

Office of the Chief Executive Officer

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House Canberra ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House Canberra ACT 2600

1 August 2025

Dear Treasurer and Minister Gallagher

Food Standards Australia New Zealand (FSANZ) is committed to supporting the whole-of-government focus on productivity and economic growth. As a bi-national regulator, FSANZ plays a critical role in ensuring a safe and efficient food supply across Australia and New Zealand. Our work underpins Australia's \$55 billion food export industry, \$219 billion in domestic consumption, and 1.9 million jobs across 300,000 food businesses.

Beyond enabling trade and innovation, FSANZ's work directly supports workforce participation and public health. Foodborne illness and obesity cost the economy \$30 billion annually by reducing Australians' ability to work and thrive. FSANZ helps address these challenges by delivering risk-proportionate, evidence-based food standards that protect public health and enable a productive, thriving food economy.

FSANZ is committed to increasing productivity and has delivered outcomes that support a productive economy over many years. Examples include modernising food standards to improve international harmonisation; creating fit-for-purpose standards to enable the use of innovative technologies (e.g. re-defining genetic modification and new breeding techniques to streamline regulatory approval processes); coordinating national food recalls (removing duplication of recall functions within each jurisdiction); and providing trusted labelling information to support healthier food choices.

In response to your request, FSANZ has identified three tangible, implementable initiatives that align with the Government's Regulatory Policy, Practice and Performance Framework:

1. Digital Food Labelling Reform (e.g. QR Codes)

- **Overview:** Food label changes can cost up to \$400 million per change, driven by packaging redesigns across thousands of individual products. FSANZ proposes a principles-based review to confirm the information that must remain on a physical label, what information can be provided through a digital label (such as a QR code), and what information must be provided to consumers when shopping online. Digital innovations provide a flexible cost-effective solution for risk-proportionate food regulation, increase consumer access to valued information, and support access to current and future export markets. QR Codes and related technologies also enhance traceability across supply chains, which can be harnessed to improve customer alerts to recalls, allergens, storage instructions, packaging recyclability and more – supporting public health, food safety and sustainability, including the government's commitment to the circular economy and reducing food waste.

- **Beneficiaries:** Food manufacturers, retailers, consumers, and regulators would all benefit from reduced compliance costs, improved data use, and more responsive labelling systems.
- **Timeline:** Consultation to begin in 2025; framework developed in 2026.
- **Risk Management:** Core information will remain on-pack. FSANZ will engage stakeholders and draw on international best practice to address concerns around accessibility, platform ownership, and data governance, ensuring equitable and secure implementation.

2. Alignment of Regulatory Label Changes

- **Overview:** For all label changes that require on-pack physical changes, noting the costs listed under the initiative above, FSANZ will consider implementing a harmonised commencement date (such as 1 September annually) for all label changes it instigates, enabling industry to consolidate updates into a single annual change.
- **Beneficiaries:** Food businesses, packaging suppliers, and regulators.
- **Timeline:** If supported by industry and government, the approach could be applied for all new label changes.
- **Risk Management:** This would exclude any urgent necessary changes in response to public health issues or where an enforcement action has been undertaken.

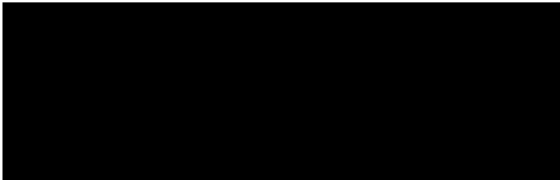
3. International Harmonisation of Risk Assessments

- **Overview:** With FSANZ being a unique standard setting agency, setting standards for two countries (Australia and New Zealand), we are distinctively positioned to apply these concepts more broadly, sharing our risk assessment processes with numerous countries to enable immediate market access opportunities where Australian standards are met. FSANZ has piloted a risk assessment sharing program with Health Canada, whereby applicants can gain approval in three countries (Canada, Australia, and New Zealand) through a single risk assessment undertaken by either FSANZ or Health Canada. This model halves the risk assessment effort of each regulator, saving approximately 6 months' worth of work for each application. This shared risk-assessment approach is world-leading and FSANZ and Health Canada are presenting this approach to global standard setting agencies at international forums which is opening further opportunities.
- **Beneficiaries:** Exporters, consumers, regulators, and international partners.
- **Timeline:** Continuing to identify opportunities to expand international harmonisation.
- **Risk Management:** Shared assessments will be required to meet Australia's risk assessment process which will be confirmed in the sharing program evaluation process; FSANZ will retain independent oversight of final approvals.

An opportunity to expand these productivity benefits is anticipated with the near complete finalisation of the FSANZ Act Review, led by the Department of Health. This legislative update, the FSANZ Acts' first review since 1991, presents a significant opportunity to align legislative reform with the Government's productivity agenda. Proposed changes are

anticipated to modernise a legislative framework, enable risk-proportionate regulation, support consistent implementation, expedite the adoption of selected international standards, reduce duplication, accelerate innovation – all promoting public health, food safety, and a thriving food economy. These reforms will strengthen FSANZ's ability to deliver a more agile, efficient, and future-ready food regulatory system, aligned with the Government's productivity and policy agenda. With this review and associated funding arrangements nearing completion, it is expected the initiatives outlined above can progress without additional temporary resources.

Yours sincerely



Dr Sandra Cuthbert
Chief Executive Officer
Food Standards Australia New Zealand

