

Australian Dairy Industry Council (AIDC)
SUBMISSION

Establishment of Safe Food Victoria

October 2025

ADIC Submission to:

Victorian Government | Establishment of Safe Food Victoria
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Acknowledgement of Country

Australian Dairy Industry Council acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Introduction

The Australian Dairy Industry Council (ADIC), working with Dairy Australia, appreciates the opportunity to provide a submission to the Victorian Government on the proposed establishment of *Safe Food Victoria*.

The new, independent food safety regulator will supposedly streamline the process to deliver food safety regulation by consolidating the existing food safety regulators – including *Dairy Food Safety Victoria (DFSV)*.

In good faith, the Australian dairy industry has participated in meetings, roundtables and submissions since the consultation on this proposed reform commenced in 2024.

The Victorian dairy industry is Australia's largest and most productive, and the decisions made in this process will have far-reaching consequences for the entire national dairy supply chain.

The ADIC is strongly opposed to the inclusion of DFSV in the Safe Food Victoria proposal.

The proposal, presented as a step toward efficiency, instead poses significant, serious risks to food safety, export confidence, and the economic stability of Victoria's dairy sector.

We are yet to see evidence of the market failure at play, nor a cost-benefit analysis.

Simply put: DFSV works.

It is a self-funded, risk-based food safety regulator responsive to the needs of the dairy sector. It is focused, efficient, trusted, and fit for purpose. It was built for dairy, not added on, and delivers the food safety and export assurance that underpin Victoria's global leadership in dairy production.

Dismantling or subsuming it into a multi-sector regulator would erode expertise, slow responsiveness, and jeopardise market access built over decades of trust.

About the Australian Dairy Industry

The ADIC the peak national body of the Australian dairy industry, representing the interests of dairy farmers and dairy processors through its two constituent bodies Australian Dairy Farmers (ADF) and the Australian Dairy Products Federation (ADPF). It aims to create a more prosperous and sustainable future for the local industry and the regional communities that rely on it.

ADF is the national peak industry representative body representing all dairy farmers from across Australia's six dairy producing states. ADF's membership includes the State Dairy Farming Organisations from each state as well as direct farmer members.

The ADPF is the lead policy and advocacy body representing the nation's dairy manufacturing industry. ADPF members process about 90 per cent of Australian milk volumes and provide dairy products for both domestic and export markets.

Dairy Australia (DA) is the national services body for dairy farmers and the industry. As the industry's research and development corporation (RDC), it is the 'investment arm' of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

Executive Summary

Victoria's dairy industry is a cornerstone of the state's regional economy and global reputation for excellence in food production.

The state is home to more than 2,500 dairy farms, producing 63 per cent of Australia's total milk supply (about 5.3 billion litres in FY24).

Seventy-one per cent of national dairy exports originate from Victoria, underpinning a farmgate value of \$3.8 billion and supporting 18,000 direct jobs.

The industry's success is inseparable from its robust and specialised regulatory system, led by *Dairy Food Safety Victoria (DFSV)*. DFSV delivers end-to-end assurance from farm to manufacturing and distribution – vital when managing a perishable product that needs to be collected and processed within 24-48 hours.

It ensures Victorian dairy meets the highest domestic and international standards, providing the confidence that sustains billions of dollars in trade and investment.

The government's proposal to merge DFSV into a broader regulator would:

- dilute dairy-specific expertise
- increase the risk of slower, less informed regulatory responses
- undermine the trust and responsiveness built between regulator and industry, and
- threaten Victoria's export credibility and competitiveness.

ADIC supports continuous improvement and greater coordination across food regulators. However, reform must be grounded in evidence, risk, and performance, not assumption.

We are yet to see evidence and justification for the market failure at hand, nor the benefits the proposed reform will achieve

Moreover, the consultation process that has led to this proposal has failed to accurately reflect the dairy industry's strong opposition for this change and why. As an example, dairy's feedback has been diluted in generic, multi-sector summaries, masking the industry's unified and unequivocal opposition.

ADIC recommends: Retaining Dairy Food Safety Victoria as an independent, dairy-specific regulator, and to focus on enhancing coordination and capability across the broader food system.

We expand on our position below, providing comprehensive insights and recommendations to the consultation questions.

1. Regulatory Approach

Why DFSV works

Victoria's dairy regulator works – and it works exceptionally well.

DFSV is focused, efficient, and above all, trusted. It was designed for dairy and managing a perishable, highly valued product, not adapted to it, and delivers the assurance and responsiveness the industry relies on every day.

As ADIC Chair Ben Bennett has emphasised, *you don't break a system that isn't broken*.

DFSV's success lies in its single-sector focus, its risk-based approach, and its close, cooperative relationship with industry. It regulates the full dairy chain, from farm to factory to distribution, providing consistency, accountability, and clarity.

DFSV's model combines education with enforcement, ensuring risk-based compliance is achieved through partnership rather than punishment. This approach has led to exceptionally low incident rates, rapid response times, and robust export confidence.

This critical role also underpins Victoria's dairy export success. Trading partners know the system works, because it delivers year after year.

Through on-farm and processing audits, licensing, and tailored product testing, DFSV ensures Victoria meets the rigorous standards required by importers, enabling strong market access to regions such as the EU, China, and Japan.

By contrast, a centralised multi-sector regulator would inevitably weaken oversight.

Generalist agencies lack the depth of dairy-specific expertise needed to understand complex biological, processing, and export assurance systems. Response times would slow, expertise would be diluted, and accountability blurred.

Experience elsewhere proves the risk.

In Western Australia, where food safety oversight is fragmented, industry confidence has declined. In New Zealand, the move to a centralised food regulator contributed to the 2013 botulism scare, which cost the economy hundreds of millions of dollars and damaged global confidence in its dairy exports.

The trust and clarity built over decades between industry and DFSV cannot be rebuilt once it's lost. The Victorian Government's proposal risks doing exactly that – discarding a model that is effective, respected, and self-sustaining.

The government's own consultation materials provide no clear evidence that a merged regulator would provide any additional benefits to the Australian dairy industry. Efficiency should never come at the expense of effectiveness, and "streamlining" cannot justify increased risk to food safety or export market access.

If government seeks genuine improvement, it should invest in optimising coordination, not dismantling what works. The ADIC recommends enhancing DFSV's alignment with other regulators through:

- formal cooperation agreements to streamline processes without compromising specialisation eg: innovation and technology
- shared systems and data platforms where appropriate
- joint training programs to lift regulatory capability, and
- continued emphasis on a risk-based, proportionate approach to compliance.

These are practical, evidence-based improvements that retain the strengths of the current system while addressing inefficiencies, without undermining the core principles of dairy-specific regulation. As the dairy industry evolves, DFSV's expertise is crucial in assessing and approving emerging technologies such as:

- Ai-driven safety monitoring
- Alternative pasteurisation methods
- High-pressure processing (HPP)
- Novel ingredients (e.g., protein fractionation)
- Sustainable packaging solutions
- Emission reduction initiatives (e.g., feed supplements, probiotics)
- Shared systems, joint training programs, and coordinated inspections to improve regulatory efficiency while retaining dairy-specific oversight.

Governance

Strong governance is central to food safety and public confidence. DFSV's skills-based board, with deep dairy and food manufacturing expertise, is one of its defining strengths. It ensures that regulatory decisions are informed by technical understanding, practical experience, and sector insight.

This is strongly backed, by DFSV's Dairy Industry Consultative Forum (DICF), which brings together licensees and dairy industry stakeholder, who provide advice on issues impacting the dairy sector that fall under the *Dairy Act 2000*, ensuring dairy regulatory matters can be considered and addressed collaboratively.

The Safe Food Victoria model, proposes replace a specialised board with distant advisory structures, which risks eroding accountability and expertise.

Decisions about dairy food safety must be made by those with “skin in the game” people who understand the biological dynamics of milk, the risks in processing, and the requirements of export markets.

Dairy specific governance is critical and must:

- retain skills-based, dairy-specific, board representatives
- maintain clear accountability to the Victorian Parliament and to dairy licensees, and
- preserve formal consultative mechanisms that ensure industry input remains central to decision-making.

If consultative committees are to exist within Safe Food Victoria, they must not replace direct dairy governance. Instead, they should focus on facilitating cross-sector dialogue without undermining the autonomy or authority of existing specialist regulators like DFSV.

As ADIC Deputy Chair John Williams has stressed, decisions made without industry at the table often fail in practice. The dairy industry cannot accept a model where its voice is diluted or decisions are made *“about us, not with us”*.

Funding

DFSV is fully cost recovered and funded by the Victorian dairy industry. This model ensures accountability, efficiency, and alignment of interests. Licensees know exactly what they pay for, and that their fees protect their product, their brand, and their market access.

As of the 2022–2023 financial year, DFSV reported total revenue of about \$7.5 million, with the organisation's financial reserves at about \$4.2 million during this period.

These reserves are essential safeguards for the dairy sector. They are not surplus funds available for reallocation or offset against broader government or multi-commodity regulatory expenses.

Any attempt to divert DFSV's financial reserves to a centralised regulatory body would threaten that integrity.

Pooling dairy licence fees into a general fund risks cross-subsidisation, where dairy producers end up funding oversight of unrelated sectors. Such an approach would be unacceptable to industry and contrary to principles of transparency and fairness.

When determining regulatory fees and charges, ADIC supports models that are:

- proportionate to business size, risk, and activity
- transparent in cost recovery and expenditure
- directly linked to sector-specific service delivery, and
- designed to incentivise compliance and continuous improvement.

DFSV's funding model already achieves these objectives. Changing it would add administrative complexity, create uncertainty, and undermine the trust and accountability that currently exist.

Financial independence should strengthen a regulator's credibility not become a mechanism for redistributing costs across unrelated industries.

Role of Local Councils

Local councils play an important role in food safety oversight at the retail and hospitality level. However, they are not equipped to regulate primary production or dairy manufacturing, which require timely, highly technical, export-linked assurance frameworks.

The current system — with councils focusing on retail food premises and DFSV overseeing the dairy sector — works well. The division of responsibility is clear, complementary, and effective.

Bringing councils into a broader, multi-sector regulatory framework risks creating confusion, duplication, and inconsistency in enforcement. Local authorities vary widely in capability and resourcing, which would undermine uniformity across the dairy supply chain.

The optimal role for councils within any future system is therefore unchanged: to regulate food businesses at the retail and food service level, while specialist regulators like DFSV continue to manage high-risk, high-value primary production and processing sectors.

Conclusion

Victoria's dairy regulator is a model of success. It is efficient, respected, and world-class. It delivers safety, confidence, and value for money. It is paid for by the industry it serves and trusted by the markets it supplies.

No evidence has been presented to justify dismantling this system. No performance problem has been demonstrated. No benefit has been shown that outweighs the risk.

The inclusion of DFSV in the Safe Food Victoria proposal is unnecessary and dangerous. It risks weakening food safety oversight, undermining export confidence, and dismantling a system that is globally recognised as a benchmark for excellence.

The ADIC urges the Victorian Government to maintain DFSV as an independent, dairy-specific regulator, and to focus on strengthening collaboration between regulators while preserving Victoria's world-class dairy food safety system.

Government must work with industry to find real efficiencies that maintain food safety, competitiveness, and economic sustainability.

If the government cannot meet these non-negotiables - and we believe it cannot without compromising safety and confidence - then the safest and most logical course is to maintain the status quo.

Submission contacts

Australian Dairy Farmers

Nathan Pope, Policy Manager

npope@australiandairyfarmers.com.au

Australian Dairy Products Federation

Kristin Favaloro, Director Communications

kristin.favaloro@adpf.org.au