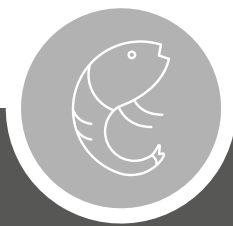
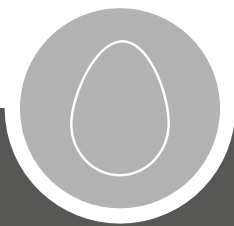


# 2020-21 Annual Report







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# Letter of compliance

31/08/2021

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report for 2020–2021 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 63 of this Annual Report.

Yours sincerely

Debbie Best  
Chair of Board  
Safe Food Production Queensland



## Public availability

This Annual Report is available on our website at [www.safefood.qld.gov.au/annual-reports/](http://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](mailto:info@safefood.qld.gov.au)

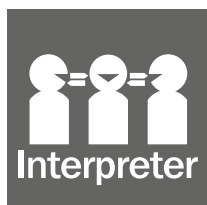
Phone: (07) 3253 9800

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 2020–2021 Annual Report for Safe Food Production Queensland (Safe Food) on behalf of the Board.

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 Queensland Health representative from Sophie Dwyer to John Piispanen. I would like to acknowledge the significant contribution Sophie gave to the Board and Safe Food over many years, and the strong partnership she forged between Safe Food and Queensland Health.

As a result of the COVID-19 pandemic, both the Board and the Audit and Risk Committee have met more frequently during 2020–2021 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 also developed new methods of audit and assessment to ensure the safety of both accreditation holders and Safe Food staff.

During the 2020–2021 period, Safe Food has worked with Queensland's meat export processors to assist in development of guidance materials to ensure they have appropriate systems in place to manage the risks associated with COVID-19 and their workforces.

The Health Plan Maturity Assessment Tool (HPMAT) has been adapted for use by other industry groups. The HPMAT allows businesses to continually test the performance of their systems and make changes or improvements where the most protection will be achieved.

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 who have worked tirelessly to deliver services in a very challenging environment.

Debbie Best  
Chair  
Safe Food Production Queensland



# Message from the Chief Executive Officer

This year, Safe Food celebrates twenty years of providing regulatory oversight of food safety in the primary production and processing sector. This is a complex task requiring a good understanding of the industries, their supply chains and how they operate and manage risks, both at an individual business level and through-chain. Since its establishment, Safe Food has led the way in implementing innovative approaches to monitoring compliance. This is a tribute to those who have worked in the Agency and those who have partnered and researched with us over this time. These collaborations often resulted in inventing and creating some exciting approaches. We are very proud of the influence that our staff have had in food safety management in both the State and National arenas.

To help us celebrate our 20th anniversary we have released several stories; some in written form and some as videos. They tell of Safe Food's creation and document the journey through time. I encourage you to seek these stories out on our website and relive the journey with us.

In May 2021 we participated in Beef Week, which was celebrated in Rockhampton. This was a great success, with staff managing the Safe Food stall, talking to the public and industry, and presenting at seminars, which resulted in Safe Food being featured in media events.

The story of Safe Food, and its trialling and adoption of innovative approaches, has always been at the heart of the organisation. This is illustrated by the interest from other regulators, both in Queensland and other Australian States and Territories, in our digital applications like CIMS (Central Information Management System) and CAS (Central Assessment System). These applications and tools were informed through constant engagement with industry and Government. This foundation has built a culture of communication and regulatory excellence built on trust and a shared desire to ensure our food is safe and our industry sustainable.

Safe Food has always been clear about our regulatory purpose and responsibilities and strives to ensure those it regulates clearly understand their responsibilities. An early innovation pioneered the establishment of a different and unique level of engagement with industry that explored exciting, new service delivery models. It is this solid foundation that has allowed us to stretch the performance of many industries we work with.

There have been times when our role as a regulator of public health and safety has required a strong response. Our culture and behaviour enabled us to achieve significant improvements within and for industry during these difficult times.

As it has for the primary production sector, COVID-19 has challenged Safe Food throughout 2020–21. Safe Food events planned for the period, such as stakeholder briefings and information sessions, were unable to proceed due to the uncertainties created by the COVID disruptions.

As the pandemic impacted the Queensland community and brought uncertainty to the industries we regulate, Safe Food was able to support the businesses with pragmatic advice in a timely fashion. An example is the development of our off-site assessment tool.

Queensland industries and the community have directly benefited during the pandemic from the foundational work of Safe Food in developing and using this off-site assessment approach. With the restriction on visitors to sites being a key strategy to reduce transmission, Safe Food was able to use off-site approaches and associated technologies to continue monitoring the performance of facilities and assist industry to manage emerging risks.



Our ability to engage with industry groups throughout the pandemic, taking the time to understand their approaches, to identify and manage risks and provide practical advice, were used initially with those industries we had existing relationships with. This approach was then rolled out to business sectors we had not worked with previously.

The adoption of digital tools to exchange performance data, encouraged and facilitated by Safe Food, created a foundation for further development of COVID-specific digital tools. These tools supported industry to test the maturity of their COVID preparation systems.

As we finished 2020, we initiated a project to amalgamate our learnings from these many forays into innovative practice in both service delivery and digital systems. This system designs, creates and then implements an integrated model of gathering and sharing information about industry compliance and performance. This will strengthen our corporate and staff regulatory culture and ensure that we continue to evolve to meet our purpose – to provide confidence that food produced in Queensland is safe; through innovative and effective regulation which supports industry growth.

Here's to the next 20 years of striving for regulatory excellence – for the benefit of all Queenslanders.

Jim Dodds  
CEO  
Safe Food Production Queensland





# About us

**Queenslanders are in an enviable position, where the safety of our food is taken for granted, both when we purchase food for the home and when we eat out. This has been achieved through the commitment of Queensland's food businesses, from farmers and fishers to restaurants and retailers, to ensure safety is front of mind throughout the whole supply chain.**

Our reputation for premium, high-quality, safe products, both within Australia and overseas, depends upon maintaining food standards. Safe Food Production Queensland (Safe Food) plays an important role in ensuring this reputation is maintained by verifying that these standards are met, our food sectors are prepared and responding to current and emerging challenges, 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* and reports to the Minister for Agricultural Industry Development and Fisheries. We use a science and risk-based regulatory framework to monitor compliance and respond to threats in a risk proportionate way.

Safe Food's core business is the development and implementation of food safety policy and standards through outcomes-focused Food Safety Schemes. Our collaborative approach to food regulation means that we are a responsive Queensland Government agency that ensures food safety regulatory requirements are satisfied, while continually innovating to improve our regulatory model and reduce regulatory burden.

Through our regulatory activities, Safe Food helps to manage the food safety risks associated with food production systems. We provide certainty about food safety through the food supply chain by our 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 helped us to keep supporting both accredited businesses and the food industry sectors during the coronavirus pandemic.

Safe Food is now implementing its *Strategic Plan 2020–2023*, which guides us to achieve our purpose of providing confidence that food produced in Queensland is safe, through innovative and effective regulation which supports industry growth. Our vision under the Strategy is to be the trusted authority on food safety, and our regulatory framework continues to focus on influencing behaviour as an important element of sustaining compliance.

Our activities support the Queensland Government's objectives for the community as outlined in *Unite and Recover – Queensland's Economic Recovery Plan*. This report outlines these activities and how they align with these objectives, which are focused on three key areas:

- protecting our health
- creating jobs
- working together.



# How we regulate and verify compliance

**Managing food safety risks is a shared responsibility between consumers, food businesses, industry and government. Controlling these risks during primary production and processing is the responsibility of food businesses, while Safe Food has a responsibility to verify compliance with food safety requirements.**

When a business is not fulfilling its legal obligations to produce safe and suitable food, Safe Food uses a range of regulatory and non-regulatory tools to verify compliance and enforce requirements. We recognise the dynamic environment in which food businesses operate and offer a range of monitoring methods, providing businesses with greater flexibility in how they demonstrate compliance with regulatory requirements. These tools include accreditation, audit, food safety assessments, and data sharing arrangements.

## Engagement and collaboration

Industry engagement and the development of guidance documents are also important non-regulatory tools to help businesses achieve sustained compliance. 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. 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.

Though our partnership and engagement with industry, Safe Food has designed information sharing platforms to deliver a regulatory approach that strikes the right balance between meeting consumer expectations, risk prevention, support for industry innovation and growth, as well as a more predictable and traceable food system.

## Accreditation

Under the Food Production (Safety) Regulation 2014, businesses undertaking prescribed activities are required to hold an accreditation with Safe Food. Activities that require an accreditation must meet the requirements of the applicable Food Safety Scheme – Meat; Seafood; Eggs; Dairy; and Horticulture (Seed Sprouts).

During the current reporting period we moved to fully digitise our accreditation process, to improve the time taken to assess new applications and to make better use of the information collected for categorising businesses and assigning risk. As part of the digitisation process, changes were also made to create industry specific information packs accessible via our website to assist new applicants to lodge a fully completed application with all relevant supporting information on their first submission.

To further improve the user experience, Safe Food will develop an online application portal to streamline the end-to-end process for making an application and for granting a Safe Food accreditation. By moving to an online application system, Safe Food will be better positioned to collect business profile information. This information will describe the characteristics of each business and provide a workforce profile, thereby enabling Safe Food to provide concise food safety messaging to relevant industry participants. This will also modernise how we manage and assess food safety risks into the future. Accreditation holders will also benefit by having access to all their information and being able to engage with Safe Food through their own food safety hub.



Accredited businesses must also operate in accordance with their Safe Food approved food safety program or management statement. This documentation details how the business manages its food safety risks and must be reviewed regularly to ensure it remains current and reflects current business practices.

## Compliance verification and enforcement

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 are a key part of Safe Food's Compliance Policy, however other monitoring approaches continue to be developed, and refined. 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. CIMS can facilitate through-chain monitoring of production systems, allowing industry to demonstrate that it is meeting agreed 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 a business culture that promotes food safety and achieves 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 *Strategic Plan 2020–2023* is framed around four strategic priorities. These priorities provide a foundation for Safe Food to achieve its vision of being the trusted authority for food safety and fulfil its purpose of providing confidence that food produced in Queensland is safe. We will do this through innovative and effective regulation which supports industry growth. The priorities are:**

1. *Expanding our positive influence and impact.* Understanding emerging best practice and driving changed behaviour across the whole food industry landscape.
2. *Leading the way in regulation innovation.* Working with industry to help develop agency best practice and providing guidance in regulation, including the development of industry best practice guides.
3. *Transforming our corporate capabilities.* Ensuring we have the right systems, processes, capacity and capability to realise our vision and fulfil our purpose.
4. *Strengthening our scientific contribution.* Influencing national and international food safety practices through rigorous scientific contribution in the niche domain of safe food production.

The Strategic Plan builds on Safe Food's approach of working with industry on innovative methods to demonstrate compliance, which 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. As noted in *The Queensland Government Guide to Better Regulation*, these model practices were developed to support the achievement of policy objectives through better interactions between regulators and their stakeholders, resulting in reduced burden/costs for all parties.

This report demonstrates Safe Food's alignment between the performance framework, Safe Food's activities and the Queensland Government objectives, 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 is shown below.



		OUR STRATEGIC PRIORITIES			
		Priority 1: Expanding our positive influence and impact	Priority 2: Leading the way in regulation innovation	Priority 3: Transforming our corporate capabilities	Priority 4: Strengthening our scientific contribution
REGULATOR MODEL PRACTICES	Ensure 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	✓	✓	✓	✓

**Sources**

Safe Food’s *Strategic Plan 2020–2023* is available on our website [www.safefood.qld.gov.au](http://www.safefood.qld.gov.au)

*The Queensland Government Guide to Better Regulation* is available at [www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)



# Protecting our health

## Queensland's economic success depends on our ability to protect the health and wellbeing of Queenslanders

Safe Food contributed to the government objectives for the community by:

- keeping Queensland's food production and processing sectors pandemic-ready, and
- maintaining consumer confidence in the safety of Queensland's produce through verifying compliance with food safety requirements.

Ensuring a safe, secure food supply chain has been of critical importance during the coronavirus pandemic. Maintaining the confidence of both consumers and importing countries, as well as minimising disruption to Queensland's food supply during the current COVID-19 pandemic, continues to be a priority for Safe Food.

During 2020–21 Safe Food continued to engage with industry sectors, participate in conferences and workshops, meet with businesses, industry representatives and peak bodies, and contribute to national forums on food regulation and the impacts of COVID-19 on food businesses.

The focus of this engagement was to collaborate and share information to manage risks related to disruptions in the supply chain, trade, and workforce management; to ensure food standards continue to be adhered to; and to ensure accredited businesses and their supply chain partners have appropriate plans in place to respond to COVID-19 outbreaks. Our contribution included:

- creating additional resources on the Safe Food website, developing targeted checklists and guidelines for food businesses
- contributing to the COVID-19 Agriculture Coordination Group and its working groups. This has included the development and revision of the *Guideline for Reducing Workforce Impacts Related to COVID-19* and its associated checklist.
- developing material targeted at accredited businesses, such as butchers, meat processors and seafood processors.
- undertaking COVID-19 preparedness assessments of accredited businesses. These assessments occurred during routine food safety audits and assessments as part of Safe Food's compliance program.
- leading a project with industry and Government to develop a standard protocol for use by meat processors on how they should respond in the event of a confirmed case of COVID-19 in their workforce.
- The development of a digital platform for businesses to share information relating to the management controls they have implemented to minimise the risk of COVID-19 transmission at their workplace.
- The appointment of Safe Food officers as Emergency Officers – General under the *Public Health Act 2005*.

Safe Food continued to monitor compliance with food safety schemes using approaches that considered the activities and food safety risks of each category of business. The primary methods of monitoring compliance with food safety requirements included auditing, assessment and data sharing via electronic platforms (see 'How we regulate and verify compliance' on page 8). A summary of these activities undertaken in 2020–21 is provided in the table below. There was an increased number of audits undertaken in this period, when compared to 2019–20, due to delays in undertaking some audits because of the COVID-19 pandemic response.



VERIFICATION & COMPLIANCE			
Number of Audits conducted	5000	Corrective Action Requests issued	128
Number of Assessments conducted	1325	Businesses supplying data	
Temporary Accreditations issued	77	Total businesses	338
Approved auditors	44	Dairy businesses	290
Safe Food auditors	27	Egg businesses	17
Third-party auditors	17	Meat businesses	31

The above activities align our strategic priorities of expanding our positive influence and impact; leading the way in regulation innovation; and strengthening our scientific contribution. They also align with the **regulator model practices**, including:

- ensuring regulatory activity is proportionate to risk and minimises unnecessary burden
- consulting and engaging meaningfully with stakeholders
- providing appropriate information and support to assist compliance.



# Creating jobs

## Supporting small business and food manufacturing in a changing environment

Safe Food contributed to the government objectives for the community by:

- assisting businesses to adapt and innovate during the pandemic, and
- supporting the growth of food manufacturing in our regions.

Safe Food recognises the dynamic nature of the food industry, with constant changes to the way food is produced, processed, distributed, and sold to consumers. These developments have been driven by a range of factors, such as food technology innovations, a huge growth in online sales and marketing, changes in consumer demand and a greater focus by industry on food security, food production systems and supply chains.

During 2020–21, Safe Food issued 7332 accreditations, including 803 new applications. Approximately 50% of accreditations issued were for activities undertaken outside South East Queensland.

A breakdown of accreditations is provided in the table below.

OUR ACCREDITATION BASE			
Accreditations in Queensland	7332	Export registered businesses	188
Accreditations by scheme		Export registered by scheme	
Dairy	388	Dairy	18
Egg	120	Egg	5
Horticulture (seed sprouts)	6	Horticulture (seed sprouts)	0
Meat	5730	Meat	67
Seafood	1088	Seafood	98
Other information			
New applications approved	803	PSAs under Meat scheme	116
Accredited under a Preferred Supplier Arrangement (PSA)	143	PSAs under Egg scheme	27

Safe Food contributed to the government's objectives, and reduced the regulatory burden on businesses during 2020–21 by:

- issuing temporary accreditations to businesses undertaking medium-risk and high-risk activities to assist the business to demonstrate that new or innovative food processing activities meet food standards.
- providing information to accreditation applicants regarding regulatory approvals that may be required by other government agencies at a local, state and national level.





- issuing 143 Preferred Supplier Arrangement (PSA) accreditations, which acknowledge existing commercial supply arrangements. Under a PSA, these businesses only supply to one customer, usually a large commercial processor within their industry. To reduce regulatory burden and costs on these businesses, Safe Food works directly with commercial processors to verify compliance of their PSA suppliers and does not apply an accredited fee for PSAs.
- refreshing our website to improve its usability and enable businesses, including startups, to obtain the information they need to successfully operate.
- increasing the accessibility of our CIMS platform for data sharing with poultry processes and egg producers.
- updating Safe Food's online accreditation register (also known as the Food Business Register), which lists all accredited businesses. The register helps consumers and businesses source food produced or sold in their region and assists businesses to demonstrate their accreditation bona fides. The register was updated to enable searches of vehicle registration numbers to assist in the implementation of Queensland's COVID-19 border controls.

These activities align with our strategic priorities of expanding our positive influence and impact; leading the way in regulation innovation; and strengthening our scientific contribution. They also align with the regulator model practices, in particular:

- Consulting and engaging meaningfully with stakeholders
- Providing appropriate information and support to assist compliance.



# Working together

## Working in partnership with stakeholders to facilitate compliance and respond to emerging risks

Safe Food contributed to the government objectives for the community by:

- Delivering world-class frontline services
- Investing in skills
- Building confidence and trust in the Queensland regulatory system through effective risk communication and engagement

As an innovative regulator which continually drives improvement to achieve best practice regulation, Safe Food recognises the dynamic commercial and consumer environments in which accredited businesses operate. We provide businesses with increasingly flexible ways for demonstrating compliance with food safety requirements, as outlined in page 8. We also work to reduce regulatory burden and support businesses to achieve best practice to ensure sustained compliance with food safety requirements.

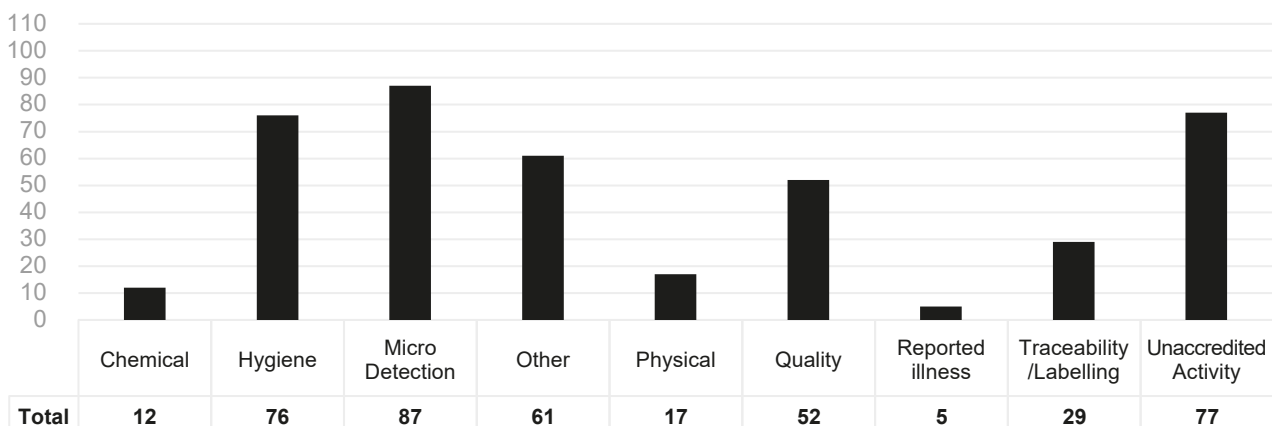
Food regulation remains at the centre of Safe Food’s purpose. However, the value of our scientific, risk assessment approach to inform risk management has proved to be a considerable asset to industry and other government agencies during the response to the COVID-19 pandemic and food safety incidents.

Safe Food remains the only food regulator in Australia to implement a notification requirement for accredited businesses who believe the acceptability of product may have been compromised and has the potential to present a food safety concern.

During 2020–21, Safe Food was notified of 416 alleged food safety issues (see the Table below), including notifications from accredited food businesses.

In many cases the notifications do not reflect poor compliance but, through information sharing, demonstrate that potential risks are being effectively managed. Most notifications are comprised of microbiological detections (21%), hygiene issues (18%) and unaccredited activities (19%).

Food Safety Notifications by Type FY2020–2021





In accordance with our Compliance Policy, Safe Food facilitated and enforced compliance in a graduated and proportionate way. A total of 128 Corrective Action Requests (CARs), 9 compliance notices, zero Penalty Infringement Notice (PIN) and zero prosecutions were recorded in 2020–21.

NOTIFICATIONS & RESPONSE			
Notifications & complaints received	416	Penalty Infringement Notices issued	0
Compliance notices issued	9	Recalls relating to accredited businesses	3

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 an export registration issued by DAWE.

During 2020–21 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 the egg production industry. We also shared the biosecurity advice from Biosecurity Queensland with accreditation holders on matters such as African swine fever.

Safe Food continued to work with the horticulture sector and government agencies to share information regarding food safety management practices within the sector. This is in addition to Safe Food's ongoing work to promote greater information sharing between the agency, accredited businesses and stakeholder bodies aimed at reducing regulatory burden, improving responsiveness of both Safe Food and businesses, and promoting best practice within each sector.

Safe Food assessed COVID related risks for the food supply chain and workforce. This was undertaken with the Queensland Health, the Queensland Department of Agriculture & Fisheries (DAF) and the Office of Industrial Relations, as well as with our industry partners, to assist in the development and sharing of resources to maintain essential food supplies and help food workers stay safe.

We continue to provide input into national regulatory processes and risk assessments. This included projects underway to modernise the Australia New Zealand food regulation system, and contributing to proposals regarding the Australia New Zealand Food Standards Code, such as food safety management for high-risk horticulture products.

These activities align our strategic priorities of expanding our positive influence and impact; leading the way in regulation innovation; transforming our corporate capabilities; and strengthening our scientific contribution. They also align with all regulator model practices:

- ensuring regulatory activity is proportionate to risk and minimises unnecessary burden
- consulting and engaging meaningfully with stakeholders
- providing appropriate information and support to assist compliance
- committing to continuous improvement
- being transparent and accountable in actions.



# 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 Safe Food operates according to sound financial management principles and practices.

The Board maintains an overview of the administration and policies of Safe Food, 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 Safe Food. The Board members for the reporting period are:

- Chair Debra-Lee (Debbie) Best
- Elizabeth (Libby) Homer
- Lynne Sutherland
- Bernadette Ditchfield (representative of the Chief Executive of DAF)
- John Piispanen (representative of the Chief Executive of Queensland Health) from 9 November 2020
- Sophie Dwyer (representative of the Chief Executive of Queensland Health) to 8 November 2020

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 based on 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 2020–21, to manage the risk associated with COVID-19 and to monitor the financial performance of Safe Food.

Board director	Board meetings attended
Debra-Lee Best (Chair)	7
Elizabeth Homer	7
Lynne Sutherland	7
Bernadette Ditchfield	5
John Piispanen	4
Sophie Dwyer	2



## 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, Audit and Risk Committee for the Department of Resources, and the Electoral Commission of Queensland. Debbie is an independent member of the Audit and Risk Management Committee for the Department of Regional Development, Manufacturing and Water.

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.

## 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 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.



## John Piispanen

John Piispanen was appointed as a Director in November 2020. John is currently the acting Executive Director of the Health Protection Branch of Queensland Health. For the previous 10 years, he was the Director of the Metro North Public Health Unit. John has worked with Queensland Health for over 36 years, spending much of this time in far North Queensland as the Director of Environmental Health.

John is a qualified environmental health officer and has a Master of Public Health from James Cook University where he was awarded the Sidney Sax Medal for outstanding academic achievement. He has an Adjunct Appointment as Associate Professor with the University of Queensland.

John's interests in public health include, food safety and standards, health risk assessment, regulatory interventions and also disaster and emergency response. He is a member of the Australian Medical Assistance Team (AusMat) and has also had the opportunity to undertake numerous international deployments including his contribution to the Ebola response in West Africa and COVID-19 response in Papua New Guinea.

## 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.



# Organisational arrangements

## Strategic workforce planning and performance

**During 2020–2021, Safe Food had 31.23 full-time equivalent (FTE) positions located in Brisbane, and 1 FTE in Cairns, with a permanent separation rate of 0%. 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	32.23
Average years of service	8.84
Staff that identify as male	13
Staff that identify as female	20
Staff with 10+ years of service	14
Staff with less than 10 years of service	19



## Safe Food's values

- **Accountability** - We hold ourselves accountable for the quality and outcomes of our work and for the commitments we make to our clients, stakeholder groups and each other.
- **Respect** - We value the diverse cultures, experiences and perspectives of everyone, and treat our clients, stakeholder groups and each other with courtesy and fairness.
- **Integrity** - We maintain high standards of professional and ethical behaviour, and value transparency and honesty in our communications, relationships and actions.
- **Creativity** - We go beyond conventional thinking, driving innovation in collaboration with our clients and stakeholder groups.

## 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.

<b>Chief Executive Officer</b>	
Responsible for managing the affairs of the Agency and advising the Board about the performance of the Agency.	
<b>Director, Verification &amp; Compliance</b> Provide leadership in organising and executing verification and compliance by investigative and monitoring activities across the regulatory functions administered by Safe Food.	<b>Director, Policy &amp; Engagement</b> 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.





# Organisational Structure

MINISTER FOR AGRICULTURAL INDUSTRY DEVELOPMENT AND FISHERIES

SAFE FOOD BOARD

CHIEF EXECUTIVE OFFICER - JIM DODDS

EXECUTIVE MANAGEMENT GROUP

## COMPLIANCE & VERIFICATION

- Systems verification (audits & assessments)
- Monitoring baselines
- Enforcement
- Managing accreditations
- Incident response
- Surveillance intelligence
- Managing third party audit systems
- Notification actions
- Service level agreements
- Risk assessments

## POLICY & ENGAGEMENT

- Policy, strategy & legislation maintenance
- Interagency collaboration
- Communication & marketing
- Stakeholder education & collaboration
- Event coordination
- Corporate reporting
- Reporting & briefings
- National systems development
- Scientific analysis & evaluation

## CORPORATE SERVICES

- Accreditation administration
- Financial resource management
- Human resource management
- Professional development
- Travel management
- Governance & board management
- Organisational risk management
- Contract management
- Correspondence & administration

## INFORMATION & TECHNOLOGY

- Data management
- Cyber security
- Digital maintenance
- Software licensing management
- Software development
- Internet / intranet
- E-learning platform management
- Record management
- Digital asset management
- Privacy & right to information



# 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*.

Internal accountability mechanisms are in place to enable us to manage risk, seize opportunities, monitor, evaluate and report on our performance as shown in the table below.

## Internal accountability mechanisms

Plan	Objectives	Outcome	Document
Strategic Plan	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 regarding 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 2020–2021 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 (Board)	Elizabeth Homer	\$2,275
Member (Board)	Lynne Sutherland	\$1,250
Member (external independent)	Helen Pennisi	\$2,750
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 provides 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 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 are required to complete annual refresher training and must comply with the Code.

## Human Rights

Under the *Human Rights Act 2019*, 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. This is reflected in our organisational values and Code of Conduct.

Safe Food previously 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 2020–21 Safe Food received no human rights complaints.



# Workplace health and safety

**Safe Food has a well-documented Workplace Health and Safety Plan that is supported by policies and procedures for reducing and controlling risks to our employees. The plan is subject to review annually to ensure we are doing as much as possible to protect our employees and complying the Queensland Governments updated directives.**

A Workplace Health and Safety Incident Notification Register has been established and staff are encouraged to provide input for continuous improvement.

The Workplace Health and Safety Committee has been an excellent means for connecting with our employees regarding their health and safety concerns and a way for Safe Food to disseminate information through Operational meetings and into our work force teams. The Committee, consisting of representatives from each operational team and the Executive Management Group, held nine meetings during 2020–21 and communicated outcomes to all employees via the organisation's internal messaging app (Slack). Workplace Health and Safety is a standing item at each weekly operational meeting, with escalation of identified issues to the Workplace Health and Safety Committee for consideration.

Our approach to managing workplace health and safety risks is supported by a strong workplace culture of identifying, preventing or escalating workplace health and safety risks at the earliest opportunity.

2020–2021 continued to present Safe Food with several workplace health and safety challenges, including responding to the evolving COVID-19 global pandemic.

## COVID-19 response

The Committee has continually reviewed the organisation's COVID-safe management plan to ensure work arrangements align with the latest Chief Health Officer (CHO) directions including:

- maintaining employee reporting and escalation measures to address new health alerts and safeguard employees when undertaking compliance activities remotely, working from home, or the office
- supporting work from home arrangements, with all employees completing a workplace health and safety self-assessment, and receiving support for reasonable adjustments where needed
- establishing an 'in office' register to manage attendance in line with health directions, using a check-in app for those arriving and leaving the office, and temperature checks for members of the public visiting the office
- ensuring the workplace allows for adequate social distancing, and facilitates hygienic practices including providing hand sanitation stations, signage for hand washing and COVID-19 symptoms, increased cleaning and the requirement to wear masks in the workplace when directed by the CHO
- introducing new virtual auditing techniques to ensure employee and client safety, while maintaining food safety compliance
- adopting new business and workplace practices, including adapting to virtual industry and stakeholder meetings during lockdowns or when there are specific health directions restricting gatherings



- facilitating access to the Category 1b vaccination rollout for all employees through promoting vaccination opportunities and flexible work arrangements
- implementing a system for polling employees during times of high COVID-19 community transmission to keep them informed and up-to-date with the latest exposure sites
- locating an officer in Far North Queensland to ensure our essential services continue to be delivered in regional areas when lockdown restrictions apply.

## Health and wellbeing

Safe Food has prioritised employee mental health and wellbeing by:

- promoting the employee assistance program
- ensuring regular phone check-ins between managers and staff
- continuing regular work team meetings
- enabling staff to meet face-to-face when possible
- facilitating staff workshops when possible.

In addition, all employees continue to have the opportunity to receive an annual vaccination against Influenza.

To support workplace health and safety initiatives, employees are engaged with specific roles:

- four fire wardens
- two first aid officers
- five mental health officers.

## Safety of employees working in remote locations

Safe Food has implemented a system for employees to check in daily when working remotely, completing a risk assessment prior to travelling into regional areas and reporting any accidents or near misses.

All staff working remotely are provided with a satellite phone and personal emergency beacon.



# 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 releases 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](mailto:privacy@safefood.qld.gov.au)

## Right to information and information privacy applications

Safe Food received one privacy application and no RTI applications in the 2020–2021 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](mailto: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 2020–21, data for Board remuneration will be published through the Safe Food website ([www.safefood.qld.gov.au](http://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 agency's records management system. In the 2020–2021 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. To date over 50% of Safe Food's high value legacy records have been digitised.

## Open data

For 2020–2021, consultancies and overseas travel will be published through the Queensland Government Open Data website ([www.qld.gov.au/data](http://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 2020–2021 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 2021

	Notes	2021	2020
<b>INCOME FROM CONTINUING OPERATIONS</b>		<b>\$</b>	<b>\$</b>
User charges and fees	B1-1	5,082,355	6,023,510
Grants and contributions	B1-2	1,900,000	1,900,000
Interest	B1-3	28,792	99,156
Other revenue	B1-4	80,526	23,735
<b><i>Total income from continuing operations</i></b>		<b>7,091,673</b>	<b>8,046,401</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee expenses	B2-1	3,969,963	4,104,849
Supplies and services	B2-2	1,542,738	1,116,688
Finance/ Borrowing Costs	B2-3	86,364	98,471
Depreciation and amortisation	B2-4	635,709	804,458
Other expenses	B2-5	28,345	31,341
<b><i>Total expenses from continuing operations</i></b>		<b>6,263,119</b>	<b>6,155,807</b>
<b>OPERATING RESULT FOR THE YEAR</b>		<b>828,553</b>	<b>1,890,594</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>828,553</b>	<b>1,890,594</b>

The accompanying notes form part of these financial statements



## Safe Food Production Queensland Statement Of Financial Position As at 30 June 2021

	Note	2021	2020
<b>CURRENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash and cash equivalents	C1	9,056,419	8,072,761
Receivables	C2	459,085	156,464
Other assets	C3	202,031	158,886
<b>Total Current Assets</b>		<b>9,717,534</b>	<b>8,388,111</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	C4-1	328,777	97,769
Intangible assets	C5-1	0	45,331
Right-to-use assets	C6	2,217,040	2,691,852
<b>Total Non-Current Assets</b>		<b>2,545,817</b>	<b>2,834,952</b>
<b>TOTAL ASSETS</b>		<b>12,263,351</b>	<b>11,223,063</b>
<b>CURRENT LIABILITIES</b>			
Payables	C7	294,587	145,311
Employee benefits provisions	C8	267,191	265,574
Provisions	C9	324,857	40,442
Other liabilities	C10	250,000	0
Lease liabilities	C6	519,865	523,812
<b>Total Current Liabilities</b>		<b>1,656,501</b>	<b>975,139</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions, non-current		0	0
Finance Leases	C6	2,207,002	2,676,629
Other Financial Liabilities		0	0
<b>Total Non-Current Liabilities</b>		<b>2,207,002</b>	<b>2,676,629</b>
<b>TOTAL LIABILITIES</b>		<b>3,863,503</b>	<b>3,651,768</b>
<b>NETT ASSETS</b>		<b>8,399,848</b>	<b>7,571,295</b>
<b>EQUITY</b>			
Accumulated Surplus		8,399,848	7,571,295
<b>TOTAL EQUITY</b>		<b>8,399,848</b>	<b>7,571,295</b>

The accompanying notes form part of these financial statements



## Safe Food Production Queensland Statement of Changes in Equity For the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Balance as at 1 July		7,571,295	5,819,235
Prior Year Adjustments			0
Net effect of changes in accounting policies	E3	0	(138,534)
Total comprehensive income for the year		828,553	1,890,594
<b>BALANCE AS AS 30 JUNE</b>		<b>8,399,848</b>	<b>7,571,295</b>

The accompanying notes form part of these financial statements



## Safe Food Production Queensland Statement Of Cash Flows For the year ended 30 June 2021

	Note	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>\$</b>	<b>\$</b>
<b>Inflows</b>			
User charges		5,000,125	4,445,211
Government contributions		1,900,000	1,900,000
Interest		28,792	99,156
GST input tax credits from ATO		200,095	207,929
GST collected from customers		168,232	70,530
Other		80,526	23,735
<b>Total Inflows</b>		<b>7,377,769</b>	<b>6,746,562</b>
<b>Outflows</b>			
Employee expenses		(3,946,104)	(4,123,593)
Supplies and services		(1,415,648)	(1,089,560)
Finance costs - Leases		(84,858)	(97,624)
GST paid to suppliers		(216,570)	(179,322)
GST remitted to the ATO		(110,445)	(121,861)
Other		(83,250)	(82,592)
<b>Total Outflows</b>		<b>(5,856,875)</b>	<b>(5,694,553)</b>
<b>Net cash provided by operating activities</b>	CF-1	<b>1,520,895</b>	<b>1,052,009</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	CF-2		
<b>Outflows</b>			
Payments for property, plant and equipment		(9,728)	(5,252)
<b>Net cash provided by investing activities</b>		<b>(9,728)</b>	<b>(5,252)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	CF-2		
<b>Outflows</b>			
Equity withdrawals		0	
Lease Payments (nett of finance costs)		(527,509)	(513,116)
<b>Net cash provided by financing activities</b>		<b>(527,509)</b>	<b>(513,116)</b>
<b>Net increase in cash and cash equivalents held</b>		<b>983,658</b>	<b>533,642</b>
Cash and cash equivalents – opening balance		8,072,761	7,539,119
<b>Cash and cash equivalents – closing balance</b>	C1	<b>9,056,419</b>	<b>8,072,761</b>

The accompanying notes form part of these financial statements



## Safe Food Production Queensland Statement Of Cash Flows For the year ended 30 June 2021

### CF-1 Reconciliation of operating result to net cash provided by operating activities

	Note	2021	2020
		\$	\$
Operating Surplus		828,553	1,890,594
<i>Non-Cash items included in operating result:</i>			
Depreciation and amortisation expense-owned assets		106,961	262,028
Depreciation and amortisation expense- leased assets		528,748	542,430
Increase/(decrease) in Provision-Lease Restoration		1,506	845
Gain (Loss) on sale of plant & equipment		0	0
<i>Change in assets and liabilities</i>			
(Increase) / decrease in receivables		(302,621)	163,942
(Increase) / decrease in other assets		(43,145)	56,395
Increase / (decrease) in payables		149,276	(182,323)
Increase/(decrease) in accrued employee benefits		1,617	87,802
Increase / (decrease) in other liabilities		250,000	(1,769,704)
<b>Net cash from operating activities</b>		<b>1,520,895</b>	<b>1,052,009</b>

### CF-2 Changes in liabilities arising from financing activities

	Note	2021	2020
		\$	\$
<b>Lease Liabilities</b>	C6	\$	\$
Opening balance		3,200,441	0
<i>Non-cash changes</i>			
Recognition of Liability - AASB 16 Implementation		0	3,565,129
New Leases Acquired		53,936	148,428
Finance charges (repayment allocation)		84,858	97,624
<i>Cash flows</i>			
Cash repayments		(612,367)	(610,740)
<b>Closing balance</b>		<b>2,726,867</b>	<b>3,200,441</b>

The accompanying notes form part of these financial statements



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**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 section 38 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 2020.

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 2019-2020 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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**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.





Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**SECTION 2**  
NOTES ABOUT OUR FINANCIAL PERFORMANCE

**B1 REVENUE**

**B1-1 USER CHARGES AND FEES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Accreditation fees	3,487,077	5,144,898
Application fees	191,175	185,425
Audit fees	1,385,962	668,042
Fee for service income	18,142	25,145
<b>Total</b>	<b><u>5,082,355</u></b>	<b><u>6,023,510</u></b>

**Accounting Policy - User charges and fees**

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.

Accreditations are considered short term licences, and the individual transaction fees are of low value. Treasury's Minimum Reporting Requirements 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 recognised upon receipt.

**B1-2 GRANTS AND CONTRIBUTIONS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Department of Agriculture and Fisheries (DAF)	<u>1,900,000</u>	<u>1,900,000</u>

**Accounting Policy - Grants and contributions**

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**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest earned on bank account	<u>28,792</u>	<u>99,156</u>

**Accounting Policy - Interest revenue**

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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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**B1-4 OTHER REVENUE**

	<b>2021</b>	<b>2020</b>
	\$	\$
Other revenue	<u>80,526</u>	<u>14,740</u>

**Accounting Policy - Other revenue**

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.

**B2 EXPENSES**

**B2-1 EMPLOYEE EXPENSES**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Employee Benefits</b>		
Wages and salaries	2,978,774	3,086,209
Annual leave levy/expense	307,145	310,238
Long service leave levy/expense	76,560	80,897
Employer superannuation contributions	410,920	402,609
Other	186,918	215,129
<b>Employee Related Expenses</b>		
Workers' compensation	9,646	9,767
<b>Total</b>	<u><b>3,969,963</b></u>	<u><b>4,104,849</b></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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**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 plans* - 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 Premium**

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.

**B2-2 SUPPLIES AND SERVICES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Administration expenses	148,982	132,542
Advertising and conference costs	23,175	16,021
Communication costs	56,486	39,753
Computer costs	261,166	211,185
Contracting & professional services	813,226	434,480
Legal costs	7,482	884
Motor vehicle costs	24,520	48,433
Property, plant and equipment costs	113,690	103,178
Travel costs	39,098	72,957
Lease expenses	54,906	57,212
Other	8	43
<b>Total</b>	<b><u>1,542,738</u></b>	<b><u>1,116,688</u></b>

**Accounting Policy - Lease expenses**

Lease expenses under supplies and services include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note C6 for breakdown of lease expenses and other lease disclosures.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**B2-3 FINANCE / BORROWING COSTS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest on lease liabilities	84,858	97,624
Finance costs - provisions	1,506	847
<b>Total</b>	<b><u>86,364</u></b>	<b><u>98,471</u></b>

**Accounting Policy - Finance/borrowing costs**

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include amortisation of discounts or premiums relating to borrowings and provisions.

No borrowing costs are capitalised into qualifying assets.

**B2-4 DEPRECIATION AND AMORTISATION**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Depreciation - plant and equipment	61,630	51,359
Depreciation – right-of-use assets	528,748	542,430
Amortisation - intangibles (computer software)	45,331	210,669
<b>Total</b>	<b><u>635,709</u></b>	<b><u>804,458</u></b>

**B2-5 OTHER EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Impairment Losses (trade receivables)	3,345	6,341
<i>Auditors' remuneration</i>		
Queensland Audit Office - external audit services*	18,000	18,000
Bailiwick Group Pty Ltd - internal audit services	7,000	7,000
<b>Total</b>	<b><u>28,345</u></b>	<b><u>31,341</u></b>

\*Total audit fees quoted by Queensland Audit Office relating to the 2020-2021 financial statements are \$19,800 GST inclusive (2019-2020: \$19,800).



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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**SECTION 3**  
NOTES ABOUT OUR FINANCIAL POSITION

**C1 CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	500	500
Cash at bank	499,194	2,038,778
Deposits at call	8,556,725	6,033,483
<b>Total</b>	<b><u>9,056,419</u></b>	<b><u>8,072,761</u></b>

**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 2021 as well as deposits at call with financial.

**C2 RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	444,992	132,946
Less: Allowance for impairment loss	<u>(3,831)</u>	<u>(5,549)</u>
	441,161	127,397
GST receivable	56,386	39,911
GST payable	<u>(79,813)</u>	<u>(22,026)</u>
Net GST receivable (payable)	(23,427)	17,885
LSL Claims Receivable	21,606	4,609
Other debtors	<u>19,745</u>	<u>6,572</u>
	41,351	11,181
<b>Total</b>	<b><u>459,085</u></b>	<b><u>156,464</u></b>

**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 2021.

Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**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 C2.

**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 12 years preceding 30 June 2021. 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 12 years preceding 30 June 2021 have been correlated and based on those results, the historical default rates are adjusted based on expected changes to that indicator.

	2021			2020		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
<b>Aging</b>	\$	%	\$	\$	%	\$
Current	394,795	0.46%	(1,817)	90,636	0.50%	(457)
1 to 30 days overdue	36,503	1.29%	(471)	30,814	1.38%	(425)
31 to 60 days overdue	8,777	4.05%	(355)	5,393	4.39%	(226)
61 to 90 days overdue	4,124	9.79%	(404)	3,267	10.40%	(224)
> 90 days overdue	11	18.46%	(2)	2,836	19.30%	0
Known impairment (in process)	782	100.00%	(782)		100.00%	(4,217)
<b>Total</b>	<b>444,992</b>		<b>(3,831)</b>	<b>132,946</b>		<b>(5,549)</b>

**Disclosure - Movement in the allowance for impairment loss**

	2021	2020
	\$	\$
Loss allowance as at 1 July	(5,549)	(5,913)
(Increase) decrease in allowance recognised in the operating result	(3,354)	(5,512)
Amounts written-off during the year	5,071	5,875
<b>Loss allowance as at 30 June</b>	<b>(3,831)</b>	<b>(5,549)</b>



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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The previous financial year gross receivables total was impacted by the state-wide Qld Health restrictions. The agency's 2020-2021 audit regime is on schedule and this is reflected in the increased gross receivables amount. Debt management has been closely monitored with the ongoing COVID-19 pandemic.

### C3 OTHER ASSETS

	2021	2020
	\$	\$
Prepayments - current	134,664	136,291
Prepayments - non current	67,367	22,595
<b>Total</b>	<b>202,031</b>	<b>158,886</b>

### C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

#### C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2021	2020
	\$	\$
At cost	584,041	291,404
Less: Accumulated depreciation	(255,264)	(193,635)
<b>Total</b>	<b>328,777</b>	<b>97,769</b>
<i>Represented by movement in carrying amount</i>		
Carrying amount at start of year	97,769	143,877
Additions	292,637	5,251
Disposals	0	0
Depreciation	(61,630)	(51,359)
<b>Carrying amount at end of year</b>	<b>328,777</b>	<b>97,769</b>

#### C4-2 RECOGNITION AND ACQUISITION

##### Accounting Policy - Recognition

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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**C4-3 MEASUREMENT USING HISTORICAL COST**

**Accounting Policy - Measurement Using Historical Cost**

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 - Depreciation Expense**

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 %
<i>Plant and Equipment</i>	
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 - Impairment**

*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 are 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.





Safe Food Production Queensland  
**Notes to the Financial Statement**  
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- 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.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

**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**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Software Purchased:</i>		
At cost	770,678	1,567,277
Less: Accumulated amortisation	<u>(770,678)</u>	<u>(1,521,946)</u>
	<u>0</u>	<u>45,331</u>
<i>Software Internally Generated:</i>		
At cost	711,492	711,492
Less: Accumulated amortisation	<u>(711,492)</u>	<u>(711,492)</u>
	<u>0</u>	<u>0</u>
<b>Total</b>	<u><b>0</b></u>	<u><b>45,331</b></u>



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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*Represented by movement in carrying amount*

Carrying amount at start of year	45,331	256,000
Additions	0	0
Disposals		0
Depreciation	(45,331)	(210,669)
<b>Carrying amount at end of year</b>	<b><u>0</u></b>	<b><u>45,331</u></b>

**C5-2 RECOGNITION AND MEASUREMENT**

**Accounting Policy - Recognition and Measurement**

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. Items 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 - Amortisation Expense**

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.

**Useful life**

*Key Estimate*: For each class of intangible asset the following amortisation rates are used:

<b>Class</b>	<b>Rate %</b>	<b>Useful Life</b>
<i>Computer Software</i>		
Software Purchased	33.3	3.0
Software Internally Generated	33.3	3.0



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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**C5-4 IMPAIRMENT**

**Accounting Policy - Impairment**

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.

A number of software assets have been disposed in 2020-2021, all of which had been fully depreciated and past their expected useful life. This reflects the ageing of software assets involved in legacy systems, where modules are no longer in use and determined to be obsolete. This allows our software asset register to remain current, and only reflect items that remain in use.

**C6 LEASES**

**C6-1 LEASES AS LESSEE**

**Right-of-use assets**

	2021		2020	
	Property	Motor Vehicles	Property	Motor Vehicles
	\$	\$	\$	\$
Carrying amount at start of year	2,527,332	164,520	2,931,705	161,582
Correction to equity adjustment	0	0	0	(7,434)
Additions	0	53,936	0	148,428
Disposals				(25,942)
Depreciation	(404,373)	(124,375)	(404,373)	(112,115)
<b>Carrying amount at end of year</b>	<b>2,122,959</b>	<b>94,081</b>	<b>2,527,332</b>	<b>164,520</b>

**Lease liabilities**

	2021		2020	
	Property	Motor Vehicles	Property	Motor Vehicles
	\$	\$	\$	\$
Current	431,652	88,213	402,415	121,397
Non-current	2,196,864	10,139	2,628,516	48,113
<b>Carrying amount at end of year</b>	<b>2,628,516</b>	<b>98,352</b>	<b>3,030,931</b>	<b>169,510</b>



Safe Food Production Queensland  
**Notes to the Financial Statement**  
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**Accounting Policy - Leases as lessee**

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 are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates or a change in lease term.

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.

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 date
- amounts expected to be payable by the department under residual value guarantees
- the exercise price of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

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.

Subsequent to initial recognition, 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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**Disclosures - Leases as lessee**

(i) Details of leasing arrangements as lessee

Property	The agency leases office space under a commercial lease with an initial expiry date of 30 September 2026. Lease payments are subject to a fixed increase of 3.5% each year.
Motor Vehicles	The agency leases motor vehicles for terms ranging from 24 to 42 months under commercial lease arrangements. Vehicle leases cover all insurance and registration renewals for the term of the agreement.
Plant and Equipment	The agency routinely enters into leases for plant and equipment including office equipment and IT equipment.  These leases are categorised as procurement of services rather than as leases as the suppliers have substantive substitution rights over the assets. The Photocopier Lease has a variable component that depends on the volume of usage. The usage-based payments are recognised as lease expenses in Note B2-2 when incurred. They are not expected to vary materially from year to year.

(ii) Amounts recognised in profit or loss

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	84,858	97,624
Breakdown of 'Lease expenses' included in Note B2-2		
- Expenses relating to equipment services	54,906	57,212
<b>Total</b>	<b><u>139,764</u></b>	<b><u>154,837</u></b>

**C7 PAYABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	290,267	136,176
Other creditors	4,320	9,135
<b>Total</b>	<b><u>294,587</u></b>	<b><u>145,311</u></b>

**Accounting Policy - Payables**

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

**C8 EMPLOYEE PROVISIONS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Annual leave	267,191	265,574
<b>Total</b>	<b><u>267,191</u></b>	<b><u>265,574</u></b>



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**Accounting Policy - Accrued Employee Benefits**

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*.

**C9 PROVISIONS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Restoration costs</b>		
Current	324,857	40,442
Non current	0	0
<b>Total</b>	<b><u>324,857</u></b>	<b><u>40,442</u></b>
<b>Movement</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July	40,442	39,595
Additional provision made	1,506	847
Additional Make Good Asset	282,909	0
<b>Carrying amount at end of year</b>	<b><u>324,857</u></b>	<b><u>40,442</u></b>

**Accounting Policy - Provisions**

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:* In April 2021, the agency discovered that restoration costs associated with the office lease incorporated significantly more 'make good' than initially known. A 'back to base' restoration of the office space was required under the terms of the lease. An independent assessment was undertaken resulting in an adjustment to the restoration costs previously noted.

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

**C10 OTHER LIABILITIES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Unearned revenue</b>		
Current	250,000	0
<b>Total</b>	<b><u>250,000</u></b>	<b><u>0</u></b>

**Accounting Policy - Other Liabilities**

Unearned revenue relates to an initial instalment received for services where the milestone deliverables have not yet been completed. This amount will be recognised as revenue in July 2021.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
 For the year ended 30 June 2021

**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 when the agency becomes party to the contractual provisions of the financial instrument. The agency has the following categories of financial assets and financial liabilities:

Category	Notes	2021	2020
<b>Financial Assets at amortised cost</b>		<b>\$</b>	<b>\$</b>
Cash and cash equivalents	C1	9,056,419	8,072,761
Receivables	C2	441,161	127,397
<b>Total</b>		<b><u>9,497,580</u></b>	<b><u>8,200,158</u></b>
<b>Financial Liabilities at amortised cost</b>		<b>\$</b>	<b>\$</b>
Payables	C7	290,267	46,955
Lease liabilities	C6-1	2,726,867	3,200,441
<b>Total</b>		<b><u>3,017,135</u></b>	<b><u>3,247,396</u></b>

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

**D1-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**(a) Risk exposure**

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's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit risk	The risk that the agency may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The agency is exposed to credit risk through its trading in the normal course of business, particularly in respect of its receivables (Note C2).
Liquidity risk	The risk that the agency may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	Safe Food is exposed to liquidity risk through its trading in the normal course of business, particularly in respect of its payables (Note C7).
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other	The agency does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

Safe Food Production Queensland  
**Notes to the Financial Statement**  
 For the year ended 30 June 2021

**(b) Risk measurement and management strategies**

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

Risk Exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The agency manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring all funds owed are paid on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Cash flow management	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 at call deposit accounts and ensuring Safe Food holds minimum levels of cash to ensure sufficient funds are available to meet employee and supplier obligations as they fall due.
Market risk	Interest rate sensitivity analysis	The agency does not undertake any hedging in relation to interest risk and manages its risk as per the agency's liquidity risk management strategy articulated in the agency's Financial Management Practice Manual.

**D1-3 CREDIT RISK DISCLOSURES**

**Credit risk management practices**

The agency considers financial assets, being trade receivables (Note C2), that are over 30 days past due to have increased credit risk, and measures the loss allowance of such assets at lifetime expected credit losses.

The agency typically considers a trade receivable to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the agency is unlikely to receive the outstanding amounts in full. No collateral is held as security and no credit enhancements relate to financial assets held by Safe Food.

The department's write off policy is disclosed in Note C2-1.

**Credit risk exposure**

Credit risk exposure relating to receivables is disclosed in Note C2-1.

**D1-4 LIQUIDITY RISK**

The following table sets out the liquidity risk of financial liabilities held by the agency. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

	2021 - Contractual maturity			2020 - Contractual maturity		
	< 1 year	1 - 5 years	> 5 years	< 1 year	1 - 5 years	> 5 years
<b>Financial liabilities</b>	\$	\$	\$	\$	\$	\$
Payables	294,587			145,311		
Lease liabilities	590,254	2,203,066	148,113	595,659	2,215,894	725,538
<b>Total</b>	<b>884,841</b>	<b>2,203,066</b>	<b>148,113</b>	<b>740,971</b>	<b>2,215,894</b>	<b>725,538</b>





Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

## 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 2020-2021 (2019-2020: Nil).

## D3 COMMITMENTS

### Lease commitments

Financial lease commitments, see Note C6.

At 30 June 2021, Safe Food had the following operating lease commitments inclusive of GST:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Outstanding operating lease commitments are due for payment as follow		
Not later than 1 year	4,476	4,660
Later than 1 year but not later than 5 years	11,056	15,532
Later than 5 years		0
<b>Total</b>	<b><u>15,532</u></b>	<b><u>20,192</u></b>

## D4 EVENTS AFTER THE BALANCE DATE

There have been no known material post balance date events.

## D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commence dates are either not applicable to Safe Food Production's activities, or have no material impact on the Agency.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

**SECTION 5**  
OTHER INFORMATION

**E1 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Details of Key Management Personnel**

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 2020-21.

<b>Position</b>	<b>Position Responsibility</b>
Safe Food's Board of Directors (Chair + 4 Directors)	<p>Safe Food is directly accountable to an expertise-based Board, who provide strategic direction to the agency.</p> <p>The Board reports to the Minister for Agricultural Industry Development and Fisheries, and 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.</p> <p>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.</p>
Chief Executive Officer	Responsible for managing the affairs of the Agency and advising the Board performance of the Agency.
Director, Verification & Compliance	Provide 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.



Safe Food Production Queensland  
**Notes to the Financial Statement**  
 For the year ended 30 June 2021

**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 2020 - 30 June 2021	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
Position	Monetary Expenses	Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Board Director, Chair	3,925	39		373		4,337
Board Director, external	4,775	994		375		6,145
Board Director, external	2,500	42		214		2,756
Board Director, DAF Representative						0
Board Director, Qld Health Representative						0
Chief Executive Officer	248,485		5,839	31,538		285,862
Director, Verification & Compliance	142,894	6,580	3,355	17,883		170,712
Director, Policy & Engagement	138,622	9,490	3,254	17,883		169,250

1 July 2019 - 30 June 2020	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
Position	Monetary Expenses	Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Board Director, Chair	2,925			278		3,203
Board Director, external	4,775	869		423		6,066
Board Director, external	2,500			238		2,738
Board Director, DAF Representative						0
Board Director, Qld Health Representative						0
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



Safe Food Production Queensland  
**Notes to the Financial Statement**  
For the year ended 30 June 2021

## **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 \$48,683 for 2020-2021 (2019-2020: \$51,466). Payroll tax totalling \$156,919 was paid to the Office of State Revenue (2019-2020: \$147,867). 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**

Safe Food did not change any of its accounting policies during 2020-2021. Australian Accounting Standard changes applicable for the first time have had minimal effect on the agency's financial statements.

### **Accounting Standards Adopted Early**

No Australian Accounting Standards have been adopted early for 2020-2021.

## **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**

While the COVID-19 pandemic continues to impact our client base and our staff, Safe Food deals primarily with essential food supply businesses. Working with those businesses to manage food safety risks during the pandemic has primarily affected staff welfare and work loads. Our staff continue to ensure that we work with our stakeholders to ensure food safety standards are maintained. Our bad debt levels remain minimally impacted. Refer to Note C2-1.



Safe Food Production Queensland

**Management Certificate**

For the year ended 30 June 2021

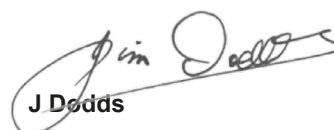
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2019* and other prescribed requirements.

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 2021 and of the financial position as at the end of that year.

We, acknowledge(s) responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the established 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  
26 August 2021

  
**J Dodds**  
CEO  
26 August 2021



## 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 2021, 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 2021, 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 2021:

- 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.

Carolyn Dougherty  
as delegate of the Auditor-General

27 August 2021

Queensland Audit Office  
Brisbane





# Compliance checklist

	Summary of requirement	Basis for requirement	Annual report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 2
<b>Accessibility</b>	Table of contents	ARRs – section 9.1	Page 1
	Glossary		Page 66
	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 68
	Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 68
<b>General information</b>	Introductory information	ARRs – section 10	Page 7
<b>Non-financial performance</b>	Government’s objectives for the community and other whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 7
	Agency objectives and performance indicators	ARRs – section 11.2	Page 7
	Agency service areas and service standards	ARRs – section 11.3	Page 7
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	Page 31



Summary of requirement		Basis for requirement	Annual report reference
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	Page 23
	Executive management	ARRs – section 13.2	Page 22
	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 13.4	Page 24
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 26
	Queensland public service values	ARRs – section 13.6	Page 22
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1	Page 24
	Audit committee	ARRs – section 14.2	Page 25
	Internal audit	ARRs – section 14.3	Page 25
	External scrutiny	ARRs – section 14.4	Page 60
	Information systems and record keeping	ARRs – section 14.5	Page 30
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1	Page 21
	Early retirement, redundancy and retrenchment	<i>Directive No. 04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 21
<b>Open Data</b>	Statement advising publication of information	ARRs – section 16	Page 30 <a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Consultancies	ARRs – section 33.1	Page 30
	Overseas travel	ARRs – section 33.2	Page 30
	Queensland Language Services Policy	ARRs – section 33.3	N/A



Summary of requirement		Basis for requirement	Annual report reference
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 & 46 ARRs – section 17.1	Page 62
	Independent Auditors Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 60

- 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

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



# Contact us

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