

# Dairy Food Safety Victoria Regulatory Operations Strategy 2020 - 2025

Dairy Food Safety Victoria's (DFSV) vision is local and global confidence in the safety of Victoria's dairy food. The objective of DFSV's Regulatory Operations Strategy 2020-2025 is to continually improve how we deliver our licensing compliance, monitoring and enforcement activities to deliver better against our vision.

## INTRODUCTION

DFSV is responsible for regulating the Victorian dairy industry to safeguard public health by implementing a robust regulatory framework which underpins market access and the growth of the dairy industry. The regulatory framework consists of:

- The *Dairy Act 2000* (Dairy Act) which establishes DFSV and the licensing system for the Victorian dairy industry. It requires dairy farmers, manufacturers, carriers and distributors to hold a valid and current license, and to comply with the licence conditions.
- The *Food Act 1984* (Food Act) requires dairy carriers, manufacturers and distributors (but not farms) to ensure that food is safe and suitable, food haulage must be hygienic and food businesses must comply with the *Australia New Zealand Food Standard Code* (the Code)<sup>1</sup>.

## GOAL

The aim is to protect public health by achieving legislative compliance and regulatory outcomes. The strategy is underpinned by two key principles. Firstly, licensees are responsible for understanding and complying fully with all relevant legislative requirements, and secondly, DFSV applies a risk-based, graduated and proportionate approach to all of its regulated activities.

## Guiding Principles

We will fulfil our responsibility through evidence-based decision-making and by:

- Taking appropriate regulatory action when required
- Monitoring performance using data analysis and culture maturity systems
- Listening, learning and partnering
- Understanding those we regulate
- Working with other regulators

## ACTIONS

DFSV operates on the basis of risk assessment and management, applying minimum effective regulation to achieve safe food outcomes and providing additional services to support the development of industry competence and a continued supply of safe dairy food.

### 1. Licensing

DFSV licenses all dairy businesses operating in Victoria; verifying compliance with state legislation and nationally agreed standards (specifically Standard 4.2.4 Primary Production and Processing Standard for Dairy Products in the Code). When DFSV is satisfied that the food safety program and premises are appropriate for operating and the business has the requisite skills and competency, a licence will be issued.

---

<sup>1</sup> The Code is a collection of food standards, all of which have relevance for dairy businesses. Chapter 4 of the Code specifies requirements for dairy businesses in Standard 4.2.4 (Primary Production and Processing Standards for Dairy Products).

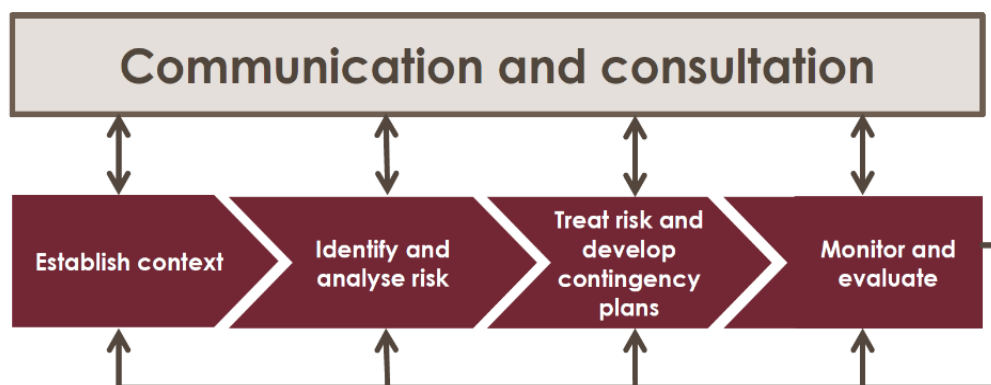
## 2. The compliance, monitoring and enforcement continuum



*DFSV will be open and transparent about the manner in which compliance, monitoring and enforcement activities are undertaken and ensure the approach to regulatory action is proportionate, targeted and based on a sound assessment of the nature and magnitude of the risks, whilst considering the likelihood of regulatory success in achieving the relevant outcomes.*

DFSV will undertake activities to generate, support and monitor compliance focusing on different topics or priorities as issues arise. At any time, DFSV will take appropriate action to respond to non-compliance using a risk-based, graduated and proportionate approach. This is consistent with the *Australia and New Zealand Food Regulation Compliance, Monitoring and Enforcement Strategy 2017*.

DFSV applies a robust framework for operational decision-making with communication and consultation between all stakeholders at all stages, to ensure that all responses achieve the appropriate outcomes whilst minimising regulatory impost (Figure 1).



**Figure 1.** Comprehensive risk-based framework that is applied to DFSV's regulatory priorities and resource allocations (adapted from the Victorian Government Office of the Commissioner for Better Regulation).

### **Generating compliance**

**Compliance:** A regulated party adhering to the requirements of law.

**Generating compliance:** the activity of a food regulator that encourages and assists regulated parties to understand and comply with regulatory requirements.

DFSV endeavours to perform its regulatory role in a partnership approach to deliver food safety outcomes with industry. In doing so, DFSV will actively promote the benefits of compliance to licenced food businesses, discuss specific compliance failures or problems and confirm our advice in writing when appropriate in a clear and simple manner in order to explain what and why remedial work is to be undertaken within a specified timeframe to meet legislative requirements. DFSV will assist licensees in understanding their relevant legislative requirements, for example, through provision of clear information and guidance.

### **Monitoring compliance**

DFSV undertakes compliance monitoring activities routinely to verify compliance of licensees and identify and manage regulatory non-conformance at the earliest possible opportunity. Compliance actions may be taken on either a proactive or reactive basis, including:

- Planned monitoring, surveillance and compliance programs (e.g. compliance audit program)
- Investigation or enforcement

- Response to notifications or complaints
- Opportunistic witness to breach of legislation
- Advice received from other regulatory agencies

*Dairy RegTech* was initiated by DFSV in 2018 to develop a different way for DFSV to monitor food safety compliance, with a greater focus on people and behaviour to encourage improvement. This approach recognises that food safety systems depend on the people who implement them, and importantly the food safety culture of a business. Transitioning to *Dairy RegTech* is voluntary for dairy manufacturers. It is not yet available for dairy farmers.

There are a range of compliance monitoring tools available to DFSV, but these tools are underpinned by a risk-based approach including the nature of the monitoring undertaken and the frequency. These tools aim to judiciously gather enough evidence and analyse the obtained information to make a suitable assessment of compliance with relevant legislative requirements. The outcomes of such determinations undertaken by DFSV will be delivered in a clear and timely manner to licensees and will be recorded as part of the licensee's compliance history

### Responding to non-compliance (enforcement)

**Non-compliance:** a state where a regulated party is not adhering to the requirements of laws.

**Enforcement:** a food regulator taking steps to require regulated parties to follow the law.

While most licensees comply with legislation voluntarily, some do not and DFSV may be required to take enforcement action. In deciding on the most appropriate response to obtain compliance, DFSV takes a risk-based, graduated and proportionate approach considering several factors e.g. the seriousness of harm or potential harm, compliance history. Compliance actions available to DFSV are summarised in Table 1.

Environmental Health, Human Health or Safety Impacts (Actual or Potential)						
Likelihood of Compliance (Compliance History/Willingness and Capacity to Comply)		Low/No harm → Severe Harm				
	High level of expected compliance	Advice/Education Corrective Action Request (Major)	Corrective Action Request (Major/Critical) Notification - Warning Letter	Corrective Action Request (Critical) Compliance Audit/Investigation	Issuance of Orders Destruction/Seizure	Prosecution Withdrawal/Suspension of licence
		Advice/Education Corrective Action Request (Major/Critical) Notification - Warning Letter	Corrective Action Request (Major/Critical) Compliance Audit/Investigation	Compliance Audit/Investigation Issuance of Orders Destruction/Seizure	Prosecution Withdrawal/Suspension of licence	
		Corrective Action Request (Major/Critical) Formal Warning	Corrective Action Request (Critical) Formal Warning Compliance Audit/Investigation	Prosecution Withdrawal/Suspension of licence		
		Issuance of Orders Destruction/Seizure	Issuance of Orders Destruction/Seizure			
	Low level of expected compliance	Compliance Audit/Investigation Issuance of Orders Destruction/Seizure	Prosecution Withdrawal/Suspension of licence			

**Table 1.** Actions available to DFSV to respond to non-compliance (ranked in order of graduated severity).

### Implementation

Implementation of this strategy is detailed in Policy OP 01 Licensing and Policy OP 02 Compliance and enforcement.