
The future of food safety regulation in Victoria

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AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

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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 2022-23 financial year of \$162 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 \$4.2 billion capital investment in 2022-23.

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 almost 40 per cent of its 281,000 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.

OVERVIEW

The AFGC welcomes the opportunity to comment on the *Future of food safety regulation in Victoria*¹.

While the AFGC acknowledges the Victorian Government's goal of achieving a more streamlined regulatory system through the establishment of a new, independent regulator – Safe Food Victoria (**SFV**) consolidating PrimeSafe, Dairy Food Safety Victoria (**DFSV**) and food safety functions from the Health Regulator and Agriculture Victoria, the proposed approach raises a number of concerns that need to be addressed. Overall, the AFGC considers there is a lack of detail in consultation documents that clearly identifies the 'problem' or demonstrates tangible benefits to regulated entities.

The safety of the food supply is of utmost importance, both for the protection of public as well as domestic and international trade. Sectors such as dairy and meat have a long history of safe production and robust regulatory oversight. It is critical that the skills, knowledge, and technical support provided by the existing sector-specific regulators are not diminished, nor should the level of service necessary for these complex, whole-of-supply-chain sectors be reduced.

Foremost the AFGC considers a more comprehensive assessment of the 'problem' and full cost-benefit analysis of proposed changes is required through a formal Regulatory Impact Statement before these reforms are progressed.

The AFGC understands that its members, regulated by current sector-specific bodies (e.g., DFSV), may have provided input via their respective peak body submissions.

The AFGC would welcome the opportunity to discuss the proposed reforms to Victoria's food safety regulatory system. It provides responses to relevant questions from the discussion papers below.

DISCUSSION PAPERS

REGULATORY APPROACH

Questions:

- What aspects of the current food safety regulatory approach do you believe are working particularly well and should be retained or expanded?
- What enhancements or new approaches would you like to see in the way Safe Food Victoria operates?

¹ <https://engage.vic.gov.au/project/foodsafety/page/overview>

The AFGC considers a more comprehensive assessment of the 'problem' and full cost-benefit analysis of proposed changes is required through a formal Regulatory Impact Statement before these reforms are progressed.

If the reforms do proceed, the resulting regulatory approach must protect elements of the current system that are working well, particularly for the dairy and other sectors. This means a framework would need to be established to ensure specialised technical support and regulatory activities for sectors such as dairy and meat continue, and revenue collected from these sectors (licence fees, cost recovery fees etc) is retained for sector-specific activities.

It is also imperative that key technical staff (including auditors) from bodies such as DFSV and PrimeSafe are retained to ensure continued technical/regulatory leadership and service for these important and complex sectors.

Under the proposed model, there is a risk that the current high-level engagement and dialogue between industry and sector specific regulators would be diluted and suffer from additional levels of internal bureaucracy/decision making.

Another complexity that needs to be explored further is the current role regulators such as DFSV have in the export certification system. This will require early and detailed discussions with the federal Department of Agriculture, Fisheries and Forestry to ensure overseas trading partners are sufficiently assured of the robustness of system and adequately informed.

GOVERNANCE

Questions:

- **What types of professional experience or areas of expertise do you think are essential for members of the Safe Food Victoria board?**
- **If consultative committees were established, what are some of the areas they should cover?**
- **How should consultative committees be structured to ensure the board of Safe Food Victoria receives the expert advice it needs?**

The AFGC recommends that the board composition be balanced and skills-based including governance and contemporary food sector experience.

To ensure regulatory strategy is tested against commercial viability and operational reality, the AFGC strongly recommends that formal consultative committees must be established for each major regulated sector, such as dairy, red meat, seafood, and other manufactured food. These committees must consist of technical experts, business owners and relevant peak industry bodies. Mechanisms need to be established so that advice from these committees are formally presented to and considered by the SFV Board and CEO, with transparent documentation on how the advice influenced policy and strategic direction.

FUNDING

Questions:

- **What factors should be considered when determining regulatory fees and charges? For example, should it be based on business activity, risk, size?**
- **Given that the regulator will be financially independent, what risks, benefits or other considerations need to be taken into account in the funding model?**

The AFGC recognises that the current regulatory system is funded through a mix of cost-recovery from regulated businesses and government appropriation; and that it is proposed that this model will continue under a reformed system.

The AFGC is of the view that the cost-recovery fees should only fund business-specific activities, such as routine licensing and auditing. This prevents fees from covering essential government responsibilities and ensures regulatory integrity by reducing over-reliance on industry fees.

The AFGC recommends that the fee review must not result in any increased regulatory costs to the industry. Any cost efficiencies realised through the consolidation of four regulators into SFV must be transparently reflected in the cost-recovery model, noting that levy funding is explicitly collected to support sector-specific food safety and compliance programs. Ultimately, the final fee structure must be risk-proportionate in principle, ensuring that the regulatory cost burden is directly linked to the food safety risks managed by the individual business.

ROLE OF LOCAL COUNCILS

Questions:

- **What works well with the current food safety regulation system (that could be retained)**
- **What does not work well with the current food safety system that could be addressed?**
- **What enhancements or new approaches would you like to see in the way Victorian councils continue to operate their food safety role?**
- **What do you think is the optimal role for Victorian councils within the new food regulator system?**

The AFGC supports risk-based inspection and compliance models. Regulatory responsibility for general food manufacturing sits predominantly with local councils. The AFGC considers there are opportunities under this new model for providing greater support to local councils in their food regulation role and promote regulatory consistency through training, resource development and technical advice – a successful model under which the NSW Food Authority operates and interacts with the local councils².

² [Roles and responsibilities | NSW Food Authority](#)

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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.