It is estimated Australians waste more than 7.6 million tonnes of food a year, coming at a cost of about \$36.6 billion.<sup>9</sup> This is occurring against a backdrop where many Australians – over one in eight (13% or 1.3 million) – do not have adequate access to food.<sup>10</sup>

For food and grocery manufacturers, giving food donations can be costly. Australia's current tax framework does not motivate manufacturers and producers to donate surplus products. The AFGC recommends that tax settings be recalibrated to incentivise donations to food relief, which could increase the donations from manufacturers, retailers, and farmers.

Apart from contributing to the effort to address food insecurity at the individual level, reducing food waste is recognised as an important part of the drive to reduce greenhouse gas emissions. In aggregate, of course, reducing food waste improves food security at the national, and ultimately global level simply by reducing the overall per capita demand on food production

## **6) What actions could the strategy take to address challenges under these whole-of-system considerations?**

The AFGC proposes several actions to address challenges under these whole-of-system considerations.

*Reforming the Food Regulatory System*

The AFGC recommends that the Government prioritise and advance the current reviews of the food regulatory system including the Food Standards Australia New Zealand Act (1991).<sup>11</sup> It strongly supports reforms that ensure Australia's food system is closely aligned with public safety and health objectives.

The food regulatory system has been almost unchanged for the last 25 years, but it is currently undergoing a comprehensive review to ensure it remains fit for purpose, and also future proofed to meet the challenges which will inevitably challenge the food system over the coming decades. Such challenges include the potential impact of new technologies, making the system more sustainable, improving the nutrient profile of products to assist with healthy eating, and giving consumers more information about the nature of products and their origins

A responsive food regulatory system must balance high levels of consumer protection with the needs of a profitable and competitive domestic food industry. As advances in nutrition and health sciences continue, only viable companies can innovate to bring more nutritious products to market, and government engagement with domestic manufacturers is essential to support innovation aligned with national health

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<sup>9</sup> [Reducing Australia's food waste – Department of Climate Change, Energy, the Environment and Water](#)

<sup>10</sup> [Food insecurity, 2023 – Australian Bureau of Statistics](#)

<sup>11</sup> [Review the Food Standards Australia New Zealand Act 1991 – Food Regulation](#)

priorities. Reforming the food regulatory system will reduce the regulatory burden on businesses, enabling investment in innovation, supporting sector agility and growth, and ultimately enhancing food security.

#### *Developing a skilled workforce*

The success of the Australian food and beverage sector depends on a highly skilled, flexible, and resilient workforce. The ability of the food and grocery sector to attract, retain and train the workforce has been challenged by a combination of factors, including the pandemic's impact on labour mobility, the difficulty of attracting workers to regional areas where 40 per cent of the sector operates, and greater competition for highly skilled workers from other sectors.

The sector has unique challenges and needs that require the attention of government. Rapid changes in innovation and technology make this critical to ensure training courses are focused on current and future skills to produce job-ready graduates. On the job training is critical to the sector. Manufacturers may need to have programs run in-house or on-site, as it can utilise the technology and equipment on the factory floor and the worksite that might be bespoke and that might make that training more relevant to the individual business.

The AFGC's landmark report, *Sustaining Australia 2030*<sup>12</sup>, identifies large potential for hundreds of thousands of new jobs to be created directly in the sector, with additional indirect employment opportunities. The modernisation of the sector to incorporate robotics, 3D printing, AI and predictive analytics requires the need for higher skills to install and operate automated production and digital systems. Upskilling of the workforce is required across the sector, from small to large multi-national businesses, to ensure the future competitiveness of the sector.

The AFGC recommends that the first step in addressing this issue is to support funding for a skills audit. The sector requires a mapping of current capabilities and skills required for it to grow over the medium to long-term. This will help industry, government, and tertiary education to better understand the skills required to support its growth over the medium to long term. The challenges associated with short-term pressures to find adequately skilled staff and the longer-term effects of the fourth industrial revolution requires the attention of government.

The AFGC would be delighted to discuss any aspects of this submission further. If this is of interest, please contact [rick.umback@afgc.org.au](mailto:rick.umback@afgc.org.au).

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<sup>12</sup> [Sustaining Australia 2030 – Australian Food and Grocery Council](#)



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# STATE OF THE INDUSTRY

## 2023-24



The figures on this page exclude the fresh food sector and are based on 2023-24 ABS data.

1: This is total number of employees, head count basis and does not include seasonal employees.

2: Gross fixed capital formation for food, beverage and tobacco manufacturing subsector is taken as indicator of capital investment.