

Future Visioning Safe Food Production Queensland's Regulatory Delivery Model

Prepared for:

Safe Food Production Queensland

Prepared by:

PRISM Institute, Canada

February 2022

Table of Contents

- 1 Prism Expert Bios 3
- 2 Executive Summary 4
 - 2.1 Key Findings 5
 - 2.2 Recommendations 7
- 3 Introduction 9
 - 3.1 Context 9
 - 3.2 Draft Regulatory Practice Principles 12
- 4 Assessment of Regulatory Model 14
 - 4.1 Regulatory Purpose and Outcomes: 14
 - 4.2 Ethical Values and Principles: 16
 - 4.3 Responsibility, Accountability and Operating Practices: 17
 - 4.4 Planning, Performance Measurements and Continuous Improvement 23
- 5 Recommendations for Future Visioning 26
 - 5.1 Cooperative Model for Defining and Governing Regulatory System 26
 - 5.2 Trust Model for Regulatory Delivery 27

1 Prism Expert Bios

Christopher Hodges OBE is Emeritus Professor of Justice Systems at Oxford University; Supernumerary Fellow of Wolfson College, Oxford; co-Founder (with UK Government) of the International Network for Delivery of Regulation (INDR). He is an expert in regulatory systems and dispute resolution systems, and he advises governments, regulators, judiciary, ombudsmen, and businesses across the world.

The first 25 years of his career was as a leading business lawyer in the City of London, assisting multinationals in various sectors. After his PhD on European regulation of consumer product safety systems, he became a full-time academic in 2004, leading a research team at the Centre for Socio-Legal Studies, Oxford. He was appointed Professor in Oxford in 2014 and has held an Erasmus Chair in the Netherlands and Visiting Chairs at ANU Canberra, Leuven, Beijing, and Wuhan. He has written or edited 20 books and written many chapters and articles. He has chaired numerous committees on regulation and reform and was appointed OBE by the Queen in 2021.

Srikanth Mangalam is an internationally recognized expert in risk and outcome-focused decision making in areas of regulations, social impact, and sustainable development with over 25 years of experience in North America, Asia, Africa, Australia, and Europe. He is considered as a visionary and a thought leader and has pioneered innovative solutions to addressing complex socio-economic and sustainability challenges including public safety, food security, gender equity, climate, health, youth employment and small-scale trade.

Prism Institute is a not-for-profit collaboration platform that conducts research, facilitates science-based dialogue between stakeholders and helps develop innovative policies and practical solutions to address risks to global sustainable development. Prism Institute has developed important research papers for the OECD and the World Bank on modern approaches to regulatory delivery including the use of emerging technologies. Prism Institutes advises governments and regulators in Canada, Europe, Australia, Africa, and Asia on regulatory reform in critical areas of socio-economic development including food, public health, global trade, infrastructure, and public safety.

2 Executive Summary

Food regulation in Australia and New Zealand is a joint system that involves the Australian and New Zealand governments, and Australian states and territories. The system is made up of the laws, policies, standards, and processes that are designed to ensure food is safe for public consumption.

Food Standards Australia New Zealand (FSANZ) is established under the FSANZ Act to develop food standards. The Australian State and Territory governments and the New Zealand government implement and enforce the food standards developed by FSANZ through their respective laws. The Department of Agriculture, Water and Environment (DAWE) enforces the Food Standards Code at the border in relation to imported food through the *Imported Food Control Act 1992*.

Two pieces of legislation primarily cover food safety in Queensland. The [Food Act 2006](#) and the associated Food Regulation 2016 applies to all Queensland food businesses and relates to the handling and selling of food, securing the safety and suitability of food and setting standards for food. The *Food Production (Safety) Act 2000* and the associated [Food Production \(Safety\) Regulation 2014](#) regulates the production of primary produce for egg and egg products, dairy produce, meat and meat products (including pet meat and rendered products), seafood, and horticulture (seed sprouts).

Enforcement of the Food Act is a joint responsibility of Queensland Health and local governments. Enforcement of the *Food Production (Safety) Act 2000* is the responsibility of [Safe Food Production Queensland \(Safe Food\)](#).

Prism Institute has been requested by Safe Food to evaluate its regulatory delivery model and practices against emerging best practices and make recommendations that would not only help Safe Food to position itself for the future but also ensure that the overall purpose of the food system in Queensland are achieved and exceeded.

Prism Institute has also been involved in the review of the bi-national food regulatory system with an objective to provide recommendations that ensures jurisdictional consistencies across the different regulatory systems. In that context, Prism Institute assisted in the development of a set of regulatory principles¹ that could be adopted across the bi-national regulatory system to ensure jurisdictional consistency. The recommended set of regulatory principles are currently under consideration and also form the basis under which this review of the Safe Food regulatory delivery model was conducted.

This report includes the key findings reflecting Safe Food's current practices and its ability to prepare for the future and are in line with emerging thinking on regulatory modernisation. It also provides recommendations to enhance Safe Food's delivery model in a manner that serves the broader interests of the food system in Queensland and becomes an example of best practice regulatory delivery that other states may consider when designing or modernising regulatory systems.

¹ Prism Institute, "Ensuring Consistency across Australia and New Zealand's Bi National Food Regulatory System", 2022.

2.1 Key Findings

Purpose and Governance

Food systems² are generally assumed to consist of various actors, their interactions and enabling policy environments and the cultural norms that exist along the food value chain. Food systems are broad, spanning from input supply and production of crops, livestock, fish and other agricultural commodities to transportation, processing, retailing, wholesaling, and the preparation of foods, through to consumption and disposal. Ideally, the desired outcomes of a food system, typically set through policies at a national level, align with the broader goals of society, i.e., improved nutrition, health, safety, productivity, efficiency, environmental sustainability, climate-smart and inclusivity.

Food regulatory systems tend to be part of the overall food system, but generally operate at sub-national levels, are primarily focused on protecting and improving public health and safety, whilst enabling consumer choice and supporting the existence of a sustainable industry. It is expected that food regulatory systems operate in alignment with the broader objectives of the overall food system to ensure that food systems deliver the desired outcomes.

The lack of clarity with respect to the purpose and the associated governance of Australia's national food system poses challenges to regulatory systems which tend to operate independently, resulting in inconsistencies and introducing significant barriers to businesses³. Queensland currently has two broad regulatory systems in place to administer the Food Act and the Food Production (Safety) Act. The purpose of the two pieces of legislation are primarily to ensure the food and primary produce are safe and fit for consumption (humans and/or animals). **Multiple regulatory systems operating with similar purposes have the potential to create overlapping mandates.** They are administered by over 90 organisations and regulators and are extremely likely to lead⁴ to confusion amongst businesses and other system participants. As an example, a food business that produces, processes, and sells meat-based ready to eat foods may be subject to both the regulatory systems.

In addition, it is **unclear as to how regulatory systems support and relate to other objectives of Queensland's overall food system** and whether this may create more challenges amongst businesses. For example, a business may be subject to a potentially competing environmental objective such as producing less carbon-intensive food, which may require them to change their processes in a way that results in the business no longer addressing their obligations and develop alternatives which may be adequately address their obligations under the current food safety regulations.

Regulatory Delivery

Regulatory delivery is being redefined through contemporary research and practices as being an evidence-based cooperative approach to establish trust by, of and in the regulated

² International Food Policy Research Institute, "Food Systems".

³ Prism Institute, "Ensuring Consistency across Australia and New Zealand's Bi National Food Regulatory System", 2022.

⁴ Queensland Audit Office, "Managing consumer food safety in Queensland", 2018-2019.

community and intervene in a manner that is aimed at achieving the intended ethical, social, economic, and environmental outcomes. Traditional hierarchical models relying on compliance and enforcement methods have been proven to be largely ineffective and/or limited in helping achieve regulatory outcomes⁵. A contemporary regulatory delivery model (RDM)⁶ comprises three *pre-requisites* for regulatory agencies to be able to operate effectively (governance framework, accountability, and culture) and three *practices* that agencies need in order to deliver societal outcomes (outcome measurement, risk-based prioritisation, and intervention choices).

Safe Food has a well functioning and mature regulatory delivery model in place that serves its regulated businesses and consumers. The model clearly aspires to build trusted relationships with businesses with an objective to drive better behaviours for achieving the desired food safety outcomes. Established as an independent regulator, Safe Food has the **necessary governance framework required to be able to deliver its mandate and to address any challenges emerging in the future**. Safe Food has endeavoured to build a **trusted ecosystem of stakeholders** over its history of operation that **allows for the creation and maintenance of a culture of cooperation**.

Safe Food **applies a range of monitoring and intervention tools to influence the right behaviors** of businesses. These range from high-level audits to detailed assessments of highly diverse sectors such as meat production and processing to self-monitoring schemes in other sectors such as dairy. As an example, Safe Food utilizes monitoring approaches, such as the *Central Information Management System (CIMS)* and *Compliance Assessment System (CAS)* to reduce costs and limitations associated with audits.⁷ The CAS was developed to recognize the best performing accreditation holders, by saving them time and tailoring the assessment to focus on the issues most relevant to their business.⁸

It appears that a **problem-solving culture (as opposed to hierarchical compliance and enforcement structure) currently guides Safe Food's decision making**, allowing it to be **seen as a trusted partner in addition to being a fair and responsible regulator**. However, its **business model and operating practices may present constraints to expand that approach** across the entire regulated system. Safe Food funding comes from two sources: a shared funding agreement with the Queensland Government and charges for accreditations and other services. Accreditation fees are set in regulation based on the nature of activity and the sector, while auditing and assessment fees are set by the Safe Food Board. The **funding model may restrict Safe Food from offering trust-based schemes**, such as those deployed in the dairy or poultry sector, thereby **limiting an opportunity for burden reduction on businesses while promoting innovative means of sharing evidence**.

Safe Food has initiated further investments into building a more robust and comprehensive data infrastructure which would allow it to use science and evidence-based approaches to decision making in all sectors. The **current risk-based models are limited to intrinsic risk factors that apply to sectors and as dictated by the regulation**. While gathering evidence and data from a wide variety of sources are critical to science-based decision making, **lack of access to**

⁵ Christopher Hodges and Ruth Steinholtz, "Ethical Business Practices and Ethical Business Regulations"

⁶ G Russell and C Hodges (eds), *Regulatory Delivery* (Hart, 2019).

⁷ Safe Food's Strategic Plan 2021-2023 (2021)

⁸ Safe Food Queensland, Safe Food Compliance Assessment System (CAS), (2016)

data from the food system such as market surveillance data (which is currently with local governments and/or Queensland Health) **limits Safe Food from applying risk-based approaches**. Data from multiple sources **would greatly assist in monitoring and intervening on the basis of the prevailing culture** and practices of businesses, which acknowledge the importance of business sustainability and resilience as an important factor in achieving food safety outcomes. **Risk based market segmentation would help in better categorizing businesses on the basis of their operating culture** and allowing Safe Food to **allocate its resources in a smarter way**.

Finally, **establishing and measuring key performance indicators are essential for regulators** to not only demonstrate their performance with respect to the set objectives but also indicates progress towards achieving the purpose/s of the regulatory system. Safe Food **has not developed a set of relevant KPIs** that it could use to 1) indicate the relative performances of the regulated businesses and 2) publicly demonstrate its own performance and progress. Establishing **leading and lagging indicators would help in demonstrating not only the overall compliance and safety trends in the food supply chain but also the impact that Safe Food is having on those trends**.

2.2 Recommendations

Prism Institute recommends the following options for Safe Food to consider, some of which impact the broader Queensland food regulatory system :

1. A **cooperative and co-creative food system for Queensland**, involving all the relevant parties and ideally facilitated by a single point of contact, should be developed to establish common purposes and shared objectives. The common purposes and shared objectives would clarify the specific role and expectations of the food regulatory system and address any potential conflict or overlap that may exist.
2. Queensland regulators should consider **co-creating a set of regulatory practice principles** (a regulatory delivery code of practice) that guides the functioning of all regulatory systems affecting the food supply chain. This should be developed in a manner that creates trust amongst the various players and helps established a set of purposes and shared objectives. Key elements include defining the regulatory objectives and desired outcomes, the values that would define the desired behaviours of the stakeholders, modes of engagement amongst stakeholders including between regulators, sources of evidence and methods for gathering it to help build and maintain trust in the food regulatory system, and operating practices that would influence the right behaviours.
3. Safe Food should consider **alternate business operating models** that would provide the flexibility to apply risk-based approaches targeting the culture and behaviour of businesses in addition to the intrinsic risk of their operating environment. As examples, Safe Food could advocate for a primary authority⁹ model that would allow businesses to choose a single regulator as its primary authority for a fee, who in turn could administer regulatory responsibilities across the different food regulators who may have an interest in that

⁹ Government of United Kingdom, "Primary Authority".



business. Safe Food could also explore recognising suitable industry certification systems as means of verifying compliance. These would also help in significantly reducing the burden on the businesses and decrease inconsistencies that may arise from multiple regulators' actions.

4. With reference to alternate business operating models, Safe Food should also consider a **risk-based fee setting process that would incentivise sustained good food safety and business practices**, while negatively impacting poor performers financially. The fees arrangements should incorporate a fee for service component, which reflects the cost to Safe Food to monitor each individual business, and an accreditation and/or licence fee which includes the cost to Safe Food to undertake targeted industry surveillance activities and engagement activities.
5. Safe Food should **formally leverage partnerships with other regulators (not just limited to food regulators) to access data** that would provide an insight into the culture and sustainability of food businesses that it regulates. Data such as the financial health of the businesses, its workplace safety records etc. would provide greater insight into their operating culture and sustainability and could better inform its risk models. To that effect, Safe Food should adopt international best practices in risk assessment that would allow for better quantifying the risks of businesses and help identify any emerging trends of concern and their causes.
6. Safe Food should **establish key performance indicators** (leading and lagging) that it can share exclusively with businesses to indicate their performance/s relative to industry average and also to publicly report on the trends in safety across the regulated sectors indicative of the performance of the regulatory system. Several examples of such practices¹⁰ exist that can be adopted by Safe Food and implemented to their context.

¹⁰ UK Drinking Water Inspectorate, Ontario Technical Standards and Safety Authority,

3 Introduction

3.1 Context

Food systems¹¹ are generally assumed to consist of various actors, their interactions and enabling policy environments and the cultural norms that exist along the food value chain. Food systems are broad, spanning from input supply and production of crops, livestock, fish and other agricultural commodities to transportation, processing, retailing wholesaling, and the preparation of foods, through to consumption and disposal. Ideally, the desired outcomes of a food system, typically set through policies at a national level, align with the broader goals of society, i.e., improved nutrition, health, safety, productivity, efficiency, environmental sustainability, climate-smart and inclusivity.

Food safety is an important aspect of public health and wellbeing. Breaches in food safety can result in illnesses, hospitalisations, and in extreme cases, deaths. Worldwide, an estimated 600 million people fall ill each year as a result of consuming contaminated food. Of these, an estimated 420 000 die. In Australia, approximately 5.4 million cases of foodborne illness cost the community \$1.2 billion per annum.

Food regulatory systems which tend to be part of the overall food system, but generally operate at sub-national levels, are primarily focused on protecting and improving public health and safety, whilst enabling consumer choice and supporting the existence of a sustainable industry. It is expected that food regulatory systems operate in alignment with the broader objectives of the overall food system to ensure that food systems deliver the desired outcomes.

The Food regulatory system in Australia and New Zealand is a joint system that involves the Australian and New Zealand governments, and Australian states and territories. The system is made up of the laws, policies, standards, and processes that are designed to ensure food is safe for public consumption.

Food Standards Australia New Zealand (FSANZ) is established under the FSANZ Act to develop food standards. The Australian State and Territory governments and the New Zealand government implement and enforce the food standards developed by FSANZ through their respective laws. The Department of Agriculture, Water and Environment (DAWE) enforces the Food Standards Code at the border in relation to imported food through the *Imported Food Control Act 1992*.

Queensland's food industry is rapidly growing. Since 2010, the number of licensed food businesses in Queensland has increased by 27 per cent, from 24,029 to 30,569¹². This, coupled with emerging food business innovations (such as market stalls, shared commercial kitchens, food trucks, and online delivery services), has placed huge demands on food regulators.

Two pieces of legislation primarily cover food safety in Queensland. The [Food Act 2006](#) and the associated *Food Regulation 2016* applies to all Queensland food businesses and relates to the handling and selling of food, securing the safety and suitability of food and setting standards for

¹¹ International Food Policy Research Institute, "Food Systems".

¹² Queensland Audit Office, "Managing consumer food safety in Queensland", 2018-19.

food safety. The Food Act is administered by the Queensland Health and local governments. Queensland has adopted a multi-agency approach to managing food safety along the food chain from primary producers to consumers, as shown in the figure below. Regulatory responsibilities for food safety are shared among 94 entities across the Department of Health, 16 hospital and health services, and 77 local governments. In addition, it appears that other government institutions and regulators administer various other regulatory functions that may indirectly impact the food system ranging from biosecurity, fisheries, veterinary medicine, environment etc.



Safe Food Production Queensland (Safe Food) regulates the primary production and processing of meat, eggs, dairy, seafood, and horticulture (seed sprouts) in Queensland, Australia.

As the statutory body responsible for regulating food safety in Queensland's food production and processing sectors, Safe Food regulates and operates in accordance with the *Food Production (Safety) Act 2000* and *Safe Food Production (Safety) Regulation 2014* and reports to the Minister for Agricultural Industry Development and Fisheries.¹³

The main objects of the Act include:

- To establish Safe Food Production Queensland
- To ensure that production of primary produce is carried out in a way that makes the primary produce fit for human or animal consumption and maintains food quality

¹³ Safe Food Production Queensland, Annual Report 2020-2021 (2021)

- To provide for food safety measures for the production of primary produce consistent with other State laws relating to food safety.

Safe Food serves a wide variety of stakeholders, inclusive of the public/consumers, the Board/Minister, businesses and industries, peak bodies, agencies, and regulator bodies. The organizational outputs and roles are multi-factorial, including the organization acting as regulators, auditors, educators, risk assessors, industry developers, assurance providers, and ultimately, influencers of food safety management in Queensland.¹⁴

With this, Safe Food's core business is implementing food safety policy and standards through outcomes-focused Food Safety Schemes for the meat, dairy, egg, seafood, and horticulture sectors (seed sprouts only). Its collaborative approach to food regulation is framed around the four strategic priorities¹⁵ of:

Expanding their positive influence and impact. Understanding emerging best practices and driving changed behavior across the whole food industry landscape.

Leading the way in regulation innovation. Working with industry to help develop agency best practices and providing guidance in regulation, including the development of industry best practice guides.

Transforming their corporate capabilities. Ensuring they have the right systems, processes capacity, and capability in place to realize their vision and fulfil their purpose.

Strengthening their scientific contribution. Influencing national and international food safety practices through rigorous scientific contribution in the niche domain of safe food products.

Through its regulatory activities, Safe Food assists in managing the food safety risks of food production, thereby helping to assure the continued supply of safe and fresh food to help keep the region and people of Queensland healthy. However, Safe Food also works with industry to ensure new or emerging issues that may impact on food supply are addressed at the earliest opportunity, through implementing suitable prevention controls at strategic points along the food chain. A recent and on-going example of this is the agency's work to support businesses to be 'pandemic ready'.

Prism Institute has been requested by Safe Food to evaluate its regulatory delivery model and practices against emerging best practices and make recommendations that would help Safe Food to position itself for the future. This document describes the benchmarking efforts carried out by Prism Institute and lays out some high-level recommendations for Safe Food to consider as they move ahead with a modernized regulatory model.

Growing complexity and increasing globalisation of supply chains are driving a change in thinking on regulations and their delivery. The complex dynamics, current and emerging challenges especially in a post-Covid world, the emergence of new technologies are affecting food systems especially. Food safety, in particular, is considered a critical aspect of sustainable and resilient food supply chains and integral to achieving UN sustainable development goals¹⁶.

¹⁴ Safe Food Queensland. Strategic Planning: Summary of Consultation & Survey. (n.d.)

¹⁵ Safe Food Production Queensland, Annual Report 2020-2021 (2021)

¹⁶ Draft WHO global strategy for food safety, 2022-2030

Regulatory systems, including those applicable to food safety, are being revisited and enhanced to meet these challenges and new and innovative approaches to regulation are emerging.

The bi-national food regulatory system in Australia and New Zealand is not isolated from such developments. Several initiatives are underway across the two countries to modernize and equip regulators to more resilient and innovative approaches to regulation. As part of one of those initiatives, Prism Institute has provided several recommendations¹⁷ to help modernize Australia's regulatory system and drive greater consistency across regulators directly or indirectly affecting food supply. A key output realized from those recommendations is the development of a set of draft regulatory practice principles (RPP) which is intended to provide broad-based guidance to participants in the food regulatory system (regulators, businesses, governments, and civil society) in applying emerging practices to regulation.

Prism Institute has undertaken this review of Safe Food's practices primarily against the draft Regulatory Practice Principles (RPP) document which is being developed to assist in the modernisation and reform of the Australia's overall food regulatory system. While the review has focused largely on Safe Food's regulatory delivery model, its relevance and applicability to the overall food regulatory system in Queensland is also assessed to determine ways that the entire system can be enhanced to meet the expectations of Queenslanders.

3.2 Draft Regulatory Practice Principles

The draft RPP¹⁸, which is a recommended voluntary code of practice, sets out the principles for a modern food regulatory system to meet the growing demands of society, spur innovation amongst businesses, and deliver on its desired outcomes of food safety, security, and prosperity. The RPP has been developed as part of Australia/New Zealand's food regulatory system reform initiative through extensive research and analysis by leading experts in regulatory delivery and adopts world-leading approaches in the coordination of all stakeholders in achieving safe food and economic success.

The draft RPP sets out the principles by which stakeholders will work together to establish trust and cooperate to achieve desired outcomes. With an objective of "doing the right thing", the RPP recommends six elements for the mode of engagement between them, that assist in:

- agreeing on common purposes and outcomes,
- commitment to ethical values that guide purposes and outcomes
- determining governing structures for cooperating and achieving the outcomes,
- describing regulators' commitment, responsibility, accountability, and operating practices
- establishing appropriate evidence for demonstrating that the outcomes are being achieved,
- building a culture of problem solving and constantly improving performance.

¹⁷ Prism Institute, Theory paper on Contemporary regulatory models: Recommendations for modernizing Australia-New Zealand's food regulatory system, 2021.

¹⁸ N.D, Regulatory Practice Principles (n.d)



The draft RPP is intended to guide all participants within the Australia/New Zealand Food Regulatory System (the System) in developing and applying modern practices in regulatory delivery.

The draft RPP sets out the main features and requirements of a regulatory system that operates according to the principles of Outcome Based Cooperative Regulations¹⁹ (OBCR), *Ethical Business Regulations*²⁰ and in line with the *Regulatory Delivery Model (RDM)*.²¹ The *Regulatory Practice Principles* contains elements divided into two subsections, for all participants in the System to consider as they implement or advance the System at a national/binational, state, and territory (jurisdictional) level.

These elements are:

Section 1: Over-arching principles for the system – Purpose and Governance

- Regulatory Purpose and Outcomes
- Commitment to Ethical Values
- Governance and Operating Practices

Section 2: Principles for Regulators – Regulatory Delivery

- Responsibility, Accountability, and Operating Practices
- Planning and Performance Measurement
- Continuous Improvement

This report provides an assessment of Safe Food’s system against the relevant RPP principles with the following objectives:

- Conduct a high-level overview of Safe Food’s regulatory delivery practices
- Highlight key areas of success
- Recommend enhancements as part of the future visioning of its delivery framework

Specifically, and for the sake of simplicity, the review focuses on three areas listed in the draft RPP namely, Purpose, Governance and Regulatory Delivery.

The report is structured into two primary sections, the first of which focuses on assessing Safe Food’s current system against the three mentioned areas, and the second section provides recommendations on future visioning of its system and framework.

¹⁹ Hodges, Outcome Based Cooperative Regulations (2021)

²⁰ Hodges and Steinholtz, Ethical Business Practices and Ethical Business Regulations (2017)

²¹ Russel and Hodges, Regulatory Delivery Model (2019)

4 Assessment of Regulatory Model

This section is focused on assessing Safe Food's current regulatory framework and practices against the relevant principles of the draft RPP by identifying its alignment and gaps, if any. It also highlights areas of successes to demonstrate Safe Food's progress in line with the best practice recommendations provided in the theory paper on contemporary models which reflect global best practices.

4.1 Regulatory Purpose and Outcomes:

Principle

Given the broad objectives of a food system ranging from security, health, access, safety, quality etc. and the interconnected nature with other systems and supply chains, the purpose, or objectives of a 'food regulatory system' needs to take a wider perspective and the questions that need to be asked include:

- What is/are the essential purposes?
- What objectives and goals are we aiming to achieve?
- What outcomes are to be delivered and how?

Regulators benefit from clearly defined purposes, objectives and expected outcomes of the regulatory system that they are responsible for. This is especially the case when regulatory systems such as those in food involve multiple purposes (access, quality, safety, nutrition etc.) and multiple regulators (food safety, public health, environment, agriculture etc.).

Assessment

As described in the previous section, Queensland's food regulatory system is primarily based on two pieces of legislation, the Food Act, and the Food Production (Safety) Act. The Food Act aims to:

- Ensure food for sale is safe and suitable for human consumption
- Prevent misleading conduct in relation to sale of food
- Apply national food standards.

Safe Food's **purpose/s** is to provide confidence to Queenslanders that food produced in Queensland is safe.

The functions (**objectives**) of Safe Food are described in the Food Production (Safety) Act and are as follows:

- to regulate, under food safety schemes, the production of primary produce to ensure primary produce is safe for human and animal consumption.
- to advise, or make recommendations to, the Minister about
 - food safety matters relating to the production of primary produce; and
 - the development or implementation of food safety schemes.
- to monitor the hygiene and operating procedures of premises, vehicles, plant, and equipment used for production of primary produce.
- to encourage businesses engaged in the production of primary produce



- to minimise food safety risks by developing and maintaining food safety programs; and
- to develop and adopt quality assurance measures for the primary produce.
- to approve or audit quality assurance measures
- to approve food safety programs
- to grant accreditations
- to approve and train individuals to conduct audits to monitor compliance with food safety schemes and review those audits, and
- to commission research relating to food safety matters for primary produce.

The desired **outcomes** can be interpreted from the main objects of the Food Production (Safety) Act, which include the development and implementation of indicators that:

- demonstrate that the production is carried out in a way that primary produce is fit for human or animal consumption
- demonstrate that primary produce maintains food quality
- food safety measures for production of primary produce are consistent with other State laws relating to food safety.

Safe Food has itself defined that its role is to ensure that:

- Queensland's food production systems meet national food safety standards
- Businesses along the food supply chain know and understand their responsibilities
- Potential threats to the integrity of food supply are identified and dealt with decisively
- Consumers maintain their confidence in the food produced in Queensland

Safe Food's activities also 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.

There clearly appears to be overlaps in regulatory objectives between the two regulatory systems operating in Queensland. It is, however, unclear if the desired outcomes of the two regulatory systems are aligned. In the absence of alignment, businesses are likely to receive confusing directions and inconsistent application of regulations and consumer confidence may also be impacted.

While Safe Food aims to achieve its objectives along with the broader objectives of the food regulatory systems in partnership with industry and with its co-regulatory partners, it is unclear if Queensland Health, local governments, the Department of Agriculture and Fisheries (DAF), and other jurisdictional regulators have a similar perspective. In Safe Food's own context, it is unclear what outcomes are to be delivered demonstrating the progress and achievement of its objectives and if the outcomes are aligned with the main objects of the Act. While specific project and program-specific outcomes are defined demonstrating progress on its strategic plan, its linkage and relevancy to Safe Food's overall purposes and objectives are unclear.

The **lack of clear understanding of the purposes, objectives and desired outcomes of the national food regulatory system also hampers Safe Food’s ability to establish its own to ensure alignment with Queensland’s broader food safety objectives** as directed by Food Act in addition to national expectations. An audit conducted by Queensland Audit Office concluded that consumers in Queensland cannot be confident of a consistent experience with respect to food safety across the state in the absence of a coordinated framework of legislation, regulation, policies, and procedures across the food regulatory systems²².

4.2 Ethical Values and Principles:

Principle

The RPP recommends that participants in the regulatory system develop and commit to a statement on ethical values that demonstrates that:

- it serves as the foundational values and principles that guide the System and applies to all participants in the System
- for regulatory delivery to succeed, all participants in the system must understand their own cultures, what drives the culture, and what types of behaviours are generated.

The values that drive the system should encapsulate the following:

- Purpose or contribution to society
- Collaboration, partnerships, community involvement
- Transparency, openness, integrity, creativity, trust, honesty
- Accountability, empowerment, innovation, continuous learning, autonomy, agility
- Quality, competence, efficiency, striving for excellence
- Customer satisfaction, respect, open communication
- Safety, health, financial accountability

Assessment

Safe Food’s code of conduct, have the principles set out in the *Public Sector Ethics Act 1994* embedded, namely:²³

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

To maintain transparency, openness, integrity, and trust, Safe Food meets regularly with key industry groups and accredited businesses. The organization has also produced a strategic plan and annual reports for increased openness and transparency to the public domain. To further improve the organization’s trustworthiness and credibility to the community, Safe Food has incorporated Queensland Health and the Department of Agriculture and Fisheries upon their board. Safe Food perpetuates efficiency and competency through a range of data, both qualitative, and quantitative, to indicate sustained compliance, behaviors, and the effectiveness

²² Queensland Audit Office, “Managing consumer food safety in Queensland”, 2018-2019.

²³ Safe Food Production Queensland, Annual Report 2020-2021 (2021)

of food production systems.²⁴ Ultimately, **Safe Food promotes the public good through excellence in customer service, while continually collaborating with external stakeholders and agencies.**

Safe Food's transparent approaches in interacting with many of its regulated business partners helps to proactively manage food safety risks. As an example, Safe Food's approach in working with its industry partners by using emerging technologies to monitor performance of the food safety management system across industry sectors and at the individual business level against best practice principles helps:

- Preventing products from becoming contaminated in the first instance,
- identifying contaminated products at the earliest opportunity,
- Isolating contaminated product to ensure it is not a source of contamination to acceptable product,
- controlling each stage of production so you are not contaminating food products (making the situation worse),
- maintaining the production environment to ensure food contaminants at each stage do not reach unsafe levels and tracing products through all stages of production and supply.

The principles driving Safe Food encapsulate the contribution of food safety to society, as well as an organizational culture of collaboration and innovation. The organizations' structure allows for easy collaboration internally and externally. Safe Food works in partnership with stakeholders in the food chain and food business sector to facilitate compliance with food standards and build trust in the Queensland regulatory system through effective risk communication.

4.3 Responsibility, Accountability and Operating Practices:

Principle

In delivering their responsibilities, regulators are expected to make decisions in line with good regulatory practices, such as COAG's Principles of Best Practice and Queensland Government's Guide to Better Regulation. Some of the attributes of good regulatory practices include being transparent, collaborative, open and impartial with regulated entities. They are expected to act independently, collaborate with other regulators in the system to eliminate inconsistencies and redundancies, and prioritise their actions based on risk. The regulators should understand all the stakeholders in the food regulatory system, their roles and responsibilities and interactions between them.

Regulators should be provided with and able to operate flexibly that allows them to use proportionate approaches that are risk based and can adapt to deal with innovation and disruption in industry practices. Regulators should have a broad regulatory and non-regulatory toolkit including alternate methods for achieving desired outcomes such as delegating responsibilities to partners in the system. When applying risk approaches, regulators shall do so consistently using standardised methods that are science and evidence based using innovative

²⁴ PRISM Institute, Survey Response: Australia's Food Safety Regulatory System - National/Sub-National Regulators' Survey (2021)

approach to collect data. Regulators should focus on using methods including reskilling, capacity building and training operating personnel to drive culture change within their agencies.

Assessment

In delivering their responsibilities within the System, **Safe Food have committed to making decisions in line with the good regulatory practices. Specifically, Safe Food have committed to an organizational code of conduct.** As noted above, this requires staff to act with integrity and impartiality, ensuring high standards of workplace behavior and personal conduct; all while committing to continuous improvements through Safe Food's strategic priorities. Safe Food has maintained ongoing positive, and proactive relationships with businesses and industry leaders, prioritizing being open and transparent in all communications.

While Safe Food does not explicitly have a Responsibility or Accountability Statement that sets out its functions, responsibilities, governance, accountabilities, transparency, and policies **its operating models and practices are keeping in line with best practices.** The organization has a clear understanding of the participants in the system; however, the functions and responsibilities have not been mapped out and stated. Without direct functions and responsibilities mapped, this in turn, may restrict the flexibility to understand the extent of deviation permissible from the regulatory delivery methods.

Safe Food regulates the production and processing of meat, eggs, dairy, seafood, and horticulture in Queensland using a regulatory process that applies through the life cycle of the activities within those sectors. Safe Food accredits over 5000 businesses in the State and has issued over 7,500 accreditations to person/s to undertake an activity from a physical premises and/or vehicle.

Per Safe Food's current operating model, several businesses covered under the legislation, are required to have an accreditation with Safe Food, with various businesses having the ability to have multiple accreditations. The process for accreditation and its renewals are specified in Part 4 of the Food Production (Safety) Regulation, 2014. Part 5 of the regulations provides food safety requirements for multiple food safety schemes (dairy, egg, horticulture, meat, and seafood).

There are however many activities captured by the Act that do not require an accreditation, such as milk transporters/tankers and feedlots. Enforcement action can be taken against these businesses if they commit a serious food safety offence e.g., supplying unsafe food. Intelligence on these unaccredited activities comes via accreditation holders, consumer complaints, industry engagement and other government agencies. This approach helps to give oversight of the whole system and supply chain and helps to ensure regulatory decisions are based on an assessment of risk through chain. However, while it is of value, it is not a systematic approach. **Safe Food may need to consider developing and applying risk thresholds to determine if many of these activities may indeed need to be accredited or held to account through other alternative means.**

Part 6 of the regulations provides the mandate for Safe Food to monitor compliance with food schemes across accredited businesses and operations in Queensland. Section 45(1) suggests that Safe Food may monitor compliance with food safety schemes by 1 or more methods that are considered appropriate to the nature of the business engaging in the production of primary produce and the risks associated with the business. Safe Food verifies compliance through



direct, or third-party physical audits, or assessments of businesses. Safe Food also conducts system audits for highly integrated businesses, such as transport companies, egg processors, poultry processors and dairy processors.

Activities under the different food safety schemes are classified based on risk as being low, medium, or high. The classification helps Safe Food determine the nature and frequency of audits. Alternate verification systems such as monitoring test results, self-verification and regular inspections are accepted for low-risk activities. Safe Food can vary the frequency of audits and conduct them less frequently if it considers appropriate in circumstances such as the compliance culture of businesses.

Safe Food is mostly self-funded and operates using a fee recovery model generated through accreditations, audits, and assessments. The fees for accreditation are specified in the regulation while the fees for audits and assessments are set by the Safe Food Board. The Chief Executive Officer of Safe Food has the responsibility of developing annual business plans that describes how the organisation intends to ensure its activities in connection with food safety schemes are managed on a cost-recovery basis.

Safe Food’s regulatory delivery model consists of a monitoring and intervention approach that is based on observed behaviours and culture of businesses. Initial assessments may lead to more intensive audits or fewer inspections depending on the performance of the businesses with the best performing businesses ideally shifting to a self-regulated assurance approach described later in this section.

Assessments, typically taking about 1 to 1.5 hours, involve assessing the awareness, processes, and competencies of individuals within businesses. However, if there are indications of non-compliance or non-conformity within an assessment inspection, then a more intensive, and traditional system audit is undertaken. If non-compliance are found, Safe Food will issue corrective actions, with ongoing audits ultimately resulting in enforcement actions if compliance is not achieved within the desired time period.

A majority of accredited businesses, mostly categorised as low risk, are audited by Safe Food. Audits are typically conducted in 30 minutes but can be over longer periods of time (averaging at least half a day) and involve details reviews of documentation, procedures and actual practices, including interviews with personnel.

The **figure** below demonstrates the assessment and audit summary²⁵ of Safe Food, as well as respective third-party allocations of inspections:

²⁵ Safe Food: Assessment and Audit Summary, November 8th, 2021, (2021)

Assessment and Audit Summary 8 November 2021

Safe Food Allocations									
Name	Round 1 (up to)		Round 2 Assigned		Round 2 Completed		Round 2 Not		% complete
	Accreds	Businesses	Accreds	Businesses	Accreds	Businesses	Accreds	Businesses	
	196	4	37	6	0	0	37	6	0%
	72	12	4	4	4	4	0	0	100%
	449	21	309	9	308	8	1	1	100%
	48	31	18	18	12	12	6	6	67%
	37	32	22	20	20	18	2	2	91%
	47	49	40	40	31	31	9	9	78%
	3	3	9	8	0	0	9	8	0%
	3	3	34	29	30	25	4	4	88%
	662	11	56	8	56	8	0	0	100%
	88	64	109	66	80	44	29	22	73%
	72	31	30	24	18	12	12	12	60%
	56	24	24	23	14	13	10	10	58%
Total	1733	285	692	255	573	175	119	80	83%

3rd Party Allocations			
GROUP	Total	Completed	
	1090	1090	100%
	930	930	100%
	850	850	100%
TOTAL	2870	2870	100%

The process of receiving and maintaining accreditation from Safe Food is multi-factorial, including a business's successful completion of the following to meet and satisfy various requirements:

- Application forms and fees
- Management Statement or Food Safety Program
- Additional resources, risk and sector-based dependent
- Renewal of accreditations
- Clear unannounced and pre-arranged audits and assessments (no risks identified)
- On-site inspections (risk and maturity-dependent)

If an applicant is applying for accreditation for a through-chain/integrated system, across multiple locations will require multiple accreditations. For example, applicants applying for accreditation under the Egg Scheme, where laying birds are located at one site, and cleaning/packing/grading occurs at a second, have two options for accreditation through accreditation as an Egg Producer (PSA) of either site.²⁶

²⁶ Safe Food Queensland, Accreditation Business Rules, Version 7.0 (2021)

Appendix A, diagram 1 demonstrates the complete application process.²⁷

Using a basic risk-informed approach that looks at intrinsic risks of the business activities, Safe Food segments its approach across different sectors. For low-risk businesses, a document review allows for a Safe Food accreditation, whereas, for medium and high-risk businesses, a two-month temporary accreditation will be in place for further analysis of the operations of the business in question. Business risk categorization is assigned per activity, captured within the legislation. Medium-risk businesses under a temporary accreditation provide Safe Food with performance indicator data during the period to verify the effectiveness of their systems. For high-risk businesses, products cannot be supplied until Safe Food has reviewed information that validates their systems can achieve the required food safety outcomes.

Under the legislation, businesses should have had some form of monitoring arrangement in a 12-month window time frame. With the various systems that Safe Food has in place, such as the notification system and data sharing, it has developed a good base knowledge of what is occurring per system on the ground. For mature industries, such as that of dairy, Safe Food has moved into alternative compliance arrangements, all while allowing testing arrangements, and notification provisions to be keep track of approved supplier arrangements per respective Company.

The operating models of Safe Food have eliminated and reduced inconsistencies, using a cooperative approach with stakeholders, and targeted to optimize resources, reduce costs, and create greater efficiencies. The agency's aims to be more science-based incorporating more data and evidence to support decisions, improve outcomes, and look for trends.

Safe Food utilizes monitoring approaches, such as *the Central Information Management System (CIMS)* and *Safe Food's Compliance Assessment System (CAS)* to reduce costs and limitations associated with audits.²⁸ The CAS was developed to recognize the best performing accreditation holders, by saving them time and tailoring the assessment to focus on the issues most relevant to their business.²⁹ However, if any food safety risks are identified throughout that process, the assessment would be halted, with Safe Food considering an alternative form of compliance measure, such as audits, to be conducted for the respective business.³⁰

The CIMS was implemented to analyze data supplied by industry, against agreed performance targets at key points in the food production system. CIMS can facilitate through-chain monitoring of production systems, allowing the industry to demonstrate that it is meeting key targets of best practice, for a precursor indicator of desired objectives being met. The **figure** below, Egg CIMS³¹, demonstrates CIMS's utilization, acting as a performance management tool to monitor compliance for egg businesses:

²⁷ Safe Food Queensland, Accreditations Business Rules (2021)

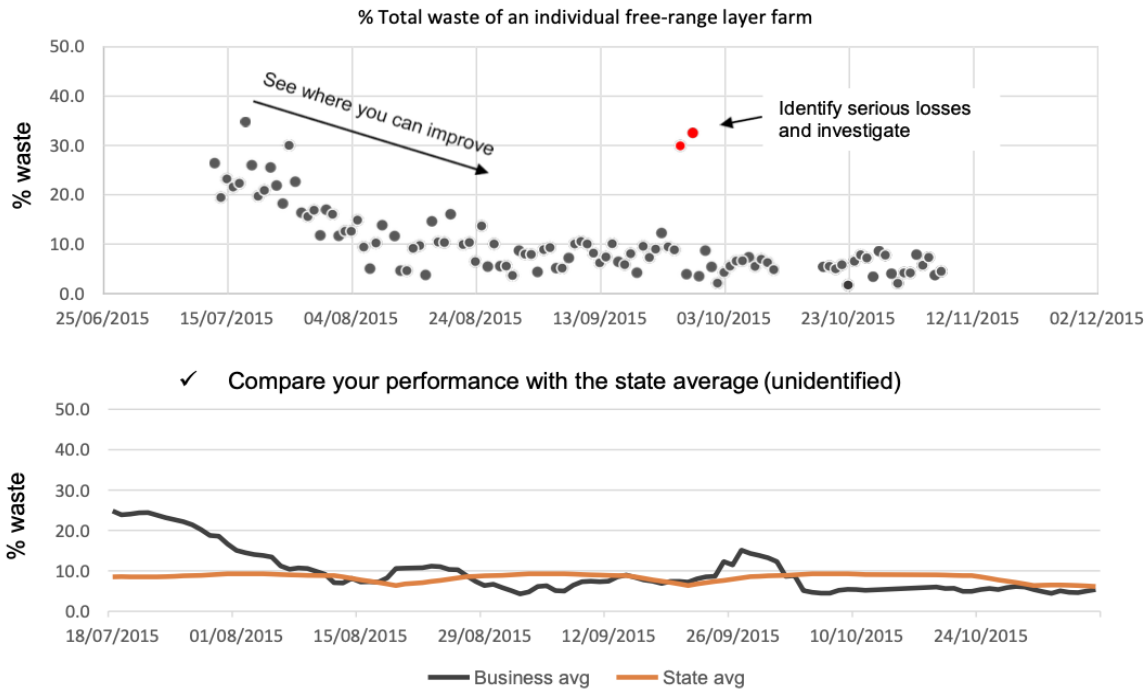
²⁸ Safe Food's Strategic Plan 2021-2023 (2021)

²⁹ Safe Food Queensland, Safe Food Compliance Assessment System (CAS), (2016)

³⁰ Ibid.

³¹ Safe Food Production Queensland, Egg Central Information Management System (2019)





This approach promotes best practices, helps greater transparencies, and incentivises businesses to maintain and exceed standards and expectations. Using information that is already being collected also serves to reduce compliance costs and regulatory burden.

CIMS alerts businesses if there are any abnormalities prevalent, to allow businesses to remain proactive, as well as allowing Safe Food to work at an industry level by understanding supply patterns or peak production periods as examples. However, the opportunities that exist are limited by organizational digital maturity and technology.

Ultimately, Safe Food continues to establish a trusting relationship with industry, particularly through their notification system, building meaningful relationships with clients. This allows Safe Food's clients to see them more as a partner, rather than direct regulators.³² Although there exists a shortfall of direct documentation demonstrating all the work being done by Safe Food, this undocumented, trust-based process approach has allowed flexibility, all while ensuring food safety mechanisms are in place within regulatory system functions.

Despite not having clear regards for the flexibility to deviate from the regulatory delivery methods Safe Food has creatively utilized its authority to use risk-based approaches to market segmentation and regulatory delivery that are largely based on their assessment of the culture and practices of the industry. The notification model has certainly assisted in this regard. For example, Safe Food and the dairy sector rely on a trusting notification operating model to increase flexibility and address any prevalent issues and challenges through a notification mechanism. **Such an approach of "regulated self-assurance" is identified as a**

³² Safe Food Queensland. Strategic Planning: Summary of Consultation & Survey. (n.d.)

best practice and can only be successfully achieved through a process of building and maintaining trust.

Safe Food has clearly established a regulatory delivery framework that aims to be risk based, focused on monitoring, and improving food safety culture within businesses using a range of interventions, including enforcement from its toolkit. Safe Food is limited by its current fee model which may be a significant barrier to providing the flexibility of further modernization of its regulatory framework.

Safe Food funding comes from two sources: a shared funding agreement with the Queensland Government and charges for accreditations and other services. Accreditation fees are set in regulation based on the nature of activity and the sector while auditing and assessment fees are set by the Safe Food Board. The fee model in the Act provides limited flexibility to Safe Food to apply risk-based approaches to fee setting and creating incentives for businesses to improve performances. **The funding model may restrict Safe Food from offering trust-based schemes**, such as those deployed in the dairy or poultry sector, thereby **limiting an opportunity for burden reduction on businesses while promoting innovative means of sharing evidence.**

While Safe Food is applying risk concepts in making its decisions (e.g., transitioning from behavioural assessments to physical audits), it would benefit from a formal data enabled/ risk-based decision-making framework and methodology that would allow for a range of decisions including scheduling, risk profiling based on history, better market segmentation etc. **Safe Food is investing heavily in its digital strategy, and it would be timely to apply scientific and behavioral principles to data collection and analysis that would support risk-based approaches.** In addition to begin collecting data that reflects businesses' operating culture and sustainability, the risk assessment approach should also consider expanding its data from other external sources such as participating regulators including local governments.

Safe Food's proposed science-based digital strategy provides the foundation for building such a framework. Some key prerequisites for this would include documenting workflows, identifying data needs and analysis methodologies etc. Capturing industry and business profile information helps lay the foundation going forward for Safe Food's risk and performance-based approach. Safe Food has to endeavour to develop capabilities to allow for the flow of information to occur from the business to Safe Food, but also from Safe Food to the business when there is a new or emerging risk that has the potential to impact on their business.

4.4 Planning, Performance Measurements and Continuous Improvement

Principles

Regulators should publish a strategic plan that reflects their regulatory purposes and:

- identifies the activities, outputs, expected outcomes and impacts, the linkages between them, and the balance as can be shown through a balanced scorecard
- clearly demonstrates and articulates alignment with the regulatory purpose and objectives
- demonstrates the commitment to the ethical values, and



- establishes appropriate KPIs that describe the outputs and demonstrate progress on the outcomes.

Regulators shall establish performance measurement plans that:

- are aligned with their strategic plans and associated KPIs and link directly to their interventions and actions
- apply consistent standards in identifying, collecting, and using evidence to support risk assessments
- encourage the use of innovative approaches, internally and with their external partners, to collecting, processing and utilising data for risk-based approaches
- can be verified through independent methods and reported to System participants

In addition to demonstrating achievement of outcomes, performance measurement also assists in helping regulators continually improve. It will help them identify the effectiveness of monitoring and intervention activities and help reset strategies and decisions if required to help meet the objectives of the regulatory mandate.

Assessment

Safe Food has set out strategic priorities as demonstrated in the **figure**³³ 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	✓	✓	✓	✓

³³ Safe Food’s Strategic Plan 2021-2023 (2021)

Safe Food's performance measurements and Strategic Priority Success Indicators strongly align with the organization's strategic plans. Safe Food can be verified through independent methods, with the operation's *Annual Regulatory Performance Report*. It should be noted that the approach maps Safe Food's strategic priorities against the Queensland Government model practices of its Regulator Performance Framework.

The performance measurements in place at the organization also allow oversight of non-compliance within the industry. The interventions for non-compliance are different per sector, with performance targets utilized, dependent on the sector in question. As mentioned, Safe Food utilizes a notification system, thereby allowing the organization to be alerted of breaches of performance targets. Consecutive alerts result to Safe Food's direct actions with the business and management in question, for the elevation of the issues of non-compliance. Such level of oversight is, however, reflected based on the maturity of the industry, cycling back to the trust-based model that Safe Food prioritizes. A limitation in this regard, however, is again direct documented evidence of performance measurements, key performance indicators (KPIs) and associated performance measurement plans.

Safe Food has been subject to numerous external government reviews since its establishment.³⁴ The agency is also overseen by its independent *Board and Audit and Risk Committee*, as well as *DAF's Audit and Risk Committee*, with the *Queensland Audit Office* routinely undertaking financial audits.³⁵

³⁴ PRISM Institute, Survey Response: Australia's Food Safety Regulatory System - National/Sub-National Regulators' Survey (2021)

³⁵ Ibid.

5 Recommendations for Future Visioning

Safe Food operates within a wider food regulatory system that includes several other regulatory organisations including Queensland Health and local governments. While this review focused largely on Safe Food's current regulatory model and operating practices, the findings and recommendations shared below apply not only to Safe Food but to the entire food system in Queensland.

Two primary areas of opportunities exist to further modernize Safe Food's regulatory system as discussed below: These areas are as applicable to the entire food system in Queensland as they are for Safe Food, and it would highly recommended that higher levels of government consider a more coordinated effort as also advocated by the Queensland Audit Office in its report to reduce the burden on businesses while increasing consumer confidence in food safety in the State. The two areas include:

- Purpose of food regulatory system and its governance (using a cooperative model)
- Regulatory delivery (using a science based, risk focused, trust enabled delivery model)

5.1 Cooperative Model for Defining and Governing Regulatory System

A **cooperative and co-creative food regulatory system for Queensland**, involving all the relevant parties and ideally facilitated by a single point of contact, should be developed to establish common purposes and shared objectives. This would be the most effective means of managing the food safety mandate that is currently administered directly by over 90 entities and many other organisations have an indirect impact on the overall food system as described earlier. In addition to establishing a set of common purposes and shared objectives, the cooperative approach would also help clarify the specific role and expectations of the food regulatory system and address any potential conflict or overlap that may exist.

As a first step towards building a cooperative model, Queensland regulators should consider **co-creating a set of regulatory practice principles** (a regulatory delivery code of practice) that guides the functioning of all regulatory systems affecting the food supply chain. The principles which should ideally align with draft national RPP which has been developed will help achieve the following:

- Agreement on the core purposes, objectives and outcomes of a common food regulatory system that applies from farm to fork (producers to consumers).
- Identification of shared purposes and/or potential conflicts with other regulatory systems impacting food safety (e.g., climate and sustainability, trade etc.)
- Agreement on the functions, roles, responsibilities, objectives, outcomes, metrics, and accountability mechanisms of all stakeholders including regulators and businesses in achieving the common purposes and outcomes.
- Agreement on the mode of engagement, such as a code of ethical practice governing the whole system, which all actors should sign up, supplemented by all necessary subsidiary agreed rules on specific activities and behaviours, whether in law, standards, or guidance.



- Agreement on relevant evidence that will demonstrate the extent to which a business's activities achieve the desired outcomes and improvements in performance.
- Agreement on data sharing between regulators and other stakeholders that would help monitor performance and respond to risks proactively
- Operating a performance monitoring system in which stakeholders account for their behaviour and contribution in achieving the desired purposes and outcomes, and cooperate in identifying problems, analysing root causes, and implementing agreed responses prospectively to reduce risk and retrospectively to repair harm.
- Appropriate responses are made to failures or those who do not behave in the expected cooperative manner. Actors who make mistakes are supported to improve their performance, competence, behaviour, and outcomes. Actors who behave unethically and anti-socially are subject to interventions of appropriate severity aimed at protecting society.

It is expected that establishing a cooperative model for a common food regulatory system will come with its challenges, especially as organisations operate with different cultures and different approaches. It is therefore recommended that a Champion be appointed to facilitate and coordinate the development and be undertaken in a phased manner.

5.2 Trust Model for Regulatory Delivery

Safe Food has developed and maintains a robust regulatory delivery framework that is aligned with current thinking and contemporary approaches in regulatory practices. Safe Food's primary areas of strength lie in its culture of building trust with the regulated sectors and related stakeholders that provides flexibility in applying a range of tools and interventions to achieve desired food safety outcomes using a cooperative approach. The foundational pillars for Safe Food provide it the necessary flexibility and adaptability to position itself for the future. Safe Food can continue to progress on its trust model by considering the following areas as opportunities for improvement or innovation:

- **Expanding risk-based approaches**
- **Alternative approaches to regulation**
- **Demonstrating performance through KPIs**

5.2.1 Expanding risk-based approaches

Risk in the context of Safe Food's mandate can be defined as the "*likelihood that the practices and activities of primary producers may lead to the production of food unfit for human or animal consumption and that could cause harm (foodborne illnesses, food quality issues etc.)*". Assuming this definition of risk, Safe Food's objectives can be understood to reduce the risk to its lowest levels. This would mean that their efforts would focus on reducing the likelihood of unacceptable practices by primary producers and/or mitigating the consequences of unacceptable practices ideally by limiting access to unfit food which have the potential to cause foodborne illnesses.

Safe Food currently applies a risk-based approach that is based on the inherent risks of processes and stipulated in regulations in determining the frequency and nature of audits and inspections. Except for low-risk activities which allow for alternate compliance monitoring methods such as self-verifications, test results etc. Safe Food conducts audits or oversees third-party audits of activities and businesses as per the stipulated intervals in regulations. Safe



Food, however, has the flexibility in legislation to vary the frequency of inspections and audits as it sees appropriate. This provides an opportunity to develop and implement an enhanced approach to risk assessment using science and evidence and focus on the culture and practices of businesses in addition to inherent risks.

Safe Food can leverage its partnerships and trust built with businesses in various sectors to implement a risk-based market segmentation approach to interventions that goes beyond the inherent risks of food processes. In such an approach, risk would be estimated not only based on the inherent risk factors, historical evidence of performance (e.g., responses to non-compliance) but also at the operating culture and sustainability of the businesses. Simplistically put,

Risk (business)

$= f(\text{inherent risk factors associated with processes, compliance history, organisational culture})$

Inherent risk factors have already been defined and stipulated in regulations. Compliance history essentially can be ascertained by looking at the compliance performance of businesses over time and the associated trends can inform the likelihood of future compliance failures. Organisational culture may be ascertained using a variety of methods. In addition to compliance history, culture audits, financial health, employee engagement, workplace safety, customer satisfaction etc. are all good indicators of organisational culture.

Risk estimated using this integrated approach would allow for “binning” businesses into different risk categories (e.g., low risk businesses, medium risk businesses, and high-risk businesses). Intervention methods can therefore be targeted according to the risk categories with a whole range of tools including incentives (e.g., reduced inspections, more opportunities for “self-reporting” etc.), compliance support to enforcement.

Building such an integrated and comprehensive risk model would require reliable and relevant data. Safe Food is already investing heavily into its digital strategy, which will help create the necessary infrastructure and platform to support such a data intensive approach. The key would be to ensure that the “relevancy” aspect of data is well thought through in terms of the type, source, reliability, availability etc.

Safe Food should **formally leverage partnerships with other regulators (not just limited to food regulators) to access data** that would provide an insight into the culture and sustainability of food businesses that it regulates. Data such as the financial health of the businesses, its workplace safety records etc. would provide greater insight into their operating culture and sustainability and could better inform its risk models.

Safe Food’s vision is to collaborate with all food chain participants through improved data sharing that would support the risk model. Safe Food’s preferred approach is to apply a two-way information flow which would allow Safe Food to not only access data from businesses but to report back to them on their performances relative to the industry benchmarks. These are very much in line with the current best practices in risk-based approaches.

Canadian Food Inspection Agency’s (CFIA) [Establishment-based Risk Assessment Model](#) is an emerging example of applying risk based methods to determine the nature, frequency and extent of regulatory audits and inspections on the basis of a broad range of factors.



The Establishment-based Risk Assessment model for food establishments (ERA-Food) is a tool developed by the CFIA to evaluate domestic food establishments based on the risk they represent to Canadian consumers. The ERA-Food model uses establishment-specific data and a mathematical algorithm to assess the food safety risks of food establishments under CFIA jurisdiction. It takes into consideration:

- risks associated with a specific food commodity, operation, or manufacturing process
- mitigation strategies implemented by the industry to control their food safety risks
- establishment compliance information

The ERA-Food model is used, along with other factors, to inform where CFIA inspectors should spend more or less time and inform program planning, in order to focus efforts on areas of highest risk. Such approaches however are dependent on the availability and effective use of data that may be collected through audits and inspections and/or obtained from businesses who may already be collecting them. A cooperative approach to data collection through the creation of incentives is the most effective way to go in terms of building the necessary infrastructure for risk assessments. There are three pre-requisites at a minimum for developing such risk assessment methods including:

- Process and workflow mapping to help describe data flows, decision points and decision outcomes
- Scientific research including the development of cause-and-effect models required to identify additional data needs, help better quantify the risks associated with businesses, assist in market segmentation
- Leveraging technology to procure relevant data, improve efficiency of processes such as audit scheduling, and delivering decisions such as enforcement actions

5.2.2 Alternative approaches to regulatory delivery

As discussed in the previous section, the fee model in the Act provides limited flexibility to Safe Food to apply risk-based approaches to fee setting and creating incentives for businesses to improve performances. The funding model may restrict Safe Food from offering trust-based schemes, such as those deployed in the dairy or poultry sector, thereby limiting an opportunity for burden reduction on businesses while promoting innovative means of sharing evidence.

Safe Food should also consider a **risk-based fee setting process that would incentivise sustained good food safety and business practices**, while negatively impacting poor performers financially. The fees arrangements should incorporate a fee for service component, which reflects the cost to Safe Food to monitor each individual business, and an accreditation and/or licence fee which incorporates the cost to Safe Food to undertake targeted industry surveillance activities and engagement activities.

Safe Food is a trusted organization within Queensland, serving Queenslanders to keep their food safe. Safe Food has established valuable relationships with regulated entities and built trust over a period of time that can be leveraged to achieve broader goals and purposes for the State. This can, in turn, allow the organization to expand its reach, and focus on other aspects of the overall food system that may currently be administered by other regulators. Businesses around the world constantly complain about the burden posed by multiple regulators who may



be regulating their businesses. Food businesses have to deal with food safety regulators, public health regulators, occupational safety, and health regulators in addition to multiple levels of government. In Queensland, Safe Food can potentially become the primary point of contact with food businesses helping coordinate across multiple regulators and creating a more efficient system.

Safe Food should consider **alternate business operating models** that would provide the flexibility to apply risk-based approaches targeting the culture and behaviour of businesses in addition to the intrinsic risk of their operating environment. As an example, Safe Food could advocate for a primary authority³⁶ model that would allow businesses to choose a single regulator as its primary authority for a fee who in turn could administer regulatory responsibilities across the different food regulators who may have an interest in that business. Safe Food could also explore recognising suitable industry certification systems as means of verifying compliance. These would also help in significantly reducing the burden on the businesses and decrease inconsistencies that may arise from multiple regulators' actions.

UK's Primary Authority Model is an example which provides a legal mandate to a single regulator to establish acceptable regulatory compliance framework with a business and for other regulators to adopt the agreed principles. This model drives consistency amongst regulators, provides a platform for agile responses to changes, increases a trust-based relationship amongst stakeholders among other benefits.

Such an approach may also address constraints posed by the current fee model adopted by Safe Food which limits its ability to develop and apply innovative ways to regulatory delivery that is integrated and applicable to the entire food system.

It is understood that for moving to such alternative approaches as the Primary Authority it would require broad based consensus. A cooperative model described in the first recommendation is therefore key to making any such progress and is a necessary first step.

5.2.3 Demonstrating performance through KPIs

To gain the trust of stakeholders and implement any progressive approaches to regulatory delivery, Safe Food would need to clarify their differentiating factor, to in turn, be independent of other agencies, as the risk with that is losing their independence as a regulator.³⁷ Safe Food would require to have clearly defined and measured outcomes to demonstrate the progress of its objectives. It appears that no direct guidance of means, measurements, information, or direct assessment of continuous organizational improvement and outcomes currently exist.

Safe Food should **establish key performance indicators** (leading and lagging) that it can share exclusively with businesses to indicate their performance/s relative to industry average and also to publicly report on the trends in safety across the regulated sectors indicative of the performance of the regulatory system. Several examples of such practices³⁸ exist that can be adopted by Safe Food and implemented to their context.

³⁶ Government of United Kingdom, "Primary Authority".

³⁷ Safe Food Queensland. Strategic Planning: Summary of Consultation & Survey. (n.d.)

³⁸ UK Drinking Water Inspectorate, Ontario Technical Standards and Safety Authority,



Using a balanced scorecard approach may be beneficial for Safe Food to consider as a means to demonstrate the linkages between its purpose/s, objectives, and desired outcomes. A simple example of a balanced scorecard is provided as an illustration below:

Input	Output	Outcomes	Impact
Granting accreditations	X accreditations issued, Y accreditations renewed, Z accreditations cancelled	<ul style="list-style-type: none"> • X number of high-risk businesses, Y number of medium risk businesses, Z number of low-risk businesses • 	<ul style="list-style-type: none"> • Decreasing trend in high-risk businesses • Decreasing trend in complaints • Decreasing trend in number of food safety incidents
Monitoring hygiene practices	X number of audits and inspections conducted		
Encouraging and approving food safety programs	X food safety programs approved		
Auditing and approving quality assurance measures	X quality assurance measures approved		
Approving and training auditors	X auditors trained		
Commissioning research	New innovations introduced		<ul style="list-style-type: none"> • Increasing number of self-verification schemes • Reduced regulatory costs for businesses • Increased data shared amongst regulators
Engaging stakeholders	Business education sessions conducted		
Collaborating with regulators	Joint inspections conducted		

Public reporting also demonstrates greater transparency and helps build trust with stakeholders. Examples of public reporting approaches are provided below for illustration purposes:

[Reports and Policies - TSSA](#)

[Drinking Water Quality in England](#)

[State of Safety Report, Technical Safety BC](#)