

Australian Food and Grocery Council
**A GROWING AND
SUSTAINABLE INDUSTRY**
THE CASE FOR A NATIONAL FOOD AND GROCERY AGENDA



The Australian Food and Grocery Council is the leading national organisation representing Australia's food, beverage and grocery manufacturing industry. The membership of the AFGC comprises more than 150 companies, subsidiaries and associates which constitutes about 80 per cent of the gross dollar value of the food, beverage and grocery manufacturing sectors.

AFGC's agenda for business growth centres on public and industry policy for a socio-economic environment conducive to international competitiveness, investment, innovation, employment growth and profitability.

AFGC's mandate in representing member companies is to ensure a cohesive and credible voice for the industry, to advance policies and manage issues relevant to the industry enabling member companies to grow their businesses in a socially responsible manner.

The Council advocates business matters, public policy and consumer-related issues on behalf of a dynamic and rapidly-changing industry operating in an increasing globalised economy. As global economic and trade developments continue to test the competitiveness of Australian industry, transnational businesses are under increasing pressure to justify Australia as a strategic location for corporate production, irrespective of whether they are Australian or foreign-owned. In an increasingly globalised economy, the ability of companies to internationalise their operations is as significant as their ability to trade.

Increased trade, rationalisation and consolidation of businesses, increased concentration of ownership among both manufacturers and retailers, intensified competition and increasingly demanding consumers are issues facing the industry across the globe. The growing global middle class of consumers is more sophisticated and discerning, driving innovation and differentiation of products and services.

AFGC is working with governments in taking a proactive approach to public policy to enable businesses to tackle the challenges and grasp the dual opportunities of globalisation and changing consumer demands.

THE FOOD AND GROCERY MANUFACTURING INDUSTRY

AUSTRALIA'S LARGEST MANUFACTURING SECTOR

28 per cent of total manufacturing

ANNUAL TURNOVER

\$100 billion

AUSTRALIA'S LARGEST MANUFACTURING EMPLOYER

315,000 people

A SIGNIFICANT SOURCE OF REGIONAL JOBS

152,000 employees in rural and regional areas

A MAJOR EXPORTER OF VALUE-ADDED PRODUCTS

\$25 billion in 2008-09

A SIGNIFICANT INVESTOR

\$3.8 billion spent on capital expenditure in 2006-07

A LEADING INNOVATOR

\$500 million a year on R&D

...AND NO NATIONAL GOVERNMENT POLICY!

WHY AUSTRALIA NEEDS A FOOD AND GROCERY AGENDA

Very few people – including political leaders – realise the diversity and complexity of Australia’s food and grocery manufacturing sector and the important role it can play in meeting global food requirements.

In Australia, we have taken for granted the abundant supply of a wide range of high quality, safe and affordable food.

But there are currently 1.02 billion people around the world who go hungry every day. And with predictions that the world population will reach 9 billion by 2050¹, some experts believe that the world will need to double current food production to meet these challenges.

Director-General of the Food and Agriculture Organization (FAO), Jacques Diouf, told the Forum on “How to Feed the World in 2050” in October 2009:

“The combined effect of population growth, strong income growth and urbanization... is expected to result in almost the doubling of demand for food, feed and fibre by 2050¹”.

To achieve this, agricultural land will have to become more productive, food processing more efficient and waste must be reduced.

History tells us that over the past 40 years, global food production has more than doubled despite only an 8 per cent increase in the use of land for agriculture². The question is – “Can this be done again over the next 40 years?”

Unfortunately, the past increases in food production have only been achieved at a significant cost to the environment. The challenge for the future is to achieve the same increase but in a water and carbon conserving world.

The world now faces an unprecedented double challenge. It needs to produce much more food using less water while significantly reducing greenhouse gas emissions.

This will require a fundamental shift in thinking and in the way we do things!

Over the last five years, world food prices have increased significantly. Overall global food commodity prices have increased by 83 per cent reaching a high in 2008³. This has been caused primarily by poor harvests due to drought, floods and storms, the use of food crops for biofuels and the rising price of fertiliser and fuel. The rising affluence of China and India resulting in increased consumption of meat and dairy has added to the demand for grain as it takes more grain to produce a kilogram of meat than a kilogram of bread or pasta.

While food prices and the supply/demand imbalance are major issues for industry, they are by no means the only challenges.

The growing number of people who are obese and have lifestyle related chronic disease is putting pressure on industry to reduce fat, sugar and salt in products while maintaining great taste and shelf life.

The need to be environmentally sustainable means reducing packaging, increasing recycling rates and minimising the use of water and energy. Food waste, both during the manufacturing process and by consumers, must also be reduced if Australia is to achieve a sustainable food supply into the future.

All of these issues represent both major challenges and opportunities for Australia's food and grocery manufacturing sector.

AFGC strongly believes that to protect Australia's long-term food security and consumer expectations of quality, price, value, convenience and safety – the federal government must fast-track a new major policy "menu" for Australia's \$100 billion food and grocery industry.

A National Food and Grocery Agenda is urgently needed to ensure the industry's long-term sustainable growth, increased export earnings and competitiveness and to guarantee access to safe, affordable, healthy food for all Australians. In return, a thriving and prosperous food industry will contribute many benefits to the Australian economy including increased job opportunities, especially in rural and regional areas. Australia can also play an important role in addressing future world food needs.

The food and grocery sector can no longer be taken for granted, as it's essential for feeding the nation's 22 million people and is core to the wellbeing of all Australians.

If the food and grocery industry suffers, everyone suffers - lives literally depend on both its existence and excellence. A malfunction in something as complex, highly-technical and far-reaching as our food supply system, can have huge ramifications. One broken link in this chain can mean people go hungry, get sick – or even die.

The food and grocery industry is one of the few manufacturing sectors that's growing and has potential for significant growth into the future. Growth in the agribusiness sector has been instrumental in helping Australia avoid the current global recession.

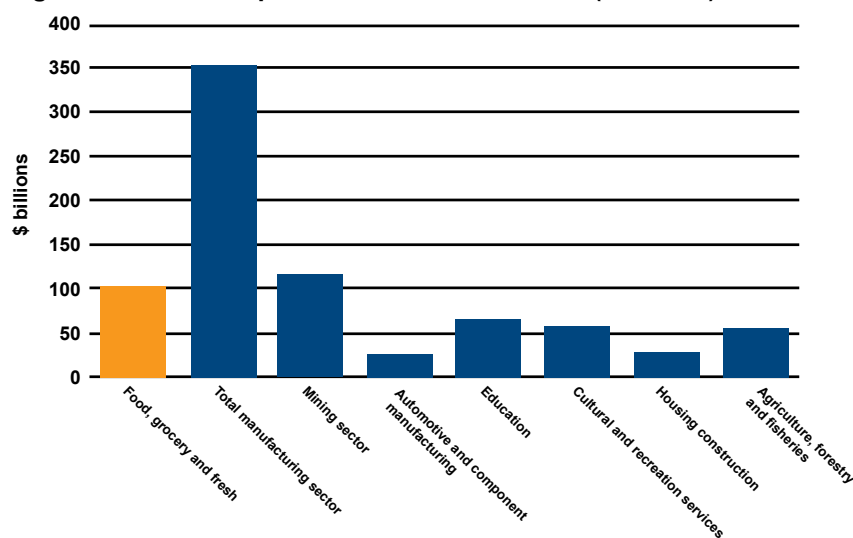
This future vision for the food and grocery industry will not be achieved without an over-arching, coordinated government strategy, developed in partnership with industry and other stakeholders.

**AFGC requests the immediate establishment
of an Industry/Government/Stakeholder
working group to develop a National Food and
Grocery Agenda for Australia.**

THE STATE OF THE INDUSTRY IN AUSTRALIA

Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. It's a \$100 billion⁴ industry that is core to the wellbeing of all Australians, who rely on it to produce quality, safe and affordable food and grocery products every day.

Figure 1. Comparable industries turnover (\$2006-07)



Source: ABS, catalogue number 8221.0 and IBIS World Industry Reports A, B, C, E4111, N, P and C2819

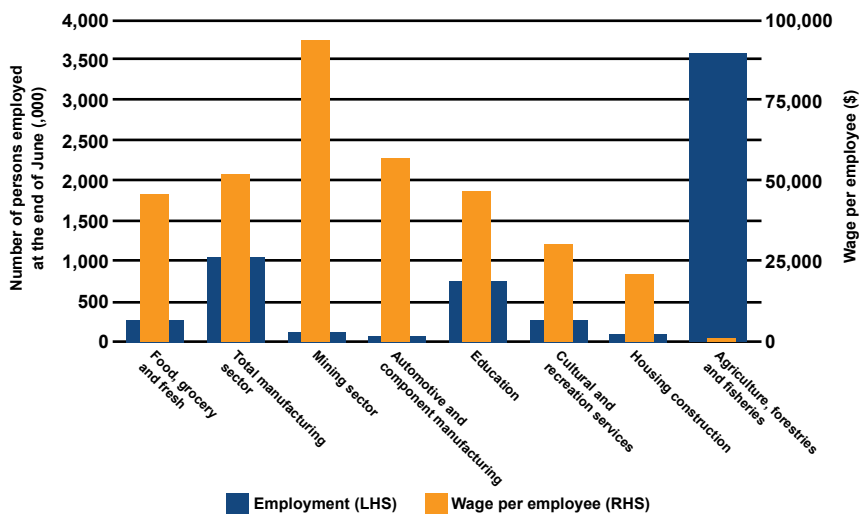
The Australian food and grocery manufacturing industry is a major contributor to the wealth of the nation.

The industry represents 28 per cent of total manufacturing turnover, is comparable in size to the Australian mining sector and is more than four times larger than the automotive sector (see figure 1). In 2006-07, almost 38,000 businesses were involved in the fresh and processed food, beverage and grocery industry.

EMPLOYMENT

The food and grocery manufacturing sector employs more than 315,000 people (see figure 2) or about 3 per cent of all employed people in Australia making the industry a substantial employer of a generally highly skilled workforce. Employees work in business management, sales and marketing, manufacturing operations, information technology, supply chain and logistics, and food science and technology, contributing to the diversity and the depth of the nation's skills base. The industry also offers a substantial number of lower skilled jobs, which support more vulnerable sectors of the community. The industry pays salaries and wages of around \$14 billion a year.

Figure 2: Employment and wages per employee in select Australian industries



Source: IBIS World Industry Reports A, B, C, E4111, N, P, C2811, C2812, C2813 and C2819

The food and grocery manufacturing industry is also a major contributor to the wealth of rural Australia, where almost half of its employees are located. Companies operating in centres in regional Australia are often the major employer in the local region, and local economies depend on them. They provide not only fulltime employment, but also seasonal employment, which can be a critical supplementary income for farming families. Manufacturing facilities are often located in regional Australia to take advantage of raw material availability, which can provide the company with a cost advantage. However, this advantage cannot be guaranteed as transportation of perishable goods becomes more sophisticated and rapid.

The industry also makes a substantial contribution to youth employment and training with **22,800 ongoing apprenticeships and training schemes in 2007**, or 6 per cent of those offered nationwide⁵. Many of these are offered in rural Australia contributing to the opportunities for young people in these communities.

INTERNATIONAL TRADE

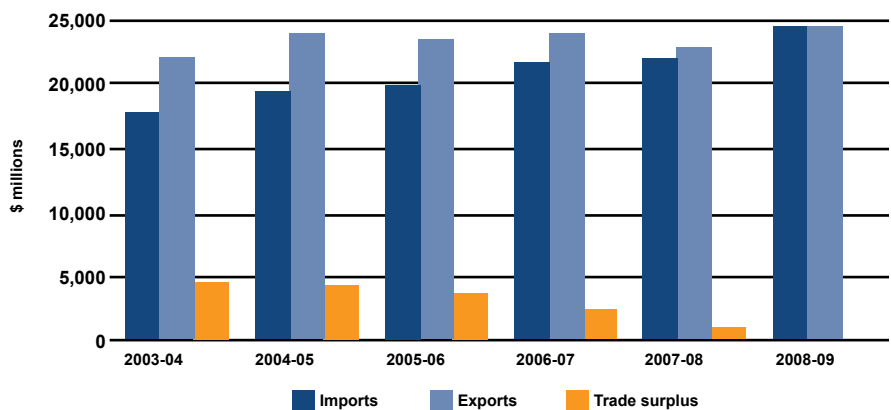
The food and grocery manufacturing sector is a major contributor to international trade accounting for 9.1 per cent of Australia's total international trade valued at \$49 billion in 2008-09⁴. It is a major exporter, **generating \$25 billion in export revenues annually**, or approximately 20 per cent of Australia's export earnings from manufactured goods. Products range from minimally processed products such as milk powder, through to high value-added products such as breakfast cereals and pet food.

Rural and regional economies are heavily dependent upon the food processing sector for additional income, particularly in farming communities.

Strong export growth has been a defining characteristic of the food and grocery manufacturing sector.

The industry is export focused, but imports are rising fast, eroding the trade surplus historically enjoyed by the industry. While the value of the industry's trade grew by 9.3 per cent between 2007-08 and 2008-09, **its trade surplus has dropped from \$4.5 billion in 2004-05 to \$150 million in 2008-09** with exports only slightly exceeding imports. The value of food, beverage and grocery imports has grown by 40 per cent in the last five years (see figure 3).

Figure 3: Industry trade surplus/deficit five years to 2008-09 (\$2008-09)



Source: ABS (unpublished)

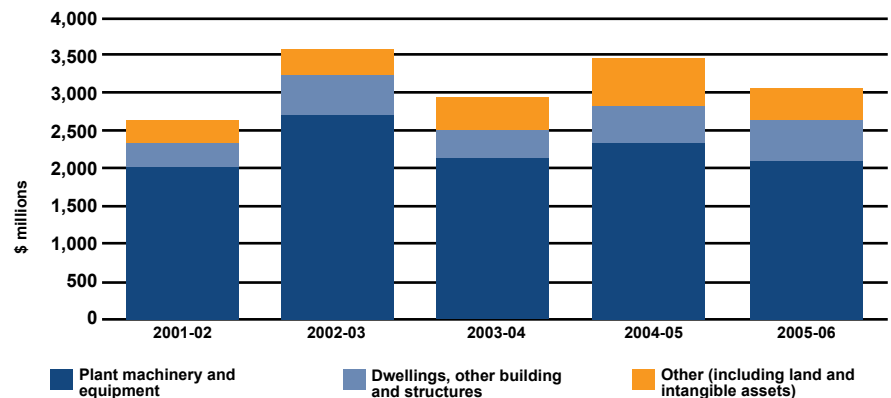
Although the growth in exports diminished in recent years due to drought and other factors, the trend from the 1990s and into the first part of the 21st century has been strong, highlighting the export focus of the sector, and the opportunity to do more into the future.

INVESTMENT

This is an industry that invests in itself and in Australia. Being a technologically based, manufacturing industry operating in an intensely competitive market, the food and grocery manufacturing sector is constantly reinvesting in plant and equipment and in research and development.

Investment in the industry has been steady at an average of \$3.8 billion a year for the past five years, with 70 per cent invested in new plant, machinery and equipment⁴ (see figure 4).

Figure 4: Type of capital expenditure food and beverage manufacturing (\$2005-06)



Source: ABS, catalogue number 8104.0

Despite the recent economic downturn, the industry has continued to invest heavily. Recent examples of major capital investments include:

- Campbell Arnott's – \$37 million in new plant investment in Brisbane, Queensland
- Coca Cola Amatil – developed a new 50 million litre capacity bottling plant on the NSW Central Coast
- DON KRC – \$150 million investment in a new production facility at Castlemaine, Victoria.

The industry spends around 9 per cent of all manufacturing investment in research and development (R&D), or around 0.5 per cent of turnover on average, representing an estimated total of \$500 million. Consumers are often direct beneficiaries of investment in R&D with new and improved products being offered that better meet their needs. As many as **4,100 new food and grocery products were launched in 2008 alone⁶**.

Food and grocery manufacturing invests heavily in new plant and equipment and in new products.

OPPORTUNITIES AND CHALLENGES

The Australian food and grocery industry is a success story. The industry's products are of world's best standard, enjoying the trust of consumers in Australia and overseas. It creates wealth in Australia by adding value to agriculture, food and fibre commodities and the employment of a large workforce as well as through its trading activities.

The global financial crisis brought into sharp focus the vulnerability of the economy generally, but it also highlighted the resilience of the food and grocery industry and its value to the Australian economy. With a new strategic approach the industry could do even better but without an over-arching, coordinated national food and grocery policy it is unlikely to deliver on the opportunities currently available.

The industry continues to face a range of challenges including the proposed cost of carbon and water, the impact of poor or excessive regulation and changing requirements for food composition and labelling, all of which impact on its ability to grow and remain competitive.

THE CHALLENGES TO A SUSTAINABLE FUTURE

Instability in financial markets and volatile food commodity prices have led to heightened concerns about food security both nationally and internationally. Uncertainty around climate change and water availability also present substantial challenges to the food industry's capacity to meet world food production requirements. At the same time, the worrying increases in diet-related preventable diseases mean that governments and the food industry now need to consider how to modify the food supply and influence consumer choice to achieve better population health outcomes. The lack of coordinated policy and the impact of poor or excessive regulation also impacts on the industry's ability to continue to produce good quality, safe and affordable products.

ECONOMIC CHALLENGES

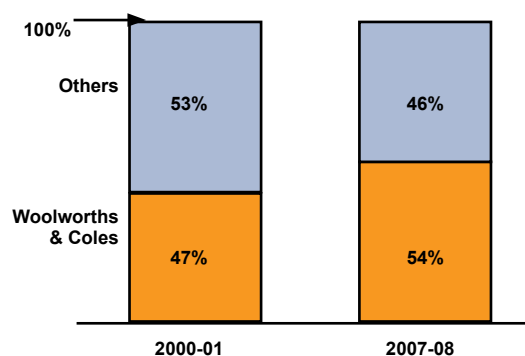
While the Australian food and grocery manufacturing industry has shown resilience through the global financial crisis, there has been some impact on the industry. There have been reports of consumers moving from premium branded products to less expensive products and house brands. The tightening of credit markets has resulted in some companies finding it more difficult to secure money for investment in expansion and infrastructure to achieve better environmental outcomes.

Historically the industry has not experienced the boom/bust cycles of other sectors such as mining, housing, and the automotive industry and consequently, it has not needed specific measures or support from government. As a whole, the sector is generally buffered from the extremes of the normal economic cycle because consumer demand for its products is largely inelastic as people have to eat.

However, the industry faces other challenges to its profitability. As an industry that operates on slim profit margins, consolidation of the retail sector remains an issue. Although the recent ACCC inquiry into grocery pricing found no evidence of market power abuse, concentration in the retail sector allows retailers to put sustained pressure on suppliers' margins. This has been driven by rising retailer strength as Woolworths and Coles have increased their combined share of the food, grocery and liquor spend from 47 per cent in 2000-01⁷ to 54 per cent in 2007-08⁸ (see figure 5).

Overall the food and grocery industry has demonstrated resilience during the current global financial crisis with flow-on benefits to other parts of the economy.

Figure 5: Coles and Woolworths share of food and grocery spend 2000-01 vs 2007-08



Source: Foodweek, 24 September 2001 and Woolworths Limited, June 2008

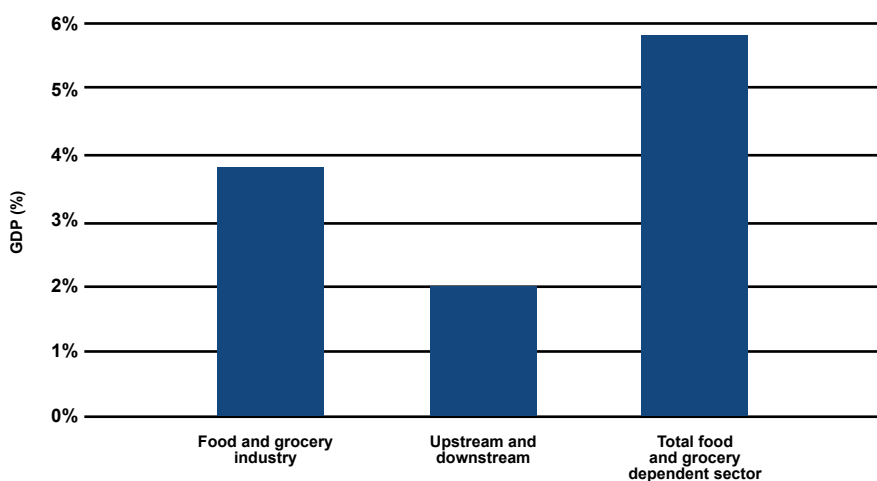
In addition, private label penetration has increased from 16 per cent in 2000-01⁹ to 22 per cent 2007-08¹⁰. The increase of private label, the growth of the Woolworth and Coles market share and the introduction and expansion of new player ALDI have driven down prices for suppliers, which has squeezed margins.

The last two years have been characterised by volatility in business input cost resulting from great fluctuations in raw material and energy costs. Despite the impact of the global financial crisis, they are expected to continue to face pressure in the long-term. Low energy prices have been a source of comparative advantage in Australia, offsetting comparative disadvantages such as distance from markets and wage levels. However, energy prices will increase as a result of Australia's response to climate change. The increases in input costs affect profitability and put pressure on the business case for maintaining a food and grocery manufacturing presence in Australia. This highlights the need for every effort to be made to improve the productivity of the sector.

Research and development (R&D) leads to technical improvements and provides the foundation for productivity growth in this technology-based sector. R&D expenditure averages around \$500 million a year⁴. **Over the past two years government support for industry innovation has decreased, primarily through the withdrawal of the Food Innovation Grant (FIG) scheme.** Although replaced at a lower level of funding by the Regional Food Producers Innovation and Productivity Program, the effect on the food industry has been compounded due to the effects on research providers. For example, CSIRO has had to reduce its support for Food Science Australia as a direct result of the loss of the FIG scheme.

With rising retailer strength and business input costs over the medium to long-term, the imperative to drive productivity improvements in the sector is greater than ever.

Figure 6: Contribution of the food and grocery industry to GDP



Source: KPMG Econtech's MM600+ simulation

Economic modelling has indicated that the broad food and grocery sector contributes \$41 billion or 3.8 percent to Australia's GDP (see figure 6). It is a large industry with a turnover comparable to the mining sector and employs four times as many Australians as the automotive sector⁴.

However, the sector has experienced low market growth due to weak demand growth in the mature domestic market, and slowing export growth. The latter is particularly worrying given that growth of export markets had the potential to be higher over the last few years due to the rapid increase in relatively affluent middle class consumers in many of Australia's trading partners. At the same time food, beverage and grocery imports have grown by 40 per cent over the past five years⁴. However, we believe that with the right approach and support from government it is possible to arrest this situation by increasing exports.

ENVIRONMENTAL CHALLENGES

Environmental issues have always been of concern for an industry that is based on value adding to agricultural, food and fibre products. The primary environmental constraints on the future growth and profitability of the food and grocery sector in Australia relate to the carbon and energy costs and water and land availability. AFGC accepts the reality of climate change and the necessity for governments to develop a comprehensive suite of policies to address it.

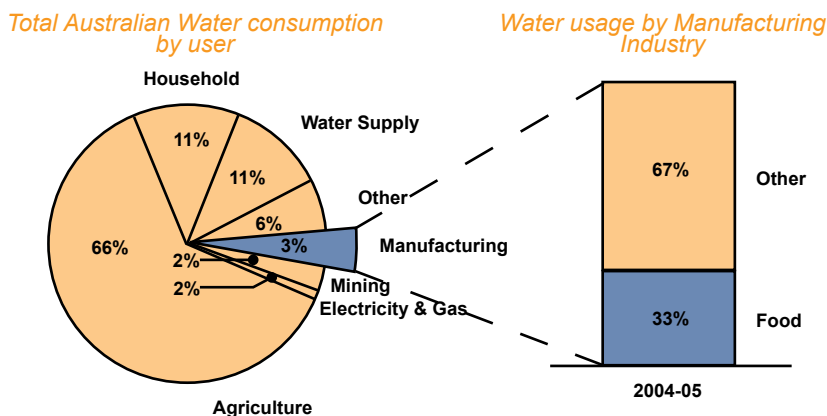
The likely impact of climate change on agricultural production and the cost and availability of raw materials are still poorly understood. Modelling has predicted an increased likelihood of reduced water availability, greater temperature fluctuations and extreme weather events. This would have a substantial impact on the production of key food crops with consequences for food and feed production. This in turn will influence business decision-making, particularly in reinvestment in manufacturing plants in the parts of the country most affected. The federal government's plans for a Carbon Pollution Reduction Scheme (CPRS) and policies of individual states and territories are yet to be finalised. In the absence of a finalised emissions trading scheme, modelling cannot comprehensively assess the impact of an increase in costs on the manufacturing sector and the consequences for the global competitiveness of this trade exposed sector.

The food and grocery industry is working toward reducing its overall environmental footprint across carbon emissions, water usage and waste.

Uncertainty complicates business planning and leads to a deferral of decision-making, particularly in investments for renewal or expansion. The food processing industry is a low emitter of carbon being responsible for only 8 per cent of the 12 per cent of total emissions produced by all manufacturing sectors. This means that **food processing is responsible for 2 per cent of total carbon emissions**¹¹. It is essential that the CPRS does not unnecessarily disadvantage an industry that has low emissions, employs a large number of people and is essential to the health and wealth of the nation.

Although not a major user of water itself, the availability of water for growing and processing food is a critical issue for the industry. Water has already become scarce in some of the main food and fibre producing regions of Australia. The food processing sector uses more water than any other manufacturing sector, consuming 33 per cent of the combined 3 per cent of total water use consumed by all manufacturing industries¹². However, this is significantly lower than the 66 per cent consumed in agriculture and the 11 per cent consumed by households¹² (see figure 7). The highest level of

water usages occurs in non-contact operations (boiling, cleaning and cooling), while the use in contact (washing or preparing raw foods) and direct input is medium to low. A recent survey of Australian food processing companies indicated that they are generally planning or implementing initiatives to save water, including monitoring water use, recycling water and making operational changes¹¹.



Source: Australian Food Statistics 2007

Figure 7: Total Australian water consumption by user

There are two sources of uncertainty for the industry – the real impacts of water shortages and the policy impact of government interventions. In the longer term, both may affect how industry uses water and have significant commercial consequences as the location of food processing sites has always been linked to commodity production regions. Some experts believe Australia won't have enough water to sustain necessary food production in 25 years unless water use is dramatically reduced now. Although the sector has already made significant improvements in water use efficiency, concern about water availability is placing significant pressure on manufacturers to use even less water. This highlights the critical need for a national agenda that includes water policy that examines and balances the economic, environmental and social needs of the Australian community.

Likewise, the availability of land is a critical issue for the industry as it is not yet clear how the real and imposed restrictions on land use will impact on the production of raw materials. However, it is clear that as environmental protection increases in importance some adjustments will be required and it is essential that the nation's food production is given priority.

Waste management is also a critical issue for the industry. Typically, food and grocery packaging represents a small proportion of the total waste stream but as it is highly visible, it attracts a significant amount of attention, especially within policy and regulatory circles. Although the amount of food packaging going to landfill is decreasing and recycling rates are increasing, some packaging inevitably escapes to the environment, usually through littering.

Because of its high visibility, it tends to be the target of community calls for regulatory intervention.

PUBLIC HEALTH CHALLENGES

The levels of diet related chronic preventable disease continue to rise in Australia, threatening the health and wellbeing of individuals and adding to the burden of rising health costs borne by the community. Unfortunately many of the problems – diabetes, hypertension, and adult obesity – are contributing to the increasing strain on the nation’s health system and as a result more direct interventions are being considered. The recently released National Preventative Health Strategy identified one priority in the fight against obesity as being to:

“Establish a Healthy Food Compact between governments, industry and non-government to drive change within the food supply and develop voluntary targets¹³.

The food industry is keen to explore ways in which its products can be improved to help consumers construct healthy diets and sees a role for the industry within a national preventive health strategy. However, any changes will come at a cost and will impact on the profitability of the industry. **It is critical that any specific call for change is well supported by evidence that it will deliver a substantial net benefit to Australians.**

The food industry will continue to enhance its products to better meet consumers’ expectations and dietary needs.

While re-engineering some aspects of the food system can play a role in the prevention of diet related diseases, simply providing safe food, free from harmful levels of chemical, physical and microbiological agents must remain a priority. It requires constant vigilance along the entire supply chain and with increasing international trade in food commodities and ingredients, the challenges to the integrity of food are becoming greater, demanding more sophisticated approaches to quality control. The recent melamine episode demonstrated the importance of having effective quality assurance that incorporates full trace back capabilities. Although Australian consumers were not put at risk, the incident highlighted the need for further enhancement of traceability along the supply chain.

POLICY AND REGULATORY CHALLENGES

Although there are some state-based food policies, at a national level no policy exists. This can lead to unintended consequences from national policies developed without consideration of the industry’s needs. It also means that because the industry and its products are subject to constant scrutiny by the media, consumer advocates and politicians, perceived problems frequently lead to calls for new or changed regulations covering food labelling, food additives, use of new technologies such as gene technology, the advertising and promotion of products, food packaging recycling and disposal. **Competing**

and, on occasions, diametrically opposed food regulatory priorities of Australia's state governments result in a fragmented approach to food regulatory policy and food standards development.

In the absence of a coordinated policy framework, the net result is that the food and grocery manufacturing sector is poorly served by the policy and regulatory systems which govern it. For example, the governance arrangements for food policy and standards development are cumbersome, hindering innovation that would otherwise benefit consumers and boost industry productivity. The problems stem from:

- 10 governments* and more than 20 departments being involved in food standard setting
- inadequate resources at federal, state and territory levels leading to shortages of technical staff with key competencies
- failure of the states and territories to adopt the Model Food Act into food law resulting in a lack of consistency and harmonisation in food regulations across Australia.

The problem for the food industry is that it must observe a multitude of rules and regulations across the different states and territories just to remain in business. With consumers expecting food products to deliver health benefits beyond simple nutrition, food regulations are inhibiting companies from bringing new products onto the market and telling consumers how they protect and promote good health. **The Victorian Competition and Efficiency Commission (VCEC) has estimated that the cost to the food industry of regulation in Victoria alone, was in the order of \$152m per annum¹⁴.** This is likely to be a conservative estimate given the difficulty of directly attributing costs.

The Productivity Commission¹⁵ has recommended a number of reforms to streamline the national food regulatory system, having identified that there were significant problems with the efficiency of the development and promulgation of food standards, and that this was imposing unnecessary cost on industry. The federal government has recognised the imperative of tackling this issue and food regulation is now on the COAG Business Regulation Reform agenda. While there are many elements already in place for positive change, industry and government must work together to better integrate these into a new, streamlined strategic framework.

Meeting the challenges of the future, such as gearing up for climate change, reducing water use and waste streams and reengineering food products to better meet population health needs, will require improved profitability within the industry. To make changes, the industry must be profitable. To invest more, productivity needs to be boosted. It's all about efficiency, not only in business systems within the industry but also in the environment in which business operates. Government is the key player in creating the environment in which businesses operate. It is government that creates the opportunity and the framework for the national economy going forward.

It is now well established that policy and regulatory frameworks governing the food and grocery manufacturing sector are imposing substantial unnecessary costs on the sector.

* Commonwealth, states and territories and New Zealand

A NEW STRATEGIC APPROACH FOR A GROWING AND SUSTAINABLE FOOD INDUSTRY

The Australian food and grocery industry is a success story. It provides safe, convenient and affordable products to consumers around the world. The industry creates wealth in Australia by adding value to agriculture food and fibre commodities and employing more than 315,000 people.

But with a new strategic approach, the industry could do even better. With a coordinated policy agenda, the Australian food and grocery manufacturing industry could:

- double value-added exports
- establish a more attractive environment for employers and employees to become recognised worldwide for high quality, globally competitive products meeting the needs of consumers both in Australia and overseas
- become a pivotal player in Australia's preventative health strategy by producing more products that are better able to promote good health
- further build on its reputation as a provider of clean, green, safe and healthy products.

Australia has an important role to play in meeting global food requirements and a prosperous and efficient food and grocery sector is essential to take advantage of this major opportunity.

A thriving food and grocery industry provides a range of benefits, including more jobs and training opportunities in Australia, especially in rural and regional areas.

To achieve this, the industry needs a positive environment in terms of government policy and a level playing field with imports. It needs a supportive regulatory environment that encourages the development of sustainable, innovative, quality products that promote a healthier lifestyle. And it needs incentives to train its employees to higher skill and productivity levels.

AFGC seeks a partnership between government and the food and grocery industry to develop a National Food and Grocery Agenda. This is critical if Australia is to remain attractive as a location for investment in food manufacturing.

A National Food and Grocery Agenda can be founded on four pillars - a robust industry, clean, green and healthy products, educated and informed consumers, and best practice regulation

THE WAY FORWARD

AFGC requests the immediate establishment of an Industry/Government/Stakeholder working group to develop a National Food and Grocery Agenda for Australia.

Elements AFGC considers essential to the policy framework include:

- A **Minister** responsible for the food and grocery manufacturing industry
- Fair prices, choice and access to quality food and groceries through the promotion of **open, competitive markets** for all Australians
- A focus on improving **export capacity**
- A consistent, national, **transparent regulatory framework**
- Continuous improvements in **food safety**
- A **partnership** with industry **to encourage healthier diets**
- A national approach to **consumer education** to ensure Australians understand what constitutes a healthy, balanced diet
- An **environmentally sustainable** food chain – with a focus on better packaging, efficient use of water, minimising food waste and energy use
- **Support** for industry to upgrade plant and equipment to be **more water and energy efficient**
- An **efficient transport system** with better infrastructure and consistent rules and regulations
- **Incentives for R&D** leading to product innovation and increased production.

AFGC stands ready to work with government and other stakeholders on this most important issue.

A whole-of-government National Food and Grocery Agenda

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Australian Food and Grocery Council

Contact:

Kate Carnell AO

Chief Executive

Dr Geoffrey Annison

Deputy Chief Executive

Director Health Nutrition and Scientific Affairs

Level 2, Salvation Army House

2-4 Brisbane Avenue

Barton ACT 2600

Locked Bag 1

Kingston ACT 2604

T: (02) 6273 1466

F: (02) 6273 1477

afgc@afgc.org.au

www.afgc.org.au



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