

03 February 2023

National Reconstruction Fund Taskforce
Department of Industry, Science and Resources

Submitted via the Consultation Hub

RE: Submission – National Reconstruction Fund Consultation

The Australian Institute of Food Science and Technology (AIFST) is a not-for-profit organisation representing food industry professionals working in all facets of the food industry including food science, food technology, engineering, sensory, new product development, innovation, regulatory, QA, nutrition, microbiology, and food safety, as well as those in leadership positions within the academic, industry, public and private sectors.

AIFST's mission is to advance and inspire all food sector professionals through education, collaboration, and recognition, to champion a robust, innovative, science-based Australian food industry to meet future food needs.

The AIFST welcomes the opportunity to provide this submission on the [National Reconstruction Fund \(NRF\) Implementation](#).

Our feedback and comments are set out in the document provided with this covering letter.

Thank you for the opportunity to provide this input to the consultation. If you require any further information, please do not hesitate to contact me.

Sincerely

Fiona Fleming

CEO

Australian Institute of Food Science and Technology Limited (AIFST)



Executive Summary

The Australian Institute of Food Science and Technology (AIFST) welcomes the opportunity to contribute to National Reconstruction Fund Consultation. Historically, Australia has enjoyed a high level of food security with most Australians having access to an affordable, safe, nutritious food supply catering to the diverse multicultural and lifestyle needs of the community.

In October 2020, the AIFST was commissioned by the Page Research Centre (PRC) to deliver a paper discussing the potential to grow Australia's food manufacturing sector and proposing focus areas to support this growth.

AIFST worked with RDS Partners to deliver a report which synthesised current key reports related to the future of Australia's agricultural and food production system with a series of conversations with 26 industry leaders, scientists, and stakeholders deeply embedded in the sector.

The resulting report, *Exploring the growth potential of Australia's food manufacturing sector: a new narrative for Australia's agrifood system*, published in January 2021, provides the basis for the AIFST submission to this consultation.

The report presented a series of recommendations arising from our review of contemporary information and from our discussions with industry experts. While priorities will change as the operating environment also inevitably changes, these recommendations point to some key activities that will help governments develop a clearer picture about what their food policy is and how they are going to support it.

The main recommendation coming out of the report was:

The AIFST calls upon the Government to urgently *work with food system stakeholders to establish an industry-led, food system strategic advisory body, chaired at the Ministerial level, to develop a National Food Plan.*



Recommendations

Recommendation 1: That the Australian Government works with food system stakeholders to establish an industry-led, food system strategic advisory body, chaired at the Ministerial level, to develop a National Food Plan that:

- i) prioritises and guides activities supporting Australia's food system
- ii) identifies and drives programs so that Australia's food system is supported as a cohesive, nationally important whole, and
- iii) guides government on all aspects of policy that impacts Australia's food system.

Recommendation 2: That the Australian Government's work on international trade negotiations and relationships actively supports, and is actively supported by, the Australian food system.

Recommendation 3: That the Australian Government works with food system stakeholders to identify reforms that will make the Australian tax environment more attractive, especially to those food system companies considering capital and/or R&D investments.

Recommendation 4: That the Australian Government works with Australian food system stakeholders to identify reforms to simplify and streamline the regulatory environment in which the food system operates.

Recommendation 5: That the Australian Government works with industry to identify key domestic and export growth opportunities for the national food system, alongside ways that government can support the Australian food system to capitalise on these opportunities over the longer term.

Recommendation 6: That the Australian Government works with industry to mitigate ways that existing Australian policies and regulations are inhibiting the Australian food system's potential to upcycle waste and participate more fully in circular economy projects.

Recommendation 7: That the Australian Government substantially increases its prioritisation and support for food system capability and capacity building programs across schools, VET institutions and universities.

Recommendation 8: That the Australian Government recognises formal industry clusters as best practice in fostering collaboration and growth and works with food system stakeholders to identify and support meaningful food system clusters.

Recommendation 9: That the Australian Government works with food system stakeholders to design and deliver flexible support mechanisms and packages for small, medium, and large food system companies and collaborations.



Recommendation 10: That the Australian Government works with Australia’s food system stakeholders to promote to domestic and international consumers the ‘Australian-ness’, the safety, quality and provenance attributes of Australian food products (in whatever way is best for specific products) – to boost domestic sales, exports, onshoring and import replacement.

Recommendation 11: That the Australian Government works with Australia’s food system stakeholders to identify and mitigate key logistic infrastructure bottlenecks.



1. Introduction

Australia's food manufacturing sector has enormous growth opportunities. Food Innovation Australia Ltd (FIAL), amongst others, have provided strong evidence to propose a potential increase of AUD\$200 billion by 2030 ... "*which would almost triple the current size of Australia's food and agri-business sector*".

In October 2020, the AIFST was commissioned by the Page Research Centre (PRC) to deliver a paper discussing the potential to grow Australia's food manufacturing sector and proposing focus areas to support this growth.

AIFST worked with RDS Partners to deliver a report which synthesised current key reports related to the future of Australia's agricultural and food production system with a series of conversations with 26 industry leaders, scientists, and stakeholders deeply embedded in the sector.

The resulting report, *Exploring the growth potential of Australia's food manufacturing sector: a new narrative for Australia's agrifood system*, published in January 2021, provides the basis for the AIFST submission to this consultation.

Perhaps the most important message arising from this review was the need to reimagine the way we understand and manage food production in Australia – to think about an Australian food system, not just 'agriculture', 'production' or 'manufacturing' silos.

There has been, in recent years, a plethora of reports and papers and opinion regarding the opportunities and threats facing Australian food producers – typically focussing on either side of an artificial divide between what have become known as "pre-" and "post-" farm gate domains. These reports all provide their own value, and – reassuringly – their narratives all seem to be pointing us in the same direction. But there is something missing – there does not appear to have been any great call to action.

To that end, the report presented a series of recommendations arising from our review of contemporary information and from our discussions with industry experts. While priorities will change as the operating environment also inevitably changes, these recommendations point to some key activities that will help governments develop a clearer picture about what their food policy is and how they are going to support it.

The main recommendation coming out of the report was:

That the Australian Government works with food system stakeholders to establish an industry-led, food system strategic advisory body, chaired at the Ministerial level, to develop a National Food Plan.

The recommended industry-led advisory body would be responsible, amongst many other things, for reviewing the recommendations in this and contemporary reports, and for developing and delivering against its own priorities.



There was a strong call for a well-coordinated and resourced national food system plan and strategy covering what, how and why we grow, harvest, store, value add, market, regulate and export our agricultural, aquacultural and wild harvest primary products and to be rid of the siloed, often piecemeal ways in which these activities are designed and delivered.

In short, we must view and integrate all these largely disparate activities under the auspices of a single, national food system. We need to decide what that system should do – what success looks like – and then design policies and effective actions to achieve that vision.

If the Australian food system is to be positioned to take advantage of the huge opportunities foreseen by our experts, and to mitigate the threats, a serious, nationally coordinated approach to food must occur.

A nationally coordinated approach to food needs to be prioritised so that it is led by industry with true commitment, collaboration, and support from the highest levels of government.

2. AIFST comments on key questions

2.1 Scope of the NRF – priority areas

The key priority area of interest to the AIFST is:

Value-add in the agriculture, forestry, and fisheries sectors: Unlock potential and value add to raw materials in sectors like food processing, textiles, clothing, and footwear manufacturing.

The terms of reference suggest a focus of the Committee will be on agricultural production, which in Australia underpins the high levels of food security for Australians. Upon that foundation, however, stands the food manufacturing sector which transforms agricultural products and produce into the foods Australians eat every day.

The sector turns cattle into cuts of meat and many other products, it takes wheat and manufactures breads and pastas etc. and it converts milk into a wide range of dairy products. Indeed, any comprehensive funding for Australia's natural and competitive strengths, and support for the development of strategically important industries and supply chains must recognise the role of food manufacturing and supply as the *sine qua non* to developing and implementing policy initiatives or undertakings designed to reflect Australia's current and emerging advantages

In doing so the AIFST requests the NRF ensure the sector of agriculture, forestry and fisheries sector is examined in the context of the whole supply chain – from paddock to plate, not just considering value adding to 'raw materials.'



2.2 What types of projects or investments should the Government direct the NRF to focus on, or not invest in?

The NRF needs to consider ‘road blocks’ or ‘enablers’ to ensuring the potential of the Australian agrifood industry can be unlocked.

The following details some of these roadblocks for consideration.

The Australian Regulatory Environment

Like many Australian industries, the food system is regulated by different levels of government and several different portfolios as set out in Table 1.

Australia’s food and grocery policy and regulatory system is large and complex, involving 10 Governments, and at least 20 Departments, developing policy and regulations as well as numerous agencies responsible for enforcement (AFGC 2012).

Regulation touches a broad range of areas across the Australian food system, from paddock to plate—from controlling which chemicals can be applied to a crop, to setting compositional and labelling requirements for foods, to food safety for both local and overseas manufactured products.

Development of food policy and regulation is hampered by different jurisdictions having different expectations and institutional arrangements. Each of these agencies imposes regulatory requirements on the food system that place a burden on the ability of business to achieve and maintain sustainable growth (AFGC 2012).



Table 1: Australia's food and grocery policy and regulatory system

AGENCY	Department	Regulations
Food Standards Australia New Zealand (FSANZ)	Australian Government Department of Health	FSANZ Act 1991 FSANZ Regulations 1994 Australia New Zealand Food Standards Code Food composition, labelling and claims
Department of Agriculture, Water and the Environment		Biosecurity Act 2015 Imported Food control Act 1992 Biosecurity Act 2015 Biosecurity Regulations 2016
Australian Industrial Chemicals Introduction Scheme (AICIS)	Australian Government Department of Health	Industrial Chemicals Act 2019 Industrial Chemicals (General) Rules 2019
Australian Pesticides and Veterinary Medicines Authority (APVMA)	Australian Government	Agricultural and Veterinary Chemicals Act 1994 Agricultural and Veterinary Chemicals (Administration) Act 1992 Agricultural and Veterinary Chemicals Products (Collection of Levy) Act 1994
Office of the Gene Technology Regulator	Australian Government Department of Health	Gene Technology Act 2000
Therapeutic Goods Administration (TGA)	Australian Government Department of Health	Complementary Medicines Therapeutic Goods Act 1989 Therapeutic Goods Regulations 1990
National Measurement Institute (NMI)	Australian Government Department of Industry, Science, Energy and Resources	National Measurement Act 1960 National Measurement Regulations 1999 National Trade Measurement Regulations 2009
The Australian Competition and Consumer Commission (ACCC)	Australian Government	Competition and Consumer Act 2010 Country of origin labelling Competition Policy Recalls
Safe Work Australia	Australian Government	Safe Work Australia Act 2008
Fair Work Australia	Australian Government	Fair Work Act 2009
National Transport Commission		
IP Australia	Australian Government	Intellectual property rights and legislation relating to patents, trademarks, registered designs, and plant breeder's rights in Australia
Department of Agriculture, Water and the Environment		Environment protection
Department of Home Affairs	Australian Government	Immigration Employment of overseas workers
Department of Agriculture, Water and the Environment	Australian Government	Water Act 2007 Waster Regulations 2008
Australian States and Territories	State governments	Compliance and enforcement
• ACT Health		Food Act 2001; Food Regulations 2002
• NSW Food Authority		Food Act 2003; Food Regulation 2015



AGENCY	Department	Regulations
<ul style="list-style-type: none"> • NT Department of Health & • Department of Primary Industries and Resources 		Food Act
<ul style="list-style-type: none"> • Queensland Department of Agriculture and Fisheries; Queensland Health; Safe Food Queensland 		Food Act 2006; Food Regulation 2006 Food Production (Safety) Act 2000 Food Production (Safety) Regulation 2014
<ul style="list-style-type: none"> • SA Health 		Food Act 2001; Food Regulations 2002
<ul style="list-style-type: none"> • Tasmanian Department of Health and Human Services • Department of Primary Industries, Parks, Water and Environment 		Food Act 2003; Food Regulations 2012
<ul style="list-style-type: none"> • Department of Health and Human Services Victoria • Dairy Food Safety Victoria 		Food Act 1980
<ul style="list-style-type: none"> • Health Department of WA • WA Department of Agriculture and Food 		Food Act 2008; Food Regulations 2009

Examples of the complexity of the food and agriculture regulatory systems in Australia can be seen in:

- Figure 1: Regulation across the agricultural supply Chain (Productivity Commission 2016)
- Figure 2: Australia-New Zealand food safety regulatory system (Productivity Commission 2009).

<i>Key Australian Government involvement/regulation</i>	<i>Key stages of the agricultural cycle</i>	<i>Key state/territory government involvement/regulation</i>
<ul style="list-style-type: none"> • native title • environmental protection <ul style="list-style-type: none"> – biodiversity conservation – international treaties – natural, cultural and world heritage 	<p>Acquisition, leasing and preparation of land</p> 	<ul style="list-style-type: none"> • land tenure and use <ul style="list-style-type: none"> – <i>land use planning</i> – <i>building regulations</i> – <i>pastoral leases</i> • environmental protection <ul style="list-style-type: none"> – <i>native vegetation</i> – <i>natural and cultural heritage</i>
<ul style="list-style-type: none"> • agricultural and veterinary chemical standards • biosecurity <ul style="list-style-type: none"> – pest surveillance • export control • environmental protection <ul style="list-style-type: none"> – biodiversity conservation – international treaties – natural, cultural and world heritage • national land transport regulatory frameworks • water access and regulation • welfare of exported animals 	<p>Agricultural production and on-farm processing</p> 	<ul style="list-style-type: none"> • agricultural and veterinary chemicals • animal welfare • biosecurity <ul style="list-style-type: none"> – <i>pest and disease control and response</i> • food certification for export • <i>building regulations</i> • genetically modified crops • land use planning • livestock regulation and identification • transport <ul style="list-style-type: none"> – <i>road access</i> – <i>transport and use of machinery</i> – <i>vehicle licensing</i> • water access and regulation
<ul style="list-style-type: none"> • biosecurity <ul style="list-style-type: none"> – pest surveillance • export control • national land transport regulatory frameworks • shipping and maritime safety laws • welfare of exported animals 	<p>Transport and logistics</p> 	<ul style="list-style-type: none"> • transport regulations <ul style="list-style-type: none"> – <i>road access</i> – <i>transport and use of machinery</i> – <i>vehicle and machinery licensing</i> • animal welfare • livestock regulation and identification
<ul style="list-style-type: none"> • biosecurity <ul style="list-style-type: none"> – pest surveillance • export control • food labelling • food standards • welfare of exported animals 	<p>Marketing</p> 	<ul style="list-style-type: none"> • <i>food safety</i> • <i>food packaging</i> • biosecurity <ul style="list-style-type: none"> – <i>pest and disease control and response</i> • food certification for export • <i>statutory marketing</i>

A *Italics* denote local government responsibility in at least one jurisdiction. **B** There is also a range of issues and regulations that affect all stages of the agricultural supply chain. Cross-cutting issues include investment opportunities and access to capital, as well as regulations relating to competition, foreign investment, immigration, industrial relations, work health and safety, and taxation.

Figure 1: Regulation across the agricultural supply Chain (Productivity Commission 2016)

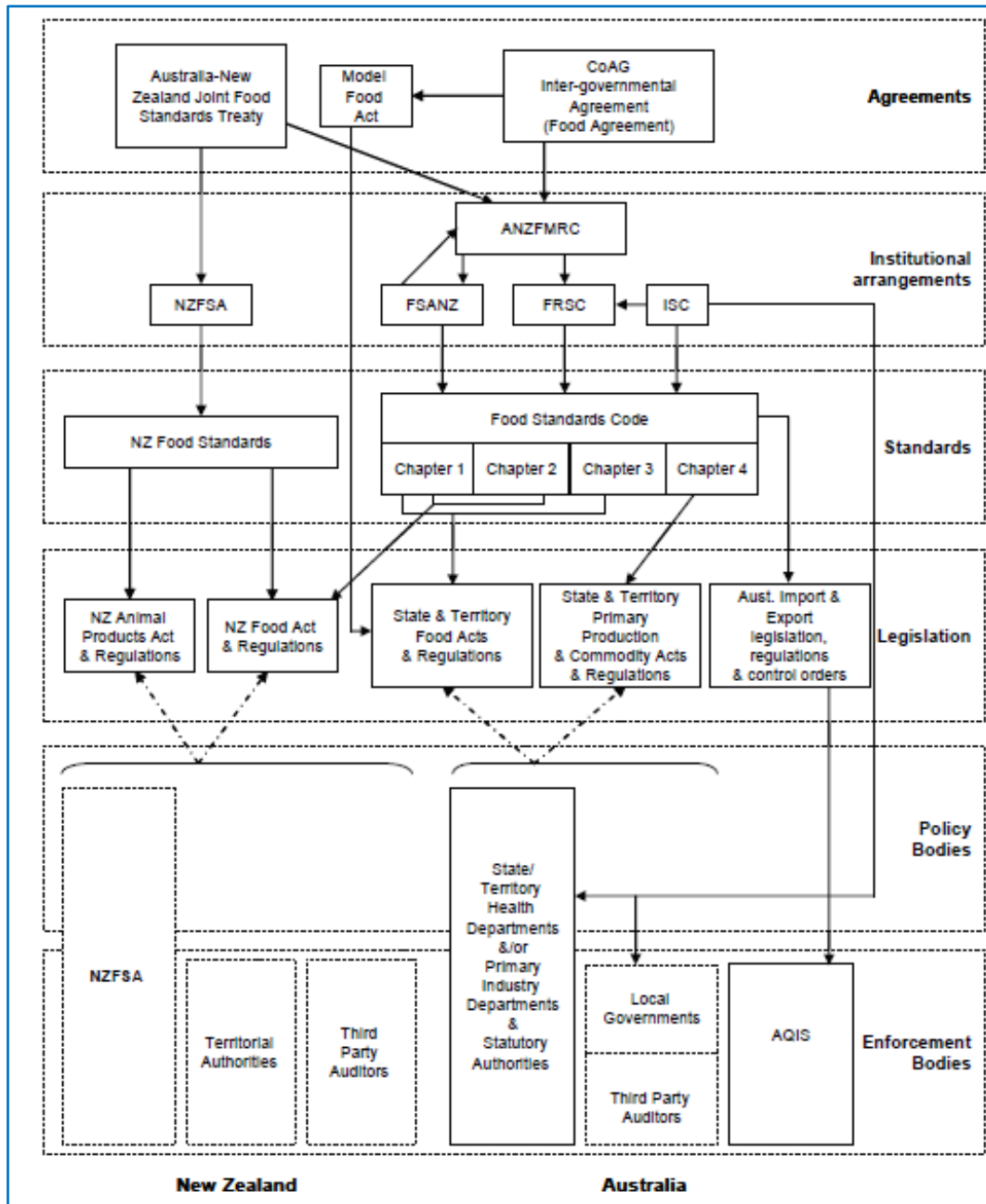


Figure 2: Australia-New Zealand food safety regulatory system (Productivity Commission 2009)

The Productivity Commission (2009) noted that Australia’s regulatory and institutional structure is complex – as shown in Figure 2 for the food safety regulatory system. While this information is from 2009, it is still relevant.



Education, research, and skills

The food sector is regarded as a critical source of economic growth and job creation in Australia. Strategic investment in research capacity, innovation, infrastructure, and skilled workforce have been identified as crucial to strengthening the productivity and competitiveness of the food industry and capturing trade opportunities in Asia (DAFF 2013).

Education

In the context of this paper, the scope of education relates to vocational education and training (VET), apprenticeships and traineeships and higher education from undergraduate to post graduate levels.

The majority of Food Science and the associated science disciplines in the Australian Food System encompasses elements spanning many of these fields. employment growth over the past five years has been in occupations that generally require post-school qualifications – either VET or higher education. In 2017 VET enrolments were 3.4 million and 1.08 million domestic students enrolled in higher education (DJSB 2019).

In 2016, 9.6 million Australian adults held a post-secondary qualification – 56% VET and 44% university. Just over one quarter had a Science, Technology, Engineering and Maths (STEM) qualification. The definition of STEM qualifications used by the Office of Chief Scientist encompasses the fields of:

- Natural and Physical Sciences
- Information Technology
- Engineering and Related Technologies
- Agriculture, Environment and Related Studies.

Food Science and the associated science disciplines in the Australian Food System encompasses elements spanning many of these fields. Each of these areas has a critical role to play in developing the future of manufacturing in Australia and contribution to the growth of Australia's food system.

Australia's STEM Workforce report (Leigh *et al.* 2020), provides a comprehensive overview of people with STEM qualifications in Australia.

Agriculture

In 2016 there were 32,418 people with university qualifications in Agricultural studies, an increase of 4,200 since 2011.

Other Natural and Physical Sciences (Other NPS)

The 2020 report included a section on the field of Other Natural and Physical Sciences (Other NPS) which include food science and biotechnology. In 2016, there were 42,311 people in Australia with university qualifications in ONPS fields with 25% of these food science and biotechnology graduates.



Research

Research and development expenditure by government and business in Australia as a percentage of GDP was 1.79% (2017-18)¹ compared to the OECD average of 2.4%.² Further, in the 2015 Global Innovation Index, Australia ranked 72nd (out of 141 countries) in “innovation efficiency” – the ratio of innovation output (e.g., commercial outcomes) to innovation input (e.g., R&D spending) (Cornell University 2015). When compared against OECD peers, Australia’s innovation efficiency rank is 30 out of 34.

In 2018-19 total business expenditure on research and development in the Food System was AUD\$797 million of which AUD\$490 million was in food and beverage manufacturing and AUD\$307 million was in agriculture (FIAL 2020b).

The Australian Government provides support for the research workforce through various mechanisms including: grant funding and tax transfers to industry, paying the salaries of researchers in government agencies and departments, and providing both grant funding through research councils and block funding to universities. In 2019–20, this was budgeted to be a total of \$9.6 billion – \$2.1 billion to industry, \$2.1 billion for Australian Government research activities (including CSIRO, Australian Institute of Marine Science, Australian Nuclear Science and Technology Organisation and Defence), \$3.6 billion to universities, and \$1.8 billion to medical research institutes and other sectors like agriculture and energy.³

A report from the Australian Academy of Science Rapid Research Information Forum on the impact of the pandemic on Australia’s research workforce (Larkins *et al.* 2020) found that Australia’s research workforce will be severely impacted by the pandemic and the effects are likely to be felt for an extended period. Industry sectors including food may experience a reduced capacity to innovate given that universities perform approximately 43% of all applied research in Australia. A decline in innovation may limit economic growth by slowing the development of new technology, skills, and efficiency gains in service and production processes.

Skills

The skills of those employed in Australia’s food system are a key enabler of industry growth. Businesses need the right people with the right skills to create new products and services and business models that will increase exports and productivity.

Securing enough people with the right skills will be a growing challenge to 2025. The food industry needs to expand the size and skills base of its workforce or, if this is not possible, must adapt to a smaller labour pool (DAFF 2013).

Over the past two decades, there has been a shift away from medium-skill jobs towards higher-skill jobs. This is potentially due to the increasing use of technology leading to

¹ <https://www.abs.gov.au/statistics/industry/technology-and-innovation/research-and-experimental-development-businesses-australia/latest-release>

² <https://data.oecd.org/rd/gross-domestic-spending-on-r-d.htm>

³ <https://www.industry.gov.au/data-and-publications/science-research-and-innovation-sri-budget-tables>



automation, creating the need for workers to develop, use or supervise new technologies – for example – use of 3D printing.⁴

3D printing is a technique used for the manufacture of three-dimensional objects with high accuracy and quality finishing in their dimensions. The technique finds applications in industries, including aviation, automotive, packaging, construction, pharmaceuticals, and food. In the food sector, 3D printing is widely investigated across areas, such as customized food designs, personalized and digitalized nutrition, simplified supply chain, and broadened source of available food material.

Section 2.5 of the AIFST/RDS report addresses this further.

Food Science skills requirements

AIFST conducted an industry survey in July 2022 to gain an understanding of the core competencies the food industry values in new food science and technology graduates from Australian universities and TAFE. The survey was based on the graduate criteria identified by the Institute of Food Technologists. A summary of the findings is provided in Figure 3.

The full report is available on the [AIFST website](#).

The Government should direct the NRF to invest further in higher education to ensure learning and training is reflective of these critical knowledge areas.

⁴ <https://www.futurebridge.com/industry/perspectives-food-nutrition/3d-printing-and-its-application-insights-in-food-industr/#:~:text=In%20the%20food%20sector%2C%203D,source%20of%20available%20food%20material.&text=Currently%2C%203D%20food%20printers%20make,%2C%20lasers%2C%20and%20robotic%20arms.>



Food Science Graduate – Industry Survey results



**Knowledge of the principles
that make a food product safe
for consumption**
86% essential 13% desirable



Applied food science skills
78% essential 21% desirable



**Strong knowledge of
food chemistry**
58% essential 38% desirable



**Ability to identify
pathogenic and spoilage
microorganisms**
74% essential 24% desirable



**Training in food law
and regulations**
74% essential 25% desirable



**Ability to understand the
conditions affecting the
growth and control of
pathogenic and spoilage
microorganisms:**
81% essential 16% desirable

Figure 3: Food Science Graduate - Industry survey results



Food research

In 2013 the *National food and nutrition research and development and technology transfer strategy* was published. It was noted that this strategy was possibly the first endeavour to develop a coherent national research strategy for the entire food and nutrition sector. While there were several organisations representing important parts of this sector, (for example the Australian Food and Grocery Council, The Australian Industry Group and the Australian Institute of Food Science and Technology), there was no one organisation that represents this huge portion of the economy in its entirety.

National Food and Nutrition RD&TT Strategy represented important opportunities to create a vision for the entire industry to foster growth in the food and nutrition sector through focussed collaborative research, and establish the representation needed to guide it into the future.

The National Food and Nutrition RD&TT Strategy identified six priority research areas to realise the Vision:

- Future markets and industry competitiveness
- The intersect between food, nutrition and health
- Climate change and resource efficiency - sustainability
- Food safety – integrity and traceability
- Technology translation and adoption – barriers and mechanisms
- Skills and training.

Error! Reference source not found.4 shows the mapping of these priorities against global food mega trends.

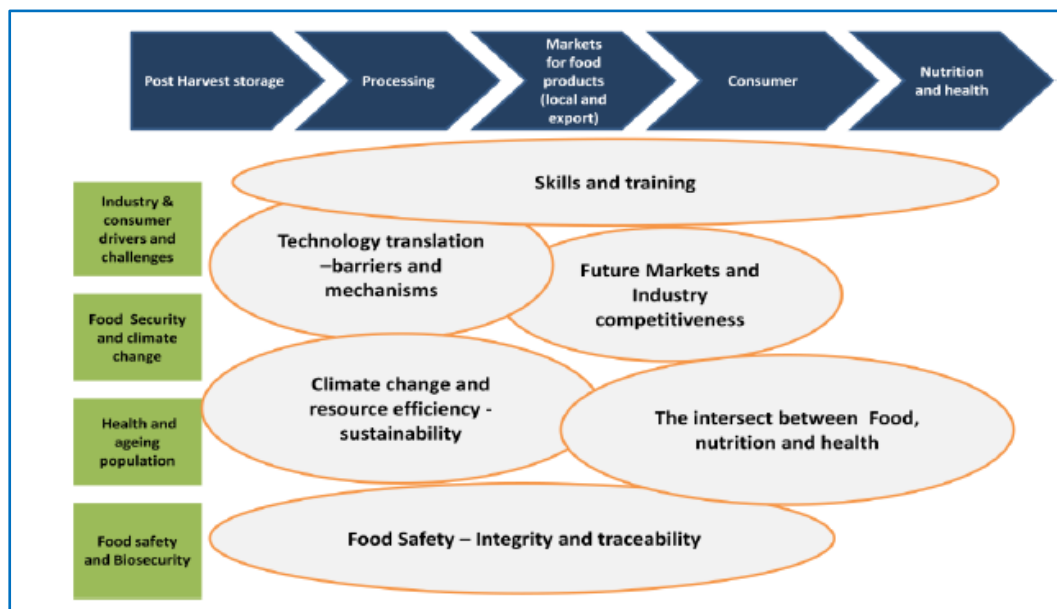


Figure 4: Mapping of the cross-cutting priorities against the global food mega trends and the food supply chain (NFNR&R and TT Strategy 2013)



2.3 How should industry ‘transformation’ and ‘diversification’ be defined and measured?

The report “Trade transformation supporting Australia’s export and investment opportunities” (JSCTIG 2020) presented a list of recommendations relevant to Australia’s food system, as set out in Table 2.

Table 2: Recommendations relevant to Australia’s food system (JSCTIG 2020)

1	The Committee recommends that the Australian Government identify new and emerging trade opportunities and seek to apply the lessons learned from the Biomedical Translation Fund to help attract industry investment to those opportunities, as part of an updated trade and investment strategy.
2	The Committee recommends that the Australian Government continue to progress its tax reform agenda, particularly by reducing the company tax rate, as a priority.
4	The Committee recommends that the Australian Government investigate improvements that could be made to the Research and Development Tax Incentive, particularly to meet the needs of small and innovative businesses.
8	The Committee recommends that the Australian Government consider further options to support small and medium enterprises to enter (and remain) in export markets, including: <ul style="list-style-type: none"> • Greater support targeting start-ups and entrepreneurs • Consideration of current government support for small businesses in the defence export industry, and whether this support could be replicated in more broadly to other industries, and • Greater education and communication (including via digital means), particularly for new exporters, on how to enter and succeed in specific export markets.
10	The Committee recommends that the Australian Government permanently increase funding for the Export Market Development Grants scheme by \$60 million per year, or alternatively by an amount which will meet the expected demand and reflects the needs of business following the post COVID-19 resumption of economic activity.
11	The Committee recommends that the Australian Government continue to push for new export market opportunities, including by: <ul style="list-style-type: none"> • the signing of new trade agreements, with a preference for multilateral and regional agreements where possible • considering options to harmonise or streamline regulations where Australia has overlapping trade agreements with the same country, and • prioritising the needs of small and medium sized businesses in the context of trade negotiations.
12	The Committee recommends that the Department of Foreign Affairs and Trade develop and release a plan for boosting Australia’s exports and investment once the vast majority of Australia’s trade is covered by FTAs (in line with the government’s goal of achieving this by 2022).



13	The Committee recommends that the Australian Government conduct an assessment of Australian export industries that are over-exposed to a single market and work with industry towards diversification.
14	The Committee recommends the Department of Agriculture, Water and the Environment, in collaboration with state and territory governments, conduct an audit of the regulatory arrangements for agricultural exports (including seafood) and identify and implement actions in order to: <ul style="list-style-type: none">• Harmonise export regulation across local, state and federal jurisdictions, with an aim of achieving a best practice outcome• Increase competitiveness for the agricultural industry, including assessing whether cost-recovery arrangements and export registration costs are deterring exports, and a comparison between Australia and its international competitors, and• assess the impact of red and green tape (at the state and federal levels) on the ability of the sector to reach its goal of growing Australian agriculture to \$100 billion by 2030.

2.4 How should 'value add' be defined and measured?

The concept of 'value add' will be dependant on the target customer or consumer of a food product.

The customer will be the next step in the agrifood supply chain. The consumer will be the end user of the product.

Ultimately it is about providing the customer or consumer something they value. Examples could be:

- fortified food products
- improved shelf life and stability
- recyclable packaging
- preprepared ready to eat meals.

An overarching, high level definition could be:

The value add must solve a problem or provide a tangible benefit to the customer or consumer.

This could then be refined for each sector and subsector.



2.5 How much detail should be provided on each of the priority areas? How should greater detail and the need for flexibility be balanced?

The AIFST has no specific comment on this except to avoid the trap of over-defining a sector to ensure policy and decision-makers are clear on the scope for investment, at the expense of inadvertently blocking innovation and emerging trends or technologies from developing in Australia.

Priorities should be evidence based and the level of detail should reflect and provide evidence for the decisions made.

3. Complementary reforms

To leverage Australia's natural and competitive strengths and support the development of strategically important industries and shore up supply chains, technology innovation and policy innovation will be key.

The AIFST/RDS Partners paper set out a series of recommendations arising from our review of contemporary information and from our discussions with industry experts.

While priorities will change as the operating environment also inevitably changes, these recommendations point to some key activities that will help governments develop a clearer picture about what their food policy is and how their support through the NRF will ensure growth and resilience across the food system.

The recommendations are as follows.

Recommendation 1: That the Australian Government works with food system stakeholders to establish an industry-led, food system strategic advisory body, chaired at the Ministerial level, to develop a National Food Plan that:

- i) prioritises and guides activities supporting Australia's food system
- ii) identifies and drive programs so that Australia's food system is supported as a cohesive, nationally important whole, and
- iii) guides government on all aspects of policy that impacts Australia's food system.

Recommendation 2: That the Australian Government's work on international trade negotiations and relationships actively supports, and is actively supported by, the Australian food system.

Recommendation 3: That the Australian Government works with food system stakeholders to identify reforms that will make the Australian tax environment more attractive, especially to those food system companies considering capital and/or R&D investments.



Recommendation 4: That the Australian Government works with Australian food system stakeholders to identify reforms to simplify and streamline the regulatory environment in which the food system operates.

Recommendation 5: That the Australian Government works with industry to identify key domestic and export growth opportunities for the national food system, alongside ways that government can support the Australian food system to capitalise on these opportunities over the longer term.

Recommendation 6: That the Australian Government works with industry to mitigate ways that existing Australian policies and regulations are inhibiting the Australian food system's potential to upcycle waste and participate more fully in circular economy projects.

Recommendation 7: That the Australian Government substantially increases its prioritisation and support for food system capability and capacity building programs across schools, VET institutions and universities.

Recommendation 8: That the Australian Government recognises formal industry clusters as best practice in fostering collaboration and growth and works with food system stakeholders to identify and support meaningful food system clusters.

Recommendation 9: That the Australian Government works with food system stakeholders to design and deliver flexible support mechanisms and packages for small, medium, and large food system companies and collaborations.

Recommendation 10: That the Australian Government works with Australia's food system stakeholders to promote to domestic and international consumers the 'Australian-ness', the safety, quality, and provenance attributes of Australian food products (in whatever way is best for specific products) – to boost domestic sales, exports, onshoring and import replacement.

Recommendation 11: That the Australian Government works with Australia's food system stakeholders to identify and mitigate key logistic infrastructure bottlenecks.



References

AFGC (2012). *Submission to the Federal coalition deregulation taskforce in response to reducing red tape and unnecessary regulation*. Australian Food and Grocery Council, Canberra.

AIFST and RDS Partners (2021). *Exploring the growth potential of Australia's food manufacturing sector: a new narrative for Australia's agrifood system*. Page Research Centre, Canberra.

DAFF (2013). *National Food Plan: Our food future*. Department of Agriculture, Fisheries and Forestry, Canberra.

<http://www.ftaus.com.au/wp-content/uploads/2013/06/JUNE-national-food-plan-white-paper1.pdf>

FIAL (2020b). *Capturing the prize: The A\$200 billion opportunity in 2030 for the Australian food and agribusiness sector*. Food Innovation Australia Ltd.

<https://www.fial.com.au/sharing-knowledge/capturing-the-prize>

JSCTIG (2020). *Trade transformation: supporting Australia's export and investment opportunities*. Joint Standing Committee on Trade and Investment Growth, Canberra.

<https://apo.org.au/node/306467>

Productivity Commission (2009). *Performance Benchmarking of Australian and New Zealand Business Regulation: Food Safety*. Productivity Commission, Canberra.

<https://www.pc.gov.au/inquiries/completed/regulation-benchmarking-food-safety/report/food-safety-report.pdf>

Productivity Commission (2016). *Regulation of Australian Agriculture*. Productivity Commission, Canberra.

<https://www.pc.gov.au/inquiries/completed/agriculture/report/agriculture.pdf>