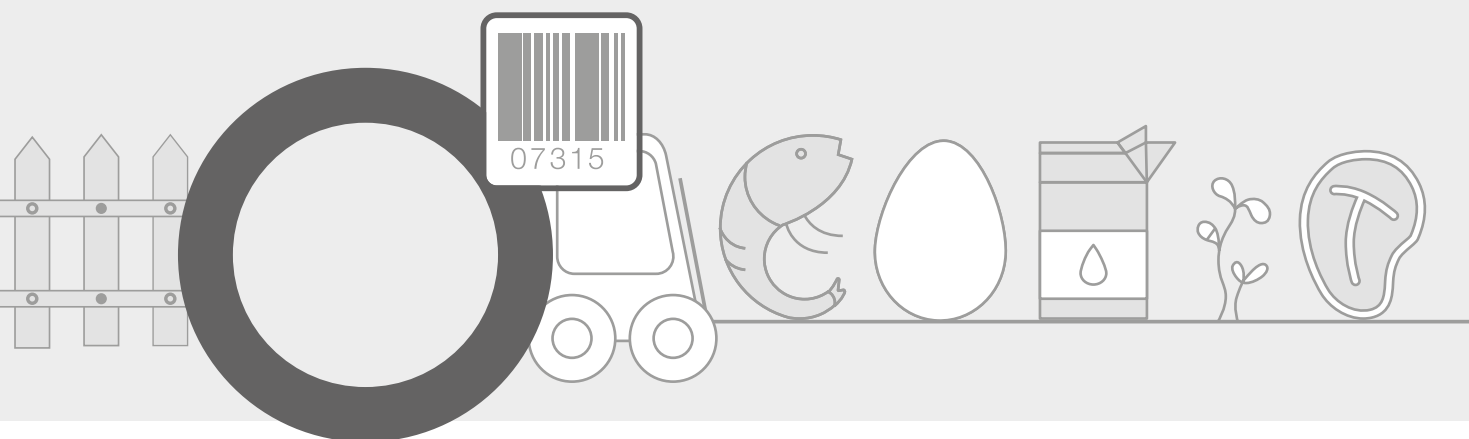


Annual Report 2019–20





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Letter of compliance

31/08/2020

The Honourable Mark Furner MP
Minister for Agricultural Industry Development and Fisheries
GPO Box 46
BRISBANE QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report for 2019–2020 and financial statements for Safe Food Production Queensland.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

A checklist outlining the annual reporting requirements is provided at page 59 of this Annual Report.

Yours sincerely



Debbie Best
Chair
Safe Food Production Queensland



Public availability

This Annual Report is available on our website at www.safefood.qld.gov.au/annual-reports/ and in hard copy on request using the contact details below.

Stakeholder feedback is important to us and contributes to improving the value of future annual reports for our readers. We welcome your comments on this report. You can contact us at:

Email: info@safefood.qld.gov.au

Phone: (07) 3253 9800

Freecall: 1800 300 815 (QLD only)

Fax: (07) 3253 9810

Post: Safe Food Production Queensland
PO Box 221
GREENSLOPES QLD 4120

Safe Food Queensland (Safe Food) is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact us on either (07) 3253 9800 or freecall (QLD only) 1800 300 815 and we will arrange for an interpreter to effectively communicate the Report to you.

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Message from the Chair of the Board

It is with much pleasure that I present the 2019–2020 Annual Report for Safe Food Production Queensland (Safe Food).

Safe Food is a statutory body that reports to the Minister for Agricultural Industry Development and Fisheries and is responsible for delivering risk-based food safety outcomes for the primary production and processing sector in Queensland.

Changes to the Board this year include the change of the Department of Agriculture and Fisheries representative from Malcolm Letts to Bernadette Ditchfield. I would like to acknowledge the significant contribution Malcolm gave to the Board and Safe Food over many years.

As a result of the COVID-19 pandemic both the Board and the Audit and Risk Committee have met more frequently during 2020 to monitor changing risks to the business and financial performance.

Throughout this challenging period Safe Food has provided quality, practical advice to industry and government about safe food practices and management of issues associated with COVID-19.

Safe Food has developed new methods of audit and assessment services to ensure safety of both accreditation holders and Safe Food staff.

A highlight has been the development of an online maturity assessment tool for Safe Food accredited Tier 2 red meat export establishments and meat processors. Safe Food has developed a suite of communication materials to assist industries in their preparedness and response to COVID-19.

Positive feedback has been received from industry groups and government for the support, initiatives and advice being provided by Safe Food.

The Annual Report highlights the positive outcomes from Safe Food's implementation of food safety systems in Queensland and how these contribute to the national food safety network which has heightened importance this year.

The Board would like to acknowledge the dedication and commitment of the Safe Food teams.

Debbie Best
Chair
Safe Food Production Queensland



Message from Chief Executive Officer

Last year I wrote that Safe Food had seen many challenges in that reporting period. That theme has undoubtedly continued into this year. The threat to Queenslanders, and our food supply chains, posed by the COVID-19 pandemic has resulted in our agency using our risk assessment, risk management and engagement skills to assist Government more broadly.

The approach that Safe Food has created over an extended period of engaging with food business operators, together with its reliable networks, has been valued as a fast and effective way to understand the nature and size of the inherent risks faced by industry. Our officers have worked rapidly to develop and implement risk mitigation tools with businesses throughout the State.

While the focus for the last part of the year has been the urgent COVID-19 response, Safe Food delivered outcomes across all of its program areas before the pandemic and has continued to deliver in these important areas throughout the entire reporting period.

Safe Food has continued to be an innovator in the use of data provided by businesses to monitor compliance and the performance of food production systems. Many of the information gathering tools used in our compliance program were adapted for use in response to COVID-19. This has meant a reduction in the overall regulatory burden, while facilitating a timelier collection of information.

The Safe Food Board signed off on a new 2020–2023 Strategic Plan, which aims to use innovative and effective regulation to provide confidence in the safety of Queensland's food supply chains. This will be achieved through bolstering our commitment to the use of data exchange tools, continuing our ongoing collaboration and engagement with industry, and further strengthening our scientific contribution to safe food production.

At a national level, progress on developing regulatory options for some horticultural products by Food Standards Australia and New Zealand (FSANZ) has not progressed as quickly as originally planned. However, Safe Food has commenced engagement with some industry groups to understand their risks, which has provided opportunities to validate the performance of existing risk management practices. This has enabled Safe Food to actively participate in the National discussion and pursue its philosophy of minimal regulatory burden with the regulatory response being commensurate with the level of risk.

Safe Food continues to work towards the Queensland Government's recovery strategy from COVID-19 and support industry through this unprecedented and challenging time.

Jim Dodds
CEO
Safe Food Production Queensland



About us

Queensland's reputation for premium, high-quality products depends upon maintaining food standards that meet consumer expectations, both within Australia and in overseas markets. Safe Food Production Queensland (Safe Food) plays an important role in ensuring this reputation remains by verifying that these standards are met, and that consumer confidence is maintained.

As the statutory body responsible for regulating food safety in Queensland's food production and processing sectors, Safe Food operates in accordance with the *Food Production (Safety) Act 2000*, using a science and risk-based regulatory framework. Safe Food reports directly to the Minister for Agricultural Industry Development and Fisheries.

Safe Food's core business is the development and implementation of food safety policy and standards through outcomes-focused Food Safety Schemes for the meat, dairy, egg, seafood and horticulture (seed sprouts) sectors. Our collaborative approach to food regulation ensures that:

- Safe Food is a responsive Queensland Government agency that continually innovates to improve its regulatory model,
- Queensland's food production and processing sectors are provided with easy-to-use services that reduce regulatory burden, while ensuring food safety regulatory requirements are satisfied, and
- ideas are generated to support food businesses, inform a holistic approach to regulation and are responsive to national policy initiatives.

As Safe Food is now implementing its Strategic Plan 2020–23, this is the final annual report which will report against Safe Food's *Statement of Strategy 2015–2020*. Our vision under the Statement of Strategy was for Safe Food to remain an influential agent for change by putting a culture of food safety at the heart of every accredited food business in Queensland. As such our regulatory framework has focused on influencing behaviour as an important element of sustaining compliance, and this focus will continue to be a key focus area under the new Strategic Plan.

To support collaboration and information sharing, Safe Food has engagement and consultation mechanisms for a diverse range of production sectors. By working in partnership with industry, Safe Food is able to develop and adopt simple, practical ways of addressing food safety requirements.

As food safety is the basis for protecting public health and maintaining confidence in trade of food commodities, Safe Food contributes to the Queensland Government's objectives outlined in *Our Future State: Advancing Queensland's Priorities*.

Through its regulatory activities, Safe Food assists in managing the food safety risks of food production, thereby helping to assure the continuous supply of safe and fresh food to help keep Queenslanders healthy and regions prosperous. Safe Food also provides certainty about food safety through the food supply chain by its regulatory framework. This gives consumers confidence and facilitates an environment that sustains economic growth.

Our focus on collaboration, information sharing and risk management has also enabled Safe Food to support both accredited businesses and the food industry sectors more generally during the coronavirus pandemic.



How we verify industry compliance

Under the Food Production (Safety) Regulation 2014, businesses undertaking specified activities are required to hold an accreditation issued under the *Food Production (Safety) Act 2000*. These businesses must also operate in accordance with their Safe Food approved food safety program or management statement. This documentation details how a business manages food safety risks during production.

Safe Food publishes guidance documents to assist businesses to achieve compliance, share knowledge of best practice, provide greater understanding of requirements and promote greater food safety awareness across industry sectors.

Safe Food recognises the dynamic commercial and consumer environments in which accredited businesses operate and offers a range of monitoring methods, providing businesses with greater flexibility in how they demonstrate compliance with regulatory requirements.

Under Safe Food's Compliance Policy, formal enforcement tools (such as prescribed infringement notices) are used as a last resort but may be required in certain instances to protect public health and address consumer concerns about food safety.

Audits remain an important monitoring tool and a central aspect of Safe Food's Compliance Policy. However, other monitoring approaches continue to be developed, introduced and refined over time, based on the experiences of Safe Food and food businesses. This includes Safe Food's Compliance Assessment System (CAS) and Central Information Management System (CIMS). These systems were developed to reduce the costs associated with audits and to address the limitations of audits as a method of indicating sustained compliance and identifying poor behaviour and culture.

CIMS was designed and implemented to analyse data already collected by industry, in some cases against agreed performance targets at key points in food production systems. Collectively, this approach describes our methodology to monitor performance against a 'food safety baseline' that represents a stable and consistent individual food production system.

CIMS can facilitate through-chain monitoring of production systems, allowing industry to demonstrate that it is meeting key targets. By using information that is already being collected, it also serves to reduce compliance costs and regulatory burden. Supplementing on-site monitoring with remote information-sharing provides regular and timely indicators on individual business' production systems that promote proactive engagement between Safe Food and businesses.

CAS is an electronic platform that incorporates technology for assessing food safety compliance. Compared to inspections or audits, this provides a snapshot of a business' awareness of, provision for, and commitment to food safety. These are the key indicators of business culture that promote food safety and can achieve sustained compliance. The process also enables accreditation holders to showcase the practices used within the business to support food safety.



Strategic priorities and model practices

Safe Food's *Statement of Strategy 2015–2020* outlined three strategic priorities and their key objectives, success indicators and expected outcomes. Together, these aimed to achieve a balance between responsible regulation (consumer expectations) and the individual responsibility of businesses to demonstrate a culture that supports and promotes food safety.

Safe Food's long held culture of working with industry on innovative approaches to demonstrate compliance has placed both the businesses and the agency in a strong position within a rapidly evolving competitive environment.

In 2019, the Queensland Government Regulator Performance Framework was incorporated into the Better Regulation Strategy, which includes five model practices and supporting principles.

This report highlights Safe Food's alignment between the performance framework, Safe Food's activities and success indicators, thereby forming the agency's annual reporting against the framework. The current alignment between Safe Food's strategic priorities and the performance framework's model practices are shown below.

Our Strategic Priorities	Regulator Model Practices				
	Regulatory activity is proportionate to risk and minimises unnecessary burden	Consult and engage meaningfully with stakeholders	Provide appropriate information and support to assist compliance	Commit to continuous improvement	Be transparent and accountable in actions
Ensure the Queensland food safety system is affordable, sustainable and continually improving	✓	✓	✓	✓	✓
Work in partnership with all stakeholders in the food chain to facilitate compliance with food standards	✓	✓	✓		✓
Ensure that Safe Food is responsive, efficient, effective and delivers value for money	✓		✓	✓	✓

Sources

Safe Food's *Statement of Strategy 2015–2020* is available on our website www.safefood.qld.gov.au

Queensland Government Guide to Better Regulation is available at www.treasury.qld.gov.au



Strategic priority #1

Ensure the Queensland food safety system is affordable, sustainable and continually improving

Safe Food uses scientific advice and a risk assessment approach to inform risk management and enforcement decisions.

Strategic Priority Success Indicators	Related Regulator Model Practices	To achieve this we
Food safety regulation that is transparent, accountable and innovative	<ul style="list-style-type: none"> Be transparent and accountable in actions Commit to continuous improvement Consult and engage meaningfully with stakeholders 	<ul style="list-style-type: none"> Used notification reporting processes to inform regulatory approaches and priorities Conducted or obtained scientific risk assessments as the basis for risk management decisions
Scientific analysis informs risk management approaches aimed at improving food safety and health promotion	<ul style="list-style-type: none"> Ensure regulatory activity is proportionate to risk and minimises unnecessary burden Provide appropriate information and support to assist compliance Commit to continuous improvement 	<ul style="list-style-type: none"> Sought cost effective compliance solutions for the food sector
Rapid risk assessment capability to support improved food incident management activities	<ul style="list-style-type: none"> Ensure regulatory activity is proportionate to risk and minimises unnecessary burden Provide appropriate information and support to assist compliance 	

During 2019–20, Safe Food issued 7478 accreditations, including 809 new applications. All current accreditations are listed on Safe Food's online accreditation register (also known as the Food Business Register).

A total of 140 accreditations were issued to businesses operating under a Preferred Supplier Arrangement (PSA) in the egg and meat (poultry) sectors. Under a PSA, these businesses only supply to one customer, usually a large commercial processor within their industry. To reduce regulatory burden and unnecessary costs on these businesses, Safe Food works directly with commercial processors to verify compliance of their PSAs.

As part of our verification activities in 2019–20, Safe Food conducted a microbiological survey of poultry meat processing facilities to verify the effective implementation of the poultry meat baseline. This baseline, which was developed with industry, identifies areas in the production system where if best practice targets were met, hygiene of poultry carcasses would improve. As part of our Central Information Management System (CIMS), poultry abattoirs provide real time data on the agreed verification points.

Overall, the survey showed an ongoing improvement of microbiological processing interventions, with a focus on Salmonella and Campylobacter, but also demonstrated the need for enhanced monitoring and verification of some control points. The findings have assisted industry to critically review areas of microbiological control and food safety



importance and provide insights on the effectiveness of existing food safety controls. The conclusions drawn from the study will continue to inform engagement between Safe Food and the poultry meat industry regarding food safety and public health outcomes in Queensland.

Safe Food has also continued to carry out compliance activities on behalf of the Australian Department of Agriculture, Water and the Environment (DAWE) under agreed arrangements. These arrangements aim to reduce duplication of regulatory effort on export businesses that hold both a Safe Food accreditation and export registration issued by DAWE.

Food regulation remains Safe Food's core business. However, the value of our scientific, risk assessment approach to inform risk management has proved to be a considerable asset to industry and other government agencies during the response to the COVID-19 pandemic.

A majority of Safe Food's actions in response to the pandemic focused on helping businesses to ensure they have suitable business continuity plans in place and have implemented measures to limit the impact of COVID-19 on the workforces. This has included the development of guidelines, checklists and regular, targeted communications with accredited businesses.

Safe Food also undertook on-site assessments across a range of agribusinesses to determine their preparedness in the event that a worker tested positive for COVID-19 and commenced the development of an online COVID-19 health management plan maturity assessment tool for export red meat processors.

OUR ACCREDITATION BASE			
Accreditations in Queensland	7478	Export registered businesses	186
Accreditations by scheme		Export registered by scheme	
Dairy	405	Dairy	17
Egg	117	Egg	5
Horticulture (seed sprouts)	7	Horticulture (seed sprouts)	0
Meat	5860	Meat	65
Seafood	1089	Seafood	99
Accreditations by risk category		Other information	
High	509	Accredited under a Preferred Supplier Arrangement (PSA)	140
Medium	959		
Low	6010	PSAs under Meat scheme	116
New applications approved	809	PSAs under Egg scheme	24



Strategic priority #2

Work in partnership with all stakeholders in the food chain to facilitate compliance with food standards

Safe Food works in partnership with key stakeholders in the food business sector to build confidence and trust in the Queensland regulatory system through effective risk communication and dialogue with all concerned.

Strategic Priority Success Indicators	Related Regulator Model Practices	To achieve this we
Effective engagement mechanisms in place between Safe Food and Industry	<p>Be transparent and accountable in actions</p> <p>Consult and engage meaningfully with stakeholders</p> <p>Provide appropriate information and support to assist compliance</p>	<p>Maintained and developed pathways to underpin constructive dialogue with industry sectors</p> <p>Embraced and contributed to the knowledge networks developed by other agencies engaged in food production and regulation</p>
Increasing numbers in relation to notifications involving food produced in Queensland, giving early warnings	<p>Ensure regulatory activity is proportionate to risk and minimises unnecessary burden</p> <p>Provide appropriate information and support to assist compliance</p>	<p>Supported specialist technical workshops and seminars</p> <p>Assisted small businesses in meeting their food safety training needs through advice, published guidance and contemporary initiatives</p>

Safe Food, in collaboration with industry, has continued to apply its industry-specific supply chain food safety baselines. The baselines provide a through-chain systems approach that identifies the most appropriate food safety interventions and verification points based on the recognised production systems and desired behaviours.

The baselines form the foundation of our modernised approach to food safety regulation, which is built on continuous engagement with industry that promotes industry best practice throughout the food supply chain and applies a systems-based approach to regulation. Our approach places more responsibility on food businesses to engage with Safe Food and share information in a timely manner for monitoring compliance purposes. The two-way, proactive flow of information between Safe Food and businesses is an important feature of our compliance model, which continues to develop as knowledge and experiences are shared and behaviours are modified.

Through the development and refinement of baselines, Safe Food and food businesses have developed a collaborative, risk-based approach to managing food safety that drives systems-wide improvements and trust.

Safe Food continued to monitor compliance with food safety schemes by one or more methods that are considered appropriate based on the activities and food safety risks of each category of business. The primary methods of monitoring compliance with food safety requirements include auditing, assessment and data sharing via electronic platforms (see 'How we verify industry compliance' on page 7).



In 2019–20, Safe Food also continued its partnership with Dairy Australia to deliver online training courses for dairy manufacturers across Australia. In June 2020, Safe Food released a new course designed to help business leaders, QA Managers and other staff understand the basic components of a food safety program and how to use it day-to-day to manage food safety risks within their business. The course includes practical examples that provide context to the principles discussed, giving users a greater understanding and path forward for developing or amending their own food safety program.

This marks the third course that Safe Food has developed with Dairy Australia. Other courses include a practical guide to the food recall process in Australia, and a guide to microbiological testing in dairy manufacturing. Funded by the Federal Government's Package Assisting Small Exporters (PASE) grant program, these courses are designed to assist dairy manufacturers understand their food safety responsibilities within the domestic market, with a view to becoming 'trade ready'. All courses are available via Dairy Australia's new Manufacturing Resource Centre free of charge and are recognised by all state dairy regulatory agencies, along with the DAWE.

Ensuring a safe, secure food supply chain has been of critical importance during the coronavirus pandemic. During the early stages of the pandemic, Safe Food officers continued to conduct audits and assessments of businesses classified as high risk using a modified compliance framework and suspended other routine on-site monitoring activities. To reduce the possible risk of COVID-19 infection to officers and also food businesses, on-site contact time was minimised. Other tools were also used to ensure production systems and food safety risks are verified. These include digital communication conferences and remote documentation assessment.

As restrictions eased in Queensland, Safe Food increased its routine food safety monitoring activities, which were conducted together with assessments of each accredited business' COVID-19 preparedness. Safe Food's approved auditors ensured full compliance with the Chief Health Officer's directions, including maintaining social distancing. Further changes in work practices are noted in 'Workplace health and safety', page 24.

During 2019–20 Safe Food continued to engage with industry sectors through regular industry meetings, participation in conferences and workshops, and arranging individual meetings with businesses, industry representatives and peak bodies. Our commitment to engagement greatly assisted our ability to work collaboratively with industry to respond to the pandemic.

We have also continued to participate in national forums on food regulation, which in the latter half of 2019–20 had a greater focus on the impacts of COVID-19 on food businesses. These forums included the Food Regulation Standing Committee (FRSC), the Food Export Regulators Steering Committee and the Dairy Industry Export Consultative Committee.

VERIFICATION & COMPLIANCE			
Number of Audits conducted	2102	Corrective Action Requests issued	120
Number of Assessments conducted	1302	Industry meetings held	15
Temporary Accreditations issued	55	Businesses supplying data	335
Approved auditors	44	Dairy businesses	287
Safe Food auditors	28	Egg businesses	17
Third-party auditors	16	Meat businesses	31



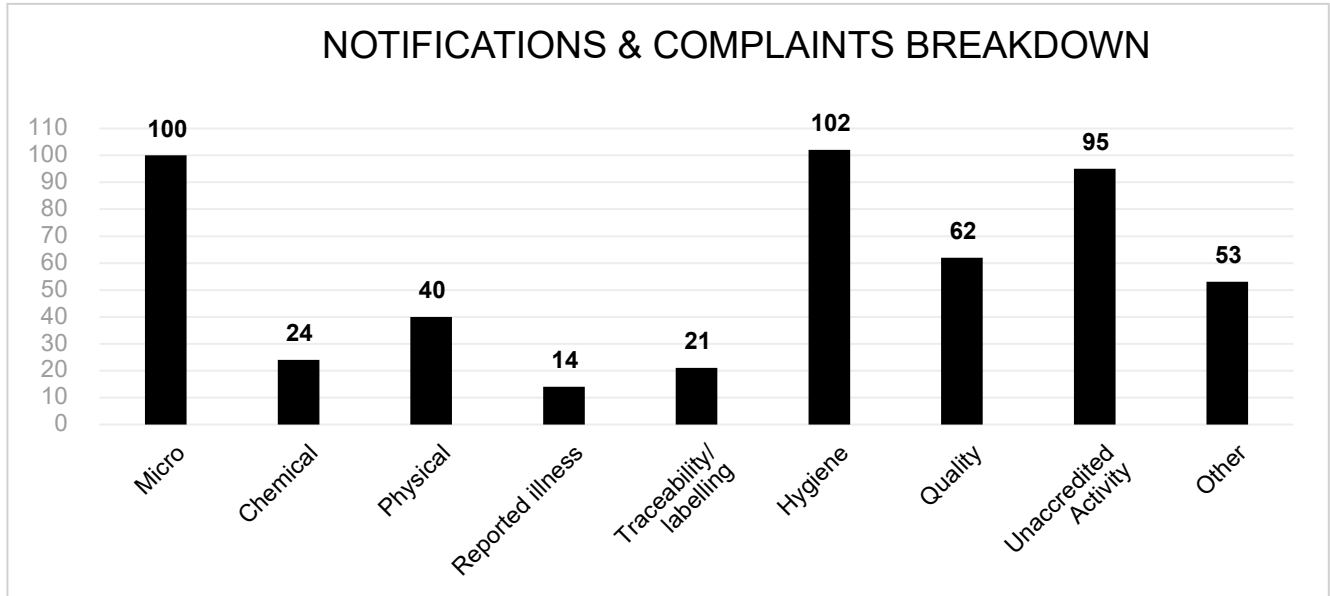
Strategic priority #3

Ensure that Safe Food is responsive, efficient, effective and delivers value for money

Safe Food recognises the dynamic commercial and consumer environments in which accredited businesses operate and provides businesses with increasingly flexible ways for demonstrating compliance with food safety requirements.

Strategic Priority Success Indicators	Related Regulator Model Practices	To achieve this we
Deliver minimal, cost effective regulation that leaves a small imprint on day to day business operations	Ensure regulatory activity is proportionate to risk and minimises unnecessary burden Commit to continuous improvement Consult and engage meaningfully with stakeholders	Maintained and upgraded IT systems and infrastructure so that they provide the best value for money Established appropriate disaster recovery and business continuity facilities Were open and transparent in all communications Reviewed and enhanced existing performance management systems and continue to provide for the ongoing training and continued professional development of staff
Information systems that make the benefits of regulation apparent	Provide appropriate information and support to assist compliance Be transparent and accountable in actions	
Efficiencies that make existing resources go further	Ensure regulatory activity is proportionate to risk and minimises unnecessary burden Commit to continuous improvement Provide appropriate information and support to assist compliance	

During 2019–20, Safe Food was notified of 511 alleged food safety issues (refer page 14), including notifications from accredited food businesses, who believed the acceptability of product may have been compromised with potential to present a food safety concern. In many cases the notifications do not reflect poor compliance but, through information sharing, demonstrate that potential risks are being effectively managed. The majority of notifications comprised of microbiological detections (20%), hygiene issues (20%) and unaccredited activities (19%).



In accordance with our Compliance Policy, Safe Food used a range of tools to facilitate and enforce compliance in a way that is graduated and proportionate to the severity of the non-conformance with food standards. A total of 120 Corrective Action Requests (CARs), 5 compliance notices, 1 Penalty Infringement Notice (PIN) and zero prosecutions were recorded in 2019–20.

NOTIFICATIONS & RESPONSE			
Notifications & complaints received	511	Penalty Infringement Notices issued	1
Compliance notices issued	5	Recalls relating to accredited businesses	0

During 2019–20 Safe Food continued to work closely with the Queensland egg industry, Biosecurity Queensland and Queensland Health to reinforce interventions on farm to reduce the risk of commercial layer flocks becoming infected with *Salmonella* Enteritidis (SE), which has the potential to threaten the prosperity of egg production.

This work was coordinated by an industry-government working group formed to develop an agreed *Salmonella* Enteritidis Prevention Plan (SEPP). The objective of the SEPP was to improve hygiene and biosecurity controls on-farm and within egg grading facilities, to protect against SE and ensure the long-term sustainability of the industry. Several new Standard Operating Procedures (SOPs) were developed to help businesses demonstrate compliance with the Queensland Egg Food Safety Scheme requirement that birds are free from disease that may make eggs unsafe.

To ensure the SOPs were implemented consistently across industry, businesses provided information to Safe Food via a secure online portal from Safe Food (the Safe Food Hub). This information included a business profile, biosecurity map and food safety management checklist. During routine audits and assessments Safe Food has been verifying the details provided by businesses and providing further guidance on preventative measures.

Safe Food also continued to ensure strong governance arrangements, with the agency reviewing and publishing a range of policies and processes, including disaster recovery plans and the Business Continuity Plan.

In addition, as part of on-going professional development, Safe Food officers appointed as authorised officers under the *Food Production (Safety) Act 2000* completed Certificate IV Government Investigations training.



Safe Food Board

Safe Food is directly accountable to an expertise-based Board, which consists of a Chair and four other Directors and provides strategic direction to the agency.

The Board, which reports to the Minister for Agricultural Industry Development and Fisheries, ensures the effectiveness of planning processes and governance practices and the integrity of reporting systems. It is also responsible for ensuring the organisation operates according to sound financial management principles and practices.

The Board maintains an overview of the administration and policies of the organisation, but has no direct management responsibility, nor does it play a regulatory role.

The Chief Executive Officer is responsible for the day-to-day management of the organisation. The Board members for the reporting period are:

- Chair Debra-Lee (Debbie) Best
- Elizabeth (Libby) Homer
- Lynne Sutherland
- Malcolm Letts (representative of the Chief Executive of DAF) to 13 April 2020
- Bernadette Ditchfield (representative of the Chief Executive of DAF) from 14 April 2020
- Sophie Dwyer (representative of the Chief Executive of Queensland Health)

The Chair and Directors are appointed by the Governor in Council upon the recommendation of the Minister. All Board Directors are independent, non-executive Directors, appointed on a part-time basis for up to three years. Directors are appointed on the basis of having each demonstrated substantial achievement in their chosen field.



Board meetings

The Board meets quarterly and requires a quorum of Directors eligible to vote (i.e. at least three members). In order to meet operational needs, the Board may convene special meetings or use electronic methods to agree or respond to specific issues. The Board met more frequently than usual in 2019–20, to manage the risk associated with COVID-19 and to monitor the financial performance of the organisation.

Board director	Board meetings attended	Strategic planning workshop attended
Debra-Lee Best (Chair)	6	0
Elizabeth Homer	6	0
Lynne Sutherland	6	1
Sophie Dwyer	4	1
Malcolm Letts	4	1
Bernadette Ditchfield	2	1



Debra-Lee Best, Chair

Debra-Lee (Debbie) Best was appointed as Chair in 2019. Debbie has more than 36 years of executive leadership experience in the Queensland State Government in areas ranging from education, indigenous policy and programs, multicultural affairs, environmental management, community engagement and natural resource management. Debbie currently serves as Chair of the Queensland Heritage Council, Chair of the Audit and Risk Committee for the Department of Natural Resources Mines and Energy and is an independent member of the Audit Committee for the Electoral Commission of Queensland.

Debbie is a member of the State Awards Committee for the Duke of Edinburgh's International Award and has previously held positions as Director-General, Deputy Director-General, Assistant Director-General, Regional Director and secondary Principal. She is also a former Board member and Trustee of QSuper and is a graduate of the Australian Institute of Company Directors.



Elizabeth Homer

Elizabeth (Libby) Homer was appointed as Director in 2016. Libby has a strong background in primary production and manages the operations of a grazing property in Central Queensland. Her qualifications include a Bachelor of Science in Medical Microbiology from the University of Queensland. She had been extensively involved in the North Australian Beef Industry, predominantly in the Research and Development Sector. She is a graduate of the Australian Institute of Company Directors and has been named in the Top 100 Women in Agribusiness.



Lynne Sutherland

Lynne Sutherland is a senior executive who works with major auto manufacturers, banks, universities, travel companies and insurance companies in Australia to negotiate and provide assistance services for their customers in their times of need. She has extensive experience in leading large financial services teams, including store networks, financial planning, business banking, agribusiness banking, migrant banking and business partners across Australia, New Zealand and Asia.

Lynne joined the Board of Safe Food in July 2019 as a Non-Executive Director. She has previous directorships and board governance experience with Suncorp and ANZ NZ subsidiary Boards. She has completed the AICD's Company Directors Course, holds a Bachelor of Horticulture Science, a Graduate Diploma in Management and has completed the INSEAD Advanced Management Program.



Sophie Dwyer

Sophie Dwyer was appointed as a Director in 2010. Sophie Dwyer is the Executive Director of the Health Protection Branch in Queensland Health. The Branch is responsible for health risk assessment and regulation in environmental health (including food safety, poisons, radiation safety and water and general risks to public health). Her career has covered a wide range of public health responsibilities, including the management of local public health units and Queensland Health's health promotion programs and was awarded the Public Service Medal in 2008. She has a Bachelor of Environmental Science (Hons), a Bachelor of Social Work, a Graduate Diploma in Management and a Masters of Public Health. She is a graduate of the Australia Institute of Company Directors.



Malcolm Letts

Malcolm Letts was appointed as a Director from 2015 to April 2020. Malcolm has held the role of Deputy Director-General and Chief Biosecurity Officer since October 2017. Prior to this, Malcolm was the Deputy Director-General, Agriculture. He leads the State's efforts in the management of animals and plant pests and diseases, invasive species, animal welfare and agricultural chemical use. He has extensive experience in managing policy around agricultural industry development, food safety and traceability, and in rural and industry development, trade, investment attraction and agricultural policy made for a smooth transition into biosecurity. Malcolm is the Qld Government representative on the National Biosecurity Committee and chaired a number of state and national biosecurity committees, including the Intergovernmental Agreement on Biosecurity Research and Innovation Working Group.



Bernadette Ditchfield

Bernadette Ditchfield was appointed as a director in April 2020. As Deputy-Director General of Agriculture in the Department of Agriculture and Fisheries, Bernadette Ditchfield is responsible for leading the development of policies, research and initiatives that lift the productivity of Queensland's food and fibre businesses. Bernadette has an extensive background in policy development and service delivery, coupled with a strong industry development focus. Bernadette has over 20 years' experience in both the private and public sectors, holding senior roles in the Department of Natural Resources, Mines and Energy, Queensland Treasury and the Department of the Premier and Cabinet.



Organisational arrangements

Strategic workforce planning and performance

During 2019–20, Safe Food had 34 full-time equivalent positions located in Brisbane, with a permanent separation rate of 17.65%. No redundancy, early retirement or retrenchment packages were paid during this period.

Safe Food actively promotes flexible working arrangements and recognises work-life blend to benefit productivity and commitment to the organisation. These arrangements include flexible working hours and leave arrangements, working from home, telecommuting and part-time opportunities.

The agency is committed to building a responsive and agile workforce that creates new opportunities through its people.

Safe Food has in place workforce planning arrangements and strategies to attract and retain skilled and capable workers with a diversity of skills and experiences, as well as a comprehensive employee management framework.

Safe Food is also committed to building a risk intelligent culture, which means that everyone understands the agency's approach to risk, takes personal responsibility to manage risk in everything they do, and encourages others to follow their example. Safe Food does this by cultivating awareness of how our collective behaviour influences and impacts on the food safety agenda and strategic vision.

Safe Food's strategic workforce plan is developed in line with the Queensland Government 10-year human capital outlook.

In response to the COVID-19 pandemic Safe Food enacted its Business Continuity Plan, which included flexible working arrangements to ensure ongoing provision of services. Staff have been able to work from home using existing resources and technology resulting in minimal impact to the services provided and a seamless business-as-usual experience for Safe Food's clients and stakeholders. Safe Food staff have also provided their knowledge and expertise by assisting the whole-of-government response during the ongoing crisis.

Staff Snapshot	
Full Time Equivalent (FTE) staff	34
Average years of service	7.57
Staff that identify as male	13
Staff that identify as female	21
Staff with 10+ years of service	14
Staff with less than 10 years of service	20



Safe Food's values

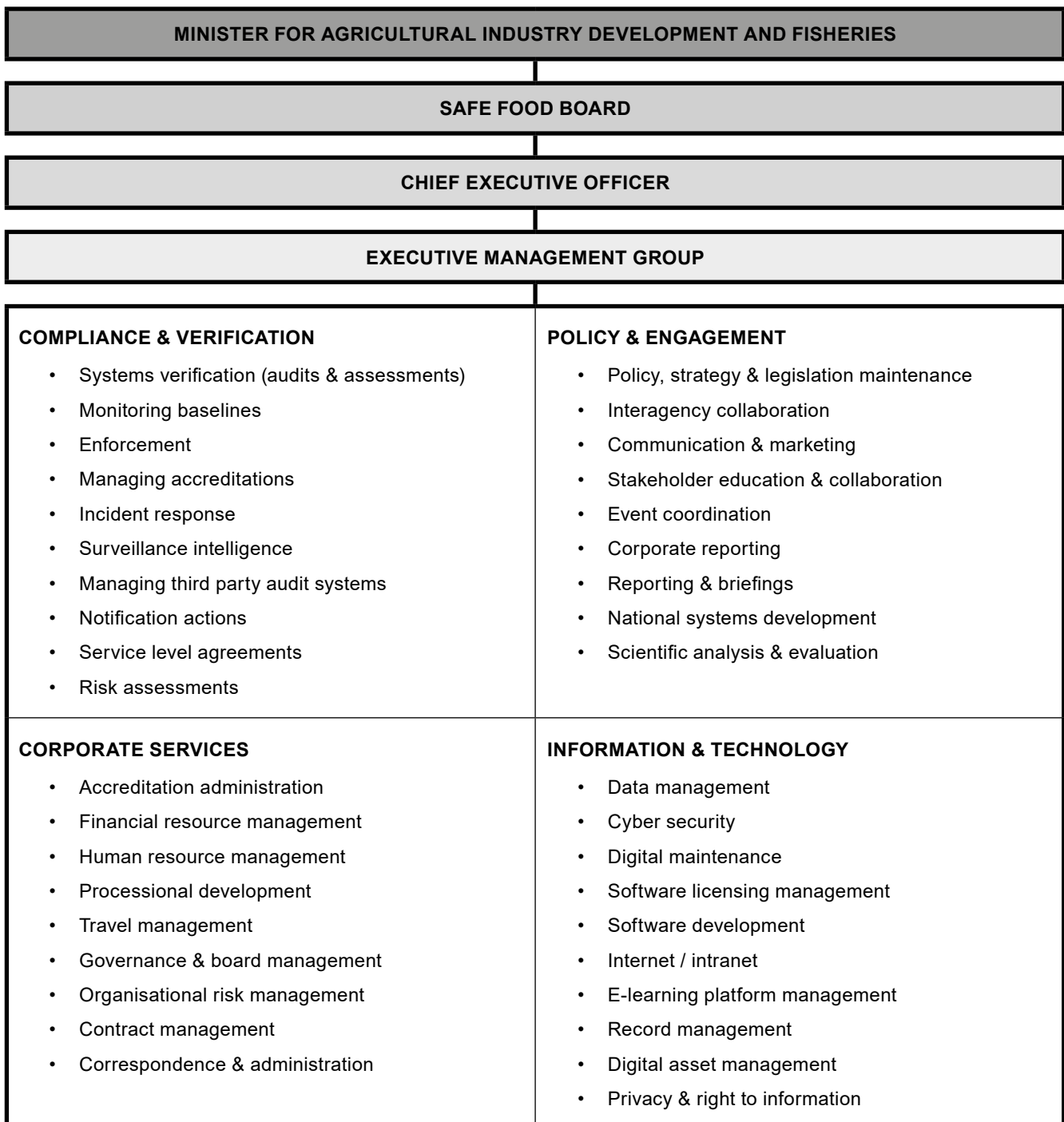
- Diligence, professionalism and integrity in all areas of our work
- Effectively and efficiently dealing with our clients and the community
- Fairness and equity
- Respect for the law and for other people
- Avoid conflicts of interest.

Executive management and leadership

The CEO reports to Safe Food's Board of Directors and the Minister for Agricultural Industry Development and Fisheries. The CEO is responsible for leading and managing the affairs of Safe Food including strategically positioning the agency to achieve organisational and financials goals and implementing Board policy.

The Executive Management Group, which consists of the CEO, directors and managers, is responsible for monitoring the performance of the business, ensuring statutory requirements are met and overseeing the development of risk management strategies for Safe Food.

Organisational Structure





Corporate governance practices

Safe Food achieves its corporate objectives through strong corporate governance, risk management strategies, planning and continuous business improvement. Our corporate priorities are aligned with our corporate policies and processes. Effective corporate planning across the agency ensures statutory obligations are met.

We continually review our operational plans to strengthen our corporate planning processes and to improve the way we monitor, evaluate and deliver our performance information.

Safe Food's ability to make quality decisions and act upon them relies on the provision of sound information, good judgement, ethical behaviour and effective relationships.

The application of effective compliance, performance and risk management processes and mechanisms develops robust corporate governance and underpins our approach.

Our framework is based on the ethics principles outlined in the *Public Sector Ethics Act 1994* and the governance concepts in the *Financial and Performance Management Standard 2019*.

There are a number of internal accountability mechanisms that enable us to manage risk, seize opportunities, and monitor, evaluate and report on our performance as shown in the table below.

Internal accountability mechanisms

Plan	Objectives	Outcome	Document
Statement of Strategy	Prioritises the strategic direction over the long term	Summary of performance against agreed targets and priorities	Annual report
Business Plan	Identifies specific corporate priorities for the year	Provides information to the Board and leadership group against targets	Quarterly reports
Operational Plans	Supports the delivery of corporate priorities	Provides leadership with information on progress towards targets	Weekly meeting minutes
Professional Development Plans	Supports staff in contributing to strategic priorities	Provides feedback to staff	Annual reviews



Corporate planning and performance management

Safe Food seeks to improve the way in which we manage our corporate planning and performance management activities to ensure the integrity of the data and to be innovative and efficient in how we use the data.

Internal audit charter

As part of the internal audit process, Safe Food engages an external provider to examine its systems. The provider also reviews preparation of the annual financial statements and follows up on the prior year's outstanding issues (if any), ensuring the recommendations of the prior audit reports are being implemented.

The internal audit plan is prepared in conjunction with the Executive Management Group and approved by the Safe Food Board annually. The internal audit function has due regard to Queensland Treasury's *Audit Committee Guidelines*.

Audit and risk committee

Safe Food's Audit and Risk Committee is a subcommittee to the Board. The role of the Committee is to assist the Board in regard to business risk management, compliance and monitoring and the legal, financial and regulatory requirements thereof.

The Committee makes recommendations regarding the level of risk that the agency is prepared to accept in pursuit of its objectives. This informs Safe Food's risk appetite statement, risk principles and risk tolerances, and ensures that Safe Food establishes and maintains an appropriate and effective risk management framework.

The Committee has reviewed the terms of its charter during the 2019–2020 fiscal year and continues to operate under the terms of that charter. The charter has been structured with due regard to the *Audit Committee Guidelines* published by the Queensland Audit Office and the committee activities are assessed and independently reported to the Board annually.

Committee position	Name	Remuneration
Chair	Elizabeth Homer	\$2,925
Member (Board)	Lynne Sutherland	\$250
Member (external independent)	Helen Pennisi	\$2,500
Member (CEO)	Jim Dodds	Nil



Public sector ethics

Safe Food requires all employees to maintain high standards of ethical behaviour in the execution of their duties. Executive Management provide direction and guidance to staff in shaping an ethical workplace and helping staff to make better decisions while striving to achieve our objectives.

The principles set out in the *Public Sector Ethics Act 1994* form the basis of our Code of Conduct and our integrity framework. The Safe Food Code of Conduct requires staff to:

- Act with integrity and impartiality, ensuring high standards of workplace behaviour and personal conduct
- Promote the public good through excellence in customer service, community engagement and working with other agencies
- Commit to the system of government through conscientious service to Safe Food and government
- Act with accountability and transparency to support high standards of administration.

All new officers participate in Code of Conduct training as part of their induction program.

Code of Conduct

Safe Food's Code of Conduct (the Code) reflects the diversity and uniqueness of the agency's business. It is a practical guide to ethical decision making and responsible behaviour that incorporates the principles outlined in the *Public Sector Ethics Act 1994*, namely:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government and
- Accountability and transparency

Safe Food's Code of Conduct and all policies and procedures are promoted regularly and are available to staff on the Safe Food intranet. All employees must comply with the Code.

Human Rights

Under the *Human Rights Act 2019*, which commenced in its entirety on 1 January 2020, government agencies and employees have a responsibility to respect, protect and promote the human rights of individuals. Safe Food and its employees must act in a way that is compatible with human rights obligations when delivering services and interacting with the community.

Safe Food contributed to the Department of Agriculture and Fisheries' review of the *Food Production (Safety) Act 2000* and Food Production (Safety) Regulation 2014, which did not identify any human rights limitations that cannot be justified under section 13 of the *Human Rights Act 2019*.

During 2019–20 Safe Food received no human rights complaints.



Workplace health and safety

The health, safety and wellbeing of all employees, contractors and site visitors is a priority for Safe Food.

The Workplace Health & Safety (WH&S) committee has representation from across the organisation.

The WH&S committee holds regular monthly meetings to review progress, identify risks and put forward recommendations to improve workplace conditions.

In response to the emerging issue of COVID-19, the WH&S committee met weekly to implement and coordinate appropriate response measures for staff and accredited businesses.

Training is provided for new employees to ensure they can perform their duties in accordance with the *Work Health and Safety Act 2011* and associated Safe Food policies.

Ongoing training is also in place to ensure all employees can perform their work safely and without risk to their own, or others, health and safety. This includes:

- Annual Safe Food policy refresher training
- Fire safety training
- First aid training including CPR refresher
- Mental health first aid training.

In addition to workplace safety initiatives and training, the agency also offers staff access to an Employee Assistance Provider (EAP) and supports flexible work arrangements which were implemented to facilitate working from home during COVID-19 social restrictions. Staff were consulted about requirements for working from home and resources have been provided to facilitate these flexible working arrangements.

Field staff have been provided with personal protective equipment and training in the use of satellite phones and personal locator beacons to ensure they are able to conduct field work safely.

We have also continued to strengthen our policy documents when working in the field. This includes:

- Vehicle Use Policy
- Working Remotely Policy
- Zoonotic Diseases Policy.

This aligns with the 'keep Queenslanders healthy' priority of the *Our Future State: Advancing Queensland's Priorities*.

The effect of COVID-19 on both Safe Food as a government agency and the food businesses we accredit has led to a change in work practices. Risk assessments are being conducted with each business before Safe Food staff attend a site to ensure that all staff are adequately protected.



Additional information

Right to information

Safe Food is committed to providing the community with open and transparent access to information about our services and activities while protecting the privacy of clients and staff.

Safe Food is committed to releasing as much information as possible and provides access to information in accordance with the legislation and its Open Data strategy. Our website also contains a wide range of information, most of which is downloadable.

Although we provide the community with a significant amount of easily accessible information, interested parties are also able to make an application under the *Right to Information Act 2009* (RTI Act) should they seek to obtain access to information that is not their personal information.

The Information Privacy Act 2009 (IP Act) provides people with the means to access their personal information to ensure it is accurate, complete, up-to-date and not misleading.

The IP Act recognises the importance of protecting the personal information of individuals, gives individuals control over the use and disclosure of their personal information, creates the right for individuals to access and amend their own personal information, and stipulates how agencies must handle personal information.

Concerns or queries relating to the collection, access, storage, use or disclosure of personal information, can be obtained by:

- Calling Safe Food on: (07) 3253 9800
- Free Call: 1800 300 815 (QLD only)
- Emailing: privacy@safefood.qld.gov.au

Right to information and information privacy applications

Safe Food received no privacy applications and no RTI applications in the 2019–20 period.

Making an application

An application for access to documents under either the RTI Act or IP Act may be made via:

- <https://www.smartservice.qld.gov.au/services/information-requests/apply.action>
- Calling Safe Food on (07) 3253 9800
- Free Call: 1800 300 815 (QLD only)
- Emailing: privacy@safefood.qld.gov.au



Applicants must provide proof of identity when applying for access to documents concerning their personal information.

If applying for access to information that is not your personal information, an initial application fee must be paid before the application will be processed. Processing and photocopying charges may apply.

If applying for access to information that is your personal information, an application fee is not payable, but access charges may apply.

Board remuneration

For 2019–20, data for Board remuneration will be published through the Safe Food website (www.safefood.qld.gov.au).

Record keeping

Record keeping information systems and record keeping are an important part of Safe Food's management of the *Food Production (Safety) Act 2000*. We continue to develop strategies and activities supporting the implementation of the Queensland Government Records Governance Policy issued under the *Public Records Act 2002*. Safe Food's accreditation and audit management system (HENRI) provides real-time record management capabilities that support the agencies day-to-day operational, compliance, verification and enforcement activities. Staff have been trained in the agency's records management function and activities.

The agency has a Retention and Disposal Schedule (RDS) approved by Queensland State Archives. All records are maintained under the agency's RDS and/or under the General Retention Disposal Schedule. All disposals including transfers are appropriately recorded in the agencies records management system. In the 2019–2020 period Safe Food did not transfer any records to other agencies.

Safe Food maintains a mix of digital and paper-based records to support operational, governance and strategic outcomes. The agency has implemented a records management plan designed to support and advance our record keeping maturity and Safe Food's initiatives towards the Queensland Government's Digital 1st strategy. Safe Food ceased creation of paper-based files in the 2019–2020 period and is transitioning legacy paper files to digital.

Open data

For 2019–20, consultancies and overseas travel will be published through the Queensland Government Open Data website (www.qld.gov.au/data) where applicable.

An internal open data policy team performs an audit to ensure datasets have been published correctly.

Cybersecurity

The agency recognises the importance of strong cybersecurity controls.

In the 2019–20 period, the agency reviewed its cybersecurity systems to ensure compliance with the Queensland Government Chief Information Office (QGCI) Information Standard 18:2018 (Information security policy) including implementation of an Information Security Management System (ISMS) based on ISO:27001.

The Safe Food Information Security Plan ensures that the agency is focused on continuous review and improvement of these controls.



Our financial position



Safe Food Production Queensland

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income			
Revenue			
User charges and fees *	B1-1	6,023,510	4,663,817
Grants and contributions *	B1-2	1,900,000	1,900,000
Interest	B1-3	99,156	146,376
Other revenue	B1-4	23,735	46,182
Gain on disposal of property, plant and equipment		-	10,247
Total income		8,046,401	6,766,622
Expenses			
Employee expenses	B2-1	4,104,849	3,693,699
Supplies and services	B2-2	1,116,688	2,336,030
Finance/ Borrowing Costs *		98,471	829
Depreciation and amortisation *	B2-3	804,458	263,525
Other expenses	B2-4	31,341	37,358
Total expenses		6,155,807	6,331,441
Operating surplus/ (deficit)		1,890,594	435,181
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,890,594	435,181

* The comparatives have not been restated on adoption of AASB 15/1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

The accompanying notes form part of these financial statements.



Safe Food Production Queensland

Statement of Financial Position as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	C1	8,072,761	7,539,119
Receivables	C2	156,464	320,407
Other assets	C3	114,897	171,292
Total current assets		8,344,122	8,030,818
Non-current assets			
Property, plant and equipment	C4-1	97,769	143,877
Intangible assets	C5-1	45,331	256,000
Right-to-use assets *	C10	2,691,852	-
Total non-current assets		2,834,952	399,877
TOTAL ASSETS		11,179,074	8,430,695
LIABILITIES			
Current liabilities			
Payables	C6	101,322	624,385
Employee benefits provisions	C7	265,574	177,773
Provisions	C8	40,442	39,597
Other liabilities *	C9	-	1,769,705
Lease liabilities *	C10	523,812	-
Total current liabilities		931,150	2,611,460
Non-current liabilities			
Lease liabilities *	C10	2,676,629	-
Total non-current liabilities		2,676,629	-
TOTAL LIABILITIES		3,607,779	2,611,460
NET ASSETS		7,571,295	5,819,235
EQUITY			
Accumulated surplus *		7,571,295	5,819,235
TOTAL EQUITY		7,571,295	5,819,235

* The comparatives have not been restated on adoption of AASB 15/1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

The accompanying notes form part of these financial statements.



Safe Food Production Queensland

Statement of Changes in Equity for the year ended 30 June 2020

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
		\$	\$
Accumulated Surplus			
Balance 1 July		5,819,235	5,503,421
Prior Year Adjustment		-	(119,367)
AASB 16 Adjustment *	E3-4	(138,534)	
Total comprehensive income for the year *		1,890,594	435,181
Balance 30 June		7,571,295	5,819,235

* The comparatives have not been restated on adoption of AASB 15/1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

The accompanying notes form part of these financial statements.



Safe Food Production Queensland

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
Inflows			
User charges		4,445,211	4,901,348
Government contributions		1,900,000	1,900,000
GST input tax credits from ATO		207,929	266,865
GST collected from customers		70,530	111,093
Interest		99,156	146,376
Other		23,735	46,182
		6,746,562	7,371,864
Outflows			
Employee expenses		(4,123,593)	(3,873,324)
Supplies and services		(1,089,560)	(1,638,903)
Finance costs - Leases		(97,624)	-
GST paid to suppliers		(179,322)	(248,255)
GST remitted to the ATO		(121,861)	(129,869)
Other		(82,592)	(736,267)
		(5,694,553)	(6,626,618)
Net cash provided by operating activities	CF-1	1,052,009	745,246
Cash Flows from Investing Activities			
Inflows			
Proceeds from sale of property, plant and equipment		-	10,249
Outflows			
Payments for property, plant and equipment		(5,252)	(115,135)
Payments for intangibles		-	-
		(5,252)	(104,886)
Net cash used in investing activities		(5,252)	(104,886)
Cash Flows from Financing Activities			
Inflows			
Equity injections		-	-
Outflows			
Repayments of principal amounts for leases under AASB 16 *		(513,116)	-
		(513,116)	-
Net cash used in investing activities		(513,116)	-
Net increase in cash and cash equivalents held		533,642	640,360
Cash at beginning of financial year		7,539,119	6,898,759
Cash and cash equivalents at end of financial year	C1	8,072,761	7,539,119

* The comparatives have not been restated on adoption of AASB 15/1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

The accompanying notes form part of these financial statements.



Safe Food Production Queensland

Notes to Statement of Cash Flows for the year ended 30 June 2020

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
		\$	\$
CF-1 Reconciliation of Operating Results to Net Cash Provided by Operating Activities			
Operating Surplus		1,890,594	435,181
<i>Non-Cash items included in operating result:</i>			
Depreciation and amortisation expense-owned Assets		262,028	263,525
Depreciation and amortisation expense- leased assets		542,430	-
Gain on sale of plant & equipment		-	(10,247)
<i>Other non-cash items:</i>			
Prior period error	E7	-	(119,367)
<i>Change in assets and liabilities</i>			
(Increase) / decrease in receivables		163,942	160,122
(Increase) / decrease in other assets		56,395	24,742
Increase / (decrease) in payables		(182,323)	(62,233)
Increase/(decrease) in lease liabilities		845	-
Increase/(decrease) in accrued employee benefits		87,802	(23,885)
Increase / (decrease) in other liabilities		(1,769,704)	77,408
Net cash from operating activities		1,052,009	745,246

SECTION 1 ABOUT THE AGENCY AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

Safe Food Production Queensland was established as a Statutory Body under the *Food Production (Safety) Act 2000* (FPS Act).

The head office and principal place of business of Safe Food Production Queensland (Safe Food) is 138 Juliette Street, Greenslopes, Queensland 4120.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

Safe Food has prepared these financial statements in compliance with the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

Safe Food is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note E3.

A1-3 PRESENTATION

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements except where restated where necessary to be consistent with disclosures in the current report period.

Current/ Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Agency does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A1-4 AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements are authorised for issue by the Chairperson and Chief Executive Officer at the date of signing the Management Certificate.

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

A2 OBJECTIVES OF THE AGENCY

The objective of Safe Food is to work in partnership with industry and with its co-regulatory partners Queensland Health, the Department of Agriculture and Fisheries (DAF) and Food Standards Australia and New Zealand (FSANZ) to ensure Queensland's food production systems comply with national food safety standards and deliver safe and suitable food.



SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2020 \$	2019 \$
Accreditation fees	5,144,898	3,493,747
Application fees	185,425	95,766
Audit fees	668,042	1,015,807
Fee for service income	25,145	58,497
	<u>6,023,510</u>	<u>4,663,817</u>

User charges and fees controlled by Safe Food are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. User charges and fees are recognised in full as revenues when invoices for the related services are issued.

Under AASB 15, Accreditations are considered short term licences, and the individual transaction fees are of low value. Previously, the agency recognised accreditation fee revenue on a straight-line basis over the licence term. Treasury's Minimum Reporting Requirements for 2019-2020 require agencies to identify performance obligations and recognise revenue for licences as/when the performance obligations are satisfied, in line with AASB 15's revenue recognition model. The performance obligation is the grant of an accreditation and, as such the revenue is now recognised upon receipt. See Note E3-3 for AASB 15 impact.

B1-2 GRANTS AND CONTRIBUTIONS

	2020 \$	2019 \$
Department of Agriculture and Fisheries (DAF)	1,900,000	1,900,000

Grants, contributions, donations and gifts that are non-reciprocal in nature are accounted for under AASB 1058 Income of Not-for-Profit Entities. The agency recognises this revenue when it obtains control over it, generally control is gained at the time of receipt.

Where an agreement is enforceable and contains sufficiently specific performance obligations, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers.

B1-3 INTEREST REVENUE

	2020 \$	2019 \$
Interest earned on bank account	99,156	146,376

Interest revenue is derived from the agency's cash deposits held at bank or in term deposits and is dependent on the interest rates offered. Interest revenue is calculated using the effective interest method and recognised at the end of each reporting period.

B1-4 OTHER REVENUE

	2020 \$	2019 \$
Other Revenue	14,740	46,182

Other revenue relates to ad-hoc services provided by Safe Food under a contract basis and is assessed in line with AASB 15's revenue recognition model.

B1-5 GAINS ON DISPOSAL AND REMEASUREMENT OF ASSETS

	2020 \$	2019 \$
Gain on sale of property, plant and equipment	-	10,247

Gains arising from changes in fair value of assets are included in the operating result for the period in which they arise.

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2020	2019
	\$	\$
Employee Benefits		
Wages and salaries	3,477,344	3,044,529
Employer superannuation contributions	402,609	378,133
Other	215,129	259,760
Employee Related Expenses		
Workers' compensation	9,767	11,277
Total Employee Expenses	<u>4,104,849</u>	<u>3,693,699</u>

Accounting Policy - Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the agency expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy - Sick Leave

Prior history indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy - Annual Leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to future rates of pay and on-costs. Annual leave entitlements are provided for at their nominal value.

Accounting Policy - Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on Safe Food to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's Qsuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the agency at the specified rate following completion of the employee's service each pay period. The agency's obligations are limited to those contributions paid.

Accounting Policy - Worker's Compensation Premiums

The agency pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note E1.

34 FTEs at 30 June 2020 (34 FTEs as 30 June 2019). No employees of Safe Food are employed under the *Public Service Act 2008*.



B2-2 SUPPLIES AND SERVICES

Lease expenses

	2020 \$	2019 \$
Supplies and services		
Administration expenses	132,542	132,644
Advertising and conference costs	16,021	34,589
Communication costs	39,753	51,249
Computer costs	211,185	263,221
Contracting & professional services	434,480	720,637
Legal costs	884	154,855
Motor vehicle costs	48,433	64,995
Property, plant and equipment costs	103,178	116,989
Travel costs	72,957	93,940
Other	43	4,805
Lease expenses	57,212	698,105
Total supplies and services	1,116,688	2,336,029

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note C10 for breakdown of lease expenses and other lease disclosures.

B2-3 DEPRECIATION AND AMORTISATION

	2020 \$	2019 \$
Depreciation - plant and equipment	51,359	46,476
Depreciation – right-of-use assets	542,430	-
Amortisation - Intangibles (Computer Software)	210,669	217,049
Total Depreciation and Amortisation	804,458	263,525

B2-4 OTHER EXPENSES

	2020 \$	2019 \$
Impairment Losses (trade receivables)	6,341	12,698
<i>Auditors' remuneration</i>		
Queensland Audit Office - external audit services*	18,000	17,660
Bailiwick Group Pty Ltd - internal audit services	7,000	7,000
Total Other Expenses	31,341	37,358

*Total audit fees quoted by Queensland Audit Office relating to the 2019-2020 financial statements are \$19,800 GST inclusive (2018-2019: \$19,426).



SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on hand	500	500
Cash at bank	2,038,778	3,558,755
Deposits at call	6,033,483	3,979,864
	8,072,761	7,539,119

Accounting Policy - Cash and Cash Equivalents

For the purpose of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

C2 RECEIVABLES

	2020	2019
	\$	\$
Trade debtors	132,946	326,354
Less: Allowance for impairment loss	(5,549)	(5,913)
	127,397	320,441
GST receivable	39,911	68,516
GST payable	(22,026)	(73,354)
Net GST receivable (payable)	17,885	(4,838)
Other debtors	6,572	2,028
LSL Claims Receivable	4,609	2,775
	11,181	4,803
Total Receivables	156,464	320,406

Accounting Policy - Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/ contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. Bad debts are written off in the period in which they are recognised. All known bad debts were written off as at 30 June 2020.

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy - Impairment of Receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the agency's debtors, along with relevant industry and statistical data where applicable.

Where the Agency has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 90 days past due and the Agency has ceased enforcement and collection activities. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is disclosed in Note B2-4.

Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the Agency's receivables.

The agency uses a provision matrix to measure the expected credit loss on trade and other debtors. Loss rates are calculated separately by grouping of customers with similar loss patterns.

The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last 11 years preceding 30 June 2020. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For Safe Food, change in the business activity (for example, ceased trading) is determined to be the most relevant forward-looking indicator for receivables. Actual credit losses over the 11 years preceding 30 June 2020 have been correlated and based on those results, the historical default rates are adjusted based on expected changes to that indicator.

Disclosure - Individually Impaired Receivables Position (Aged)

	2020			
	Gross receivables \$	Loss rate \$	Expected credit losses \$	Carrying amount \$
Overdue				
Current	90,636	0.50%	(457)	90,178
1 to 30 days overdue	30,814	1.38%	(425)	30,389
31 to 60 days overdue	5,393	4.39%	(226)	5,167
61 to 90 days overdue	3,267	10.40%	(224)	3,043
> 90 days overdue	2,836	19.30%	-	2,836
Known impairment (in process)		100.00%	(4,217)	(4,217)
Total Overdue	<u>132,946</u>		<u>(5,549)</u>	<u>127,396</u>

	2019			
	Gross receivables \$	Loss rate \$	Expected credit losses \$	Carrying amount \$
Overdue				
Current	196,635	0.48%	(945)	195,689
1 to 30 days overdue	120,949	1.35%	(1,625)	119,324
31 to 60 days overdue	5,182	3.99%	(190)	4,992
61 to 90 days overdue	3,256	9.23%	(189)	3,067
> 90 days overdue	333.9	17.15%	-	334
Known impairment (in process)		100.00%	(2,964)	(2,964)
Total Overdue	<u>326,355</u>		<u>(5,913)</u>	<u>320,442</u>

Disclosure - Movement in the allowance for impairment loss

	2020	2019
	\$	\$
Loss allowance as at 1 July	5,914	11,109
(Increase) decrease in allowance recognised in the operating result	(365)	(5,195)
Balance at the end of the year	<u>5,549</u>	<u>5,914</u>

The COVID-19 pandemic has restricted the agency in its ability to perform food safety audits. This is reflected in the total gross receivables amount for the fiscal year and directly affects the allowance for impairment loss.

C3 OTHER ASSETS

	2020	2019
	\$	\$
Prepayments	114,897	171,292
	<u>114,897</u>	<u>171,292</u>



C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2020	2019
	\$	\$
At cost	291,404	286,153
Less: accumulated depreciation	<u>(193,635)</u>	<u>(142,276)</u>
	<u>97,769</u>	<u>143,877</u>

Represented by movement in carrying amount

	2020	2019
	\$	\$
Carrying amount at start of year	143,877	75,218
Additions	5,251	115,135
Depreciation	<u>(51,359)</u>	<u>(46,476)</u>
Carrying amount at end of year	<u>97,769</u>	<u>143,877</u>

C4-2 RECOGNITION AND ACQUISITION

Accounting Policy - Recognition

Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and Equipment	\$5,000
---------------------	---------

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Agency. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Accounting Policy - Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

C4-3 MEASUREMENT USING HISTORICAL COST

Accounting Policy

Plant and equipment is measured at historical cost in accordance with the Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

C4-5 DEPRECIATION EXPENSE

Accounting Policy

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the agency.

Key Judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the agency.

For depreciable assets, residual value is determined to be zero reflecting the estimated amount to be received on disposal at the end of their useful life.

Any expenditure that increases the originally assessed capacity or service potential of an assets is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the agency.

Depreciation Rates

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate %
Plant and Equipment	
Computer Hardware	33.3
Motor Vehicles	20.0
Other Plant and Equipment	20.0
Leasehold Improvements	10.0 -13.0

C4-6 IMPAIRMENT

Accounting Policy

Indicators of impairment and determining recoverable amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 Fair Value Measurement. If an indicator of possible impairment exists, the Agency determines the asset's recoverable amount under AASB 13 Impairment of Assets.

Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

As a not-for-profit entity, certain property, plant and equipment of the agency is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.

For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the agency no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant class to the extent available. Where no revaluation surplus is available in respect of the class asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

Reversal of impairment losses

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

C5 INTANGIBLES AND AMORTISATION EXPENSE

C5-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2020 \$	2019 \$
Software Purchased:		
At cost	1,567,277	1,567,277
Less: Accumulated amortisation	<u>(1,521,946)</u>	<u>(1,311,277)</u>
	45,331	256,000
Software Internally Generated:		
At cost	711,492	711,492
Less: Accumulated amortisation	<u>(711,492)</u>	<u>(711,492)</u>
Total	<u><u>45,331</u></u>	<u><u>256,000</u></u>
	2020 \$	2019 \$
<i>Represented by movement in carrying amount</i>		
Carrying amount at start of year	256,000	473,049
Additions	-	-
Amortisation	<u>(210,669)</u>	<u>(217,049)</u>
Carrying amount at end of year	<u><u>45,331</u></u>	<u><u>256,000</u></u>



C5-2 RECOGNITION AND MEASUREMENT

Accounting Policy

Intangible assets of Safe Food comprise purchased software and internally developed software.

Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Item with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of Safe Food's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred. Research and development expensed during the period is included in 'supplies and services expense' (refer to Note B2-2).

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

C5-3 AMORTISATION EXPENSE

Accounting Policy

All intangible assets of Safe Food have finite useful lives and are amortised on a straight line basis over their estimated useful life to Safe Food. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the agency's intangible assets is zero.

Class	Rate %
Computer Software	
Software Purchased	33.3
Software Internally Generated	33.3

C5-4 IMPAIRMENT

Accounting Policy

All intangibles assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Safe Food determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by Safe Food, including discounting the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

C6 PAYABLES

	2020 \$	2019 \$
Trade creditors	<u>136,176</u>	<u>211,903</u>
Other creditors	<u>(34,854)</u>	<u>412,482</u>
	<u>101,322</u>	<u>624,385</u>

Accounting Policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agree purchase/ contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 14 or 30 day terms.

C7 ACCRUED EMPLOYEE BENEFITS

	2020 \$	2019 \$
Annual leave	<u>265,574</u>	<u>177,773</u>
	<u>265,574</u>	<u>177,773</u>

Accounting Policy

No provision for long service leave is recognised in the agency's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

C8 PROVISIONS

	2020 \$	2019 \$
Restoration costs	<u>40,442</u>	<u>39,597</u>
	<u>40,442</u>	<u>39,597</u>

Accounting Policy

Provisions are recorded when the Agency has present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate. The amount recognised is the make good provision for the agency's leased premise.

Key Estimates and Judgements: The provision has been discounted using a rate that reflects current market assessment and risks specific to the liability.

C9 OTHER LIABILITIES

	2020 \$	2019 \$
Unearned revenue - Accreditation & Application Fees	-	1,769,705

Disclosure - Other liabilities

Under AASB 15, Accreditations are considered short term licences, and the individual transaction fees are of low value. Previously, the agency recognised accreditation fee revenue on a straight-line basis over the licence term with the remaining amounts held as Unearned Revenue. Treasury's Minimum Reporting Requirements for 2019-2020 requires agencies to identify performance obligations and recognise revenue for licences as/when the performance obligations are satisfied, in line with AASB 15's revenue recognition model. The performance obligation is the grant of an accreditation and the revenue is now recognised upon receipt.

C10 RIGHT OF USE ASSETS AND LEASE LIABILITIES

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the agency's accounting for leases for which it is lessee. The transitional impact of the new standard are disclosed in Note E3-4.

C10-1 LEASES AS LESSEE

Right-of-use assets

2019-2020	Property	Plant & Equipment	Total
Opening balance at 1 July 2019	2,931,705	161,582	3,093,288
Additions	-	140,994	140,994
Depreciation charge	(404,373)	(112,115)	(516,488)
Disposals/ derecognition	-	(25,942)	(25,942)
Other adjustments	-	-	-
Closing balance at 30 June 2020	<u>2,527,332</u>	<u>164,520</u>	<u>2,691,852</u>

Lease liabilities

	Property	Plant & Equipment	Total
Current	402,415	121,397	523,812
Non-current	2,628,516	48,113	2,676,629
	<u>3,030,931</u>	<u>169,510</u>	<u>3,200,441</u>



Accounting Policy - Leases as lessee

The agency measures right-of use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The agency has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expense on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the agency allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the agency has elected not to separate leases and non-lease components and instead accounts for them as a single lease component.

Where measuring the lease liability, the agency uses its incremental borrowing rate as the discount rate where the interest rate implicit in the leases cannot be readily determined, which is the case for all the agency's leases. To determine the incremental borrowing rate, the agency uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

SECTION 4 NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK DISCLOSURES

D1-1 FINANCIAL INSTRUMENT CATEGORIES

Financial assets and financial liabilities are recognised in the Statement of Financial Position. Safe Food has the following categories of financial assets and financial liabilities:

Category	Notes	2020 \$	2019 \$
Financial Assets at amortised cost			
Cash and cash equivalents	C1	8,072,761	7,539,119
Receivables	C2	127,397	320,442
Total		<u>8,200,158</u>	<u>7,859,560</u>
Financial Liabilities at amortised cost			
Payables	C6	46,955	62,678
Lease liabilities	C10-1	3,200,441	-
Total		<u>3,247,396</u>	<u>62,678</u>

D1-2 FINANCIAL RISK MANAGEMENT

Safe Food's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and Safe Food policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of Safe Food.

Safe Food measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Cash flow management

D1-3 CREDIT RISK EXPOSURE

Credit risk exposure refers to the situation where Safe Food may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provision for impairment.

Financial Assets

No collateral is held as security and no credit enhancements relate to financial assets held by Safe Food.

D1-4 LIQUIDITY RISK

Safe Food is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk is managed on an ongoing basis by ensuring funds are readily available for day to day operations. This is achieved by investing available cash funds in the Safe Food bank account or at call deposit accounts.

D2 CONTINGENCIES

A bank guarantee (security deposit) was provided in 2016 for Head Lease arrangement from the Commonwealth Bank. The amount guaranteed is \$231,000 (equivalent to 6 months rent). There are no known contingent assets or liabilities for 2019-2020 (2018-2019: Nil).



D3 COMMITMENTS

Lease commitments

Accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the agency's accounting for lease commitments, see Note C10.

At 30 June 2020, Safe Food had the following operating lease commitments inclusive of GST:

	2020	2019
	\$	\$
Outstanding lease commitments are due for payment as follows:		
Not later than 1 year	4,660	656,497
Later than 1 year but not later than 5 years	15,532	2,311,415
Later than 5 years	-	1,138,404
	<u>20,192</u>	<u>4,106,316</u>

Capital expenditure commitments

At 30 June 2020, Safe Food had no capital expenditure commitments.

D4 EVENTS AFTER THE BALANCE DATE

There have been no known material post balance date events.

SECTION 5 OTHER INFORMATION

E1 KEY MANAGEMENT

Details of Key Management

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Safe Food during 2019-20.

Position	Position Responsibility
Chief Executive Officer	Responsible for managing the affairs of the Agency and advising the Board performance of the Agency.
Director, Verification & Compliance	Provides leadership in organising and executing verification and compliance by investigative and monitoring activities across the regulatory functions administered by Safe Food.
Director, Policy & Engagement	Provide leadership in the implementation of the corporate and strategic plans in respect of policy development, the communications strategy, stakeholder engagement and analysis of issues and trends with an impact on regulatory functions of Safe Food.

Remuneration Policies

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

Short term employee expenses which include:

- a) salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person;
- b) Non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligation.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Key executive management do not receive performance payments.

1 July 2019 - 30 June 2020

Position	Short Term Employee Expenses		Long Term Employee Expense	Post Employment Expense	Termination Benefits	Total Expense
	Monetary Expenses	Non-Monetary Benefits				
Chief Executive Officer	256,655	-	6,031	30,370	-	293,056
Director, Verification & Compliance	140,113	9,317	3,289	17,221	-	169,941
Director, Policy & Engagement	136,536	9,490	3,205	17,221	-	166,453

1 July 2018 - 30 June 2019

The recruitment and handover process of the Chief Executive Officer (CEO) position commenced during 2018/2019 financial year. The official CEO commenced on 4 March 2019.

Position	Short Term Employee Expenses		Long Term Employee Expense	Post Employment Expense	Termination Benefits	Total Expense
	Monetary Expenses	Non-Monetary Benefits				
Chief Executive Officer (to 23/07/18) * Short term expense including leave entitlement payouts	21,003	3,249	312	2,089	-	26,653
Chief Executive Officer (Acting 24/07/18 to 14/01/19) *	118,573	-	2,534	13,029	-	134,136
Chief Executive Officer (Acting 15/01/19 to 01/03/19)	35,451	-	689	3,372	-	39,512
Chief Executive Officer (from 04/03/2019)	80,309	-	1,947	9,344	-	91,600
Chief Operating Officer (to 23/07/18)	16,126	-	323	2,056	-	18,505
Chief Operating Officer (Acting from 05/11/18 to 14/01/2019)	36,461	-	2,661	3,793	-	42,915

* Amounts have been restated to exclude leave entitlements earned in previous year/s

E2 RELATED PARTY TRANSACTIONS

Transactions with other Queensland-controlled entities

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue (Note B1-2) in the year in which Safe Food obtains control over them (control is generally obtained at the time of receipt).

Corporate Administration Agency provided payroll services to Safe Food totalling \$51,466 for 2019-2020 (2018-2019: \$52,427). Payroll tax totalling \$147,867 was paid to the Office of State Revenue (2018-2019: \$158,309). These amounts are expensed in Supplies and Services and Employee Expenses (Note B2).

E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting Standards Applied for the First Time

One new accounting standard with material impact was applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed in Notes E3-1 to E3-4. No other accounting standards or interpretations that apply to the agency for the first time in 2019-2020 have any material impact on the financial statements.

Accounting Standards Adopted Early

No Australian Accounting Standards have been adopted early for 2019-2020.

E3-1 AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The agency applied AASB 15 Revenue from Contracts with Customers for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below.

1. New revenue recognition model

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised. The five-step model and significant judgments at each step are detailed below.

Step 1 – Identify the contract with the customer	<p>The agency has assessed all current fees and charges to determine the enforceable rights and obligations of any contract. The majority of the agency's fee for service revenue falls under the definition of a point in time contract, in that the performance obligations are satisfied when the service is completed.</p> <p>Occasionally, a more complex contract may be required, these usually state performance criteria and payment due upon completion of each criteria.</p>
Step 2 – Identify the performance obligations in the contract	<p>This step involves firstly identifying all the activities the agency is required to perform under the contract, and determining which activities transfer goods or services to the customer.</p> <p>Where there are multiple goods or services transferred, the agency must assess whether each good or service is a distinct performance obligation or should be combined with other goods or services to form a single performance obligation.</p> <p>To be within the scope of AASB 15, the performance obligations must be 'sufficiently specific', such that the agency is able to measure how far along it is in meeting the performance obligations.</p>
Step 3 – Determine the transaction price	<p>When the consideration in the contract includes a variable amount, the agency needs to estimate the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probably a significant reversal of the revenue will not occur.</p> <p>This includes sales with a right of return, where the amount expected to be refunded is estimated and recognised as a refund liability instead of revenue.</p>
Step 4 – Allocate the transaction price to the performance obligations	<p>When there is more than one performance obligation in a contract, the transaction price must be allocated to each performance obligation, generally this needs to be done on a relative stand-alone selling price basis.</p>
Step 5 – Recognise revenue when or as the agency satisfies performance obligations	<p>Revenue is recognised when the agency transfers control of the goods or services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. And where it is satisfied over time, the agency must also develop a method for measuring progress towards satisfying the obligation.</p>

2. Other changes arising from AASB 15

An Application fee relates to an application assessment process that the agency must complete before an accreditation is initially granted or refused. The fee is non-refundable and paid in advance. In the prior year, applications fees were spread across the 12-month calendar year on a straight-line basis. For the implementation of AASB 15 for the 2019-2020 year, application fees are now recognised upon receipt.

Accreditation fees are paid in advance of the provision of the service, and accreditations are granted for the period of up to one calendar year with a common expiry date of 31 December each year. In previous years, accreditation fees were spread across the 12-month calendar year on a straight-line basis. In line with AASB 15 and Treasury's Minimum Reporting Requirements for the 2019-2020 year, accreditation fees are now recognised upon receipt.

3. Transitional impact

Transitional policies adopted are as follows:

- The agency applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 Revenue, AASB 111 Construction Contracts, and related interpretations.



User charges and fees

Revenue for audit fees, assessment fees and fee for service charges were previously recognised upon completion of the service. This has not changed under AASB 15.

Accreditation and Application Fees

The change in the agency's reporting requirements has increased revenue by \$1,700,403 for the 2019-2020 year, inflating our profit, and caused a corresponding reduction in our liability amount. Refer to Note E3 and Note C9.

Grants and contributions

The agency receives a quarterly grant paid from the Department of Agriculture and Fisheries. The agency has full control of these funds once received. While the agency must spend the funds to perform activities in accordance with stated objectives, the performance obligations relating to this arrangement are not sufficiently specific to fall under AASB 15.

No adjustments to the opening accumulated surplus were required for the adoption of AASB 15.

E3-2 AASB 1058 INCOME OF NOT-FOR-PROFIT ENTITIES

The agency applied AASB 1058 Income of Not-for-Profit Entities for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 1058 are described below.

1. Scope and revenue recognition under AASB 1058

AASB 1058 requires revenue recognition for assets acquired for significantly less than fair value, principally to enable the agency to further its objectives. AASB 1058 also requires revenue recognition of any volunteer services.

The agency has not received any assets valued less than fair value, and does not use volunteer services.

2. Transitional impact

No adjustments to the opening accumulated surplus were required for the adoption of AASB 1058.

E3-3 IMPACT OF ADOPTION OF AASB 15 AND AASB 1058 IN THE CURRENT PERIOD

The following table shows the impacts of adopting AASB 15 and AASB 1058 on the agency's 2019-2020 financial statements. It compares the actual amounts reported to amounts that would have been reported if the previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

	As reported	Prior to changes
<u>Operating result for 2019-20</u>		
User charges and fees	6,023,510	4,323,107
Grants and other contributions	1,900,000	1,900,000
Other revenue	122,891	122,891
Supplies and services	(6,155,807)	(6,155,807)
Impairment losses	-	-
Operating result for the year	1,890,594	190,191
<u>Balances as at 30 June 2020</u>		
Assets		
Receivables	156,464	156,464
Inventories	-	-
Other current assets	8,187,658	8,187,658
Other non-current assets	2,834,952	2,834,952
Total assets	11,179,074	11,179,074
Liabilities		
Payables	101,322	101,322
Provisions	306,016	306,016
Other current liabilities	-	-
Other non-current liabilities	523,812	523,812
Total liabilities	931,150	931,150
Equity		
Accumulated surplus/deficit	7,571,295	5,870,892
Total equity / Net assets	7,571,295	5,870,892



Significant differences in the financial statement line items are described below.

(a) User charges and fees revenue

During 2019-20, user charges revenue of \$5,330,323 was recognised under AASB 15 relating to a short term and low value licences (accreditation and application fees). The amount of revenue recognised reflects the changed recognition requirements under AASB 15 and the performance obligations satisfied during the 2019-2020 financial year, and is \$1,700,403 more than the revenue that would have been recognised on a straight-line basis under the previous standards.

(b) Other current liabilities

Accreditation and application revenue yet to be recognised as revenue on a straight-line basis was previously reported under 'Other current liabilities'. With the immediate revenue recognition requirement, these amounts are now reported under User Charges and Fees.

E3-4 AASB 16 LEASES

The agency applied AASB 16 Leases for the first time in 2019-2020. The agency applied the modified retrospective transition method and has not restated comparative information for 2018-2019, which continue to be reported under AASB 117 Leases and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

1. Definition of a lease

AASB 16 introduced new guidance on the definition of a lease.

2. Changes to lessee accounting

Previously, the agency classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exists for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

Lease Liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the agency is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement
- amounts expected to be payable by the agency under residual value guarantees
- the exercise price of a purchase option that the agency is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

The discount rate used is the interest rate implicit in the lease, or the agency's incremental borrowing rate if the implicit rate cannot be readily determined.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs



Right-of-use assets will subsequently give rise to a depreciation expense and be subject to impairment.

Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right to use the underlying asset rather than the underlying asset itself.

Short-term leases and leases of low value assets

The agency has elected to recognise lease payments for short-term leases and leases of low value assets as expenses on a straight-line basis over the lease term, rather than accounting for them on balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117.

3. Transitional impact

Former operating leases as lessee

- The majority of the agency's former operating leases are now recognised on-balance sheet as right-of-use assets and lease liabilities.
- On transition, lease liabilities were measured at the present value of the remaining lease payments discounted at the agency's incremental borrowing rate at 1 July 2019.
 - The agency's weighted average incremental borrowing rate on 1 July 2019 was 2.7383%
- The right-of-use assets were measured at:
 - their carrying amount as if AASB 16 had always been applied since lease commencement, discounted using the agency's incremental borrowing rate as of the lease commencement – this approach was used for all existing leases, being a leasehold property and vehicles.
- New right-of-use assets were tested for impairment on transition and none were found to be impaired.
- On transition, the agency used practical expedients to:
 - not recognise right-of-use assets and lease liabilities for low value assets;
 - exclude initial direct costs from the measurement of right-of-use assets; and
 - use hindsight when determining the lease term.

The following table summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases.

	\$
Right of use assets - Property, Leased	2,931,705
Right of use assets - Vehicles, Leased	154,149
Right of use assets - Plant and equipment	-
Lease liabilities	(3,565,129)
Accrued lease payment (from straight-lining of operating lease expenses)	340,740
Lease incentives liability	-
Accumulated surplus	138,534

5. Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019

	\$
Total undiscounted operating lease commitments at 30 June 2019	(3,964,393)
- discounted using the incremental borrowing rate at 1 July 2019	399,263
Present value of operating lease commitments	(3,565,130)
- less leases with remaining lease term of less than 12 months	-
- less leases of low value assets	-
- add/less adjustments due to reassessments of lease terms	-
- add/less other adjustments	-
Finance lease liabilities at 30 June 2019	-
Lease liabilities at 1 July 2019	(3,565,130)



E4 TAXATION

Safe Food is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by Safe Food. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C2).

E5 CLIMATE RISK DISCLOSURE

The agency addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

The agency has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

E6 SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19 PANDEMIC

Safe Food's Fee for Service revenue (Compliance Audits and Assessments, and non-conformance audits) has been impacted by the current pandemic. Due to the travel and work restrictions imposed by Queensland Health in early 2020, Safe Food's normal audit calendar has been delayed by approximately 3 months (March to May). 2020 Fee for Service revenue has decreased approximately \$380,000 compared to the 2018-2019 fiscal year. Barring any further COVID-19 travel restrictions, Safe Food expects to recoup the majority of this revenue in 2020-2021.

Provision for Bad Debts is being closely monitored. As Safe Food deals primarily with essential food supply businesses, our bad debt levels has been minimally impacted to date. Refer to Note C2-1.

E7 PRIOR PERIOD ERRORS AND ADJUSTMENTS

In preparation for the 2018-2019 financial statements, the Agency recognised a prior period adjustment. The adjustment recognises a six-month lease free period which was not previously included as part of the aggregated head lease calculations. This adjustment effects the Statement of financial position, increase in accrued property rental (\$119,367) and decrease in accumulated equity (\$119,367).

CERTIFICATE OF SAFE FOOD PRODUCTION QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Safe Food Production Queensland for the financial year ended 30 June 2020 and of the financial position as at the end of that year; and

We, acknowledge(s) responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal control and risk management processes with respect to financial reporting throughout the reporting period.



D Best
Chair
Date: 28 August 2020



J Dodds
CEO
Date: 28 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Board of Safe Food Production Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Safe food Production Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

31 August 2020

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



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Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7 Page 2
Accessibility	Table of contents	ARRs – section 9.1 Page 1
	Glossary	Page 62
	Public availability	ARRs – section 9.2 Page 3
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 Page 3
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 Page 64
Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5 Page 64	
General information	Introductory information	ARRs – section 10.1 Page 6
	Machinery of Government changes	ARRs – section 10.2, 31 & 32 N/A
	Agency role and main functions	ARRs – section 10.2 Page 6
	Operating environment	ARRs – section 10.3 Page 6



Summary of requirement		Basis for requirement	Annual report reference
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	Page 6
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Page 6
	Agency objectives and performance indicators	ARRs – section 11.3	Page 6
	Agency service areas and service standards	ARRs – section 11.4	Page 20
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 28
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 20
	Executive management	ARRs – section 13.2	Page 19
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.	Page 23
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 23
	Queensland public service values	ARRs – section 13.6	Page 19
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 21
	Audit committee	ARRs – section 14.2	Page 22
	Internal audit	ARRs – section 14.3	Page 22
	External scrutiny	ARRs – section 14.4	Page 54
	Information systems and record keeping	ARRs – section 14.5	Page 25
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 18
	Early retirement, redundancy and retrenchment	<i>Directive No. 04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 18



Summary of requirement		Basis for requirement	Annual report reference
Open Data	Statement advising publication of information	ARRs – section 16	Page 26 https://data.qld.gov.au
	Consultancies	ARRs – section 33.1	Page 26
	Overseas travel	ARRs – section 33.2	Page 26
	Queensland Language Services Policy	ARRs – section 33.3	N/A
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 & 46 ARRs – section 17.1	Page 56
	Independent Auditors Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 54

- FAA *Financial Accountability Act 2009*
- FPMS *Financial and Performance Management Standard 2019*
- ARRs *Annual Report Requirements for Queensland Government Agencies*



Glossary

Accreditation

The legal instrument that authorises the production and/or processing of primary produce under the *Food Production (Safety) Act 2000*.

Application

An application for accreditation includes the prescribed fee, a description of the activities carried out or proposed to be carried out by the applicant in connection with the production of primary produce, and a copy of their food safety program or management statement.

Assessment

A conversation and observation based verification tool designed to assess the level of food safety awareness, provision and commitment that exists within a businesses, as an indicator of sustained compliance.

Audit

A systematic, independent, official examination of evidence that is evaluated objectively to 'call to account' the holder of accreditation for their food safety obligations.

Baseline

An initial set of measurements and observations that identify the most appropriate food safety interventions of a system.

Compliance

When a person or food business is operating within the regulatory requirements that apply to the activity in which they are engaged and in keeping with the baseline for that activity.

Food Production (Safety) Act 2000

The *Food Production (Safety) Act 2000* is the legislation under which Safe Food operates. The Act aims to ensure that the production of primary produce is carried out in a way that:

- Makes primary produce fit for human or animal consumption and maintains food quality
- Provides for food safety measures for the production of primary produce consistent with other State laws relating to food safety.

Food safety program

A general term referring to any risk-based food safety management system, including legislated food safety programs.

Inspection

A formal or official viewing or examination of activities conducted by a business as part of their accreditation with Safe Food.

Management statement

A document prepared by an individual or business outlining their business activities and how they control the food safety risks in their business.



Monitoring

Includes, but is not limited to, a method used to check, observe, or record the operation of a food business.

Processor

A processor is a person who undertakes processing activities as defined under *Food Production (Safety) Act 2000*.

Producer

A producer is a person who undertakes primary production activities under the *Food Production (Safety) Act 2000*.

Risk

In relation to food safety, a measure of the probability that a particular activity will result in unsafe or unsuitable food.

Supply chain

A series of steps or processes from the point of harvest or production through to the consumer. The supply chain can vary in length according to activities, time and travel distance.

Verification

The application of methods, procedures, tests and other tools for evaluation, in addition to monitoring, to determine compliance of a food safety program with the Food Standards Code or appropriate regulation.

Acronyms

ARR	Annual Report Requirements
CAR	Corrective Action Request
CAS	Compliance Assessment System
CEO	Chief Executive Officer
CIMS	Central Information Management System
DAF	Department of Agriculture and Fisheries
DAWE	Australian Department of Agriculture, Water and the Environment
EAP	Employee Assistance Provider
FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2019</i>
FPS Act	<i>Food Production (Safety) Act 2000</i>
FRSC	Food Regulation Standing Committee
FSANZ	Food Standards Australia New Zealand
IP	Information Privacy
ISFR	Implementation Subcommittee for Food Regulation
ISMS	Information Security Management System
IT	Information Technology
PIN	Penalty Infringement Notice
PSA	Preferred Supplier Arrangement
QGCI	Queensland Government Chief Information Office
RDS	Retention and Disposal Schedule
RTI	Right to Information
SE	<i>Salmonella</i> Enteritidis
SEPP	<i>Salmonella</i> Enteritidis Prevention Plan
SOP	Standard Operating Procedures
WH&S	Workplace Health & Safety



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Annual Report 2019–2020

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