

Tuesday 23 December 2025

The Hon Emma Kealy MP
Shadow Minister for Agriculture
Parliament of Victoria
E: emma.kealy@parliament.vic.gov.au

CC: Leader of the Opposition, The Hon Jess Wilson MP

E: jess.wilson.mp@parliament.vic.gov.au

CC: Leader of The Nationals, The Hon Danny O'Brien MP

E: danny.obrien@parliament.vic.gov.au

Dear Ms Kealy,

On behalf of the Australian Dairy Industry Council (ADIC) and Dairy Australia, we write to formally record our concerns regarding the Victorian Government's proposal to dismantle Dairy Food Safety Victoria (DFSV) and establish Safe Food Victoria (SFV).

ADIC is the peak national representative body of the Australian dairy industry, representing the interests of dairy farmers and 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.

Dairy Australia is the national services body for dairy farmers and the industry. Its role is to help farmers adapt to a changing operating environment, and achieve a profitable, sustainable dairy industry. As the industry's Research and Development Corporation, it is the 'investment arm' of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

The Victorian dairy's position: the industry believes dismantling DFSV is an unacceptable risk.

This is the first time we formally write to you on this issue, and we do so because the dismantling of DFSV raises material alarms for dairy food safety oversight, export market confidence, and the operating environment for Victorian dairy farmers and processors.

Following the release of the Victorian Economic Growth Statement in December 2024, these concerns have been repeatedly raised with the Minister for Agriculture, Ros Spence and her office; the Minister for Health, Mary-Anne Thomas; and the Premier of Victoria, Jacinta Allan.

To date, no evidence has been provided to justify the dismantling of Dairy Food Safety Victoria (DFSV). The rationale for the decision has shifted over time, and consultation with the Victorian dairy industry has been flawed and has not reflected our position.

Despite these concerns and the absence of supporting evidence, the government is progressing the next steps for Safe Food Victoria (SFV), including board recruitment, again without industry awareness or consultation.

We expand on this below:

1. No evidence has been provided to justify dismantling DFSV:

Despite repeated requests from industry and commitments from the Department of Agriculture – including your commitment at our meeting – we have not received any evidence that a multi-commodity regulator would outperform the current DFSV model. No data or implementation plan has been provided to demonstrate that the proposed model would be more effective, more accountable, or more trusted.

In addition, no dairy-specific impact analysis has been provided to industry, including assessments of food safety risk, export confidence, transition costs, or regulatory capacity, to justify the dismantling of a highly effective agency.

2. Government messaging has shifted, and the rationale is now unclear:

When Victoria’s Economic Growth Statement announced the commitment to “halve the number of business regulators by 2030”, it was presented as red-tape reduction and investment attraction that would simplify and modernise regulation.

Now, with the announcement of SFV, it appears the government intends to meet this target through structural consolidation of specialist regulators, directly affecting DFSV. This now reads as structural rationalisation and cost-cutting, not targeted reform to improve outcomes.

The NSW Food Safety Authority was presented to our industry as a ‘gold standard’ to replicate. However, we understand the Authority has experienced ongoing senior staff departures and cross-commodity staffing arrangements, resulting in a loss of sector-specific expertise and responsiveness. Rather than demonstrating a ‘gold standard’, this experience has raised growing concern and highlights the risks associated with a broad-scope agency, where the capacity to effectively service individual commodities can be diluted.

3. Consultation has been flawed and has not represented dairy’s position:

The “What We’ve Heard” document (September 2025) does not accurately reflect dairy’s concerns or the strength of industry opposition. The engagement process has not given dairy’s unified position appropriate weight and has instead diluted it by combining it with feedback from stakeholders with no direct stake in dairy regulation. The result risks misrepresenting dairy’s position and creating the appearance of support where it does not exist.

4. The \$3.6 billion Victoria dairy industry is too significant to risk:

For more than two decades, DFSV has been a trusted, effective regulator built specifically for the dairy sector. Its sole focus on dairy, combined with deep industry expertise, enables fast, authoritative, and risk-based responses when issues arise. DFSV also provides regulatory leadership that other state and territory jurisdictions rely on.

DFSV operates on a full cost recovery basis, with dairy farmers and processors funding services that protect product integrity and market access. It holds \$7 million in reserves, dedicated exclusively to dairy food safety and compliance activities.

Victoria is the engine room of Australia's dairy sector, producing 63 per cent of the nation's milk and accounting for 72 per cent of dairy exports. About 2,500 farms and 17,000 direct jobs rely on a system that supports compliance and competitiveness.

The proposed dismantling of DFSV introduces avoidable risk in a global market where trust is hard-earned and easily lost. A single failure can lead to immediate, multi-million-dollar consequences, particularly for exports. It risks diverting DFSV funds away from dairy-specific priorities, undermining the stability and effectiveness of food safety oversight for the Victorian dairy industry.

We acknowledge the government's intent to reduce duplication and improve consistency.

As an industry, we support regulation that is evidenced-based and risk proportionate, delivering a modern and efficient food safety system with national consistency, clarity, transparency, clear accountability, minimal costs and reduced regulatory duplication.

However, reforms that remove dairy-specific expertise, weaken independent governance, or redirect dairy license fees away from dairy regulation will undermine, rather than advance, those objectives. A one-size-fits-all model risks being slower, less responsive, and less capable of managing dairy-specific risks and emerging challenges.

5. Dairy specific governance is critical and must:

- Retain skills-based, dairy-specific, board representatives – with numbers aligned to the industries economic contribution.
- Independent statutory authority with a clear legislative remit and accountability to the Victorian Parliament and to dairy licensees, and
- Preserve formal consultative mechanisms through establishing sector-specific consultative committees that will provide practical industry knowledge to the board and ensure industry input remains central to decision-making, grounded in operational realities.
- Ensure a Memorandum of Understanding (MOU) is in place with DAFF from day one of operations to maintain continuity of export assurance for dairy products manufactured in Victoria. Any delay in establishing this arrangement risks exports being viewed as non-compliant with DAFF export assurance processes, which underpin the system recognition status Australia enjoys with most of our trading partners.
- Protect and retain the \$7 million in DFSV reserves – funded by dairy licensees – and ensure it is used solely for dairy-specific food safety and compliance purposes.

If the government is willing to risk our \$3.6 billion Victorian dairy industry, it must ensure decisions about dairy food safety are made by those with "skin in the game".

We request an industry meeting early in the new year to discuss this further and to advance the right outcome for the benefit of the Victorian dairy industry.

Please contact Sandra Ognibene, ADIC Company Secretary on 0438 422 505, or at sognibene@australiandairyfarmers.com.au.

Yours sincerely,



Ben Bennett
Australian Dairy Industry Council, Chair
Australian Dairy Farmers President



John Williams
Australian Dairy Industry Council Deputy, Chair
Australian Dairy Products Federation Chair