Horticulture compliance and regulation: reducing the burden by 2030

A review of compliance in the Australian vegetable industry

September 2025

AUSVEG

Compliance costs in the Australian vegetable industry were estimated to be an average of $213 million in FY25, equating to 4% of operating costs

Dear Australian vegetable growers and industry stakeholders,

The Australian vegetable industry is one of Australia's most important agricultural sectors, generating $5.7 billion at the farmgate, employing more than 20,000 people, and producing dietary staples that are critical to the health of Australians and national food security. Over recent years, escalating business and operating challenges have continued to place pressure on Australian vegetable growers, impacting profitability and threatening their future viability. This has been strongly captured in AUSVEG's six-monthly Industry Sentiment Surveys, which have recorded an average of 38% of growers considering leaving the industry since 2023, including 2 in 5 most recently in July. The steadily increasing burden and cost of compliance has consistently been rated as one of the key factors informing growers' consideration to leave.

As these costs and operating pressures have escalated, so too have advocacy efforts from AUSVEG and other groups on behalf of growers, emphasising the increasing drags on productivity and profitability due to compliance overload. However, to date, the absence of a detailed evidence base has presented barriers to most effectively press the industry's case to government and other supply chain partners (e.g., grocery retailers and vegetable processors).

Accordingly, AUSVEG commissioned Corporate Value Associates (CVA) Australia to conduct a thorough examination of the current compliance and regulatory landscape in the Australian vegetable industry, and the associated impacts on growers. This work involved a detailed assessment of compliance costs incurred by vegetable-growing businesses, as well as an analysis of the features of each compliance obligation. This has, in turn, assisted in identifying the most inefficient compliance tasks and informed recommendations to address these inefficiencies.

To deliver this report, CVA developed a methodology based on a forensic accounting approach and analysis of financial and other data across 17 vegetable-growing businesses. This task was complex and time-consuming as compliance costs are present across a large span of expense categories within a business' accounts. We sincerely thank the growers who provided their precious time and data in helping us build the first accurate impact assessment of compliance in Australian agriculture.

In developing the methodology, AUSVEG and CVA have made it clear that robust compliance requirements — particularly regarding the management and reporting of critical areas such as food safety, product quality, and workplace health and safety — are essential to safeguarding both our industry and consumers.

A key finding of this report is that the total cost of compliance for vegetable growers has ballooned to an estimated $213 million in FY25. Compliance costs now represent 4% of total vegetable growing business' operating costs (excluding interest and depreciation), noting the Australian vegetable industry's average earnings before interest, taxes, depreciation and amortisation (EBITDA) is approximately 9%. This report has identified numerous opportunities to substantially reduce this cost.

The major challenges identified mainly relate to duplication of effort and other process inefficiencies. In particular, this creates a time-related cost (i.e., growers and their staff taking material additional time to undertake compliance-related requirements).

Since compliance-related certifications were introduced in the 1990s, the Australian vegetable industry has seen the number of certifications grow from just one program to the current ecosystem of multiple certification schemes. Not only has the number of programs grown, but also the scope, cost, and complexity of each individual program. While each scheme may have originally targeted distinct areas, the overall growth of compliance and certification standards has been unconstrained and uncoordinated — additional layers have often been applied as a blunt instrument, with most of the cost burden, if not all, falling on growers. Additionally, compliance has not always effectively addressed cost versus risk and benefit.

This report makes 34 recommendations for change, and AUSVEG has accepted all in principle.

To address these crucial matters, AUSVEG proposes the establishment of a taskforce to urgently consider and implement these recommendations to remove complexity, cost, and duplication from the current system. Additionally, this taskforce will, on an ongoing basis, review both current and future compliance requirements using a proposed best-practice compliance management framework.

We have undertaken this work so that we have a clear evidence base and roadmap to improve the sustainability of Australian vegetable growers by reducing compliance costs. AUSVEG would like to work with our supply chain partners and industry stakeholders to reduce the compliance burden on growers.

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1. Executive summary

1.1 This report proposes that a taskforce be established to consider and implement all 34 recommendations, aimed at reducing complexity, cost, and duplication across the compliance system

1.1.1 Compliance and certification requirements for Australian vegetable growing and on-farm packing have increased significantly in number, scope, and complexity over the past 30 years. Growers now comply with around 50 separate compliance matters (see Figure 3).

1.1.2 The total cost of compliance is estimated at ~4% of operating cost (excluding interest and depreciation), equating to approximately $213 million per year across the industry. Around 31% of this cost is attributable to certification requirements (both food safety and quality, and ethical and social).

1.1.3 Based on grower consultations, 34 recommendations across seven key themes for future focus and improvement were identified. These themes included certification scope and requirements, audit processes, grocery retailer-driven requirements, workforce and training requirements, regulatory complexity, traceability, and data and reporting.

1.1.4 Across these themes, there are significant opportunities to:

- Reduce duplication across compliance requirements
- Improve efficiency of certification and audit processes
- Remove overly prescriptive rules and shift towards outcomes-focused compliance
- Streamline government processes and strengthen support services
- Increase use of online systems and develop industry-led data platforms

1.1.5 To drive reform, the industry should establish a taskforce to implement these recommendations, strengthen collaboration and governance within the compliance system, and introduce a formal process for assessing major new requirements on an ongoing basis.

1.1.6 A structured, best-practice framework for compliance management should also be adopted to provide clear principles for ongoing review, coordination, and improvement across the Australian vegetable industry.

Figure 1: Key statistical findings

$213m
$159m - $266m
Estimated average annual compliance cost for the Australian vegetable industry

4%
3% - 5%
Weighted average cost of compliance for the industry expressed as a percentage of average operating cost (excluding interest and depreciation)

42%
31% - 52%
Compliance cost expressed as a percentage of average EBITDA margin for the Australian vegetable industry

2X
Average cost of compliance for small growers/ packers (5.6%) vs larger growers/packers (2.7%) relative to their respective cost bases

4.1/5
Growers reported opportunities for improvement across key compliance areas

8.7/10
Growers reported a negative impact of compliance audits on stress levels and mental wellbeing

Figure 2: Breakdown of compliance cost (industry level)

#	Top 10 compliance areas (industry-level)	$
1	Certifications (food safety and quality, ethical and social compliance)	**$66m** *(31%)*
2	Accounting	**$35m** *(16%)*
3	Ag-chemicals (pesticides, fertilisers)	**$18m** *(8%)*
4	International workforce	**$14m** *(7%)*
5	Post-harvest testing	**$11m** *(5%)*
6	Training	**$10m** *(5%)*
7	Water (access and testing)	**$9m** *(4%)*
8	Industrial relations	**$7m** *(3%)*
9	Weights and measures	**$7m** *(3%)*
10	Work health and safety	**$7m** *(3%)*

Figure 3: Map of compliance areas across the vegetable growing businesses value chain

Key areas of compliance[1] *Others*[1]

Key compliance areas	Value Chain							
	Inputs	*Labour*	*On-farm processes*	*Outputs*	*Transportation*	*Export*	*Asset planning*	*Others*
	Water (e.g., licenses, testing)	International workforce	Food safety and quality assurance certification	Post-harvest treatment	Chain of responsibility	Export certification	*Business registration and structuring*	Income tax (e.g., accounting)
	Pesticides and ag-chemical (storage, handling, records)	Accommodation for Workers on PALM scheme	Organic (standards, inputs, certification)	Post-harvest testing	Cold chain	Export logistics	*Foreign investment*	Insurance
	Pesticides and ag-chemical (application, testing, records)	Industrial relations	Protective farming	Weights and measures	Transportation restrictions		*Land purchase*	Payroll tax
	Fertiliser and soil additives (storage, handling, records)	Labour hire	Biosecurity	Packaging			*Land transfer*	Workers' compensation insurance
	Fertiliser and soil additives (application, testing, records)	Training	River health and waste water management	Food labelling			*Land use and zoning*	
	Equipment	Workplace health and safety	Waste disposal and recycling	*Traceability*			*Biodiversity*	
	Weapons and dangerous tools	Ethical and social certification	EPA	*Sustainability reporting*			*Building approvals*	
			Emergency plan, response and recovery				*Site access*	
			Use of tech				*Access to utilities*	

2. Background

2.1 The Australian vegetable industry is one of Australia's most important sectors, generating $5.7b at the farmgate and employing more than 20,000 people

2.1.1 Australia has a diverse vegetable industry that the nation relies on for more than 98% of domestically consumed fresh vegetables. The sector produces approximately 3.8 million tonnes of vegetables each year, equating to more than 51 billion individual serves[1].

2.1.2 The industry is made up of approximately 3,600 vegetable-growing businesses, which contribute $5.7 billion in annual production value, representing around one-third of the $17 billion horticulture sector and approximately 7% of total agricultural output. While vegetables are grown across all states, Victoria and Queensland together account for more than half of national production volume.

2.1.3 The Australian vegetable supply chain begins with primary producers and flows through a range of interconnected market channels (Figure 4). Growers may sell their produce directly to food manufacturers, exporters, or grocery retailers – or they may rely on intermediaries such as packers or larger producers to move product downstream.

2.1.4 Grocery retailers represent the single largest market channel for vegetable growing businesses, accounting for 47% of vegetable production flow, followed by food manufacturers at 37%. The remaining supply is directed to foodservice (11%) and export markets (5%). While some vegetables are first supplied to food manufacturers, much of this volume ultimately flows back to grocery retailers in processed and/or packaged form.

Figure 4: Australian vegetable industry supply chain and production flow

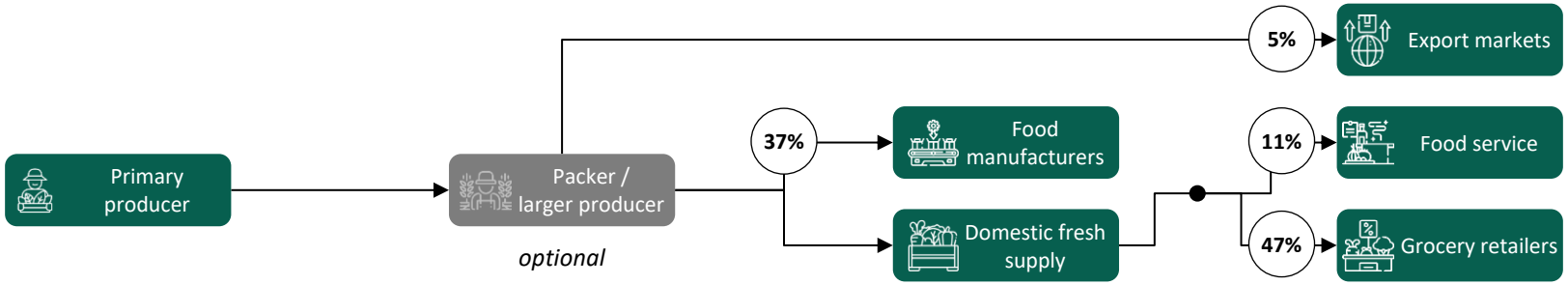
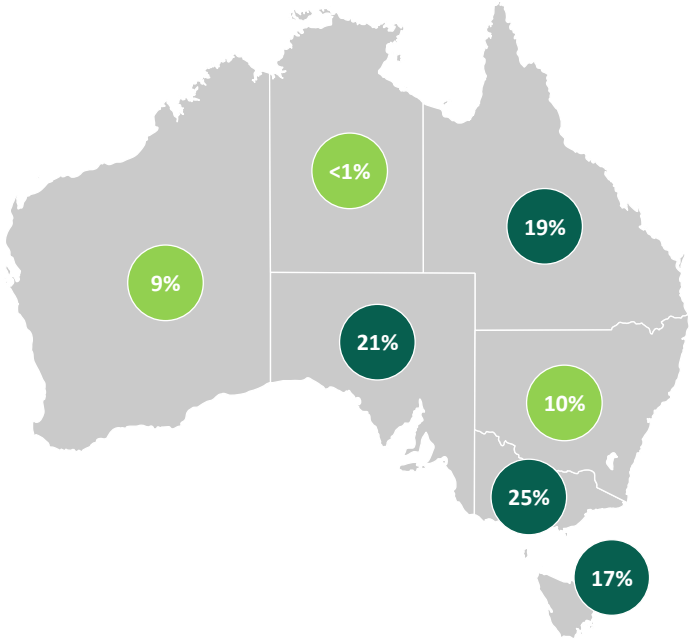


Figure 5: Key Australian vegetable industry statistics

$5.7b *value*	Annual production value from Australian vegetable growers
3,600 *growers*	Vegetable-growing businesses, many of which are multi-generational, family-owned enterprises
3.8m *tonnes*	Of vegetables produced by Australian farms every year
~24K *workers*	Largest employing sector within Australian horticulture, highlighting its critical role in regional economies and workforce stability
98% *domestic*	Of the fresh vegetables consumed by Australians are produced domestically

Figure 6: % of Australian vegetable production (tonnes) by state



1 A serve is defined as 75 grams of vegetables or legumes. This is half a cup of cooked vegetables or one cup of leafy greens.
Source: AUSVEG, Australian Horticulture Statistics Handbook 2023/24, ABARES, Contribution of Australian horticulture industry report 2023, CVA analysis

2.2 Vegetable growers have faced growing threats to their profitability and future viability, with rising compliance costs consistently rated as a key concern in AUSVEG's six-monthly sentiment surveys

2.2.1 AUSVEG has conducted Industry Sentiment Surveys every six months since 2023, gathering insights from small, medium, and large-scale vegetable businesses across Australia. These surveys provide a snapshot of prevailing industry trends and growers' sentiment, enabling timely identification of emerging issues.

2.2.2 The July 2025 survey found that two in five growers (40%) were considering leaving the industry within the next 12 months, up from the previous average of 32% since June 2023. A further two in five growers (38%) said they would consider exiting if a viable pathway, such as the ability to sell their farm at a fair market price, became available.

2.2.3 Key pressures influencing this result include low operating profit, rising input and labour costs, poor retail prices, and the growing compliance burden. Together, these factors have created a severe margin squeeze that limits reinvestment in innovation and productivity. Industry benchmarking shows the average EBITDA margin across vegetable businesses is just 9%, compared with a target benchmark of 15%, underscoring the depth of the challenge.

2.2.4 Compliance and regulation have consistently been identified as one of the most difficult pressures to manage. Growers highlighted the sheer volume and cost of compliance requirements — spanning Federal, State, and Local Government schemes alongside multiple third-party compliance requirements — as the top compliance challenge they face.

2 in 5

growers are considering exiting the industry, based on 2025 survey results

A further

2 in 5

would exit if a viable exit strategy exists

Figure 7: Top factors driving Australian vegetable growers to leave the industry

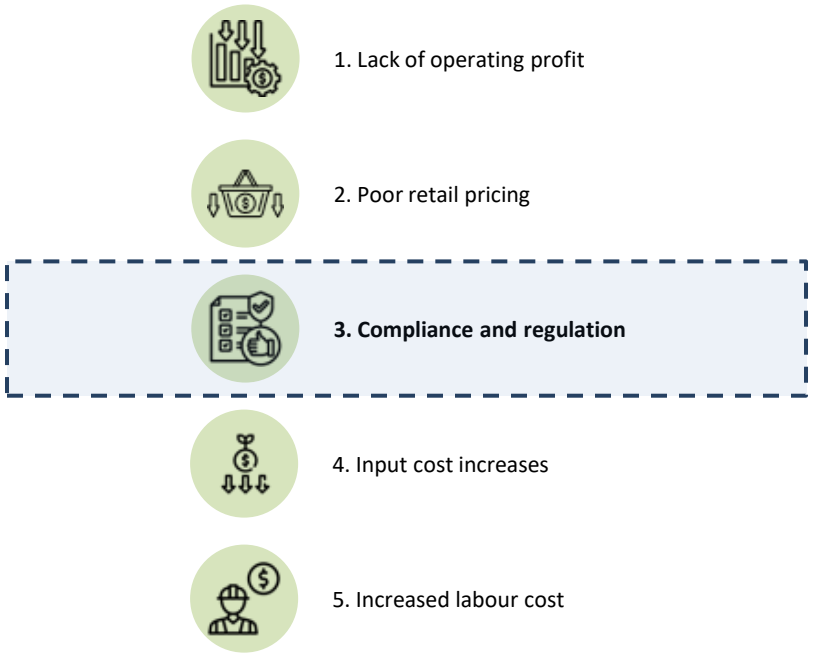
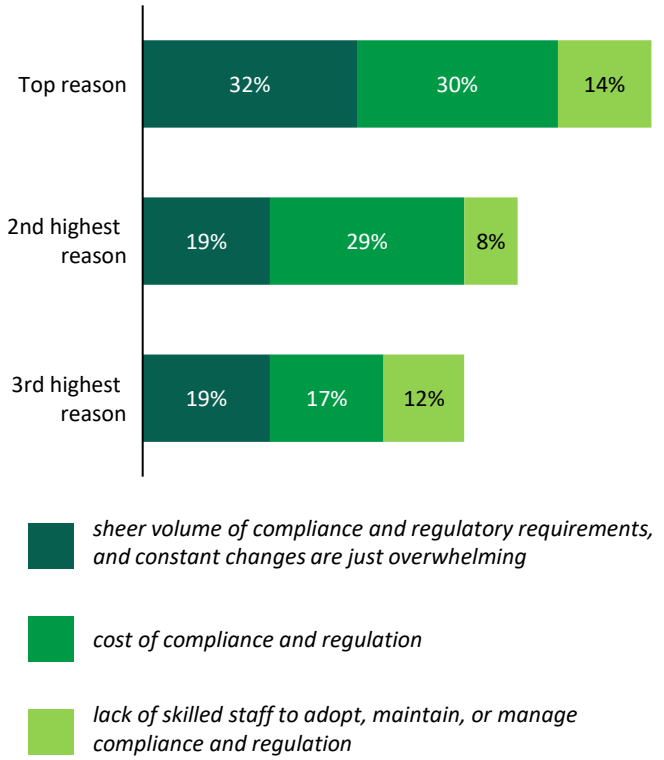


Figure 8: Top compliance challenges faced by vegetable growers



Source: AUSVEG sentiment surveys, CVA analysis

2.3 Compliance requirements appear more prominent in the vegetable sector as vegetables are often consumed unprocessed, with products often packed or processed on-farm

2.3.1 In the Australian vegetable industry, a substantial share of the compliance burden falls directly on growers themselves. Unlike the dairy and meat sectors, where processors typically act as intermediaries between primary producers and end markets, vegetable growers are more likely to supply directly to domestic fresh markets, grocery retailers, or food service. Additionally, as vegetables are usually consumed with minimal processing, compliance requirements such as food safety certification and traceability must be met at the farm level rather than being absorbed further down the supply chain.

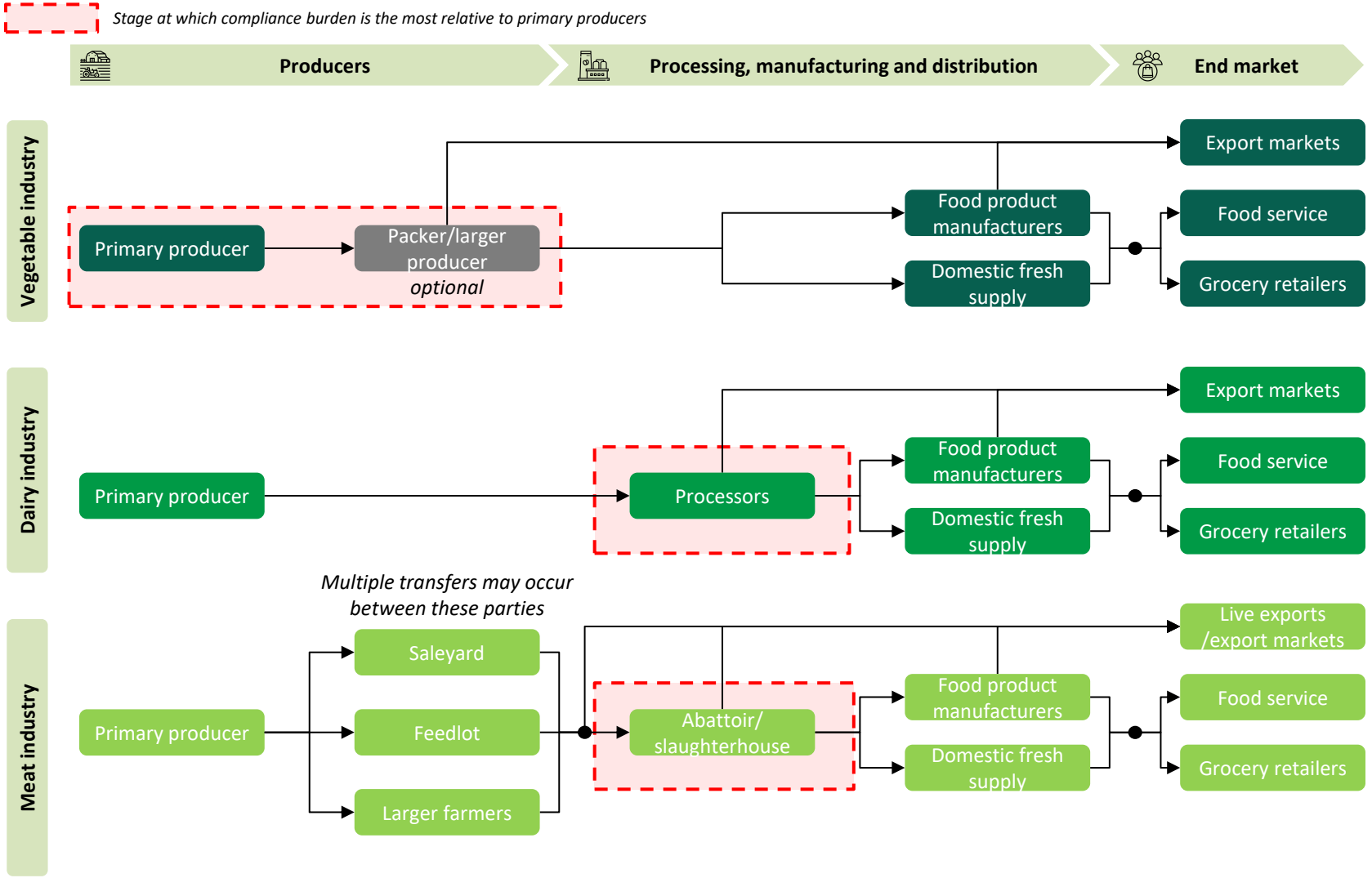
2.3.2 While there are some large multinational vegetable processors, many growers are family-owned or small to medium-sized businesses that also undertake packing and limited processing. These businesses face the same complexity of compliance without the scale advantages of larger food processors.

2.3.3 However, a lack of detailed compliance cost data in other agricultural sectors makes it difficult to benchmark the compliance cost faced by vegetable growers against Australia's other food and fibre industries.

2.3.4 This direct burden is compounded by the domestic focus of the vegetable industry, which relies heavily on grocery retailers as its primary buyers. With fewer diversified pathways into export and processing markets, growers have limited capacity to pass on or offset compliance costs.

2.3.5 Hence, the breadth and depth of compliance that vegetable growing and packing businesses need to meet are quite extensive.

Figure 9: Australian vegetable, dairy, and meat industry supply chains



Source: EY, Deloitte Access Economics, CVA analysis

2.4 Vegetable growers face compliance requirements across 48 distinct areas, some requiring certifications and others governed by regulations in areas such as farm inputs, labour, and asset planning

2.4.1 Australian vegetable growers are currently required to meet requirements in 48 different compliance areas across the value chain — spanning inputs, labour, on-farm processes, outputs, transport, exports, asset planning, and more. These requirements include certifications, training, documentation, and audits, and are imposed by a wide range of stakeholders, including:

- **Federal government** – national laws and programs (e.g., industrial relations, international workforce, income tax) and other national bodies (e.g., environmental protection)
- **State governments** – state-based compliance frameworks and enforcement of national standards (e.g., workplace health and safety, biosecurity, transportation restrictions)
- **Local councils** – development approvals and infrastructure access (e.g., land zoning, building approvals, site access)
- **Utilities providers** – essential services (e.g., water access, energy supply)
- **Supply chain partners** – grocery retailers, export markets, food manufacturers, and food service applying assurance requirements (e.g., food safety certification, post-harvest testing, cold chain)
- **Others** – insurance companies and other service providers imposing additional requirements

2.4.2 The breadth of this compliance environment underscores the industry's role in delivering safe, high-quality produce, but also highlights the significant administrative and operational pressures placed on growers.

Figure 10: Map of compliance areas across the vegetable growing businesses value chain

Key areas of compliance[1] *Others*[1]

	Value Chain							
	Inputs	***Labour***	***On-farm processes***	***Outputs***	***Transportation***	***Export***	***Asset planning***	***Others***
Key compliance areas	Water (e.g., licenses, testing)	International workforce	Food safety and quality assurance certification	Post-harvest treatment	Chain of responsibility	Export certification	*Business registration and structuring*	Income tax (e.g., accounting)
	Pesticides and ag-chemical (storage, handling, records)	Accommodation for Workers on PALM scheme	Organic (standards, inputs, certification)	Post-harvest testing	Cold chain	Export logistics	*Foreign investment*	Insurance
	Pesticides and ag-chemical (application, testing, records)	Industrial relations	Protective farming	Weights and measures	Transportation restrictions		*Land purchase*	Payroll tax
	Fertiliser and soil additives (storage, handling, records)	Labour hire	Biosecurity	Packaging			*Land transfer*	Workers' compensation insurance
	Fertiliser and soil additives (application, testing, records)	Training	River health and waste water management	Food labelling			*Land use and zoning*	
	Equipment	Workplace health and safety	Waste disposal and recycling	*Traceability*			*Biodiversity*	
	Weapons and dangerous tools	Ethical and social certification	EPA	*Sustainability reporting*			*Building approvals*	
			Emergency plan, response and recovery				*Site access*	
			Use of tech				*Access to utilities*	

1 Key compliance area compared to others reflect the frequency of occurrence for each compliance area and associated compliance activities undertaken by vegetable growers / packers
Source: NFF's submission to Productivity Commission 2016, individual certification schemes standards, CVA analysis

2.5 Certification is a critical element of compliance, with vegetable growers often required to obtain multiple certifications to maintain market access

2.5.1 A major share of growers' compliance effort arises from certification schemes. These schemes provide the framework through which growers demonstrate food safety, quality, and ethical and social compliance. Certification schemes can be understood through three complementary lenses:

- **By function** – four main categories: national regulation (e.g., FSANZ), food safety and quality certification (e.g., Freshcare), grocery retailer–led certification (e.g., HARPS), and social and ethical compliance (e.g., SEDEX).
- **By business operations** – requirements may apply on-farm (e.g., Freshcare, GLOBALG.A.P., Fair Farms) or post-farm (e.g., SQF, BRCGS, HARPS, SEDEX). Many food safety and quality schemes offer both on- and post-farm operations, but Australian growers typically select certifications based on market requirements and preferences. For example, a grower may choose Freshcare for on-farm compliance and SQF for post-farm operations, even though both schemes offer certifications for both stages (see Figure 11).
- **By market orientation** – some schemes are recognised primarily for domestic supply (e.g. Freshcare, HARPS, Fair Farms), while others also support export market access (e.g. GLOBALG.A.P., SQF, BRCGS, SEDEX).

2.5.2 Certification requirements are layered across both the supply chain and markets, creating a complex system for growers. Not every grower holds every certification listed in Figure 11, but for example, a Victorian vegetable grower and packer supplying major grocery retailers may need to comply with Freshcare (on-farm food safety and quality), SQF (post-farm food safety in the packing shed), HARPS, SEDEX, and the PPP Standard for leafy vegetables.

While these represent core certification requirements, additional schemes (e.g., export-related certifications) also apply in certain circumstances. Further details on the history of compliance in Australia and the role of each certification scheme can be found in Appendices 6.1, 6.2, and 6.3.

Figure 11: Australian vegetable industry major certification schemes

Government regulations

FOOD STANDARDS Australia New Zealand

PPP standard for leafy vegetables

- FSANZ sets the national food safety standards and framework, which is enforced by state governments.
- State governments have introduced different compliance requirements based on FSANZ's recently introduced Primary Production and Processing (PPP) Standard for Leafy Vegetables.

Food safety and quality certifications (on-farm and post-farm)

Freshcare · BRCGS · GLOBALG.A.P. · SQF

- Food safety and quality assurance certifications cover on-farm production and post-farm handling, with different schemes emphasising specific stages depending on market and buyer requirements.
- All schemes require annual audits and typically at least one person trained in HACCP, though the level of formal training and breadth of scope (food safety, quality, environmental, packaging, brokers) varies across certifications.

Grocery retailer-led certification (post-farm)

HARPS – HARMONISED AUSTRALIAN RETAILER PRODUCE SCHEME

- Retailer-led overlay introduced to standardise food safety requirements across major grocery retailers[1].
- Growers must hold a base food safety and quality certification (i.e., Freshcare, GlobalG.A.P., SQF, or BRCGS) and complete an annual HARPS audit.

Ethical and social certifications (on-farm and post-farm)

Sedex · FAIR FARMS

- Ethical and social compliance certifications cover labour standards, workplace health and safety, environmental practices, and business ethics.
- Certification typically involves audits or self-assessments, with requirements varying by scheme: some mandate initial training and annual audits, while others use performance-based audit cycles (every 1–3 years) with no formal training requirements.

1 Major grocery retailers include ALDI, Coles, Costco, Metcash (IGA) and Woolworths. Since 2016, other grocery retailers and companies have also become members, namely Harris Farm Markets, McDonald Australia and Hello Fresh. Source: Individual certification schemes, CVA analysis

2.6 The number and type of certification schemes required depend on a vegetable grower's operations, size, and target market channels

2.6.1 The structure of Australia's vegetable industry and the increasing cost of compliance have created a divergence in market dynamics between larger and smaller vegetable growers.

2.6.2 Smaller growers often find it cost-prohibitive to obtain multiple certifications and are therefore restricted to supplying wholesale markets or selling directly through local markets. Their operations remain relatively lean, focused on meeting local demand rather than navigating multiple compliance systems.

2.6.3 By contrast, larger growers and packers supplying into national supermarket chains operate in a very different environment. A grower supplying packaged vegetables to grocery retailers, for instance, may be required to maintain both on-farm and post-farm food safety certifications, demonstrate compliance with ethical and social standards, and meet retailer-specific requirements such as HARPS. For these businesses, certification is not optional — it is embedded in daily operations and effectively forms part of their licence to operate.

2.6.4 This divergence highlights how market access is closely tied to business size and structure. Smaller growers can continue trading with relatively fewer certifications, although this limits their ability to expand or diversify into other channels where higher compliance standards are mandatory. Larger growers, meanwhile, are positioned to access national supply chains, but must do so under far more complex and layered certification frameworks.

Figure 12: Types of Australian vegetable growing businesses and key certification requirements

	Small grower		Packer	Small grower-packer	Large grower-packer
Target market channels[1]	Wholesale & local/farmer market	Wholesale & local/ farmer market; packers	Supermarkets	Supermarkets and wholesale market	Supermarkets
Food safety and quality certification (on-farm)		Yes		Yes	Yes
Food safety and quality certification (post-farm)			Yes	Yes	Yes
Grocery retailer-led certification (post-farm)			Yes	Yes	Yes
Ethical and social certification			Generally yes (various assessments)	Yes (generally online assessment)	Yes (generally in-person audit)

Figure 13: Types of grocery retailers

Supermarkets (corporate-owned)

Supermarket chains supply consumers through extensive national store networks. Source directly from growers/packers and may occasionally use wholesale markets.

Supermarkets (independent)

Privately-owned, franchised supermarkets, or regional chains under shared brands. Source directly from growers/packers or through wholesale markets.

Wholesale markets

Distributors and wholesale market operators that purchase produce in bulk from growers and re-sell to supermarkets, foodservice, and other buyers. Some growers also sell directly within these markets.

Local / Farmer markets

Direct-to-consumer markets where producers sell produce to the public. Typically small-scale, seasonal, and locally focused.

1 This doesn't consider food service, food manufacturers and export market as these may sit across all the different types of vegetable-growing businesses
Source: HARPS, CVA analysis

2.7 Since their introduction in the 1990s, compliance-related certifications have expanded in number and scope, resulting in today's ecosystem of multiple and at times overlapping schemes

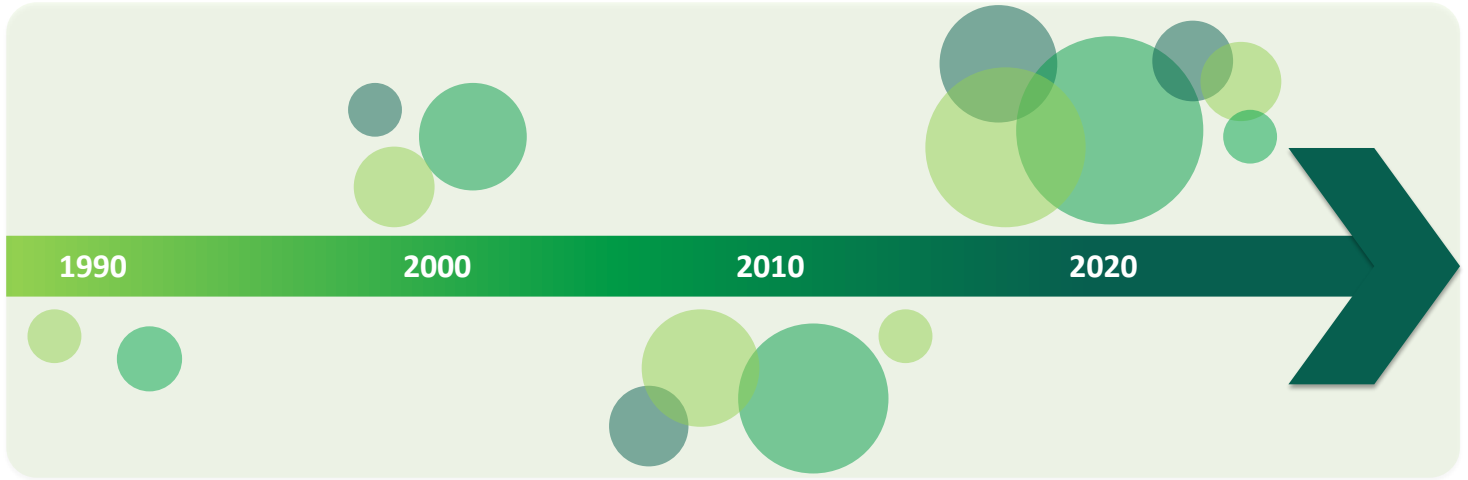
2.7.1 Compliance is not new to the Australian vegetable industry. Since the 1990s, vegetable growers have operated within regulatory and supply chain frameworks designed to protect food safety, uphold quality, and enable market access. Early programs such as the Food Standards Australia New Zealand (FSANZ) (1991) and the Safe Quality Food Code (SQF) (1994) created consistency and confidence across both domestic and export markets.

2.7.2 Since then, not only has the number of certifications grown, but also the scope, cost, and complexity of each. The growth of compliance and certification standards has been unconstrained and uncoordinated, with additional layers often applied as a blunt instrument that has imposed most, if not all, of the costs on vegetable growers.

2.7.3 The expansion has also been driven by evolving market dynamics, particularly the compliance requirements imposed by grocery retailers and international markets. While this has strengthened assurance for consumers and trading partners, it has also concentrated compliance requirements directly at the grower level, often requiring multiple certifications.

2.7.4 Growers acknowledge that each certification has its own focus and merit — for example, on-farm food safety and quality, ethical and social compliance, or post-farm food safety and quality. However, as these frameworks have expanded, they increasingly overlap. This has contributed to duplication, complexity, and audit fatigue, without always providing additional assurance.

Figure 14: Evolution of compliance certifications in the Australian vegetable industry (illustrative)



"Certification schemes overlap quite a lot in their compliance requirements. It didn't used to be this way, but the scope keeps expanding. We repeat the same checks across different schemes more and more."

— Small vegetable grower/packer business

"The main challenge for us with different certifications is that each one uses different formats and slightly different requirements, which we have to work through carefully to make sure we meet them all."

— Small vegetable grower business

"We try to schedule multiple audits on the same day to reduce disruption and avoid going through the same requirements for different certifications multiple times, but it is still time-consuming and complex."

— Large vegetable grower/packer business

Source: CVA analysis

2.8 This report aims to quantify the cost of compliance in the Australian vegetable industry, identify key challenges, and provide evidence-based recommendations for future reform

2.8.1 AUSVEG engaged Corporate Value Associates (CVA) Australia to assess the financial and operational impacts of compliance on growers and to identify practical opportunities for reform. This study seeks to outline a more streamlined, risk-based regulatory future for the Australian vegetable industry.

2.8.2 The specific objectives of the study include:

- Understand the direct and indirect economic impacts of compliance and regulatory requirements on farm businesses, including operational and financial costs.
- Identify broader economic consequences, including impacts on competitiveness, innovation, and long-term sustainability.
- Provide practical, evidence-based reform proposals that balance compliance requirements with economic growth.
- Investigate the burden of compliance and regulation with the intent to stop duplication; streamline processes; ensure regulation is fit for purpose and not excessive—proportionate to risk; remove unnecessary rules not backed by sound reason, policy, or science; harmonise regulation across states and regions.
- Propose a framework to guide the development of future regulation, including improving consultation and engagement in regulatory design; conducting cost-benefit and impact analysis before new requirements are introduced; and strengthening coordination between state and federal governments.

2.8.3 The report is intended as a first step in addressing compliance challenges. It will identify key issues and areas for possible reform, while recognising that further work will be needed to test the viability of solutions and finalise implementation pathways.

3. Methodology

CVA Australia developed a forensic accounting-based methodology to undertake the complex task of assessing the cost of compliance in the Australian vegetable industry

3.1 Overview

3.1.1 This study adopts a first-of-its-kind approach to quantifying the cost and burden of compliance in the horticulture sector. Compliance costs are not visible as a single line item in vegetable-growing businesses' financial statements. They are distributed across regulatory, service, administrative, and operational activities. As a result, a forensic accounting approach was required to identify and measure these costs in the vegetable industry. This involved detailed consultations with growers, supported by structured frameworks to ensure consistency and efficient data capture.

3.1.2 The first stage of the methodology was to define the scope and establish a framework to capture compliance costs. Three categories were defined: regulatory, service and equipment costs; administrative costs; and delay costs. These categories ensured that the framework captured not only direct financial costs but also the administrative activities and overheads required to demonstrate compliance. Further consideration was also given to defining which costs would be treated as in scope and which would be excluded.

3.1.3 A comprehensive mapping exercise was undertaken to identify the compliance requirements faced by vegetable growers and packers across their operations. Approximately 50 compliance areas were identified and organised into a value chain view. This ensured consultations were comprehensive and systematic, and that no major compliance area was overlooked.

3.1.4 To assess the burden of these requirements, a multi-criteria assessment (MCA) framework was then developed. Eight criteria were defined, including: cost, duplication, complexity, proportionality, rigidity, evidence, consistency, and process efficiency. This provided a structured way to evaluate both the financial and operational impact of compliance and the dimensions along which reform opportunities could be assessed.

3.1.5 In-depth grower interviews were then conducted using these frameworks. These consultations followed a forensic accounting approach, working through each compliance area, type of regulation, stakeholder, cost category, challenge, and potential reform opportunity.

3.1.6 To broaden participation and validate the framework at scale, an online version was also developed and distributed to growers through a portal. All submissions were tested for internal consistency and cross-validated against interview data to confirm reliability.

3.1.7 A total of 17 consultations were conducted in this study. The consolidated dataset was then used to estimate the total compliance burden at the farm and industry level, broken down by major compliance area. This provided a quantified view of the sector-wide cost of compliance.

3.1.8 Finally, the analysis was synthesised in a de-identified manner and translated into evidence-based recommendations. Based on these findings, a set of guiding principles and remit areas was developed to inform future regulation, with an emphasis on proportionality, coordination, and efficiency. This framework is intended to support a more streamlined, risk-based regulatory approach for the sector.

3.2 Defining compliance cost scope

3.2.1 When considering compliance costs, direct charges such as permit fees, certification expenses, and audit costs are usually front-of-mind. However, a wide range of indirect costs can be overlooked, including the effort required to prepare for audits, complete record-keeping, purchase equipment, or meet ongoing reporting requirements.

3.2.2 To address this, three cost categories were defined:

I. **Regulatory/equipment/service cost –** This represents direct, non-labour-related costs incurred to meet compliance requirements. This includes:

- Charges imposed by government, supply chain partners, etc.
- Certification, license fees, permit fees, levies, etc.
- Non-labour costs incurred to meet requirements
- Expenses for external professional services, such as legal and tax
- Costs for purchasing, maintaining, and operating equipment
- Ongoing testing requirements (e.g., water testing, MRL testing)

These costs are generally easier to identify, as they are often able to be quantified directly with invoices or direct line items.

II. **Admin cost –** Internal labour costs associated with managing and demonstrating compliance. This includes staff time spent on record-keeping, audit preparation, regulatory reporting, and similar activities. These costs are not separately visible in business accounts and typically need to be estimated, as they may only represent a portion of day-to-day activities across the workforce.

Two approaches were used to estimate administrative costs:

i. **Time-based** – Estimating hours or days spent on a compliance activity and multiplying by staff pay rates and on-costs (e.g., 2 staff members spend 10 days annually on activity X. Admin cost = 2 * (10/365) * annualised pay * on-cost %)

ii. **Proportion-of-time-based** – Estimating the proportion of a person's role that is allocated to compliance activities and multiplying by annual staff pay rates and on-costs (e.g., 3 staff members spend 70% of their time meeting compliance in areas X, Y, Z. Admin cost = 3 * 70% * annualised pay * on-cost %)

III. **Delay cost –** Reflect the opportunity cost of both application delays (time spent on preparation and submission) and approval delays (waiting on regulatory or other decisions). The cost is measured as the average time delay impacting operations, and where possible, expressed in dollar terms. They are not recorded in business accounts and must be estimated by businesses based on experience. Delay costs were not included in overall compliance cost calculations, given their irregular nature. They have been considered separately where relevant.

The study developed a compliance map and Multi-Criteria Assessment Framework to quantify compliance costs and identify the underlying challenges faced by vegetable growers

3.2.3 All costs were annualised to ensure consistency. For example, if compliance activity X incurred a cost of Y every three years, the assessment captured this as Y/3 per year.

3.2.4 In defining compliance costs, the study distinguished between what would be included in scope and what would be excluded. The focus was on capturing the cost of activities required to demonstrate compliance, rather than the underlying requirements themselves. For example, payroll tax, income tax, and the cost to buy agricultural chemicals weren't included, but instead the associated compliance costs were included (e.g., accounting, admin).

3.3 Mapping compliance requirements

3.3.1 A compliance map was developed to build a comprehensive understanding of where requirements occur within vegetable grower and packer operations. The objective was to create a structured reference that could be used to prompt growers, ensure comprehensiveness, and support systematic data collection.

3.3.2 The process began with extensive desktop research to identify compliance requirements across the farming lifecycle. Key industry references included *Agriculture Victoria Regulatory Approach 2022–2027* and the National Farmers' Federation submission to the Productivity Commission (2016). This work identified approximately 50 individual compliance requirements.

3.3.3 Once identified, the requirements were logically arranged against the grower value chain. This structure allowed requirements to be easily scanned, referenced, and discussed during consultations, ensuring that no major compliance area was overlooked. Figure 15 presents the compliance map aligned to the grower value chain.

3.3.4 For each requirement, the relevant stakeholders were also identified. These included federal and state governments, local councils, retailers, export markets, utilities, and insurers. This clarified who was responsible for driving or enforcing each requirement.

3.3.5 In addition, the key policies and compliance activities associated with each requirement were identified through desktop research. Documenting these details meant growers could be prompted on specific actions such as record-keeping, testing, certification, or reporting, which supported completeness and accuracy in responses.

Figure 15: Map of compliance areas across the vegetable growing businesses value chain

Key areas of compliance[1] | Others[1]

Key compliance areas	Value Chain							
	Inputs	*Labour*	*On-farm processes*	*Outputs*	*Transportation*	*Export*	*Asset planning*	*Others*
	Water (e.g., licenses, testing)	International workforce	Food safety and quality assurance certification	Post-harvest treatment	Chain of responsibility	Export certification	*Business registration and structuring*	Income tax (e.g., accounting)
	Pesticides and ag-chemical (storage, handling, records)	Accommodation for Workers on PALM scheme	Organic (standards, inputs, certification)	Post-harvest testing	Cold chain	Export logistics	*Foreign investment*	Insurance
	Pesticides and ag-chemical (application, testing, records)	Industrial relations	Protective farming	Weights and measures	Transportation restrictions		*Land purchase*	Payroll tax
	Fertiliser and soil additives (storage, handling, records)	Labour hire	Biosecurity	Packaging			*Land transfer*	Workers' compensation insurance
	Fertiliser and soil additives (application, testing, records)	Training	River health and waste water management	Food labelling			*Land use and zoning*	
	Equipment	Workplace health and safety	Waste disposal and recycling	*Traceability*			*Biodiversity*	
	Weapons and dangerous tools	Ethical and social certification	EPA	*Sustainability reporting*			*Building approvals*	
			Emergency plan, response and recovery				*Site access*	
			Use of tech				*Access to utilities*	

3.4 Multi-criteria assessment (MCA) framework

3.4.1 To assess the burden of compliance requirements, a multi-criteria assessment (MCA) framework was developed.

3.4.2 Eight criteria were defined through research and a validation workshop with AUSVEG. Each criterion was given a clear definition to ensure consistency in how challenges were assessed. These are set out in Figure 16.

3.4.3 The aim of the MCA framework was to provide structure during consultations, enabling growers to reflect on their compliance challenges systematically. By linking their experience to the defined criteria, the framework helped ensure that feedback was comprehensive, comparable across growers, and focused on the root causes of compliance burden rather than surface-level challenges.

3.4.4 This structured approach also established a direct link between grower feedback and reform opportunities.

Figure 16: MCA criterion and definitions

MCA criterion	Definition
Cost	What is the total cost incurred to meet the compliance requirement?
Duplication	Are the compliance requirements repeated across regulators, jurisdictions, or supply chain bodies?
Complexity	How difficult is it to understand and comply with the compliance requirement?
Proportionality	Does the compliance burden exceed the benefit or risk it is intended to address (including frequency)?
Rigidity	How strict, inflexible, or prescriptive is the requirement?
Evidence	Is there a lack of robust scientific, empirical, or policy basis for this requirement?
Consistency	Are there inconsistencies in how the requirement is applied across regulators, jurisdictions, or supply chain bodies?
Process Efficiency	To what extent is the compliance process streamlined, timely, and user-friendly to complete?

Seventeen detailed consultations were conducted by CVA Australia across states, crop types, and business sizes to capture the diversity of compliance requirements in the Australian vegetable industry

3.5 In-depth grower consultations

3.5.1 In-depth grower consultations applying the methodology were conducted. AUSVEG played a critical role in identifying a representative sample of businesses across states, crop types, and scales of operation. This ensured the consultations captured the diversity of compliance requirements across the sector and provided a robust evidence base.

3.5.2 Each consultation followed a structured, forensic accounting approach. The compliance map was used as the anchor framework, and growers were systematically taken through each requirement to capture the different compliance costs, challenges faced by the business, and potential areas for improvement.

3.5.3 Where possible, figures were drawn directly from financial accounts or invoices. Where this was not available, best estimates were generated. To ensure rigour, follow-ups were conducted to validate costs that could not be quantified during the session or to seek clarifications.

3.5.4 Basic farm information, such as workforce size, crop type, export participation, and operating cost (excluding interest and depreciation), were also captured. This allowed costs to be normalised across businesses and later scaled up for industry-wide estimates.

3.6 Online consultations

3.6.1 To broaden participation and validate findings, an online version of the consultation was designed and distributed to vegetable growers through a portal.

3.6.2 For usability, the approximately 50 compliance areas were consolidated into seven priority groupings that reflected the most common issues raised during in-depth grower consultations. This streamlined design made it easier for growers to complete the assessment independently.

3.6.3 The seven priority groupings were: food safety and quality certifications; ethical and social certifications; product and process testing; labour compliance; training; packaging and labelling; and export requirements. The online version of the consultation also offered an "Other" section where vegetable growers could input their feedback on any other compliance requirements.

3.6.4 To ensure reliability, all online submissions were tested for internal consistency and cross-validated against the findings from in-depth consultations.

3.6.5 Figures 17, 18, and 19 provide a consolidated summary of the consultations, illustrating the coverage across regions, farm scales, and crop types. A total of 17 consultations were conducted in this study.

Figure 17: Participating vegetable-growing businesses' crop types

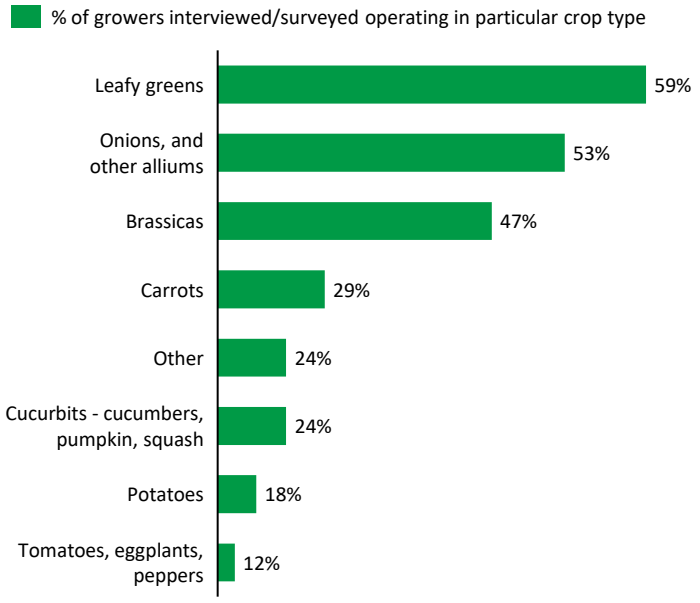


Figure 18: Participating vegetable-growing businesses' state of operation

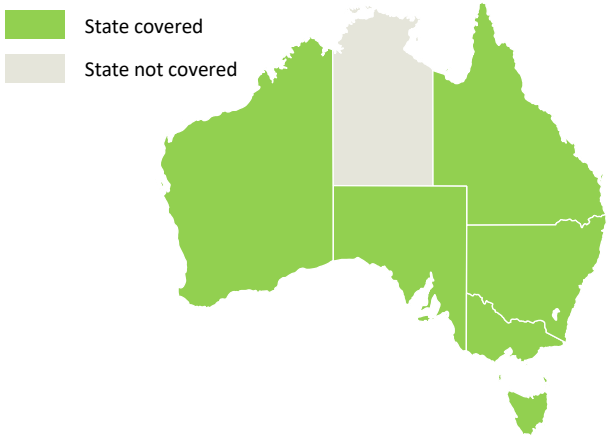
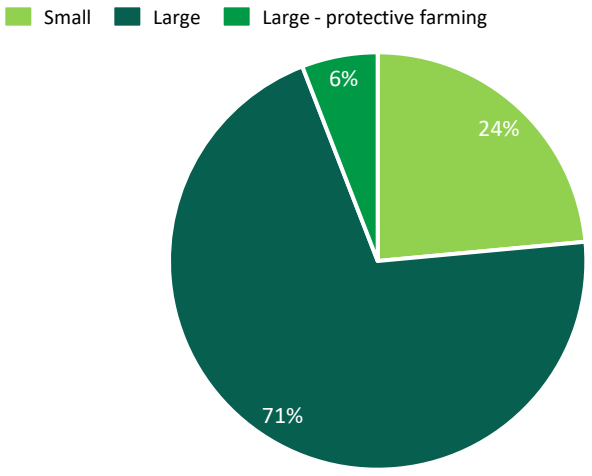


Figure 19: Participating vegetable-growing businesses' size of operation



Horticulture Compliance and Regulation: Reducing the Burden by 2030 (September 2025) Source: CVA analysis

Based on the in-depth grower consultations, compliance costs, findings, and recommendations were derived and synthesised

3.7 Industry-level cost analysis

3.7.1 All data collected from the in-depth grower consultations and the online version of the consultations were consolidated. For each business, total compliance costs were calculated and compared against their operating costs (excluding interest and depreciation). This enabled compliance costs to be expressed as a share of operating costs (excluding interest and depreciation), providing a comparable measure.

3.7.2 To extrapolate findings to the industry level, the total operating cost (excluding interest and depreciation) was first estimated. This was calculated using the farmgate value from the *Australian Horticulture Statistics Handbook* 2024/24 and the average EBITDA margin reported in the *Season 2024 National Vegetable and Onion Benchmarking report*.

3.7.3 The operating cost (excluding interest and depreciation) was then segmented into large and small growers to reflect differences in compliance cost ranges by scale. Following ABARES classification, large growers were defined as businesses with greater than 70 hectares and small growers as those with fewer than 70 hectares.

3.7.4 The split between the operating cost (excluding interest and depreciation) for large and small growers was calculated using AUSVEG 2025 estimates of farmgate value by vegetable grower size. This segmentation was used to apportion the industry cost base, under the assumption that compliance cost bases are proportionate to farmgate contributions.

3.7.5 Compliance cost ranges, as derived from consultations, were then applied separately to large and small grower cost bases. This provided a range of compliance costs for each segment, which were then aggregated to present an industry-wide range.

3.7.6 A range rather than a single figure was reported due to the variability in compliance costs. Factors such as farm scale, crop type, regional requirements, and market orientation influence the associated costs.

3.8 Synthesis of findings

3.8.1 All challenges and opportunities for reform identified through the consultations and online submissions were assessed against the MCA framework. This ensured findings were systematically classified to highlight the areas of greatest compliance burden and the dimensions where reform would deliver the most impact.

3.8.2 The assessment results were then consolidated to develop sector-wide findings, supported by evidence and examples provided by growers. These were translated into recommendations that directly addressed the underlying issues identified, ensuring that proposed reforms were both practical and evidence-based.

3.8.3 To protect the integrity of the process, all findings were de-identified in presenting both the estimates of total compliance cost and the challenges raised during consultations. The purpose of this study is to identify and prioritise areas of reform, rather than attribute challenges or costs to individual businesses or supply chain partners.

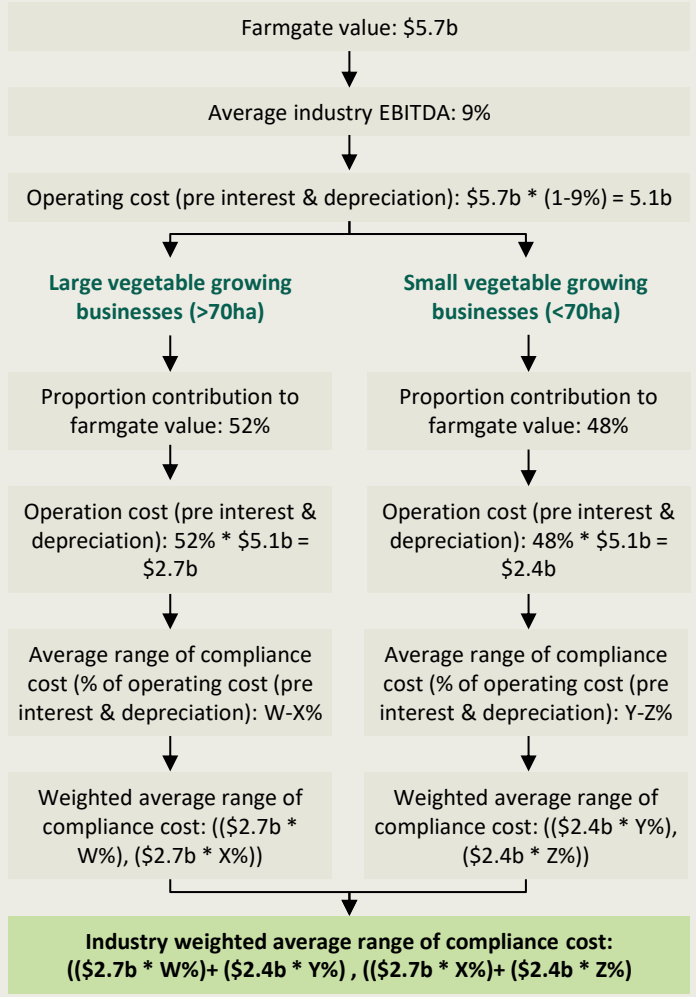
3.9 Study limitations

3.9.1 CVA conducted 17 consultations, reflecting the complexity and time commitment required from vegetable-growing businesses. The sample size means the findings may not capture the full range of circumstances across all vegetable-growing businesses.

3.9.2 Compliance costs were often difficult for growers to quantify precisely, particularly administrative and delay costs that are not recorded in business accounts. While the forensic accounting approach and follow-up validation improved accuracy, estimates still rely partly on grower judgement and recall.

3.9.3 The extrapolation of results to an industry level required the use of secondary data sources. These inputs represent the best available evidence but introduce assumptions that may not fully reflect all operational models or regional differences.

Figure 20: Industry average compliance cost calculation methodology



Source: CVA analysis

4. Findings and recommendations

4.1 The Australian vegetable industry incurred an estimated average of $213m in compliance costs in FY25, equivalent to 4% of their operating costs (excluding interest and depreciation)

4.1.1 The total compliance cost for the Australian vegetable industry was estimated to be between $159m–$266m in FY25, equivalent to around 4% of operating costs (excluding interest and depreciation).

4.1.2 This weighted average cost of compliance (4%) is material when assessed against industry profitability, with average EBITDA margins at 9% compared to a benchmark target of 15%.

4.1.3 Compliance costs are felt unevenly across the sector. Small growers face costs almost twice as high relative to their cost base as larger growers, reflecting the economies of scale available to larger businesses and highlighting the disproportionate burden on smaller vegetable growing businesses.

4.1.4 Around 55% of compliance expenditure was driven by administrative activity required to complete and evidence compliance obligations. The remaining 45% related to regulatory fees, equipment, and external service costs.

4.1.5 The largest cost driver was food safety, quality, and ethical or social certification requirements, which accounted for around 30% of total expenditure. This extends beyond audit fees to include preparation, record-keeping, and quality assurance staffing.

4.1.6 Accounting-related administrative compliance contributed a further 16% of costs, largely from payroll tax and income tax. While these are less open to efficiency gains, they underscore the broader administrative load carried by vegetable growers.

4.1.7 Ag-chemical compliance was also resource-intensive (8%), requiring detailed record-keeping and frequent submissions. Although essential, this area offers scope for digital solutions and system improvements to reduce the overall burden.

4.1.8 To illustrate the significance, a 25% reduction in compliance costs would equate to savings of approximately $53m per annum across the industry, representing a meaningful opportunity to improve profitability and productivity.

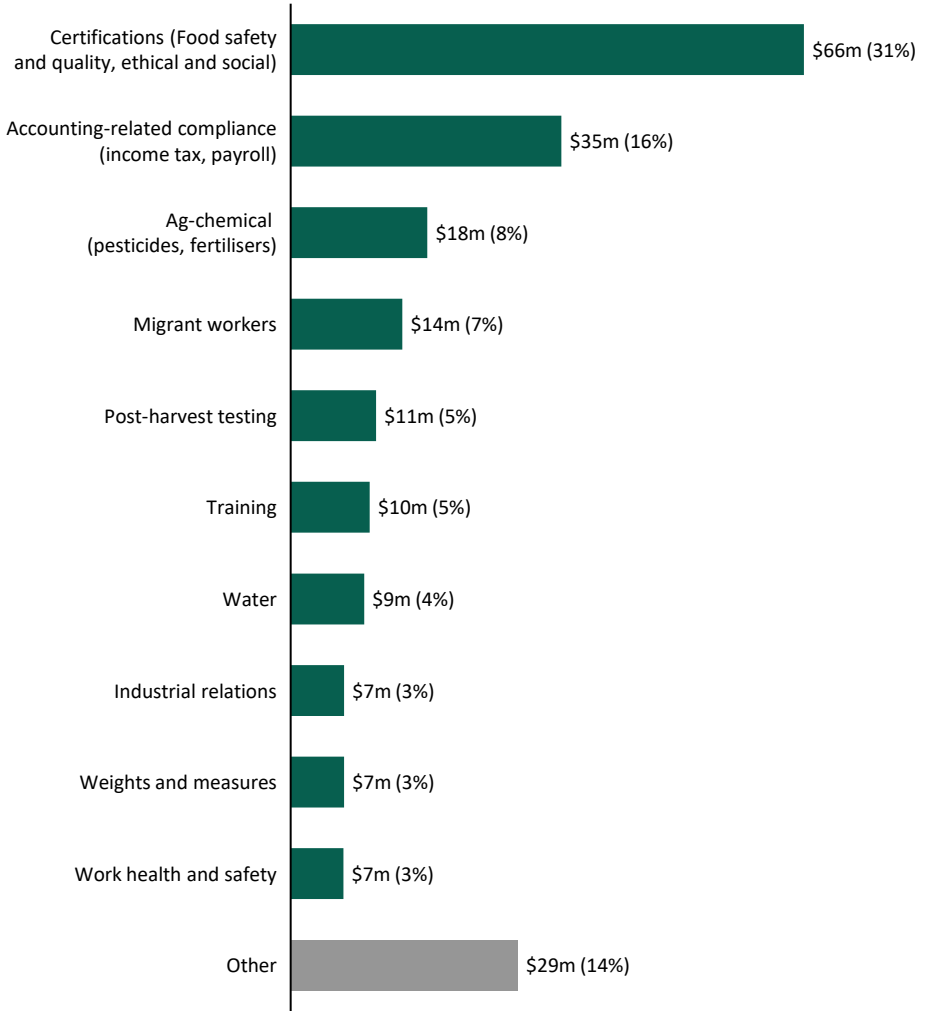
$213m
$159m - $266m
Estimated average compliance cost for the Australian vegetable Industry in FY25

4%
3% - 5%
Weighted average cost of compliance for the industry expressed as a percentage of average operating cost (excluding interest and depreciation)

42%
31% - 52%
Compliance cost expressed as a percentage of average EBITDA margin for the Australian vegetable industry

2X
Average cost of compliance for small growers/packers (5.6%) vs larger growers / packers (2.7%) relative to their respective cost bases

Figure 21: Breakdown of the compliance cost (industry level)



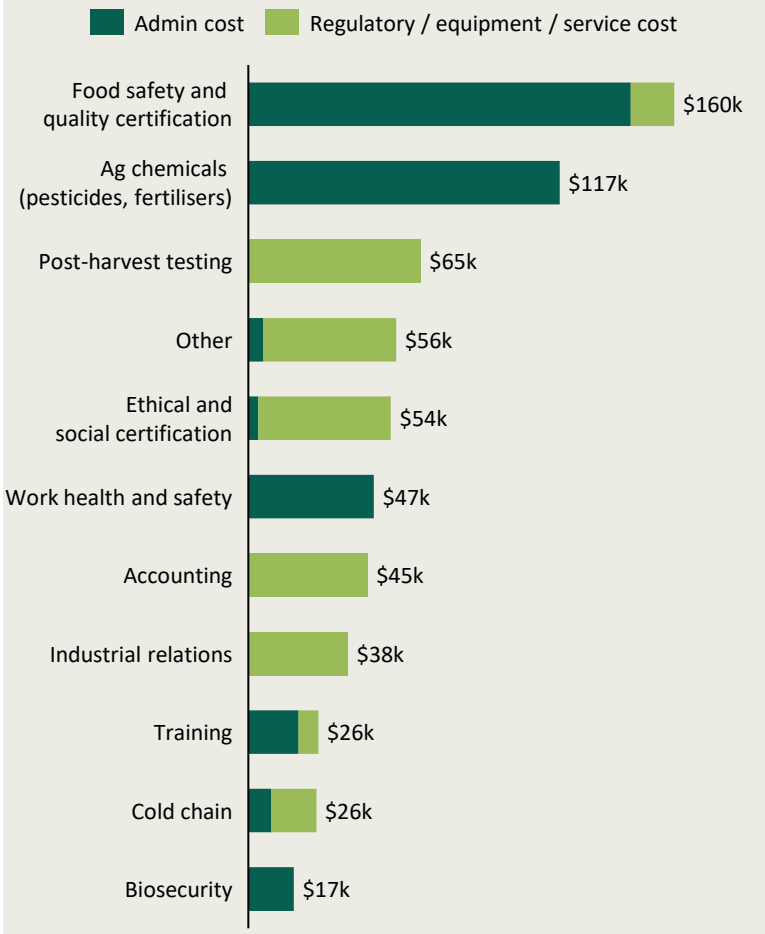
Source: CVA analysis

4.2 Illustrative large grower profile: More likely to supply grocery retailers and therefore face a wider set of compliance requirements, but are better able to manage these costs due to economies of scale

Illustrative larger grower profile

Grower type	Larger grower-packer
Estimated operating cost (excluding interest and depreciation)	$22,000,000
Estimated farm size (ha)	> 70 ha
Typically supply	Supermarkets (corporate-owned and independent) and export markets
Typical certifications	• On-farm food safety and quality certification • Post-farm food safety and quality certification • Retailer-led post-farm certification • On-farm and post-farm ethical and social compliance certification • PPP Standard for leafy vegetables
Estimated compliance cost	**$480K - $700K**
Compliance as % of operating cost (excluding interest and depreciation)	**2.2% - 3.2%**

Figure 22: Illustrative breakdown of compliance cost for a large grower-packer



4.2.1 Food safety and quality certification costs include audit fees and around 50% of two Quality Assurance staff members' time for preparation, record-keeping, and participation.

4.2.2 Ag-chemicals compliance costs include approximately 50% of two field officers' time and 15% of a field technician's time to complete record-keeping and checks for safe storage, handling, and application.

4.2.3 Post-harvest testing costs cover external laboratory analyses (e.g., MRL, water testing) and associated logistics.

4.2.4 Work health and safety costs include 50% of an Occupational Health and Safety manager's time completing checks and maintaining documentation.

4.2.5 Accounting compliance costs relate to services from external accountants for income tax and BAS, supported by internal reconciliation time.

4.2.6 Ethical and social certification costs include audit fees and about 50% of HR's time.

4.2.7 Industrial relations costs comprise legal and advisory fees related to awards, payroll tax, workers' compensation insurance, and obligations for overseas workers.

4.2.8 Training costs include course fees and administrative time required for staff to schedule, attend/complete, and record training activities.

4.2.9 Cold chain compliance costs reflect administrative time for checks, equipment maintenance, and annual calibrations.

4.2.10 Biosecurity costs reflect 10% of all agronomists' time for record-keeping to ensure protocols are met.

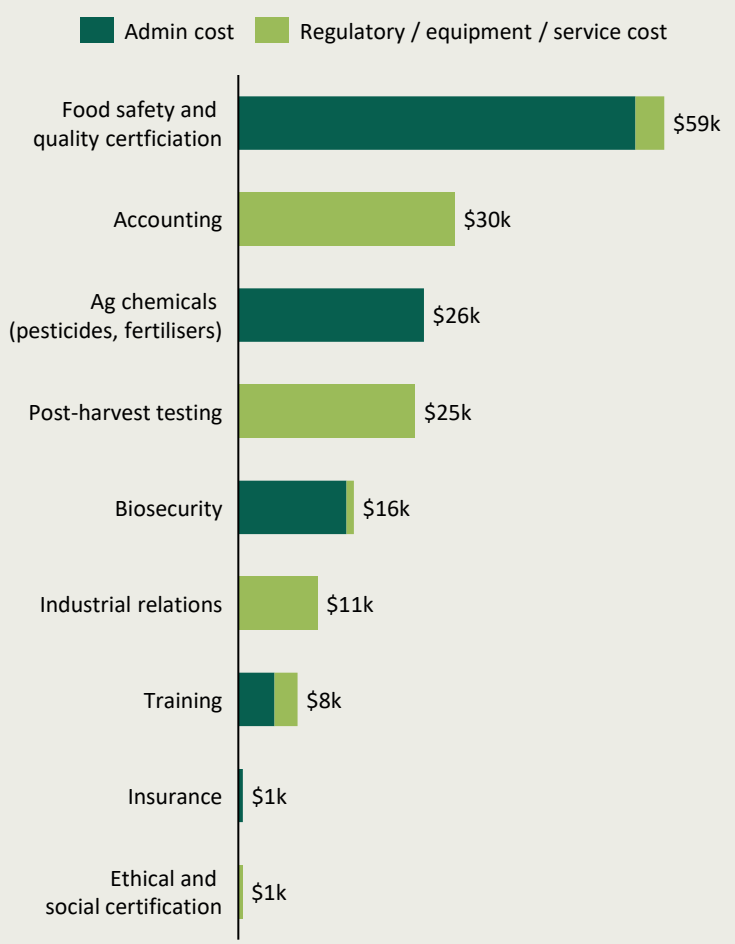
Source: CVA analysis

4.3 Illustrative small grower profile: Typically hold an on-farm certification and supply into wholesale or local markets, but face a growing compliance burden with limited resources to manage the associated costs

Illustrative smaller grower profile

Grower type	Small grower
Estimated operating cost (excluding interest and depreciation)	$3,500,000
Estimated farm size (ha)	< 70 ha
Typically supply	Independent supermarkets, wholesalers and local markets
Typical certifications	• On-farm food safety and quality certification • Retailer-led post-farm certification • On-farm and post-farm ethical and social compliance certification (online assessment only)
Estimated compliance cost	**$140K - $235K**
Compliance as % of operating cost (excluding interest and depreciation)	**4.0% - 7.2%**

Figure 23: Illustrative breakdown of compliance cost for a small grower



4.3.1 Food safety and quality certification costs include audit fees and around 5% of a Director's time and 100% of a casual Quality Assurance staff member's time for preparation, record-keeping, and participation.

4.3.2 Accounting compliance costs relate to services from external accountants for income tax and BAS, supported by internal reconciliation time.

4.3.3 Ag-chemicals compliance costs include approximately 20% of two tractor operators' time to complete record-keeping and checks for safe storage, handling, and application.

4.3.4 Post-harvest testing costs cover external laboratory analyses (e.g., MRL, water testing) and associated logistics.

4.3.5 Biosecurity costs reflect annual testing and checks when transporting produce across state borders, plus around 10% of a director's time.

4.3.6 Industrial relations costs comprise legal and advisory fees related to awards, payroll tax, workers' compensation insurance, and obligations for overseas workers.

4.3.7 Training costs include course fees and the administrative time required for staff to schedule, attend/complete, and record training activities.

4.3.8 Insurance costs include administrative effort for maintaining required policies (e.g., quotation process, sharing document requests).

4.3.9 Ethical and social certification costs include completing an annual online self-assessment.

Source: CVA analysis

4.4 Grower consultations identified manual processes, complexity, duplication, and disproportionate requirements as the biggest opportunities to improve the compliance ecosystem

4.4.1 Growers rated the negative impact of compliance requirements highly, reflecting not only the financial cost but also the pressure and stress these obligations place on managers and employees.

4.4.2 Export certification was identified as the top burden, with audits often viewed as disproportionate to the risk–benefit profile. While exports represent a smaller share of the Australian vegetable industry, the score highlights the challenges faced by vegetable growers active in these markets.

4.4.3 Packaging and labelling were highlighted as highly manual, particularly the need for multiple checks and retailer-specific crate labelling. Growers described this as time-consuming and repetitive, adding significantly to administrative effort.

4.4.4 Growers reported that there are areas of overlap between some certification schemes (i.e. Ethical and social certifications, and food safety and quality certifications). This layering effect was reported to increase audit fatigue without delivering additional value or improved risk management.

4.4.5 Training and labour compliance were viewed as overly complex and inflexible, particularly for businesses reliant on seasonal and international workforce. Growers emphasised the difficulty of adapting requirements to diverse workforce needs, which increased administrative load.

8.7/10 *Average rating for the negative impact of compliance audits on stress levels and mental wellbeing of managers and employees in vegetable growing businesses*

4.1/5 *Average rating of opportunity for improvement across key compliance areas in the Australian vegetable industry*

Figure 24: Findings on opportunities for improvement across compliance areas in the Australian vegetable industry

#	Compliance area	Average rating of opportunity for improvement (out of 5)	Top-most area for improvement	Second-most area for improvement	Third-most area for improvement
1	**Export certification**	5	Disproportionate to risk/benefit	Overly complex	Inconsistent across jurisdictions
2	**Packaging and labelling**	4.3	Highly manual	Disproportionate to risk/benefit	Overly complex
3	**Ethical and social certification**	4.2	Disproportionate to risk/benefit	Duplicated across regulators	Overly complex
4	**Food safety and quality certification**	4.2	Duplicated across regulators	Disproportionate to risk/benefit	Highly manual
5	**Product and process testing certification**	3.8	Inefficient process	Highly manual	Disproportionate to risk/benefit
6	**Training**	3.8	Inflexible requirements	Disproportionate to risk/benefit	Highly manual
7	**Labour**	3.8	Overly complex	Highly manual	Inconsistent across jurisdictions

4.5 Key findings and recommendations – 1/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Certification scope and requirements	1	Vegetable growers are required to maintain multiple food safety and social compliance certifications for market access. While each scheme has distinct focus areas, there is significant overlap in requirements across different certifications and government regulations. This duplication increases audit costs and adds administrative burden for growers.	Growers described overlapping requirements, such as calibration checks, ag-chemical usage and handling, work health and safety, standard operating procedures, among others, being repeated across audits. Certification-related costs contributed 31% to overall compliance costs.	**1.1**	Industry should review and address all elements of duplication (many of the potential areas of duplication have been identified in this study).
				1.2	Collaborate with key stakeholders (e.g., grocery retailers) to explore opportunities to streamline the number of certifications required and associated operational requirements.
				1.3	Expand the scope of national, industry-developed certifications to provide comprehensive coverage (including both on-farm and post-farm) for domestic suppliers, while remaining compatible with international standards where export access is sought. A potential model based on the NZ compliance management system is included in Appendices 6.4 and 6.5.
				1.4	Develop a centralised compliance platform that consolidates overlapping requirements based on growers' operations and target markets. The platform will present a single set of agreed core requirements, reducing the need for vegetable growers to navigate each scheme individually. A low-cost platform could also provide for the inclusion and upskilling of all growers.
				1.5	Consider the development of a secure, trusted digital system where vegetable growers complete activities once, based on the agreed core requirements. This data can then be shared with approved users.
	2	Some government-based and industry-based regulations and certifications are not aligned. This misalignment leads to overlap in requirements and adds cost for growers.	The Primary Production and Processing (PPP) Standard for Leafy Vegetables, adopted in Victoria and Western Australia under FSANZ, imposes additional compliance obligations through a mandatory registration fee and potential audits. While most growers already meet a GFSI-recognised scheme and are exempt from additional audits, they are still required to pay the fee. Growers expressed criticism of the duplication and additional costs.	**2.1**	As part of recommendation 1.1, identify and address clear cases of misalignment. *There is some work in this space already underway by AUSVEG.*
				2.2	Government-administered schemes should recognise equivalent industry-based food safety and social compliance certifications to avoid duplicate audits where possible (e.g., export market establishment, Pacific Australia Labour Mobility Scheme (PALM) scheme, Work Health and Safety). These could be added as an additional module to national industry-led certification(s), where the requirements are not already captured by existing requirements.
	3	Vegetable growers are required to meet an increasing number of certifications. Not only is the number of certifications increasing, but the number of requirements within each is also expanding. This adds direct certification and audit costs, as well as time-based (labour) costs for growers.	Growers noted that social and ethical compliance certifications became common requirements for some market access during the 2010s. They also highlighted that certifications continue to expand, with expectations around continuous improvement, traceability, and sustainability being added over time.	**3.1**	Regulators, grocery retailers, and the industry/growers should develop a new governance process for the introduction of any new matters related to certifications or compliance requirements. A potential new industry framework is described in section 5 of this report. We also note the process that operates in New Zealand as part of their NZGAP initiative (please refer to Appendices 6.4 and 6.5).

4.5 Key findings and recommendations – 2/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Certification scope and requirements	4	There is a growing requirement for more sophisticated equipment and/or software to meet baseline certification and supply chain requirements. While these technologies are important for food safety and quality, the trend towards increasingly costly equipment raises the barrier to entry for small growers and packers.	Some growers reported that they were required to purchase relatively expensive equipment to meet compliance requirements, which was cost-prohibitive.	4.1	This is linked to recommendation 3.1 (Regulators, grocery retailers, and the industry/growers should assess the process for introducing any new certifications or adding requirements to existing certifications).
	5	Some certifications have highly prescriptive compliance requirements that focus on strict procedures rather than outcomes (e.g., food safety and quality outcomes). This approach can result in suboptimal labour productivity and limit flexibility for innovation.	Requirements included conducting calibration checks every 30 minutes, testing and tagging all power tools, and providing certification for cool room servicing, where a receipt was not accepted as sufficient evidence. Other examples are provided under problem statements 6 and 7.	5.1	Review all certifications and replace overly prescriptive requirements with outcome-based measures.
	6	Growers expressed that some of the PALM scheme requirements are overly prescriptive. This adds administrative burden without improving welfare outcomes.	Mandatory fortnightly welfare meetings were seen as unnecessary, as workers often did not feel comfortable raising issues in a group setting, and teams already interacted regularly. In some cases, the activities were described as creating division rather than supporting wellbeing. Growers also noted inefficiencies in the application process, with returning businesses required to resubmit most information despite having provided it in previous submissions.	6.1	Review PALM scheme requirements to assess their impact on growers and the associated administrative burden, with the aim of streamlining processes and ensuring requirements remain proportionate while supporting worker welfare.
	7	Growers producing ready-to-eat products report that some certification schemes require separate micro testing per SKU (Stock Keeping Unit), even when the products are packed from the same batch, processed using the same equipment, and on the same day. This creates additional cost and duplication without necessarily improving safety outcomes.	One grower supplying up to 17 SKUs to grocery retailers noted the significant cost burden created by duplicative testing requirements.	7.1	Align micro-testing requirements to production batches rather than individual SKUs when products are packed from the same batch, processed using the same equipment, and on the same day. (This is linked to recommendation 5.1).

4.5 Key findings and recommendations – 3/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Certification scope and requirements	8	Growers have reported situations where international certification schemes impose additional requirements that differ from, or exceed, federal or state-based regulations. This can lead to corrective actions being issued, resulting in additional costs and administrative time. *This report recognises that many international standards retain consistent global criteria to ensure comparability across markets. While this approach supports global market access, it can also create misalignment where national regulations already provide robust protections and outcomes.*	One instance included a site built to the Australian building code later being deemed non-compliant under international standards, requiring costly upgrades. Growers also reported that some international standards-imposed overtime penalty rates exceeding those set out in enterprise agreements or awards.	**8.1**	All international certification requirements applied in Australia should align with national regulations and regulatory frameworks, ensuring that the integrity and intent of the global standard are maintained. This could be achieved by implementing recommendation 1.3 (expanding the scope of national, industry-developed certifications) and considering a similar system to the NZ compliance management system (included in Appendices 6.4 and 6.5).
	9	Growers reported that even where a requirement is a clear legal obligation under Australian law, some certification schemes include it in their standards and require vegetable growers to show proof of compliance. This creates additional administrative costs and is largely disproportionate and duplicative. *This report recognises that if the industry is systematically underperforming on an Australian law requirement, some additional compliance may be justified, provided there is sufficient evidence to support it.*	There is a clear obligation to pay employees according to Australian law, but certifications require this to be proved, and additional checks to be conducted. Growers reported that they are being audited for matters where there is already a requirement to comply under Australian law, they are compliant with the law, and they have no breaches with the law.	**9.1**	The effectiveness of existing Australian laws should be considered in any review to ensure certification requirements are proportionate to the risk profile of the vegetable grower. *Recommendation 8.1 should also be considered here.*
Audit processes	10	Growers reported difficulty obtaining quotes for audits from different certification bodies, as the process requires extensive information. This makes it difficult to compare the total cost of each certification, limiting their ability to optimise decisions based on individual business characteristics.	Growers highlighted the lack of easily available cost estimates and the time required to obtain a quote.	**10.1**	Develop a new structure of the audit quotation process, creating standardised templates where possible. (e.g., similar to quoting processes in sectors like healthcare and energy). *This report recognises the inherent complexity in fully standardising quotations due to high variability in growers' needs and the range of services offered by certification bodies. However, it encourages the development of frameworks to improve transparency and comparability where possible.*

4.5 Key findings and recommendations – 4/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Audit processes	11	Some certifications require annual in-person audits. Growers report that in-person audits are inherently inefficient in terms of time, cost, and outcomes. For growers with strong performance and well-documented systems, this adds cost and takes labour away from productive activities.	Some growers reported spending 15–20 days per year completing multiple audits, each spanning several days.	11.1	All certifications should adopt a model where audit frequency is based on past performance and quality of documentation, allowing annual cycles to be reduced.
				11.2	Where growers can provide high-quality, evidence-based data that demonstrates compliance outcomes, certification bodies should move to digital audits where possible. This could streamline data management, reduce on-site time, and allow resources to be directed towards improvement/productivity rather than the audit of many high-performing businesses.
	12	Growers report high variability in audit outcomes due to varying interpretations of compliance requirements, even when there had been no revision to the standards. In some cases, this led to corrective actions being issued for matters not material to achieving the required outcomes (e.g., in food safety, quality, or social compliance).	Growers reported cases where corrective actions were issued for minor matters with negligible impact on outcomes (e.g., food safety).	12.1	Ensure the audit process focuses on outcomes based on material matters, thereby reducing the time/cost associated with rectifying corrective actions. (This is linked to recommendation 5.1).
	13	Growers have observed that in-person visits are required to resolve corrective actions post-audit that could be managed online. They also noted that in some cases, the fees for corrective actions felt disproportionate to the complexity of the review process.	A grower described that the resolution of a water testing corrective action required an additional visit at a cost of approximately $1,000, including travel and accommodation. The grower expressed the view that this could have been easily resolved online.	13.1	All Corrective Action Requests should be reviewed and processed online as the default, with in-person follow-ups reserved for high-risk or complex issues.
				13.2	Ensure that the cost related to resolving corrective actions is proportional to the risk and complexity of that action.
Grocery retailer-driven requirements	14	Growers reported that grocery retailers periodically update produce labelling artwork. Even when these updates are initiated solely by the retailer, growers report that they are required to cover some or all of the cost of the updates.	Growers reported paying between $15,000 and $50,000 to implement retailer-driven labelling updates based on the scale of operations.	14.1	Where labelling design changes are initiated solely by grocery retailers, the associated costs should be borne by the retailer. *The Australian Food and Grocery Code contains provisions around artwork costs. A greater understanding of the Code could reduce the compliance burden.*
	15	Grocery retailers use individually labelled crates. Growers reported issues with both quantity (timeliness, availability, incorrect crates) and quality (e.g., cleanliness of crates). This reduces productivity for growers without adding real value for grocery retailers or the industry. The problem is compounded by the limited number of crate suppliers, which exacerbates these issues.	Some growers reported that packaging and labelling requirements had become so onerous that they chose to supply only local markets and wholesalers rather than grocery retailers.	15.1	Assess and improve reverse logistics for grocery retailer-branded crates, ensuring timely, accurate, and high-quality supply.
				15.2	Standardise crates across grocery retailers.

4.5 Key findings and recommendations – 5/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Workforce and training requirements	16	Australian industrial relations laws are complex. While the nature of these requirements is inherently challenging, growers report that current support services are minimal. Without effective support, growers often need to engage HR professionals or legal advisors, resulting in significant costs. Additionally, such expertise is often difficult to source in rural and regional areas.	Growers reported that wage terms and conditions systems were difficult to navigate and lacked accessible support (e.g., service departments, digital tools). Small growers/packers reported spending $10,000–$20,000 annually, while larger growers reported $30,000–$50,000.	16.1	Improve the quality and cost of services that support growers in understanding and implementing employee-related compliance requirements (e.g., wage terms and conditions), through increased government outreach (e.g., information sessions, online resources).
Workforce and training requirements	17	While the direct cost of training is not significant relative to other compliance areas, growers highlighted the labour time cost as a significant concern.	Training-related costs contributed 5% of overall compliance costs and ranked as the sixth-highest cost category. For example, a small grower/packer could spend 50-100 productive days on meeting training requirements.	17.1	Review and reduce training frequency where possible, noting that frequency of critical safety training may remain unchanged.
				17.2	Review all training programs to modernise and streamline where possible through digital solutions.
	18	Given the industry's heavy reliance on international workers (e.g., HILA, PALM, holiday workers), some growers reported a lack of multilingual training, limiting accessibility, completion rates, and understanding of required content.	Growers described instances where training intended to take 10 hours extended to nearly 30 hours due to complexity and lack of multilingual options.	18.1	Review training programs and improve accessibility for multilingual workforces where possible.
				18.2	Build on existing initiatives (e.g., Veg Education's Multilingual Safety Training) to expand language coverage and delivery formats.
Regulatory complexity	19	Some growers produce and supply vegetables across various state jurisdictions. Some state-based regulations have differing compliance requirements. These requirements are hosted on separate platforms, presented in different formats, and can be challenging to navigate. This increases labour costs, complicates commercial decision-making, and reduces productivity.	This includes compliance areas such as biosecurity, payroll tax, and workers' compensation insurance.	19.1	Develop a pathway to a unified platform that consolidates state-based compliance requirements, enabling growers operating or supplying into multiple states to access consistent, up-to-date information in one place.
				19.2	Harmonise requirements across jurisdictions where practical, without compromising regulatory intent.
	20	Some growers reported inefficiencies in securing road freight approvals for heavy vehicles, noting the absence of a central database or support tool to help identify optimal routes.	Growers reported having to complete multiple applications for route approvals due to limited feedback, guidance, and resources, causing significant administrative burden.	20.1	Streamline the approval process of heavy vehicles and consider the viability of developing an industry-wide database to automate elements of the application process, reducing administrative effort for both growers and approving authorities.

4.5 Key findings and recommendations – 6/6

Key theme	#	Problem statement	Examples from consultations		Recommendation(s)
Regulatory complexity	**21**	Some growers have reported that certain local council planning and building approval processes for agricultural infrastructure (e.g., packing sheds) have, in specific instances, added direct and/or indirect costs through significant delays. In some cases, requirements have extended beyond what growers considered proportionate to the scale or risk profile of the development.	A grower's subdivision project was delayed by two years and faced unplanned costs after a local council incorrectly mandated a rainwater tank— despite existing drainage infrastructure. The tank was later deemed unnecessary, with the council acknowledging the requirement was issued in error. This lack of consistency in planning approvals and poor coordination contributed to a 35% budget overrun, compounding cost pressures during a period of rising infrastructure prices.	**21.1**	Given the variability in local planning requirements, a single, uniform approach may not be practical, and this issue is likely to be more situation-specific than systemic. However, industry and government should explore developing best practice guidance for common agricultural infrastructure projects, outlining proportionate requirements and indicative timeframes.
Traceability	**22**	Growers report that as products are on-sold, value-added, or re-packed across the supply chain, any issues relating to food safety or quality can create confusion over documentation and traceability roles and responsibilities. In the current environment, the burden often falls disproportionately on the primary producer.	Growers reported instances where they were asked to complete additional compliance tasks when traceability issues were identified, even though the traceability records were not necessarily complete or known.	**22.1**	Clarify and streamline traceability requirements at the point of change of ownership, particularly where products continue to be on-sold or are repacked without the grower's knowledge, but are still considered within the grower's responsibility. Consideration should also be given to how the record of traceability can be efficiently maintained.
Data and reporting	**23**	Most of the data collected through various systems and regulatory processes is not available to the industry in a de-identified format that could be used to report on industry performance or support informed research and market analysis.	Growers highlighted the absence of a centralised system to benchmark performance and identify areas for improvement.	**23.1**	Implementing recommendations 1.5 and 11.2 will support the collection and best-practice management of industry data to inform research and market analysis. This data can also be used to showcase the Australian vegetable industry's sustainability story and achievements.

5. Conclusion

5.1 A taskforce should be established to implement the 34 recommendations and apply a best-practice compliance management framework to assess current and future regulatory needs on an ongoing basis

5.1.1 Based on the findings of this report, it is recommended that the Australian vegetable industry establish a dedicated taskforce to consider and implement the recommendations identified within this report. Addressing these issues in a coordinated way will help ensure reforms and deliver tangible improvements for growers in a timely manner.

5.1.2 The taskforce should reflect the diversity of the value chain, including grower representatives, AUSVEG, certification schemes, certification bodies, grocery retailers, and government bodies. A broad membership base ensures that reform efforts are informed by both regulatory and commercial realities.

5.1.3 Additionally, the Australian vegetable industry should adopt a best-practice compliance management framework (Figure 25). This framework will:

- Reduce duplication across compliance requirements
- Improve efficiency of certification and audit processes
- Remove overly prescriptive rules and shift towards outcomes-focused compliance
- Streamline government processes and strengthen support services
- Increase use of online systems and develop industry-led data platforms

5.1.4 There could be some learnings from the NZGAP system (refer to Appendices 6.4 and 6.5).

5.1.5 The taskforce should apply this framework to review the design and operation of the Australian vegetable industry's compliance system and assess both current and future compliance requirements on an ongoing basis.

Figure 25: Regulatory framework to support best-practice compliance management

Pillar 1 *Proportionate, risk-based, and efficient compliance*	**Pillar 2** *Consultation and engagement-led compliance*	**Pillar 3** *Transparency and accountability*	**Pillar 4** *Clear guidance and practical support*	**Pillar 5** *Committed to continuous improvement*
Compliance should be risk-based and outcomes-focused, striking a balance between costs and benefits, and avoiding overly prescriptive approaches.	Formal and informal consultation and engagement mechanisms are in place to allow for the full range of input from stakeholders across the supply chain.	Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders.	Advice and guidance should be consistent, practical, and tailored to growers (e.g., small grower, small grower/packer).	Innovation and digital solutions should be embedded to strengthen compliance outcomes and improve efficiency over time.
Compliance requirements should be non-duplicative and consistent across jurisdictions and industry programs.	Engagement should build a genuine understanding of operating and cost environments to ensure requirements are practical and proportionate.	Compliance systems should be reviewed regularly in collaboration with stakeholders to ensure efficiency and effectiveness.	Compliance information should be accessible, timely, and designed to minimise ambiguity, duplication, and administrative effort.	Indicators and performance data should be collected and published where possible to provide more input for the industry and support continuous improvement.
Standards should be evidence-based, data-driven, and scientifically robust.			Support should focus on enabling compliance efficiently, minimising cost while maintaining assurance standards.	

6. Appendix

6.1 History of compliance in the Australian vegetable industry

6.1.1 Compliance in the context of the vegetable industry refers to the range of regulatory, commercial, and voluntary requirements that growers must meet across the supply chain. These include, inter alia, requirements relating to food safety, workplace conditions, biosecurity, chemical use, export, and produce traceability. Compliance often requires documented systems, training, audits, and reporting to demonstrate conformance.

6.1.2 Compliance is not new to the Australian vegetable industry. For decades, the industry has operated within robust regulatory, supply chain partners-led frameworks designed to protect food safety, uphold quality, and enable market access. What began as a foundation of public regulation and general food safety practices has evolved into an extensive ecosystem of compliance requirements. This progression reflects Australia's deep and ongoing commitment to safe, sustainable, and globally trusted food production — ensuring confidence for domestic consumers, international markets, and supply chain partners alike.

6.1.3 From 1990 to 1999, Australia responded to growing food safety concerns by adopting formal, risk-based approaches such as Hazard Analysis and Critical Control Points (HACCP). In 1991, the first national Food Standards Code was introduced under Food Standards Australia New Zealand (FSANZ), creating consistency across jurisdictions. In 1994, the Safe Quality Food (SQF) Code was developed in Australia, embedding HACCP principles into assurance systems for both domestic and export markets.

6.1.4 From 2000 to 2010, compliance frameworks shifted towards structured, independently audited, on-farm certification. Freshcare launched in 2000, integrating food safety, training, and record-keeping into a practical system for vegetable growers. In 2003, the Code of Hygienic Practice for Fresh Fruits and Vegetables was published, providing technical guidance on managing microbial, chemical, and physical risks. During this decade, grocery retailer-led standards and other international schemes such as GLOBALG.A.P. and BRCGS became increasingly prevalent, often requiring HACCP-based systems and audits.

Figure 26: Development of Australian food safety regulation

6.1.5 From 2010 to 2020, compliance expectations became more harmonised and multi-dimensional. In 2012, the Harmonised Australian Retailer Produce Scheme (HARPS) was introduced to lower the complexity of supplying multiple major grocery retailers[1] who had different food safety requirements. In 2020, Freshcare benchmarked itself to GLOBALG.A.P., with the intention to streamline processes and remove the need for many growers to maintain dual certifications (e.g., GlobalG.A.P. for export markets and Freshcare for domestic). This step also aimed to support the industry's efforts to expand its presence in overseas markets.

6.1.6 Social and ethical compliance also emerged as a critical certification area for market access. These certifications focus on ensuring fair treatment of workers, lawful employment practices, and safe working conditions. In 2016, SEDEX began gaining traction in Australia, with major retailers increasingly requiring vegetable growers/packers' participation. In 2018, Fair Farms was introduced as an Australian-developed program providing training and independent certification on workplace relations and employment practices in horticulture.

6.1.7 Today, growers operate in a complex compliance environment shaped by multiple certification schemes and regulatory frameworks.

While these represent the core certifications Australian vegetable growers need to comply with, other certifications (e.g., export) also apply in certain circumstances.

1 Major grocery retailers include ALDI, Coles, Costco, Metcash (IGA) and Woolworths. Since 2016, other grocery retailers and companies have also become members, namely Harris Farm Markets, McDonald Australia and Hello Fresh. Source: Individual certification schemes, CVA analysis

6.2 Key compliance certifications in the Australian vegetable industry

Australian Government		• FSANZ sets the national food safety standards and framework. However, FSANZ is not the enforcing body • No federal licence, fee, or mandatory testing applies to primary producers
State Government		• States enforce FSANZ, and recently introduced the Primary Production and Processing (PPP) Standard for Leafy Vegetables • Under PPP, growers need to maintain a Food Safety Management System (FSMS) • Registration is required for PPP; audit fees apply unless already in a GFSI scheme(s) (i.e., Freshcare , GlobalG.A.P., SQF or BRCGS) • No PPP Standard for non-leafy crops (e.g., potatoes), but the Food Act still applies without ongoing registration or audit costs
Supply chain partners-led certifications	**Freshcare** *domestic on-farm focused*	• Australia's industry-recognised on-farm food safety program, benchmarked to GlobalG.A.P. • Recognised for domestic market access; offers separate certifications for food safety & quality, environmental, supply chain • At least one person must be trained in HACCP, growers must complete initial training and undergo annual audits
	GLOBALG.A.P. *export on-farm focused*	• Widely used in Australian horticulture for export, and sometimes mandated by buyers such as McDonald's for supplier eligibility • GLOBALG.A.P. offers separate certifications, including core (Integrated Farm Assurance) and add-on solutions (e.g., GRASP, SPRING) • No formal training required, but growers must undergo annual audits
	SQF *domestic and export post-farm focused*	• SQF offers separate certification for food safety, quality, manufacturing, and storage & distribution • Typically used by Australian vegetable growers/packers for post-farm focused certification (e.g., packing shed, ready-to products) • At least one person must be trained in HACCP, and growers must undergo annual audits
	BRCGS *domestic and export post-farm focused*	• BRCGS offers separate certification for food safety, packaging, storage & distribution, agents & brokers) • Typically used by Australian vegetable growers/packers post-farm focused certification (e.g., packing shed, ready-to products) • At least one person must be trained in HACCP, and growers must undergo annual audits
	HARPS *Major grocery retailer led post-farm*	• Retailer-led overlay introduced to standardise food safety requirements across major grocery retailers[1] • Growers must hold a base GFSI certification (i.e., Freshcare, GlobalG.A.P., SQF, or BRCGS) and complete an annual HARPS audit • Adds retailer-specific requirements, including supplier approval, product risk ranking, and traceability controls
	Fair Farms *domestic on-farm social and ethical*	• Australian program focused on on-farm ethical employment practices • Aligns with national labour laws and the Fair Work Act; built specifically for the Australian horticulture sector • Growers complete initial training and audit frequency is risk and performance-based — typically annual but may extend to every 2–3 years for low-risk, high-performing sites
	SEDEX *domestic and export on-farm and post-farm social and ethical*	• Global ethical auditing framework applied across both on-farm and post-farm, required by grocery retailers and export markets • Offers two formats: a 2-pillar audit (labour standards, health & safety) or a 4-pillar audit (adds environment and business ethics) • In some cases, an online self-assessment is sufficient to meet certification requirements • No formal training required; audit frequency is risk and performance-based — typically annual but may extend to every 2–3 years for low-risk, high-performing sites

1 Major grocery retailers include ALDI, Coles, Costco, Metcash (IGA) and Woolworths. Since 2016, other grocery retailers and companies have also become members, namely Harris Farm Markets, McDonald Australia and Hello Fresh. Source: Individual certification schemes, CVA analysis

6.3 Each certification scheme has varying audit frequency, including unannounced audits and multi-site requirements

Certification type	Certification scheme	Audit frequency	Unannounced audit (Yes/No) and frequency	Multi-site considerations
Food safety and quality	Freshcare	Annual	An unannounced audit of at least 10% of certified businesses annually under the Food Safety & Quality Standard, and one unannounced audit every three years under the Supply Chain Standard	Multiple audits may occur if sites are geographically dispersed
	GLOBALG.A.P.	Annual	An unannounced audit of at least 10% of certified businesses annually	Sampling of sites may be audited, but not all sites are always audited in each cycle
	SQF	Annual	One unannounced audit every three years	Sampling of sites may be audited, but not all sites are always audited in each cycle
	BRCGS	Annual	One unannounced audit every three years	Each site may require its own audit
Retailer-led	HARPS Harmonised Australian Retailer Produce Scheme	Annual	Unannounced audits may occur	Multiple audits may occur if sites are geographically dispersed
Ethical and social	FAIR FARMS	1-3 years	Unannounced audits may occur	Each site may require its own audit
	Sedex	1-3 years	Semi-announced or unannounced audits may occur	Each site may require its own audit

Source: Individual certification schemes, CVA analysis

6.4 Case study: New Zealand vegetable-growing businesses operate under an integrated on-farm assurance system that provides a simplified, cost-effective approach to compliance

6.4.1 New Zealand Good Agricultural Practice (NZGAP) is the industry assurance program for horticulture. Commercial-scale vegetable growers in New Zealand are required to hold the core NZGAP food safety and social practice certifications.

6.4.2 Established in 1999, NZGAP's integrated assurance system was created to provide a simplified and cost-effective certification pathway that meets multiple requirements. Its function is to consolidate relevant requirements together under one system, with a robust auditing framework ensuring supply-chain partners have confidence that growers are meeting standards for food safety, environmental sustainability, and social practice *(see 6.5 for NZGAP's 2022-2027 Strategic plan).*

6.4.3 NZGAP benchmarked its on-farm food safety and quality certification against the international GLOBALG.A.P. standard, while also ensuring alignment with national regulations. Its social practice add-on module has been internally aligned to international standards and New Zealand laws, with potential for formal benchmarking in the future.

6.4.4 This approach enables vegetable growers to meet market access requirements (including exports) through recognition under an international scheme, while ensuring that compliance requirements remain consistent with NZ laws and the regulatory framework.

6.4.5 In addition, NZGAP offers optional modules for government-led regulation (e.g., environmental add-on, Food Act add-on).

6.4.6 While other schemes commonly used in Australia—such as SEDEX, SQF, and BRCGS—may also be present in New Zealand, NZGAP is the leading on-farm certification scheme. Other certifications may still apply for post-farm requirements.

Figure 27: New Zealand major certification schemes

NZGAP, GlobalG.A.P. and NZGAP-Global

- NZGAP is the industry-led domestic food safety certification required by all New Zealand grocery retailers (Freshcare equivalent).
- NZGAP-Global is a more stringent option that enables access to export markets. It is benchmarked to GLOBALG.A.P.[1] but adapted to New Zealand laws and practices, streamlining compliance for growers supplying both domestic and international customers (GlobalG.A.P., SQF, BRCGS equivalent). Certified growers attain both an NZGAP and GLOBALG.A.P. certification number.

Social practice add-on

- The NZGAP Social Practice add-on complements the core food safety program. The standard is internally aligned with globally recognised frameworks GRASP (SEDEX and Fair Farms equivalent).
- NZGAP intends to secure formal benchmarking to ensure the Social Practice module is recognised as equivalent to other international standards (e.g., GRASP, SEDEX), providing growers with assured acceptance across markets.

Environment add-on

- The New Zealand Government introduced Freshwater Farm Plans in 2020 to improve water quality and ecosystem health.
- HortNZ worked with the government to embed these requirements into NZGAP through the Environment Management System (EMS) add-on, avoiding the creation of a separate audit system.

Food Act add-on

- The Food Act was updated in 2014, introducing a risk-based system that required growers to undergo a separate MPI audit in addition to their NZGAP certification.
- In 2017, HortNZ worked with MPI to incorporate these requirements into the NZGAP framework through a Food Act add-on, allowing a single audit to meet both market and regulatory obligations.
- In 2018, New Zealand Food Safety formally recognised NZGAP and NZGAP GLOBAL Equivalent, meaning Food Act verification is now fully embedded within NZGAP certification.

1 More information about GlobalG.A.P. can be found in Appendix 6.2
Source: HortNZ, NZGAP, media research, CVA analysis

6.5 NZGAP Strategic Plan (2023-2027)

Our Values

Safety
safe and suitable food is our priority

Sustainability
caring for all our people, caring for the environment

Trust
robust, transparent and credible assurance

Relevance
cost effective standards and systems designed for New Zealand horticulture

Source: NZGAP

6.6 References – 1/2

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AUSVEG

AUSVEG is the prescribed Peak Industry Body representing the interests of the Australian vegetable, potato, and onion industry. AUSVEG is a not-for-profit, member-based organisation that is run by growers, for growers. AUSVEG is a nationally federated body with the following members: AUSVEG VIC, AUSVEG SA, Queensland Fruit and Vegetable Growers, vegetablesWA, NSW Farmers, NT Farmers, WA Potatoes, and TasFarmers.

The purpose of AUSVEG is to advocate on behalf of industry at local, state, and federal levels with the core purpose of enhancing the economic, social, and commercial environment for growers so that the industry can continue to produce outstanding vegetables, potatoes, and onions for Australian and international consumers. AUSVEG also delivers services for growers around Australia in the areas of extension, communication, environmental sustainability, biosecurity, export development, and market access, working closely with growers to ensure their needs are reflected in this work.

In partnership with the International Fresh Produce Association A-NZ, AUSVEG hosts Hort Connections, Australia's largest horticulture conference and trade show, which attracts more than 4,000 delegates annually. This event brings growers, supply chain, government, and industry members together to increase awareness and uptake of the latest industry innovations, research and development outcomes, and to facilitate vital industry networking opportunities.

CVA
Corporate Value *Associates*

Corporate Value Associates is a global strategy boutique with 35 years of experience serving as the architects of future-proof business models for our clients, reshaping entire ecosystems in Agri-Food, Auto-Mobility, Construction, Energy, Finance, Healthcare, Mining & Commodities. Our clients face disruption in a much wider emerging ecosystem rather than from within their existing competitive environments. At CVA, we have organized our teams and expertise in 'Platforms' to address the strategic stakes of entire ecosystems.

CVA has operated in Australia for over 30 years and has a particular focus on Agri-Food, Energy, Finance, Healthcare, Mining & Commodities sectors.