

RegTech Project Options Report and Recommendations

Executive Summary

Freshcare intends to follow up on the RegTech program funded under the National Agriculture Traceability Regulatory Technology Research and Insights grants program ST22009, with a program to:

- Create a common language, ensuring everyone in the ecosystem understands the language used by the various certifiers and agencies, and that a governance program is in place to manage changes and updates over time.
- Consider who would be best placed to develop a working proof-of-concept model based on the research and findings from ST22009.

Whilst one of the agreed outcomes of the ST22009 program was to develop an open-source RegTech framework, it became apparent through the research that the bigger issue was the perceived duplication across the various certifiers and agencies. As a result, Freshcare proposes that a program to agree on a simple naming convention or common language is the best next step. The framework developed as part of the ST22009 program will be used as the starting point for discussions. Below are the groups Freshcare believes should be included in those initial discussions:

1. Freshcare - On-farm Food Safety & Quality and Environmental
2. Primary Production and Processing Standards (PPP) for Melons, Leafy Vegetables and Berries
3. HARPS – Australian Retailer Requirements
4. Interstate Certification Assurance (ICA) - Biosecurity
5. Fair Farms - Fair & Responsible Employment Practices

Rather than move toward a complex technical model to remove perceived duplication, Freshcare believes that an agreement across the 5 groups highlighted above, along with an agreed governance model, would provide significant benefits to the industry as a whole and in particular to growers, auditors, and certifiers.

The main benefits of this approach are as follows:

- Improved adherence to food safety practices by reducing confusion and ensuring growers understand and implement critical requirements.
- Reduced administrative burden through standardisation of language, alignment in requirements and document expectations.

- Greater efficiency across the supply chain through clearer compliance pathways and better-prepared audits.

Background

Hort Innovation applied to the National Agriculture Traceability Regulatory Technology Research and Insights Grant Round in December 2022 and was successfully awarded a grant (Grant4-IMEMU9Z) in June 2023.

The proposed project, 'Developing a RegTech framework and applications across horticultural value chains', as outlined in the grant submission, was a collaboration between Hort Innovation and Freshcare. The project number assigned to the work was ST22009. The key deliverables for that project were delivered and documented under the project terms, including:

1. Research and cross-recognition analysis of five programs across industry and legislative compliance.:
2. The establishment of a working Horticulture Community of Practice (Hort-CoP)
3. The establishment of a Volunteer Technologist Working Group (VTWG)
4. Establish an effective meeting cadence for both the COP and VTWG

From the research and working groups, the following became apparent:

Overlap and duplication is not clear-cut or simple to solve. Below are the high-level issues to be considered when developing solutions to resolve real or perceived duplication in data gathering:

- Is it partial or full duplication?
- What is the scope of the compliance criterion?
- What is the Intent or use of the compliance criterion?
- Is the data/evidence needed for different or the same intent by each program?
- For duplication to occur the scope and intent of the programs need to be very similar

In reality, the data is contextual and defined by the compliance program's purpose and intent. Eliminating any perceived duplication will require significant collaboration across programs and a level of investment in governance, both now and on an ongoing basis.

The exception to the above is two programs (Freshcare and HARPS), which have a similar overlapping scope (food safety), and have aligned requirements that have already been streamlined in the industry through combined program resources.

Additional findings highlight growers' challenges in navigating the compliance program requirements or guidelines, which are inconsistent in language.

In addition to the findings above, the following were noted during the various workshops and meetings:

- Clarity of the problem to be solved is paramount
- Prior to any solutions being developed the governance needs to be clearly articulated for
 - Creation of a solution of need
 - Ownership and stewardship of data
 - Delivery approach – how will value be delivered in incremental phases
 - Making navigation of the existing program landscape simpler for
 - Growers
 - Auditors

Problem Statement

The horticulture industry faces a fragmented and complex compliance landscape, with over 220 distinct programs and regulations that vary across states, crops, and verification processes. Growers, auditors, and program owners alike struggle with navigating these requirements, often finding it difficult to determine which specific compliance obligations apply to their situation.

This lack of clarity leads to inefficiencies, confusion, and increased administrative burdens for growers, while auditors face challenges in preparing audits, and program owners work to align their standards with evolving legislative requirements. The current approach to managing compliance is cumbersome and resource-intensive and lacks a clear pathway for identifying applicable regulations. A more efficient and cohesive system is needed to ensure compliance is both manageable and complete across all stakeholders.

To help articulate the subtle nature of the problem discussed above and highlighted in the previous research, we have compiled a short table providing examples of where current language could be confusing and cause inefficiency and potential misinterpretation for growers and auditors:

Enhancing Food Safety through Language Simplification

Confusing Language or Requirement	Why It's a Problem (Food Safety Risk)	How Simplification Helps (Freshcare Example)
Terms like “supplier” vs “approved supplier” vs “verified supplier” vs “preferred supplier”	Businesses may misinterpret which suppliers require documentation or risk assessment, leading to gaps in traceability or use of unverified inputs.	Freshcare has published guidance and templates in FSQ4.2 to clarify definitions and record-keeping expectations for suppliers and approved supplier process.
Complex or technical terminology around chemical use, e.g. “persistence”, “residue threshold”, “withholding period”	Misunderstanding may lead to incorrect application or harvest timing, risking MRL exceedance	Interpretive guides in FSQ help clarify each chemical use term in plain language, with practical examples
Ambiguous audit checklist items like “demonstrate risk management system in place”	Growers unsure what evidence is needed; results in non-conformances or ineffective hazard control	Freshcare resources map checklist items directly to standard clauses and offer suggested records

Options Considered

1. Do nothing
 - a. This will not address any of the issues raised as part of the RegTech project and as such, has been eliminated.
2. Develop a common language and governance framework that industry and technology providers can use as a basis to evolve the ecosystem.
3. Build a proof-of-concept (POC) cube to demonstrate the value of the solution to the sector and allow technology providers to build out from the POC, based on the common language.
 - a. This option shows the willingness of Hort Innovation and Freshcare to address the issues raised in the RegTech program but limits the intervention in the longer term, leaving future developments and adoption to the current providers in the space.

4. Build and maintain a complete solution based on the POC
 - a. While this option has merit, it would force Hort Innovation and Freshcare to take on a systems maintenance role for which neither are either suited or funded.

Preferred Option

Of the options considered, option two is the preferred and recommended choice in this paper. The research conducted under ST22009 indicates that the duplication of effort for growers to comply with multiple certifications and registrations is perceived as a significant burden and may ultimately lead to a loss of confidence in the sector. Impacting food safety and security in the long run.

Simplifying and standardising the language used by various bodies across the sector appears to be the best way to demonstrate to growers and auditors that we have listened to their concerns and are committed to addressing the underlying issues. We believe that the best way to achieve this is through collaboration across various groups and agencies, simplifying the collection and use of data for multiple purposes. This level of commitment to simplification should be well accepted across the growers and audit communities, as it does not introduce a new system or process but rather simplifies a process people are already accustomed to. System enhancements and changes should be left to the providers of the various technical solutions, who will also benefit from a simplified approach to data collection and sharing.

The idea of a common language is not new; one example where industry-led simplification is already occurring is the Freshcare Crop List. This crop list was developed as a derivative of the Food Standards Code crop classification and provides a simplified, consistent reference tool for horticulture businesses and compliance systems. Importantly, it is already being utilised by the Harmonised Australian Retailer Produce Scheme (HARPS), creating alignment between programs without the need for a formal agreement.

While this example is encouraging, more is needed e.g. agreements, governance structure, implementation plan, to formalise the approach across multiple industry players. To achieve this cross-organisation collaboration a formal agreement will need to be in place, below is an example of the type of agreement that would be established and supported by the various organisations if the recommendations outlined here are adopted.

Draft Letter for In-Principle Agreement for Governance Framework

Subject: Request for In-Principle Agreement to Progress the RegTech Governance and Common Language Framework

Dear [Stakeholder Name/Organisation],

As you are aware, the project *Developing a RegTech Framework and its Applications Across Horticultural Value Chains* (ST22009), funded by the National Agriculture Traceability Regulatory Technology Research and Insights Grant Program, has provided significant insights into the complexity and duplication challenges faced by growers and industry stakeholders.

Through comprehensive research and collaboration with the Horticulture Community of Practice and Volunteer Technologist Working Group, a clear opportunity has emerged to reduce burden and streamline compliance via a shared *Governance Framework* and *Common Language Model*.

We are now seeking **in-principle agreement** from key organisations to support the next phase of this initiative. Specifically, we propose to:

- **Formalise governance arrangements** that promote structured accountability between industry bodies, regulators, and certification program owners.
- **Collaboratively establish a common language**, ensuring consistent terminology, definitions, and data elements across compliance programs.
- **Enable mutual recognition of shared data**, so that information collected for one program (e.g., Freshcare) may be recognised by others (e.g., PPP, HARPS, Fair Farms, ICA).

This approach offers practical, low-maintenance benefits to all parties, especially growers, by simplifying the process of demonstrating compliance and enabling “collect once, use many times” efficiencies.

We are not seeking commitment to any technical build at this stage. Rather, this is an opportunity to confirm shared intent to collaborate on foundational elements that will unlock longer-term value and interoperability.

We kindly ask that you confirm your organisation’s in-principle support by [insert date]. This will allow us to move forward with clarity and ensure inclusion in co-design activities and governance formation.

Should you have any questions or require further detail, please don’t hesitate to contact me directly.

We thank you for your continued engagement and commitment to improving compliance outcomes for our sector.

Sincerely,

[Name]

[Title]

[Organisation Name]

his approach ensures all providers can use the common language model, promoting competition and interoperability. Over time, the adoption of a common language model should encourage competition in the farm management software market, leading to sharper pricing for growers and faster innovation by those technology providers.

Proposed Next Steps

1. Secure in-principal agreement from key stakeholders

Scopes for inclusion:

- On-farm Food Safety & Quality and Environmental – Freshcare
 - Primary Production and Processing Standards (PPP)
 - Retailer Requirements – HARPS
 - Biosecurity - Interstate Certification Assurance (ICA)
 - Fair & Responsible Employment Practices – Fair Farms
2. Develop the **Governance Model** creating essential rules for collaboration and shared decision-making processes.
 3. Define and publish the **Common Language** framework that establishes agreed terminology and creates standardised naming, definitions and an agreed common understanding.
 4. Support technology solution providers to adopt and apply the shared model.

Overall Benefits

Benefits from this program fall into three main areas:

- Improved adherence to food safety practices by reducing confusion and ensuring growers understand and implement critical requirements.
- Reduced administrative burden through standardisation of language, alignment in requirements and document expectations.
- Greater efficiency across the supply chain through clearer compliance pathways and better-prepared audits.

Importantly, language that is overly technical or inconsistently used across programs has been shown to be a barrier to proper implementation. By resolving this barrier, the common language framework actively enables higher levels of compliance and safety.

Tangible Industry Benefits

The common language and governance framework proposed is not just about semantics. It creates a foundation for more effective audit preparation, enhanced auditor calibration, and smarter integration by farm management software providers.

Benefits include:

- One-time collection and use of data across multiple audits (“collect once, use many”).
- Streamlined integration into existing systems, reducing implementation costs.
- Improved confidence in compliance processes for growers and auditors alike.
- Enhanced compliance leading to better food safety and security
- Overall industry efficiencies, specifically for the following groups

Growers can be confident that if data is collected correctly then those elements that are common or duplicative can be collected and recorded once and used for multiple audits or other purposes. This will save time, and while an hour here or there may not appear to be significant when considered across the industry, the aggregated productivity gains will be significant. Feedback captured from growers at the final Horticulture Community of Practice meeting highlighted that the common language model enhances audit readiness, supports compliance integration, and promotes equitable access - particularly benefiting smaller growers facing resource constraints.

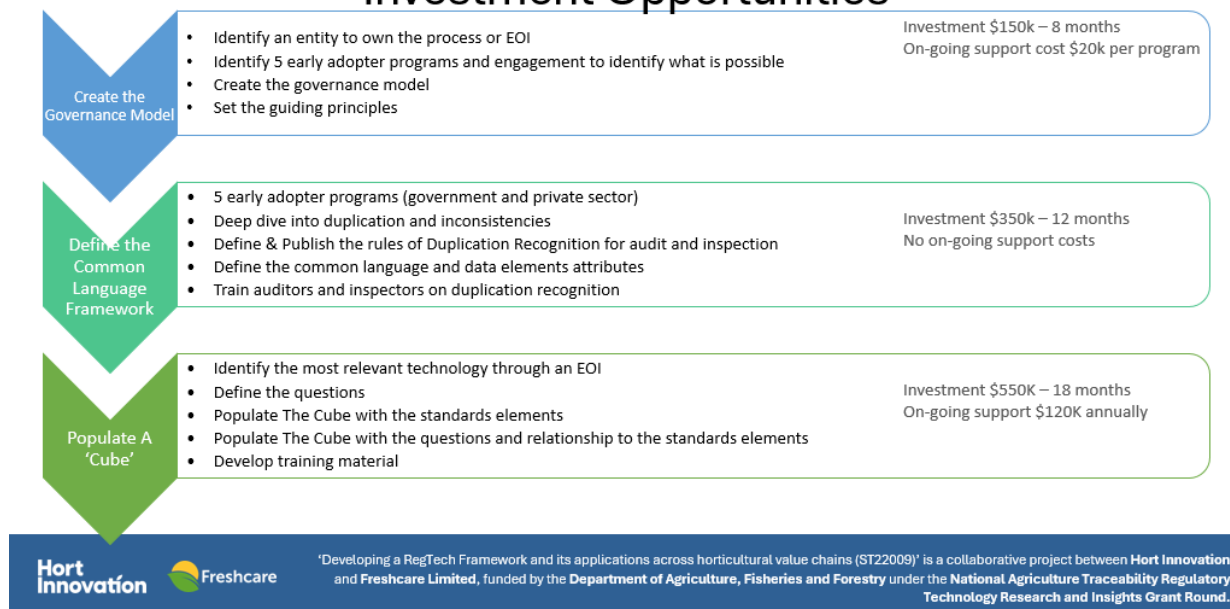
Auditors and certifiers can be confident that data collected by growers, if done in line with a particular standard or requirement, can be used to satisfy the needs of multiple audits and certifications. This will reduce the complexity of audits as a data element such as a property map can be used for multiple reviews and purposes rather than each review needing different information or formats.

Others – Technology Providers. Provide specifications on what the business is expected to have on hand to demonstrate compliance with a standard. The same information could be used for multiple programs. This becomes a point of difference for the tech solution. They may decide to provide dashboards showing where a business is on their compliance journey.

Estimated Resource Requirements

The estimated cost is, \$500K over 12 months. The costs will be a mixture of temporary staff, seconded staff and staff attending various meetings.

Investment Opportunities



Conclusion and Next Steps

This report presents a practical and collaborative pathway for addressing the key challenges identified through the ST22009 RegTech Project namely, perceived duplication, complexity, and inconsistent language across horticulture regulatory and compliance systems. Building from comprehensive research, a national grower survey, and detailed cross-comparison of programs, the project identified the value of a phased approach: first confirming the problem, then establishing governance, and only then progressing toward technological solutions.

These recommendations have been shaped through robust engagement with industry stakeholders, including the Horticulture Community of Practice (Hort-CoP) and Volunteer Technologist Working Group (VTWG). During the final Hort-CoP workshop, participants strongly supported Option 2—developing a Common Language and Governance Framework as the foundational step. Stakeholders emphasised the importance of simplifying navigation for growers, improving audit readiness, and supporting multiple requirement integrations, and ensuring equitable access to compliance solutions, particularly for smaller businesses.

The final Hort-CoP workshop reinforced that good governance must precede any technical development. A summary of the final workshop and its feedback has been provided as Attachment 1 to this report.

The project partners are now seeking in-principle agreement from identified stakeholders to move forward with co-design of the governance framework and shared language model. With this agreement in place, we can build a more efficient, interoperable compliance ecosystem that supports grower productivity, protects market access, and sets the foundation for scalable RegTech adoption across the horticulture industry.