

Acknowledgement of Country

Safe Food Production Queensland acknowledges the Traditional Custodians of the country throughout Queensland and their connections to land, sea and community. We pay our respects to the Elders – past, present and emerging – for they hold the memories, traditions, the culture and hopes of Aboriginal and Torres Strait Islander peoples across the state.



Letter of compliance

01/09/2023

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 2022–2023 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 on page 73 of this Annual Report.

Yours sincerely

Debbie Best Chair of Board

Safe Food Production Queensland

OBest

Public availability

Welcome to the Safe Food Production Queensland (Safe Food) Annual Report for 2022–2023.

Safe Food is 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 and Minister for Rural Communities.

We use a science and risk-based regulatory framework to monitor compliance and respond to new and emerging food safety risks by applying appropriate and proportionate regulatory decisions.

Safe Food's core business is the development and implementation of food safety policy and standards through outcome-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.

This report highlights Safe Food's 2022–2023 achievements, performance and financial position. © Safe Food Production Queensland 2023 ABN 94 790 873 787 Bib ID 4561622

Interpreter service statement

interpreter service statement

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Safe Food is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty understanding the annual report, you can contact us on either (07) 3253 9800 or 1800 300 815 Free call (QLD only) and we will arrange for an interpreter to effectively communicate the report to you.



Public availability and feedback

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

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

Email: info@safefood.qld.gov.au

Phone: (07) 3253 9800 or Free call 1800 300 815 (QLD only)

Fax: (07) 3253 9810

Post: Safe Food Production Queensland

PO Box 221

GREENSLOPES QLD 4120



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Message from the Chair of the Board

The activities of all organisations, including regulators, can be considered from many perspectives. As the Chair of Safe Food Production Queensland's Board of Directors, I am privileged to have a unique viewpoint to consider Safe Food's recent achievements.

This annual report focuses on Safe Food's financial position and activities to support its strategic priorities and the Queensland Government's community objectives. However, the report could also be viewed from the perspective of the agency's culture and commitment to creating and maintaining a best practice regulatory environment for the benefit of all Queenslanders. Throughout the report there are many examples of work undertaken over the 2022–23 period that demonstrate how the agency lives and breathes its organisational values - accountability, respect, integrity, and creativity.

As the statutory body established to regulate food safety practices within Queensland's primary production and processing sectors, the agency is 'the exception rather than the rule'. This could be attributed to our primary focus on food safety, our governance arrangements, the flexibility afforded by our legislation or our cost-recovery business model, but it is our culture of innovation and collaboration that truly makes the agency what it is.

It is this culture which has held the agency in good stead for over twenty years, and it is this culture that will help the Queensland food industry to navigate the changing landscape in the years to come. In this regard, CSIRO's Our Future World Report (July 2022) highlights the megatrends expected over the coming decades that will impact on how we live. These include adapting to changing climate; the increasing use of artificial intelligence; the growing digital and data economy; the promotion of health; and the global push to reach net zero and beyond.

For the last five years Safe Food has been determined to develop and implement a new approach to regulatory delivery. An approach that not only harnesses digital technology but also recognises the importance of genuine collaboration and engagement with all food supply chain participants. A regulatory model that recognises that food safety is critical, but not the only element, in Queensland's broader food system, which includes employment, environmental sustainability, trade, biosecurity and food security.

This report demonstrates Safe Food's commitment to both its core function – regulating food safety – and achieving its vision of establishing a best practice regulatory environment. An environment that ensures consumers remain confident in the safety and quality of Queensland's fresh produce and helps businesses improve the effectiveness and efficiency of their production systems in times of constant change and innovation.

The dedication and commitment of Safe Food's workforce, who have worked diligently to deliver services and modernise the agency's approach, is regularly acknowledged by the Safe Food Board.

It is with great pleasure that I present Safe Food's 2022–2023 Annual Report on behalf of the Board.

Debbie Best,

Chair

Safe Food Production Queensland

OBest

Message from the Chief Executive Officer

Safe Food Production Queensland (Safe Food) holds a unique place amongst Queensland's regulatory agencies. As a statutory body that regulates and collaborates with Queensland's primary production and processing sectors, we are well situated to provide guidance and support to both industry and Queensland government agencies on current, emerging, and future risks to both food safety and food security. In times of constant change and uncertainty this is a valued asset, especially given the importance of fresh produce to our health, our regions and our economy.

During 2022–23 Safe Food continued to implement its *Strategic Plan 2020-24*, with a focus on modernising its regulatory approach by building on our achievements to date while looking to the future. Safe Food has long recognised that the data shared by food businesses within our collaborative regulatory environment has significant potential to benefit all Queenslanders by ensuring access to safe quality food.

When considered in its entirety, I am amazed (but not surprised) at the progress Safe Food has made in designing its new regulatory delivery model that will reflect global best regulatory practice. This has occurred while the agency continued to fulfil its core function of ensuring that the food produced in Queensland is safe and continues to meet the expectations of consumers from Queensland, across Australia and around the world.

Safe Food's new approach will help to ensure consumer confidence in Queensland's food production system remains strong, even in these times of innovation and disruption. We will continue to conduct food safety audits, coordinate surveillance activities, and respond promptly to incidents and emerging risks. However, this will occur in a much more proactive and collaborative regulatory environment, facilitated through an increase in the proactive exchange of information with businesses about trends in food safety, both positive and negative.

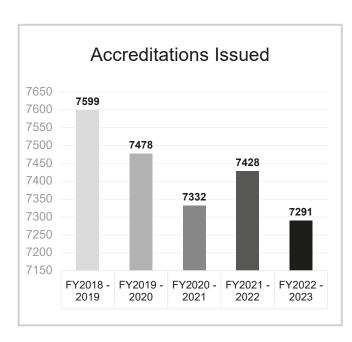
Queensland's horticulture industry – melon, berry and leafy vegetable producers and processors – will be the first sector to benefit from the new approach. In 2022–23 we laid down the groundwork for the sector to work in collaboration with Safe Food to co-design a regulatory model that can recognise systems already established in the horticulture sector to manage food safety risks. This will provide another means to verify that food safety requirements are met, and compliance is sustained over time without increasing the burden on businesses.

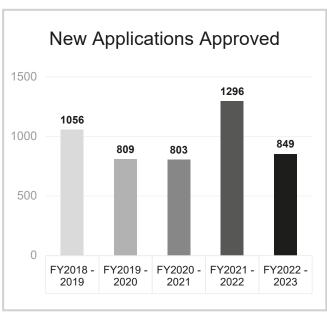
Queensland's communities and industry sectors undoubtedly face many challenges over the coming decades. However, there are also many opportunities arising from digital and technical innovations that will help Safe Food and industry to not only meet these challenges, but help businesses to thrive, not just survive. This report highlights just some of the opportunities that Safe Food has harnessed and progressed in 2022–23.

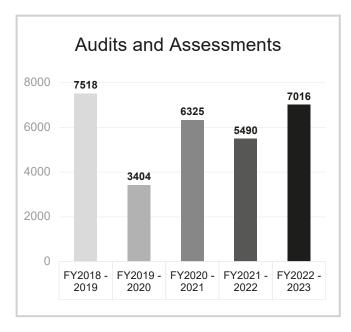
Jim Dodds

Safe Food Production Queensland

Five-year snapshot 2018-2023









About us

Safe Food is the Queensland statutory body with a focus on food safety management systems and practices. We are the agency responsible for regulating food safety in Queensland's food primary 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 and Minister for Rural Communities.

Maintaining Queensland's reputation for safe, quality fresh produce is a shared responsibility along the food supply chain, from producers to consumers. Ensuring food safety management systems and practices meet food standards and community expectations is a priority for food producers and processors to ensure consumer confidence, public health and market access. Given the many challenges facing our food supply chains, now and into the future, Safe Food's collaborative approach with industry and other regulatory partners has never been more important.

Safe Food's core business is the implementation of food standards through outcomes-focused Food Safety Schemes. These Schemes reflect nationally agreed food standards and provide a basis for Safe Food to independently verify that these standards are met. The agency recognises the dynamic and innovative nature of Queensland's food sectors and works in partnership with industry to ensure our food sectors are prepared to respond to current and emerging challenges and risks, and that consumer confidence is maintained.

Our focus on influencing behaviour as an important element of sustaining compliance, collaboration and ongoing engagement ensures that food safety requirements are satisfied, while we redesign our regulatory model to place the agency and business on a more proactive footing when it comes to managing risks. This will not only assist businesses to improve the performance of food production systems but will reduce regulatory burden.

We use a science and risk-based framework, along with regulatory and non-regulatory tools and arrangements (such as the data sharing), to monitor compliance and respond to threats in a risk proportionate way. This provides certainty about food safety in the food production and processing sectors, gives consumers confidence, and facilitates an environment that sustains economic growth.

Safe Food continues to implement its *Strategic Plan 2020-24* to achieve our purpose of providing confidence that food produced in Queensland is safe, through innovative and effective regulation which supports industry growth. The focus of the Strategic Plan is to modernise Safe Food's approach by building on achievements to date while looking to the future. Safe Food recognises that greater data and information sharing between Safe Food and food businesses has significant potential to inform policy development, contribute to economic growth and support innovation for the benefit of all Queenslanders.

Safe Food's contribution to Queensland Government objectives

Our activities support the Queensland Government's objectives for the community. This report has been structured to highlight how our activities align with the objectives and sub-objectives:

- Good, secure jobs in our traditional and emerging industries (Good Jobs) Supporting jobs; backing small business; making it for Queensland; and investing in skills.
- Deliver even better services right across Queensland (Better Services) Backing our frontline services;
 keeping Queenslanders safe; connecting Queensland; educating for the future.
- Protect and enhance our Queensland lifestyle as we grow (Great Lifestyle) Protecting the environment; growing our regions; building Queensland; and honouring and embracing our rich and ancient cultural history.



Safe Food's contribution to the Australia New Zealand Food Regulatory System

Our activities focus on supporting the following aims of the bi-national food regulatory system:

- · Protecting the health and safety of consumers by reducing food-related risks.
- · Supporting public health objectives by responding to specific public health issues.
- Supporting a strong, sustainable food industry that offers a diverse, affordable food supply that also benefits the Australian and New Zealand economies.

Safe Food contributes to the following key priorities of the bi-national system:

- Reducing foodborne illness, particularly related to Campylobacter and Salmonella.
- · Maintaining a strong, robust, and agile Food Regulation System.

Our vision

Safe Food's vision, as articulated in our Strategic Plan 2020-24, is to be a trusted authority for food safety.

Our purpose

Safe Food's purpose, as articulated in our *Strategic Plan 2020-24*, is to provide confidence that food produced in Queensland is safe; through innovative and effective regulation which supports industry growth.

Our strategic priorities

Safe Food's strategic priorities, which are outlined in our Strategic Plan 2020 –24, provide the foundation for Safe Food to achieve its vision and fulfil its purpose. The priorities are:

- **Expanding our positive influence and impact**. Understanding emerging best practice and driving changed behaviour across the whole food industry landscape.
- 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.
- Transforming our corporate capabilities. Ensuring we have the right systems, processes, capacity and capability to realise our vision and fulfil our purpose.
- Strengthening our scientific contribution. Influencing national and international food safety practices through
 rigorous scientific contribution in the niche domain of safe food production.

Our values

Safe Food remains committed to its four core values, which have enabled the agency to build an organisational culture which focuses on problem solving, collaboration, innovation, openness, and continual improvement.

- 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.

Operating environment

Queensland's food sectors operate in an innovative, competitive industry that rapidly evolves and adapts to meet diverse consumer demands and changing consumption patterns. While the impacts of the COVID-19 pandemic have lessened in the last year, there remain many challenges which have disrupted food supply chains and increased community concerns regarding food security.

CSIRO's Our Future World report (July 2022) highlights the megatrends expected over the coming decades that will impact on how we live. These include adapting to changing climate; geopolitical shifts, the increasing use of artificial intelligence and advanced autonomous systems; the growing digital and data economy; the importance of diversity; equity and transparency; the promotion of health; and the global push to reach net zero and beyond.

Safe Food recognises that to respond to these challenges, and capitalise on the opportunities created, all supply chain participants must work together to achieve our shared goal of providing safe, quality, and nutritious food to consumers in Queensland, Australia and overseas.

Safe Food is currently developing a new regulatory delivery model for all primary production and processing sectors – meat; dairy; eggs; seafood; and horticulture. This new model will build on the agency's innovative regulatory initiatives and collaborative efforts with industry over the last twenty years. The model will strengthen Safe Food's focus on influencing behaviour as an important element of sustaining compliance and providing greater insights into emerging trends and risks through the information shared by businesses and industry.

It is Safe Food's vision that the model will not only ensure that consumers remain confident in the safety and quality of fresh produce produced in Queensland but will also play an important role in assisting businesses to improve the effectiveness and efficiency of their production systems in times of constant change and innovation. Through greater engagement, collaboration and information sharing, the model will also help industry and government navigate the challenges that lie ahead over the next two decades and beyond.

With this operating environment front of mind, Safe Food has continued to implement the key deliverables of its strategic plan, which has been extended to June 2024. The plan builds on our achievements to date by employing innovative practices in both service delivery and digital systems, and includes designing, creating and then implementing an integrated model of gathering and sharing information about industry compliance and performance.

When implemented, this approach will assist Queensland's food production and processing businesses to proactively manage their risks, improve the effectiveness of production systems, and operate within a best practice regulatory framework. The current operating environment underscores the benefits of implementing Safe Food's digital strategy, which will support and inform innovative and effective regulation and create a regulatory environment for greater information sharing and collaboration with industry.

Food Standards Australia New Zealand (FSANZ) have developed three new national standards for horticulture in primary production and processing of melons, leafy vegetables and berries, which will come into effect in February 2025. This provides Safe Food and the Queensland horticulture industry a rare opportunity to develop and apply a best practice regulatory framework from the on-set.

Through improved digitisation, digital systems integration, and increased data analysis capability within Safe Food and industry, Queensland will be able to capitalise on opportunities to:

- leverage industry-driven data to further modernise our regulatory approach
- · further reduce the regulatory burden on industry
- · deliver more cost savings to both industry and government
- support the adoption of digital solutions and capacity building across Queensland's small and medium food agribusinesses and supply-chains
- · retain existing and attract new food business investment to Queensland
- ensure that Queensland's approach to food safety remains at the forefront of national best practice.

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.

Safe Food uses a range of regulatory and non-regulatory tools to verify compliance and intervention requirements. These tools recognise the dynamic operating environment of the food industry and offer a range of monitoring methods, providing businesses with greater flexibility in how they demonstrate compliance with regulatory requirements.

These tools and concepts are changing the way Safe Food engages with industry participants. The use of business profiles and shared data from both internal and external data sources, combined with key performance metrics, and advanced data analytics to assess performance of the entire production system, will benefit all stakeholders. This information will not only be used to determine the effectiveness of management controls at specific points during production, but it will also drive best practice and place accredited businesses, industry sectors and Safe Food in a more proactive position when it comes to managing risk.

Safe Food is collaborating with many industry, government, and scientific research partners to refine these tools and design a modernised regulatory framework that improves the impact of regulation, and encourages the use of regulation to promote protection, prosperity, and efficiency.

Engagement and collaboration

Active industry engagement, and the development of guidance documents, are important in helping businesses achieve sustained compliance overtime. Safe Food publishes guidance documents to assist businesses to achieve compliance, to share knowledge of best practice, to provide greater understanding of requirements and to promote greater food safety awareness across industry sectors.

Active industry engagement, and the development of guidance documents, are important in helping businesses achieve sustained compliance over time. Safe Food publishes guidance documents to assist businesses to achieve compliance, to share best practice knowledge, to provide greater understanding of requirements, and to promote greater food safety awareness across industry sectors.

To support collaboration and information sharing, Safe Food has engagement and consultation mechanisms tailored for each food production sector. By working constructively with industry, Safe Food can develop and adopt simple, practical ways of addressing food safety requirements and ensure that new and emerging risks are managed early. This in turn, helps to provide consumers with confidence about the safety and quality of food now and into the future along with adding value to our accredited business and limits regulatory impost.

Accreditation

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

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.

Safe Food is currently exploring mechanisms to recognise industry food safety certification schemes as a key element of our new regulatory delivery model.

Compliance verification and enforcement

Food safety audits are a key part of Safe Food's Compliance Policy, however other monitoring approaches continue to be developed and refined based on experience and engagement. 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.

Formal enforcement tools (such as penalty infringement notices) are used by Safe Food as a last resort but may be required in certain instances to protect public health and address consumer concerns about food safety.

Governance – Management and Structure

Board of Management

Safe Food is directly accountable to an expertise-based Board, which reports to the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities. The Board consists of a Chair and four other Directors and provides strategic direction to the agency. This includes ensuring the effectiveness of planning processes and governance practices, the integrity of reporting systems, and ensuring that 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 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. The Board includes a representative from Queensland Health and the Department of Agriculture and Fisheries (DAF). Other Directors are appointed based on having each demonstrated substantial achievement in their chosen field.

Board meetings

The Board aims to meet quarterly, although it may meet more or less frequently based on operational need and other factors. The Board, which may also convene special meetings or use electronic methods to agree or respond to specific issues, requires a quorum of Directors eligible to vote (i.e., at least three members).

Board director	Board meetings attended	Board planning day
Debra-Lee Best (Chair)	4	1
Elizabeth Homer	4	1
Lynne Sutherland	4	1
Bernadette Ditchfield	3	1
John Piispanen	4	1

Debra-Lee Best, Chair

Debra-Lee (Debbie) Best was appointed as Chair in 2019. Debbie has more than 37 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 the Chair of the Library Board of Queensland, Chair of the Audit and Risk Committees 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 and the Queensland Fire and Emergency Services Audit Risk and Compliance Committee.

Debbie 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. Mrs Homer has had extensive involvement in the Northern Australia Beef Research area while she and her husband ran properties in Central Queensland. She is a Director of Anglicare Central Queensland. She holds a Bachelor of Science in Microbiology and has a Graduate Diploma from the Australian Institute of Company Directors.

Lynne Sutherland

Ms Sutherland is a business owner and director of a wholesale plant nursery and is chair of the Northern Rivers branch of the Nursery Growers Institute of NSW and ACT. Previously she was a senior Retail Banking executive with extensive experience in leading large financial services teams including store networks, financial planning, business banking, agribusiness banking and migrant banking 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 Australian Institute of Company Directors (AICD) Company Directors Course, holds a Bachelor of Horticulture Science, a Graduate Diploma in Management and has completed the Institut Européen d'Administration des Affaires (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 enabling agricultural industry growth. Bernadette leads the development of policies, research, development and extension, and initiatives that enhance the productivity, profitability and sustainability of Queensland's agribusinesses. Bernadette has an extensive background in policy development and service delivery, coupled with a strong industry development focus.

Bernadette is a positive and experienced leader, with a genuine enthusiasm for Queensland's agriculture sector. She brings insight and vision to her role, along with a strong business acumen. Bernadette has more than 20 years' experience in the private and public sectors and has held a number of senior roles in the Queensland Government.



John Piispanen

John Piispanen is the Executive Director of the Health Protection Branch of Queensland Health. Prior to this he was the Director of the Metro North Public Health Unit and has worked with Queensland Health for over 38 years. Throughout his career with Queensland Health, John has spent much of his time working in 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 disaster and emergency response. He is an active member of the Australian Medical Assistance Team (AUSMAT) and has 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.

Organisational arrangements

Strategic workforce planning and performance

Safe Food's organisational culture and governance arrangements provide a solid foundation on which Safe Food can fulfil its legislative responsibilities and create a modernised, adaptive regulatory delivery model. Safe Food's culture of innovation, collaboration, and problem-solving stems from the agency's responsive and agile workforce, with its diverse and wide range of skills, experiences, and qualifications. Safe Food has workforce planning arrangements and strategies in place to attract and retain skilled and capable workers with a diversity of experiences, and a comprehensive employee management framework.

Effective regulation is about people working and collaborating. Ensuring our workforce is engaged, capable and empowered is key to delivering good regulation. Safe Food is committed to building a strong organisational culture that is accountable and aligned with the agency's values and strategic priorities.

Safe Food's strategic workforce plan, developed in line with the Queensland Government's 10-year human capital outlook, is working towards creating a more flexible and agile workplace that incorporates continuous learning strategies and development opportunities for all members of the agency.

Further information on how Safe Food has contributed to the government objective of 'better services' for the community, by ensuring our staff are empowered to deliver a world-class regulatory service that supports community safety, can be found on page 28.

Executive management and leadership

The Chief Executive Officer (CEO) reports to Safe Food's Board of Directors and the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities. The CEO is responsible for leading and managing the affairs of Safe Food including strategically positioning the agency to achieve organisational and financial 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.

Chief Executive Officer

Manages the affairs of Safe Food and advises the Board about agency performance

Director - Verification & Compliance

Provides leadership in organising and executing verification and compliance through investigative and monitoring activities across the regulatory functions administered by Safe Food.

Director - Policy & Engagement

Provides leadership in the implementation of corporate and strategic plans in respect of policy development, communications, stakeholder engagement, and analysis of issues and trends with an impact on regulatory functions of Safe Food.



Safe Food's activities can be separated into four work areas, which are reflected in its organisational structure. The key activities within each work area are described below, however Safe Food's organisational culture of collaboration and information sharing ensures that resources and input are drawn from all work areas when required.

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
- · Data and business analysis

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

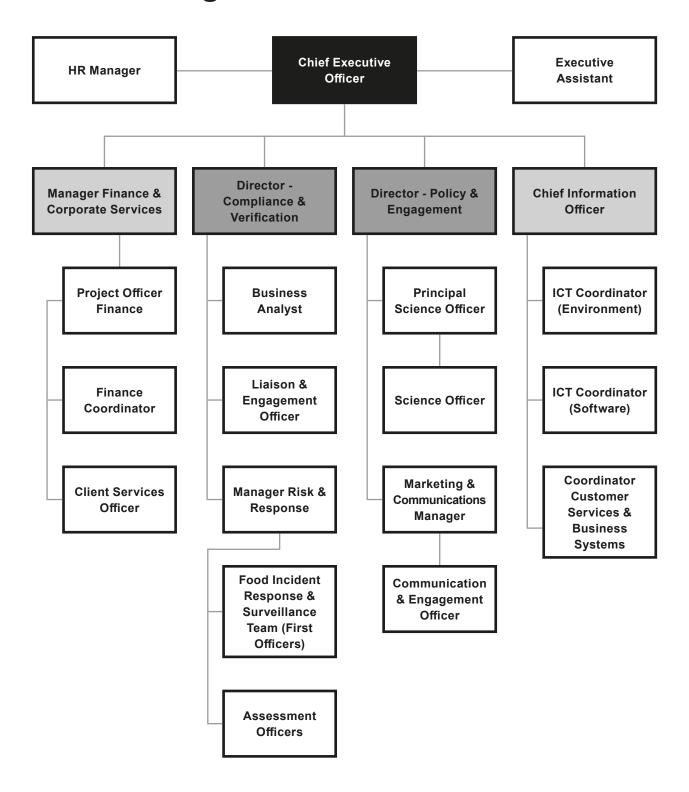
CORPORATE SERVICES

- · 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
- · Records management
- Digital asset management
- Privacy & right to information

Organisational Structure



Corporate governance practices

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

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 underpins our approach, with our operational plans reviewed regularly to support corporate planning processes and to improve the way we deliver our services.

Our practices align with the ethical principles outlined in the *Public Sector Ethics Act 1994*, the framework for a fair and integrated public sector as outlined in the *Public Sector Act 2023* 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, and 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
Project Plans	Supports the delivery of Safe Food led projects	Provides leadership with information on the status of projects	Bi-monthly meeting minutes
Professional Development Plans	Supports staff in contributing to strategic priorities	Provides feedback to staff	Annual reviews

Governance – Risk Management and Accountability

Safe Food not only ensures that accredited businesses are meeting food safety requirements, as prescribed under the *Food Production (Safety) Act 2000*. The agency must also ensure that it fulfils its own legal and corporate obligations under the *Food Production (Safety) Act 2000* and other legislation and guidelines.

Safe Food continues to improve the way in which we manage our corporate planning and performance management activities, including ensuring the integrity of the data we use.

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 2022–2023 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 (QAO) and the committee activities are assessed and independently reported to the Board annually.

Board remuneration

For 2022–2023, data for Board remuneration will be published through the Safe Food website (www.safefood.qld.gov.au).



Position	Name	Meetings / sessions attendance	Approved annual, sessional, or daily fee	Approved sub- committee fees, if applicable	Actual fees received this financial year	
Chair (Board)	Debra-Lee Best	5 meetings	\$650.00 (>4 hours)	N/A	\$3,250.00	
		0 sessions	\$325.00 (<4 hours)			
Director (Board)	Elizabeth Homer	5 meetings	\$500.00 (>4 hours)	N/A	\$2,500.00	
		0 sessions	\$250.00 (<4 hours)			
Chair (Audit & Risk Management Committee)		4 meetings	\$650.00 (>4 hours)		\$4,550.00*	
		3 QAO	2x \$325.00 (<4 hours)			
		Advisory sessions	1x \$650 (>4 hours)			
I (Board / Alldit &)	Lynne Sutherland	5 meetings	\$500.00 (>4 hours)	. N/A	\$2,000.00**	
		4 sessions	\$250.00 (<4 hours)			
No. scheduled meetings/sessions	Board attendance (4 Board meetings & 1 Planning Day) / 4 Audit and Risk Management sessions					
Total out of pocket expenses	\$955.94					
	Directors are paid 17.5% superannuation on all fees received					
For noting	* Includes outstanding claims from June 2022					
	** Further claims pending					

Public sector ethics and Code of Conduct

Safe Food requires that all employees 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*, together with the requirements of the *Public Sector Act 2022*, form the basis of our Code of Conduct and our integrity framework. Safe Food's Code of Conduct (The Code) 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,
- · act with accountability and transparency to support high standards of administration.

The Code, and all organisational policies and procedures, are readily available to staff on Safe Food's intranet. All new officers participate in Code of Conduct training as part of their induction program, with all staff required to complete annual refresher training.

Public Sector Act 2022

The *Public Sector Act 2022*, which came into effect on 1 March 2023, supports the government's commitment to being fair, responsive and a leader in public administration. During 2022–23 Safe Food prepared for and implemented the requirements of the Act, including:

- reviewing its governance framework to align with the principles and guidelines set forth in the Public Sector Act 2022
- · reviewing the Code of Conduct to align with values and expectations set out in the Public Sector Act 2022
- developed and introduced a performance planning process that emphasises clarity, alignment, and collaboration.
 Managers and employees are encouraged to engage in constructive dialogue to set clear performance expectations and establish meaningful goals that support individual and agency objectives.

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.

During 2022-2023 Safe Food received no human rights complaints.



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 or free call 1800 300 815 (QLD only), or emailing privacy@safefood.qld.gov.au.

Right to information and information privacy applications

Safe Food received no privacy applications and no RTI applications in the 2022–2023 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 or 1800 300 815 free call (QLD only)
- · Emailing: privacy@safefood.qld.gov.au

Applicants must provide proof of identity when applying for access to documents concerning their personal information. If applying for access to information that is not your personal information, an initial application fee must be paid before the application will be processed. Processing and photocopying charges may apply. If applying for access to information that is your personal information, an application fee is not payable, but access charges may apply.

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*.

All records are maintained under the agency's Retention and Disposal Schedule (RDS), as approved by Queensland State Archives, and/or under the General Retention Disposal Schedule. All disposals, including transfers, are appropriately recorded in our records management system. In the 2022–2023 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. We have 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 85% of Safe Food's high value legacy records have been digitised.

Open data

For 2022–2023, consultancies and overseas travel will be published through the Queensland Government Open Data website (www.qld.gov.au/data) where applicable.

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

Cybersecurity

The agency recognises the importance of strong cybersecurity controls.

In the 2022–2023 period, the agency reviewed its cybersecurity systems to ensure compliance with the Queensland Government Chief Information Office (QGCIO) 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.



Strategic priorities and community objectives

Safe Food's *Strategic Plan 2020–24* is framed around four strategic priorities. These priorities provide a foundation for Safe Food to achieve its vision of being a trusted authority for food safety and to 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 accredited businesses and the agency in a strong position within a rapidly evolving competitive environment. This section of the report outlines the activities undertaken by the agency to progress these strategic priorities.

It also demonstrates how Safe Food's activities and achievements for 2022–2023 support the following Queensland Government objectives and sub-objectives for the community:

- Good, secure jobs in our traditional and emerging industries (Good Jobs) Supporting jobs; backing small business; making it for Queensland; and investing in skills.
- Deliver even better services right across Queensland (Better Services) Backing our frontline services;
 keeping Queenslanders safe; connecting Queensland; educating for the future.
- Protect and enhance our Queensland lifestyle as we grow (Great Lifestyle) Protecting the environment; growing our regions; building Queensland; and honouring and embracing our rich and ancient cultural history.

In accordance with *The Queensland Government Guide to Better Regulation*, Safe Food also reports annually on their regulatory performance, including demonstrating the extent to which they are translating the model practices into business practices and outlining plans for future improvements. Reporting on our alignment with the Queensland Government Regulator Performance Framework (RPF), which includes five model practices and supporting principles, will occur separately for 2022–23. Safe Food will publish its RPF report on its website by the end of 2023.



Expanding our positive influence and impact

Understanding emerging best practice and driving changed behaviour across the whole food industry landscape.

Safeguarding health, promoting best practice, and maintaining consumer confidence

Each year Safe Food issues accreditations to thousands of Queensland businesses, mostly small to medium size operations, which are the lifeblood of Queensland communities and its economy.

Queensland's food production businesses have a strong track record of consistently achieving food safety outcomes. Safe Food actively monitors these outcomes, promoting confidence in the supply chain, and underpinning access to significant domestic and export markets. The proactive management of the risks to food production helps ensure that we can enjoy a continuous supply of safe, quality food, which helps protect our lifestyle while also enabling our regions to grow.

During 2022–2023, Safe Food issued 7280 accreditations across Queensland, including approving 849 new applications. Approximately 50% of accreditations issued were for activities undertaken outside South-East Queensland, and about 5% of accreditations related to new activities which businesses commenced during the financial year.

As shown in the five-year snapshot (page 8), accreditation numbers have remained relatively stable over the period, although accreditations issued in 2022–23 was the lowest during that period. The number of new applications approved decreased from last year, with the numbers similar to 2019-20 and 2020-21.

Safe Food considers the decline in accredited businesses is primarily caused by businesses aiming to minimise production costs. This has been achieved through a range of mechanisms including a shift towards centralised processing facilities, the adoption of advanced automation and packaging technologies, and optimising supply chain networks. Consequently, there has been an increase in prepacked food available in large retail outlets, as well as an increase in prepared food offerings to cater to consumer preferences for convenient "heat and eat" options.

Approximately 2.3% of accreditations issued in 2022–2023 were undertaken by export registered businesses. As is usual practice, Safe Food carried out compliance activities on behalf of the Australian Department of Agriculture, Fisheries and Forestry (DAFF) under agreed arrangements. These arrangements aim to reduce duplication of regulatory effort on export businesses that hold a Safe Food accreditation.

OUR ACCREDITATION BASE					
Accreditations	7280	Export registrations 170			
Accreditations by Scheme		Export registered by Scheme			
Dairy	349	Dairy	14		
Egg	111	Egg	4		
Horticulture (seed sprouts)	6	Horticulture (seed sprouts)	0		
Meat	5841	Meat	64		
Seafood	973	Seafood	88		
Other information					
New applications approved	849	Accredited under a Preferred Supplier Arrangement (PSA)	133		

During 2022–23, Safe Food used a range of approaches to monitor the compliance of accredited businesses, as well as piloting and refining new approaches to monitoring and assessing risks.

The form of monitoring undertaken at each accredited business is based on several factors including the activities and food safety risks of each category of business, and the supply arrangements in place. Our main ways of monitoring compliance are auditing, food safety assessments and surveillance activities.

Data sharing via electronic platforms, such as Safe Food's Central Information Management System (CIMS), supplements onsite monitoring with remote information-sharing, providing timely indicators on individual production systems that promote proactive engagement between Safe Food and businesses. CIMS can facilitate through-chain monitoring of production systems, allowing industry to demonstrate that it is meeting agreed targets while also assisting to reduce compliance costs and regulatory burden.

While food safety audits remain the most common on-site monitoring approach used by Safe Food, food safety assessments now make up over 27% of on-site monitoring activities and are expected to increase in future years. These were supported by Safe Food's Compliance Assessment System (CAS), an electronic platform that supports the assessment of food safety compliance by officers by providing 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. Food safety assessments, which have been in place since 2012, also enable businesses to showcase their practices that support food safety.

A summary of the compliance activities undertaken in 2022–23 is provided in the table below. As shown in the five-year snapshot (page 8), the combined total of audits and assessments undertaken by Safe Food has now returned to pre-COVID levels.

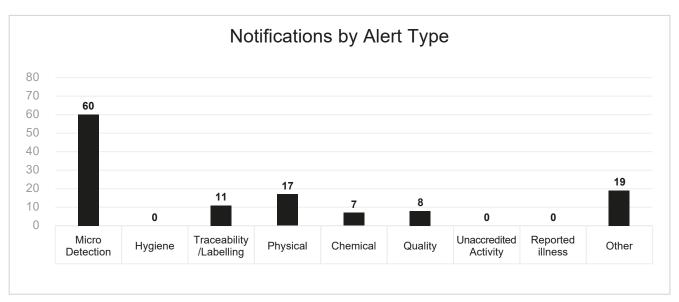
VERIFICATION & COMPLIANCE				
Number of Audits conducted	5112	Corrective Action Requests issued	145	
Number of Assessments conducted	1904	Businesses supplying data	285	

While a very large proportion of accredited business are verified as meeting food safety requirements, Safe Food employs other tools to respond to potential public health risks and instances of non-compliance.

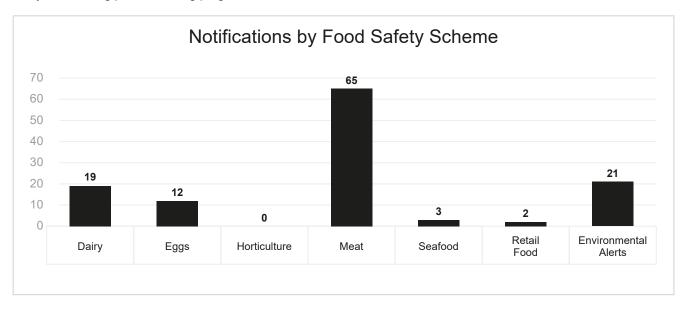
Safe Food is the only food regulator in Australia which has implemented a notification requirement for accredited businesses who believe the acceptability of product may have been compromised and has the potential to present

a food safety concern. This requirement assists businesses to proactively protect public health, by enabling them to liaise with Safe Food as they address and manage identified risks. In many cases the notifications do not reflect poor compliance but, through information sharing, demonstrate that potential risks are being effectively managed. Notifications also help to provide learnings and insights into best practice and emerging risks that can be shared with industry to raise awareness.

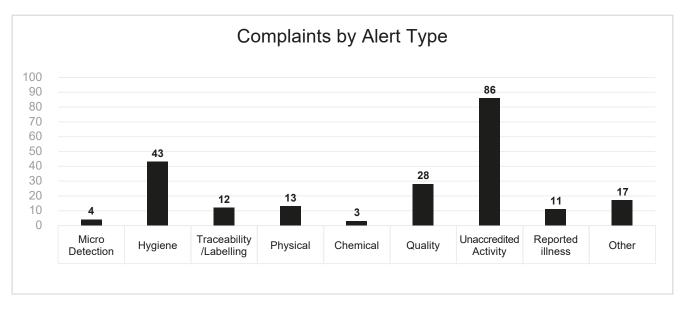
Safe Food received 122 notifications in 2022–2023. As shown in the table below, nearly 50% of notifications from accredited businesses related to microbiological detections (49.2%), with physical contamination and traceability/ labelling issues other common alert types. The five-year snapshot on page 5 shows that the number of notifications in 2022–23 was the lowest over the period.



When considered by Food Safety Scheme, most notifications relate to meat businesses accredited by Safe Food. However, this is not unexpected as about 78% of accredited activities operate under the Meat Food Safety Scheme, with many undertaking product testing programs.



In addition to notifications, Safe Food investigates food safety concerns and complaints raised by consumers and commercial customers. Safe Food received 217 complaints during 2022–2023, most of which related to unaccredited activities (39.6%) and hygiene issues (19.8%).



Under our Compliance Policy, Safe Food facilitates and enforces compliance in a graduated and proportionate way with formal enforcement tools used as a last resort but acknowledging that they may be required in certain instances to protect public health and address consumer concerns about food safety.

In 2022–2023 Safe Food issued ten compliance notices (mainly to persons undertaking activities without an accreditation), two penalty infringement notices and undertook no prosecutions. Three accredited businesses undertook food recalls during the reporting period.

In addition, Safe Food authorised seven officers from the Queensland Police Service (QPS) Rural and Stock Crime Squad under the *Food Production (Safety) Act 2000*, providing them with legal authority to exercise powers conferred by the Act. The officers have the power to take action, specifically in cases involving serious food safety offences, including the unauthorised production and supply of primary produce. The authorisation of officers has been a positive step toward increased collaboration and information sharing between Safe Food and the QPS.

Compliance Summary					
Compliance notices issued	10	Penalty Infringement Notices (PINs) issued	2	Food recalls relating to accredited businesses	3

National contribution

During 2022–23 Safe Food actively contributed to national regulatory processes and risk assessments that aim to safeguard the health of consumers and promote sound food safety management practices. This included projects to modernise the Australia New Zealand food regulation system, as well as contributing to proposals regarding the Australia New Zealand Food Standards Code, such as egg food safety and primary production requirements (Proposal P1060).

Activities for which Safe Food officers played an active role in the Australia New Zealand food regulation system in 2022–23 include:

- · Contributing as a member of the Steering Committee for the modernisation of the bi-national system.
- · Co-chairing the Food Regulation Standing Committee's (FRSC) Strategic Planning Working Group.
- Co-chairing the Implementation Subcommittee on Food Regulation's (ISFR) Data Analytics Working Group.



Contributing to:

- FRSC
- ISFR, including Horticulture Implementation Working Group Surveillance, Evidence and Analysis Working Group, and Egg Implementation Working Group
- FSANZ, including the Egg Standards Development Advisory Group
- · the Australian Meat Regulators Group
- · the Australian Dairy Regulators Forum, and
- the Australian Department of Agriculture, Fisheries and Forestry, including the Food Export Regulators Standing Committee and various food industry export consultative committees.

Queensland Government Community Objectives

By progressing our strategic priority of expanding our positive influence and impact during 2022–23, Safe Food also contributed to the following government objectives for the community:

- Good Jobs Good secure jobs in traditional and emerging industries, including backing small business and making it for Queensland.
- Better Services Deliver even better services right across Queensland, including backing our frontline services, keeping Queenslanders safe and connecting Queensland.
- Great Lifestyle Protect and enhance our Queensland lifestyle as we grow, including growing our regions.

Leading the way in regulation innovation

Working with industry to help develop agency best practice and providing guidance in regulation.

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, the continued expansion of online sales and marketing, changes in consumer demand and a greater focus by industry on food security, food production systems and supply chains.

A large majority of accreditation holders, estimated to be around 95%, operate small businesses. Many of these are sole operators or family run businesses without ready access to food science, quality assurance or technical professionals. Safe Food meets regularly with the Office of the Queensland Small Business Commissioner and Office of Productivity and Red Tape Reduction (OPRTR) to share observations and learnings about the challenges small businesses face and where opportunities lie to improve regulatory services.

Safe Food is in the process of re-designing our regulatory approach to ensure it is fit for purpose for many years to come. In the 2022–23 period we have also undertaken several initiatives aimed at supporting small businesses.

Designing a new regulatory approach for now and the future

As outlined in Safe Food's *Strategic Plan 2020-24*, we are currently modernising our systems to better support a regulatory delivery model that aims to ensure a best practice approach to food regulation which acknowledges the challenges facing Queensland's dynamic food industry.

During 2022–23 Safe Food commenced the design of its new regulatory approach, which will provide an opportunity for stakeholders to have input into the creation of a more collaborative, proactive, transparent, and responsive regulatory environment for both accredited food businesses and the agency. This work is being progressed in unison with the agency's digital transformation and a new business model.

The new approach will be developed with reference to the regulatory delivery model, a conceptual framework used to steer improvements to regulatory delivery. The model is based on the understanding that successful regulation depends as much on successful implementation as it does on design.

The model was developed as a mechanism to improve the impact of regulation, and to encourage the use of regulation to promote protection, prosperity, and efficiency. This runs contrary to traditional hierarchical models of regulation, which rely on compliance and enforcement methods and have been proven to be largely ineffective in demonstrating achievement of regulatory outcomes.

Following Safe Food's experiences in leading the jurisdictional consistency project for the modernisation of the Australia New Zealand food regulatory system, the agency engaged the PRISM Institute to assess our own regulatory approach against international best practice. This report, *Future Visioning Safe Food Production Queensland's Regulatory Delivery Model*, is available on Safe Food's website www.safefood.qld.gov.au. The agency is actioning the five recommendations that relate solely to Safe Food's operations and regulatory approach.



In May 2023 the agency ran a series of workshops for Safe Food staff and invited government agencies. The workshops were facilitated by the PRISM Institute and covered a broad range of topics. The primary focus was to consider the synergies between sustainability development goals (SDGs), the desired outcomes of the Queensland Government's Agribusiness and Food Strategy vision, and associated regulatory systems, and to review the best collaborative framework to achieve these goals and objectives.

Horticulture food safety management

In late 2022 three new horticulture standards were gazetted and incorporated into the Australia New Zealand Food Standards Code (the Code):

- · Standard 4.2.7 Primary Production and Processing (PPP) Standard for Berries.
- Standard 4.2.8 PPP Standard for Leafy Vegetables.
- · Standard 4.2.9 PPP Standard for Melons.

These new standards come into effect on 12 February 2025.

The new national standards are outcomes focussed and aim to reduce food safety risks along the supply chain from farm to fork by strengthening food safety management on-farm and during initial processing. How the standards are implemented is critical to their success.

Safe Food's initiatives aimed at enhancing food safety management practices in the horticulture sector can be categorised into two primary areas of focus, both of which are closely associated with the implementation of the three new national horticulture standards.

At a national level, Safe Food is working with other regulators and industry to develop guidance material and resources, which will aim to raise awareness of risks and their management and to promote consistency across jurisdictions. This is being led by the ISFR Horticulture Implementation Working Group (HIWG), with input from relevant industry sectors.

Together with the existing production and processing standard for Seed Sprouts, the new standards will be a central element of Queensland's modernised Horticulture Food Safety Scheme. During 2022–23 Safe Food has been preparing to co-design our regulatory approach for horticulture with industry. This is an ambitious and innovative approach but necessary to ensure that the standards are implemented in a manner that can recognise and build on existing industry systems, while providing the flexibility to adapt in response to intelligence, as well as current and emerging risks.

Collaborating with the wild game industry

During 2022–23 Safe Food continued to collaborate with a wild game processor and the Department of Environment and Science (DES), to support Safe Food's transition to a more proactive, digital-based system. The joint project to assess the effectiveness and efficiency of using QR coded carcass tags and mobile technology is well advanced. Safe Food's primary role in the project focuses on how industry may collect and share critical food safety data across the supply chain to assist in monitoring and verifying compliance with legislative requirements.

Introduction of QR encrypted accreditation certificates

For 2023, Safe Food introduced individualised QR codes on our accreditation certificates and cards, linking to our accreditation register. This enables consumers, suppliers, regulatory agencies, and Safe Food to easily distinguish accredited businesses, including their sites, from unaccredited operators or non-approved sites.

Scanning a QR encrypted accreditation certificate takes the user to the business's Accreditation Profile on our publicly available accreditation register. Once the QR code is scanned, it displays information about the accreditation, the approved activities and the accreditation holders' details, including if it is an active accreditation. This assists in reducing the risks resulting from purchasing and consuming primary produce from non-accredited sources.

Digitisation of accreditation renewal

During 2022–23 Safe Food finalised the transition from a paper-based accreditation renewal process to a fully digital process by moving accreditation holders to the Safe Food Client Portal. This transition including implementing online functions to the portal which enable self-service for accreditation renewals (especially useful for accreditation holders with multiple accreditations) and permitting accreditation holders to download a digital copy of their accreditation certificates for their own use.

These changes reduce both the impost on businesses and Safe Food during the renewals period, which occurs at the end of the calendar year.

Queensland Government Community Objectives

By progressing our strategic priority of leading the way in regulation innovation during 2022–23, Safe Food also contributed to the following government objectives for the community:

- Good Jobs Good secure jobs in traditional and emerging industries, including backing small business and making it for Queensland.
- Better Services Deliver even better services right across Queensland, including keeping Queenslanders safe and connecting Queensland.
- Great Lifestyle Protect and enhance our Queensland lifestyle as we grow, including growing our regions.

0

Transforming our corporate capabilities

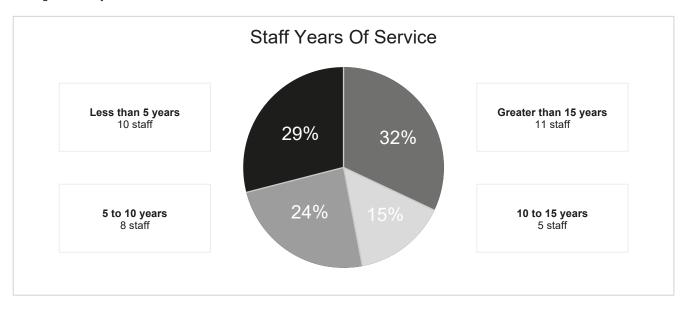
Ensuring we have the right systems, processes, capacity, and capability to realise our vision and fulfil our purpose.

Safe Food is 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.

This section of the report focusses on the two key aspects of transforming Safe Food's capabilities – our digital transformation and our staff, which are our greatest asset and strength.

About us

During 2022–2023, Safe Food had 34 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. On average, Safe Food employees have worked for Safe Food for over eight years, with 47% of the officers having over ten years' service.



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

Safe Food is committed to advancing social equity and inclusive growth. We do this by creating a working environment that allows employees to feel comfortable and that they are valued. Safe Food's management team appreciates the value that our officers bring to the organisation because of their individual differences. The table below, provides a snapshot of target group data for the agency.

TARGET GROUP DATA				
Gender	Number (Headcount)	Percentage of total workforce (Calculated on headcount)		
Woman	20	59%		
Man	14	41%		
Non-binary	0	-		
Diversity Groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)		
Women	20	59%		
Aboriginal Peoples and Torres Strait Islander Peoples	0	-		
People with disability	1	3%		
Culturally and Linguistically Diverse – Born overseas	10	29%		
Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	4	12%		
	Number (Headcount)	Percentage of total workforce (Calculated on headcount)		
Women in Leadership Roles	0	-		

Health and wellbeing

As our greatest asset, the health and wellbeing of our staff is our greatest priority. Safe Food's Workplace Health and Safety Plan is supported by policies and procedures for reducing and controlling risks to our employees. The plan was subject to an independent review in 2022–23 to ensure that the agency is doing as much as possible to protect our employees and meets relevant legislative requirements and the Queensland Government directives.

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. A Workplace Health and Safety Incident Notification Register is in place and staff are encouraged to provide input for continuous improvement.

Safe Food's Workplace Health and Safety Committee provides a way for connecting with our staff regarding their health and safety concerns and a means 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 twelve meetings during 2022–2023 and promptly communicated outcomes to all employees both electronically and through internal meetings. 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.

The Safe Food Safety Personnel Team consist of four fire wardens, one First Aid officer and six Mental Health First Aid officers. Each officer is committed to ongoing training, including participating in the annual fire and evacuation procedures workshop for all staff. During 2022–23 Safe Food also arranged CPR training at the Safe Food office for staff.

To support the safety of our officers when working in remote locations, Safe Food staff 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, first aid kit and personal emergency beacon.

All staff continue to have the opportunity to receive an annual vaccination against Influenza and COVID-19 booster shots.



Training and skills development

Over 80% of Safe Food staff (27) were approved auditors under the *Food Production (Safety) Act 2000* for the 2022–2023 year, with an additional 12 persons appointed as third party approved auditors. Fourteen Safe Food officers were also appointed as authorised officers under the *Food Production (Safety) Act 2000*. Through these appointments most staff have a detailed understanding of not just the food safety legislative requirements, but the knowledge to assist businesses with enquiries about food safety in general and auditing processes.

In addition to legislative appointments and related training and mentoring, all Safe Food officers are provided with opportunities to continue their professional development in ways that benefit both the officer and the organisation. During 2022–2023 all staff undertook annual induction training, with recently appointed operational officers also undertaking witness audits to ensure that they understand and meet Safe Food's expectations when undertaking audits.

Three officers were provided support while undertaking formal tertiary education studies.

Digital transformation

The food industry is undergoing significant changes, driven by factors such as shifting consumer preferences, increased regulatory scrutiny and advancement in technology. To maintain our position as a trusted authority in food safety, Safe Food has been proactively adapting to these changes. For over a decade, Safe Food has used digital technologies to assist in validating food safety performance. The agency has developed many tools in-house and through external providers has been able to test and prove their reliability. These tools have improved our effectiveness as a regulator and mostly reduced costs to the industries we work with.

During 2022–23 Safe Food continued to advance its ambitious project – Safe Food's Digital Strategy - to transition as much of our work as possible to a digital approach. The agency has continued to engage with universities, research organisations and other regulatory agencies to ensure the best options are considered as we define and design our ultimate system. This will ensure that Safe Food's regulatory delivery model supports all businesses - no matter the size of the business, its digital maturity, or the activities it undertakes – while enabling the advancement in innovative food safety compliance tools.

Work undertaken during the reporting period included:

- Investigating and contributing to the development of industry digital applications that support data sharing and compliance, such as Australian Egg's 'EggTrace' application.
- Collaborating with the wild game industry and Department of Environment and Science (DES) on the
 effectiveness and efficiency of using QR coded carcass tags and mobile technology (see page 37).
- Continuing to work with the Queensland University of Technology in exploring how existing and future datasets can be analysed, structured and reported.
- · Partnering with CSIRO to design a continuous assurance platform.
- Piloting a user case for Queensland's RegTech Working Group, as part of Queensland's Digital Economy Strategy (see below).

Safe Food has engaged a well-established consultancy and procurement firm to further articulate the current and future state of the agency's operating environment. This has provided the agency with actionable recommendations to effectively design and implement a regulatory delivery model and a target business model.

Queensland's RegTech Pilot Project

During 2022–23 Safe Food was selected to be a regulatory technology (regtech) user case as part of Queensland's Digital Economy Strategy, led by the Department of Communities, Housing, and Digital Economy's (DCHDE). The user cases, led by an inter-agency working group that included the OPRTR and the Department of Youth Justice, Employment, Small Business and Training, explored and assessed prospective regtech initiatives aimed at alleviating operational burdens on small and medium enterprises (SMEs).

The objective of the pilot project was to design a streamlined new application process using digital tools and platforms. The design process involved a concentrated effort to identify pain points and inefficiencies in the existing application process. The digital readiness assessment undertaken also helped gauge whether there are any hurdles to the implementation of regtech solutions based on existing regulations.

The outcomes of the project will inform both Safe Food's digital transformation and the development of a comprehensive approach to enable regtech adoption across the Queensland Government.

Queensland Government Community Objectives

By progressing our strategic priority of leading the way in regulation innovation during 2022–23, Safe Food also contributed to the following government objectives for the community:

- Good Jobs Good secure jobs in traditional and emerging industries, including backing small business and making it for Queensland.
- Better Services Deliver even better services right across Queensland, including keeping Queenslanders safe and connecting Queensland.
- Great Lifestyle Protect and enhance our Queensland lifestyle as we grow, including growing our regions.

Strengthening our scientific contribution

Influencing national and international food safety practices through rigorous scientific contribution in the niche domain of safe food production

The application of science is central to Safe Food's purpose. Safe Food's regulatory framework, while continuing to evolve and innovate, remains a through-chain approach based on science, risk, and evidence. The framework provides confidence in Queensland's food production systems and helps to provide certainty and assurances about food safety across the food supply chain and its separate, but connected, food production systems.

To further strengthen Safe Food's science-based approach, the agency is implementing its Applied Science Strategy, which will support evidence-based policy and compliance activities. This includes the development of an Industry Science Partnership Program (ISPP) and a University Science Partnership Program (USPP).

The ISPP aims to establish ongoing relationships with industry organisations and groups to support and promote industry based scientific work to others within industry and external stakeholders. The USPP aims to promote more rigorous information sharing and alignment in research to ensure they provide informative outcomes and address industry specific challenges.

Both programs gained momentum over the reporting period, strengthening our scientific contribution through engaging and partnering with industry and academic organisations to share and gain knowledge and insights regarding food safety and Queensland's food system.

During 2022–23 Safe Food also continued to lead or contribute to local and national risk assessment and surveillance activities, both proactive and reactive, as well as contribute to the following national and Queensland working groups:

- ISFR Surveillance, Evidence and Analysis Working Group.
- · ISFR Data Analytics Working Group (Co-chair).
- Food Standards Australia New Zealand (FSANZ) Scientific Advisory Group for Eggs.
- · Queensland Food Regulation Senior Officers Group's Inter-Agency Science Group (chair).

Contributing to national surveillance and research

Safe Food participated in several significant national food surveillance and research activities, including national surveillance of antimicrobial resistant (AMR) bacteria in the Australian food supply, and assessing risks associated with oyster production in Northern Australia.

The national surveillance of AMR bacteria in the Australian food supply, coordinated by FSANZ, is a two-year project aimed at addressing significant gaps in Australian data relating to AMR and the national food supply. From September 2022 until June 2023 Safe Food collected meat samples (beef, pork and poultry) from butcher shops across Queensland.

Safe Food is proud to support this project by FSANZ and contribute toward the national approach for protecting Australian health and our environment by minimising the development and spread of AMR. Once the project is complete FSANZ will publicly release a final report of the national findings.

Safe Food is expanding collaboration with the oyster growing industry, research organisations, and universities to support the development of new indigenous and remote community based small farms growing and harvesting tropical rock oysters (TRO - tropical rock or black lip, Saccostrea echinate), a species which is more heat tolerant, making it potentially more suitable in the face of climate change impact.

During the financial year, Safe Food collaborated with Fisheries Research and Development Corporation (FRDC) in two key projects which aim to understand the challenges of establishing these alternative species as commercial entities, and to assess and support the management of food safety risks associated with these species when grown and harvested in their unique environment.

The first FRDC project aims to consider the implications of oyster farming and harvesting in remote environments and how standard food safety requirements for oyster production can be applied in Northern Australia. The second project aims to build a risk profile for oyster production in remote areas, including toxigenic vibrio baselines and optimum storage, transport, and shelf-life conditions to inform cold supply chains in the north Australian Tropical Rock Oyster industry.

In addition to the FDRC projects, Safe Food also contributed to the Safe Fish Vibrio risk mitigation plan, working with the bivalve sector to develop a risk register to identify the top material risks for bivalves. This work will culminate in preparing information for stakeholders to raise greater awareness of risk management practices.

Leading and contributing to Queensland surveillance and research

In 2023 Safe Food commenced its poultry carcase survey, which is part of the agency's ongoing surveillance activity, and will provide data to inform the latest in a series of microbiological verification surveys of primary processing facilities for poultry meat in Queensland. This began in 2008 as part of the ongoing evaluation of the performance of the Meat Food Safety Scheme. The purpose of the survey is to examine the ability of these facilities to manage microbiological hazards associated with poultry meat and promote awareness of the food safety risks associated with these activities.

Safe Food also worked with Queensland Alliance for One Health Sciences Collaboration and has been participating in a project; *One Health: Decisions in Aquaculture: A Case Study of Oyster Production.* This project aims to develop a spatially explicit simulation tool that can assess the trade-offs between human, animal, and environmental health to help stakeholders make informed decisions about aquaculture management.

Raising awareness and responding to risks

Ongoing concerns regarding biosecurity threats remained during 2022–23 for industries regulated by Safe Food. Throughout the year, Safe Food continued to work with the Queensland meat industry and Biosecurity Queensland to reinforce key messages relating to biosecurity risk threats. This included sharing biosecurity advice from Biosecurity Queensland with accreditation holders and contributing to forums regarding exotic animal disease preparedness for diseases such as Lumpy Skin Disease (LSD) and Japanese Encephalitis (JEV).

Safe Food also continued to monitor 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. This monitoring forms part of Queensland's *Salmonella* Enteritidis Prevention Plan (SEPP), initiated by Safe Food, with input from Biosecurity Queensland and Queensland Health.

Safe Food continued to support the Food Allergen Management Symposium (FAMS2023) by contributing to the technical program and providing support via our social media platforms. While food allergy is often seen as being managed by effective labelling, the complexity of the issue, including the emerging risks identified in cropping practices and agricultural cross contact, as well as the implications of increased consumption of alternative protein sources and cell-based foods, highlight the need for a whole of supply chain approach to allergen management. FAMS2023 was held in Brisbane in May 2023, bringing together global experts, many of whom are based in Australia, and provided an opportunity to hear the latest developments in clinical, research and quantitative risk assessment.



Data analytics and modelling

Safe Food continued to invest significant resources in 2022–23 to progressing the development of risk modelling tools and approaches, which will incorporate information from a wide range of sources and will be used as a key plank of Safe Food's new regulatory approach.

Safe Food has been actively collaborating with the egg industry in designing and implementing this approach. To better target its compliance activities, Safe Food is exploring how information about individual business will be factored into the model. This will provide a more granular understanding of business activities and processes, and how these impact on food safety risks.

Safe Food is sharing its learnings nationally through the ISFR Data Analytics Working Group (co-chaired by Safe Food and FSANZ) and the HIWG, to determine how these factors could be applied as the new horticulture standards are implemented.

Queensland Government Community Objectives

By progressing our strategic priority of leading the way in regulation innovation during 2022–23, Safe Food also contributed to the following government objectives for the community:

- Good Jobs Good secure jobs in traditional and emerging industries, including backing small business and making it for Queensland.
- Better Services Deliver even better services right across Queensland, including keeping Queenslanders safe and connecting Queensland.
- Great Lifestyle Protect and enhance our Queensland lifestyle as we grow, including growing our regions, and honouring and embracing our rich and ancient cultural history.



Safe Food Production Queensland

Management Certificate

For the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 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 2023 and of the financial position as at the end of that year.

We acknowledge responsibility unders 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

21 August 2023

OBest

J Dodds

CEO

22 August 2023

Jim Dodo

Safe Food Production Queensland Statement Of Comprehensive Income For the year ended 30 June 2023

	S	2023	2022
INCOME FROM CONTINUING OPERATIONS		\$	\$
User charges and fees	B1-1	4,974,248	4,705,670
Grants and contributions	B1-2	1,900,000	2,150,000
Interest	B1-3	320,952	25,256
Other revenue	B1-4	27,849	11,948
Total income from continuing operations	,	7,223,049	6,892,874
EXPENSES FROM CONTINUING OPERATIONS			
Employee expenses	B2-1	4,238,374	4,178,920
Supplies and services	B2-2	1,549,569	1,365,323
Finance/ Borrowing Costs	B2-3	66,433	75,860
Depreciation and amortisation	B2-4	585,165	586,975
Other expenses	B2-5	34,783	20,790
Total expenses from continuing operations		6,474,324	6,227,868
	'		
OPERATING RESULT FOR THE YEAR		748,726	665,006
TOTAL COMPREHENSIVE INCOME	•	748,726	665,006

Safe Food Production Queensland Statement Of Financial Position As at 30 June 2023

	Note	2023	2022
CURRENT ASSETS Cash and cash equivalents Receivables Other Assets - Prepayments Total Current Assets NON-CURRENT ASSETS Property, plant and equipment Right-to-use assets Other Assets - Prepayments Total Non-Current Assets	C1 C2 C3 C4 C5-1 C3	\$ 10,521,914 358,942 196,205 11,077,061 306,727 1,472,101 17,756 1,796,584	\$ 9,709,078 285,612 195,876 10,190,566 334,052 1,862,888 48,056 2,244,996
TOTAL ASSETS		12,873,645	12,435,562
CURRENT LIABILITIES Payables Accrued employee benefits Provisions Lease liabilities Total Current Liabilities	C6 C7 C8 C5	404,719 289,118 472,996 564,269 1,731,101	321,284 299,218 406,957 529,632 1,557,091
NON-CURRENT LIABILITES Lease liabilities Total Non-Current Liabilities TOTAL LIABILITIES	C5	1,328,964 1,328,964 3,060,065	1,816,626 1,816,626 3,373,717
NET ASSETS		9,813,580	9,061,845
EQUITY Accumulated Surplus TOTAL EQUITY		9,813,580 9,813,580	9,064,854 9,064,854

Safe Food Production Queensland Statement Of Changes in Equity For the year ended 30 June 2023

	2023	2022
	\$	\$
Balance as at 1 July	9,064,854	8,399,848
Total comprehensive income for the year	748,726	665,006
BALANCE AS AS 30 JUNE	9,813,580	9,064,854

Safe Food Production Queensland Statement Of Cash Flows For the year ended 30 June 2023

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$
Inflows			
User charges and fees Government contributions Interest GST input tax credits from ATO GST collected from customers Other Total Inflows		5,009,129 1,900,000 212,444 200,079 133,418 27,849 7,482,919	4,887,988 1,900,000 25,256 203,648 98,344 11,948 7,127,184
Outflows Employee expenses Supplies and services Finance/Borrowing costs GST paid to suppliers		(4,251,771) (1,375,589) (62,075) (221,386)	(4,121,849) (1,350,619) (72,219) (186,074)
GST remitted to the ATO Other Total Outflows		(111,526) (92,346) (6,114,693)	(125,559) (74,949) (5,931,269)
Net cash provided by operating activities	CF-1	1,368,226	1,195,915
CASH FLOWS FROM INVESTING ACTIVITIES Outflows			
Payments for property, plant and equipment	_	(0)	(10,104)
Net cash used in investing activities	_	(0)	(10,104)
CASH FLOWS FROM FINANCING ACTIVITIES	CF-2		
Outflows Lease payments (net of finance costs)		(555,390)	(533,153)
Net cash used in financing activities		(555,390)	(533,153)
Net increase in cash and cash equivalents held Cash and cash equivalents – opening balance		812,836 9,709,078	652,658 9,056,419
Cash and cash equivalents - closing balance	C1	10,521,914	9,709,078

Safe Food Production Queensland Statement Of Cash Flows For the year ended 30 June 2023

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

	Note	2023	2022
		\$	\$
Operating Surplus		748,726	665,006
Non-Cash items included in operating result:			
Depreciation and amortisation expense-owned assets		89,003	83,288
Depreciation and amortisation expense-leased assets		496,162	503,687
Increase/(decrease) in Provision-Lease Restoration		4,361	3,641
Change in assets and liabilities			
(Increase) / decrease in receivables		(73,331)	196,900
(Increase) / decrease in other assets		29,971	(41,901)
Increase / (decrease) in payables		83,435	3,268
Increase/(decrease) in accrued employee benefits		(10,101)	32,026
Increase / (decrease) in other liabilities		0	(250,000)
Net cash from operating activities		1,368,226	1,195,915
	i	(1)	

CF-2 Changes in liabilities arising from financing activities

	Note	2023	2022
	0.5	•	•
Lease Liabilities	C5	\$	\$
Opening balance		2,343,249	2,726,867
Non-cash changes			
New Leases Acquired		105,375	149,536
Finance charges (repayment allocation)		62,072	72,219
Cash flows			
Cash repayments		(617,463)	(605,373)
Closing balance		1,893,233	2,343,249



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 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

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 2021-2022 financial statements except where restated where necessary to be consistent with disclosures in the current report period.

Current / non current classification

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

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

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

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

A1-5 BASIS OF MEASUREMENT

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

Historical Cost

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

A2 OBJECTIVES OF THE AGENCY

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



SECTION 2

NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2023 \$	2022 \$
Accreditation fees	3,509,033	3,474,485
Application fees	132,195	150,704
Audit fees	1,311,932	972,467
Fee for service income	21,088	108,014
Total	4,974,248	4,705,670

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. Qld Treasury's Minimum Reporting Requirements require agencies to identify performance obligations and recognise revenue for licences when the performance obligations are satisfied, in line with the revenue recognition model detailed in AASB 15 *Revenue from Contracts with Customers*. The performance obligation is the grant of an accreditation and, as such the revenue is recognised upon receipt.

B1-2 GRANTS AND CONTRIBUTIONS

	2023 \$	2022 \$
Department of Agriculture and Fisheries (DAF)	1,900,000	2,150,000

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

	2023 \$	2022 \$
Interest earned on bank account	320,952	25,256

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.

Notes to the Financial Statements For the year ended 30 June 2023

B1-4 OTHER REVENUE

	2023	2022
	\$	\$
Other revenue	27,849	11,948

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

	2023	2022
	\$	\$
Employee Benefits		
Wages and salaries	3,158,896	3,114,412
Annual leave levy/expense	315,549	332,023
Long service leave levy/expense	90,019	84,805
Employer superannuation contributions	437,963	424,811
Other	220,529	208,221
Employee Related Expenses		
Recruitment Costs	3,842	0
Workers' compensation	11,576	14,648
·	0	
Total	4,238,374	4,178,920

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 - 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 - 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 - Long Service Leave

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

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

<u>Defined contribution plans</u> - 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.

<u>Defined benefit plans</u> - 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 - Workers' 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

	2023	2022
	\$	\$
Administration expenses	151,675	148,007
Advertising and conference costs	15,095	5,087
Communication costs	46,640	63,592
Computer costs	338,951	329,542
Contracting & professional services	732,213	590,019
Legal costs	0	3,500
Motor vehicle costs	35,911	36,557
Property, plant and equipment costs	120,788	112,870
Travel costs	50,493	21,970
Lease expenses	57,563	54,159
Other	240	20
Total	1,549,569	1,365,323

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 C5 for breakdown of lease expenses and other lease disclosures.

B2-3 FINANCE / BORROWING COSTS

	2023	2022
	\$	\$
Interest on lease liabilities	62,072	72,219
Finance costs - provisions	4,361	3,641
Total	66,433	75,860

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

	2023 \$	2022 \$
Depreciation - plant and equipment Depreciation - right-of-use assets Total	89,003 496,162 585,165	83,288 503,687 586,975
B2-5 OTHER EXPENSES	2023 \$	2022 \$
Impairment (Reversal) / Losses (trade receivables)	2,483	(1,110)
Auditors' remuneration Queensland Audit Office - external audit services* Bailiwick Group Pty Ltd - internal audit services Total	18,800 13,500 34,783	18,400 3,500 20,790

^{*}Total audit fees quoted by Queensland Audit Office relating to the 2022-2023 financial statements are \$20,240 GST inclusive (2021-2022: \$19,800).



SECTION 3

NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash on hand	27	331
Cash at bank	409,540	477,166
Deposits at call	10,112,347	9,231,581
Total	10,521,914	9,709,078

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 receipted but not banked at 30 June 2023 as well as deposits at call with financial institutions.

C2 RECEIVABLES

	2023 \$	2022 \$
Trade debtors Less: Allowance for impairment loss	222,343 (3,117) 219,226	264,003 (1,517) 262,486
LSL Claims Receivable Other debtors	21,946 117,770 139,716	13,351 9,775 23,126
Total	358,942	285,612

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 14 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 2023.

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy - Impairment of Receivables

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

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

The amount of impairment losses recognised for receivables is disclosed in Note B2-5.

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 since 1 January 2009, calculated by calendar year to reflect the agency's audit cycle. 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 since 1 January 2009 have been correlated and based on those results, the historical default rates are adjusted based on expected changes to that indicator.

		2023			2022	
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
Aging	\$	%	\$	\$	%	\$
Current	176,394	0.42%	(741)	230,260	0.46%	(1,059)
1 to 30 days overdue	41,576	1.24%	(516)	33,428	1.33%	(445)
31 to 60 days overdue	12,226	4.03%	(493)	315	4.24%	(13)
61 to 90 days overdue	91	9.94%	(9)	0	10.36%	0
> 90 days overdue	0.00	18.91%	0	0	19.69%	0
Unapplied Credit Amounts	(9,302.17)	0.00%	0	0	0.00%	0
Known impairment (in process)	1,358	100.00%	(1,358)	0	100.00%	0
Total	222,343		(3,117)	264,003		(1,517)

Disclosure - Movement in the allowance for impairment loss

	2023	2022
	\$	\$
Loss allowance at start of year	(1,517)	(3,831)
(Increase) decrease in allowance recognised in the operating result	(2,483)	1,110
Amounts written-off during the year	883	1,204
Loss allowance as at end of year	(3,117)	(1,517)

Gross receivables for the 2022-2023 financial year reflect the agency's return to its preferred audit schedule. Our audit teams have been able to complete a large percentage of scheduled audits prior to 30 June allowing us to prepare for 2024 accreditation renewals in a timely manner. Debt management remains an agency focus for the remainder of the calendar year.

C3 OTHER ASSETS

	2023 \$	2022 \$
Prepayments - current	196,205	195,876
Prepayments - non current	17,756	48,056
Total	213,961	243,932

Accounting Policy - Prepayments

Other assets (Prepayments) are amounts over \$1,000, paid in advance of service provision. Amounts are recorded at invoice value (ex GST) and expensed over the period covered for the service provided.

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2023	2022
	\$	\$
Plant and equipment - at cost	708,405	646,728
Less: Accumulated depreciation	(401,678)	(312,676)
Carrying amount at end of year	306,727	334,052
Represented by movements in carrying amount		
Carrying amount at start of year	334,052	328,777
Additions	61,678	88,563
Depreciation	(89,003)	(83,288)
Carrying amount at end of year	306,727	334,052

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.

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 asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the agency.

Depreciation Rates

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

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

C4-6 IMPAIRMENT

Accounting Policy - 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 136 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.
- 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.

Notes to the Financial Statements For the year ended 30 June 2023

C5 LEASES

C5-1 LEASES AS LESSEE

Right-of-use assets	2023			2022		
	Property	Motor Vehicles	Total ROU Assets	Property	Motor Vehicles	Total ROU Assets
	\$	\$		\$	\$	
Carrying amount at the start of the financial year	1,718,586	144,302	1,862,888	2,122,959	94,080	2,217,040
Additions	69,889	35,486	105,375	0	149,536	149,536
Depreciation	(409,332)	(86,830)	(496,162)	(404,373)	(99,314)	(503,687)
Carrying amount at the end of the financial year	1,379,143	92,958	1,472,101	1,718,586	144,302	1,862,888
Lease liabilities		2023			2022	
	Property	Motor Vehicles	Total Lease Liability	Property	Motor Vehicles	Total Lease Liability
	Property \$			Property \$	Motor	
Current		Vehicles	Lease		Motor Vehicles	Lease
Current Non-current	\$	Vehicles \$	Lease Liability	\$	Motor Vehicles \$	Lease Liability

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 agency under residual value guarantees
- the exercise price of a purchase option that the agency is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

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.

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 54 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

	2023 \$	2022 \$
Interest expense on lease liabilities Breakdown of 'Lease-related expenses' included in Note B2-2	62,075	72,219
- Expenses relating to equipment services (lease expenses)	57,563	54,159
- Expenses relating to short-term leases (vehicle)	455	4,250
Total cash outflow for leases	120,092	130,628

C6 PAYABLES

	2023	2022
	\$	\$
GST receivable	(60,116)	(38,808)
GST payable	74,487	52,598
Net GST receivable (payable)	14,371	13,790
Trade creditors	385,702	299,876
Other creditors	4,646	7,618
	390,348	307,494
Total	404,719	321,284

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.

C7 ACCRUED EMPLOYEE BENEFITS

	2023 \$	2022 \$
Current accrued employee benefits	289,118	299,218
Total	289,118	299,218

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*.

C8 PROVISIONS

	2023	2022
Restoration costs	\$	\$
Current	472,996	406,957
Total	472,996	406,957
Movement	2023	2022
	\$	\$
Balance as at 1 July	406,957	324,857
Additional provision made	4,361	3,641
Additional Make Good Asset	61,678	78,459
Carrying amount at end of year	472,996	406,957

Notes to the Financial Statements For the year ended 30 June 2023

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 premises.

Key Estimates and Judgements: Make Good Provision is increased in line with current CPI rates, to allow for the increase in labour and material costs within the construction industry. This will be reviewed annually to insure the Make Good Provision reflects current economic and industry trends.

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



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 Financial Assets at amortised cost	Notes	2023 \$	2022 \$
Cash and cash equivalents Receivables	C1 C2	10,521,914 358,942	9,709,078 285,612
Total	02	10,880,856	9,994,690
Financial Liabilities at amortised cost		\$	\$
Payables	C6	404,719	321,284
Lease liabilities	C5-1	1,893,233	2,343,249
Total		2,297,952	2,664,533

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	, , ,	Safe Food is exposed to liquidity risk through its trading in the normal course of business, particularly in respect of its payables (Note C6).

prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	The agency does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. The agency is exposed to interest rate risk through its leases (Note C5), and cash
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	deposited in interest bearing accounts (Note C1).

(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 agency'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.

		2023 - Contractual maturity		2022- Cd	ontractual ma	aturity	
		< 1 year	1 - 5 years	> 5 years	< 1 year	1 - 5 years	> 5 years
Financial liabilities		\$	\$	\$	\$	\$	\$
Payables		404,719	0	0	321,284	0	0
Lease liabilities		612,025	1,375,382	0	587,405	1,907,329	0
	Total	1,016,745	1,375,382	0	908,689	1,907,329	0

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 2022-2023 (2021-2022: Nil).

D3 COMMITMENTS

Lease commitments

At 30 June 2023, Safe Food had the following operating lease commitments attributed to short term and low value leases. These amounts are inclusive of GST and are due for payment as follows:

	2023	2022
	\$	\$
Not later than 1 year	4,660	4,660
Later than 1 year but not later than 5 years	1,553	6,213
Total	6,213	10,873

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's activities, or have no material impact on the Agency.

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 2021-2022 and 2022-2023.

Position	Position Responsibility
Safe Food's Board of Directors (Chair + 4 Directors)	Safe Food is directly accountable to an expertise-based Board, who provide strategic direction to the agency.
	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.
	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.
Chief Executive Officer	Responsible for managing the affairs of the agency and advising the Board of the 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.

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.

Notes to the Financial Statements For the year ended 30 June 2023

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.

<u>Termination benefits</u> 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.

Remuneration Expenses

The following disclosures focus on the expenses incurred by the agency attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

1 July 2022 - 30 June 2023	Short Term	Employee	Long Term	Post	Termination	Total
_	Expe	nses	Employee	Employment	Benefits	Expenses
			Expenses	Expenses		
Position	Monetary	Non-				
	Expenses	Monetary				
		Benefits				
	\$	\$	\$	\$	\$	\$
Board Director, Chair	3,250	0	0	341	0	3,591
Board Director, external	7,050	840	0	740	0	8,631
Board Director, external	2,000	116	0	210	0	2,326
Board Director, DAF Representative	Э					0
Board Director, Qld Health Represe	ntative					0
Chief Executive Officer	257,084	0	6,670	32,573	0	296,327
Director, Verification & Compliance	155,440	4,572	4,037	19,186	0	183,235
Director, Policy & Engagement	142,274	6,256	3,695	18,640	0	170,865

1 July 2021 - 30 June 2022	Short Term Expe		Long Term Employee	Post Employment	Termination Benefits	Total Expenses
Position	Monetary Expenses	Non- Monetary Benefits	Expenses \$	Expenses \$	\$	\$
Board Director, Chair	2,600	0	0	260	0	2,860
Board Director, external	4,200	704	0	395	0	5,299
Board Director, external	4,250	0	0	400	0	4,650
Board Director, DAF Representative	Э					0
Board Director, Qld Health Representative						0
Chief Executive Officer	255,600	0	6,353	31,273	0	293,226
Director, Verification & Compliance	154,527	8,341	3,808	18,550	0	185,226
Director, Policy & Engagement	152,784	10,773	3,760	18,416	0	185,733

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 \$58,143 for 2022-2023 (\$50,301 for 2021-2022). Payroll tax totaling \$155,711 was paid to the Office of State Revenue (2021-2022: \$156,843). 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 2022-2023. 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 2022-2023.

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 C6).

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.

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of the agency, has published a wide range of information and resources on climate change (accessible via https://www.qld.gov.au/environment/climate-change) including the following whole-of-Government publications in relation to climate risk, strategy and action:

Climate Action Plan 2020-30 - https://www.des.qld.gov.au/climateaction

Climate Adaptation Strategy - https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy

Queensland Sustainability Report - https://www.treasury.qld.gov.au/programs-and-policies/esg/



No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the agency.

The agency continues to monitor the emergence of material climate-related risks that may impact the financial statements of the agency, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

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 2023, 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 2023, 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 material accounting policy 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.



Better public services

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 forming an opinion on the effectiveness of the entity's internal controls, but allows
 me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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.



Better public services

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2023:

- 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.

Jacqueline Thornley

as delegate of the Auditor-General

31 August 2023

Queensland Audit Office Brisbane

Compliance checklist

Sumi	mary of requirement	Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 2
Accessibility	Table of contents	ARRs – section 9.1	Page 4
	Glossary		Page 78
	Public availability	ARRs – section 9.2	Page 3
	Interpreter service statement	Queensland Government Language Services Policy	Page 3
		ARRs – section 9.3	
	Copyright notice	Copyright Act 1968	Page 90
		ARRs – section 9.4	
	Information licensing	QGEA – Information Licensing	Page 90
		ARRs – section 9.5	
General information	Introductory information	ARRs – section 10	Page 5
Non-financial performance	Government's objectives for the community and other whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 9
	Agency objectives and performance indicators	ARRs – section 11.2	Page 9
	Agency service areas and service standards	ARRs – section 11.3	Page 9
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 54
Governance -	Organisational structure	ARRs – section 13.1	Page 19
management and structure	Executive management	ARRs – section 13.2	Page 17
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	Public Sector Ethics	Public Sector Ethics Act 1994	Page 23
		ARRs – section 13.4	
	Human Rights	Human Rights Act 2019	Page 23
	Queensland public service values	ARRs – section 13.5 ARRs – section 13.6	Page 10
	Queensiand public service values	AIXIX3 - SECTION 13.0	1 age 10

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Summary of requirement		Basis for requirement	Annual report reference
Governance – risk	Risk management	ARRs – section 14.1	Page 21
management and accountability	Audit committee	ARRs – section 14.2	Page 21
,	Internal audit	ARRs – section 14.3	Page 21
	External scrutiny	ARRs – section 14.4	Page 73
	Information systems and record keeping	ARRs – section 14.5	Page 24
	Information Security attestation	ARRs – section 14.6	Page 25
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 17
	Early retirement, redundancy and retrenchment	Directive No. 04/18 Early Retirement, Redundancy and Retrenchment	Page 36
		ARRs – section 15.2	
Open Data	Statement advising publication of information	ARRs – section 16	Page 25
	Consultancies	ARRs – section 31.1	https://data. qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data. qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data. qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62	Page 66
		FPMS – section 38, 39, 46	
		ARRs – section 17.1	
	Independent Auditors Report	FAA – section 62	Page 73
		FPMS – section 46	
		ARRs – section 17.2	

- 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 business, 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 documented 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.

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.

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

Supply chain

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

Verification

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

Acronyms

ARR	Annual Report Requirements
CEO	Chief Executive Officer
CIMS	Central Information Management System
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
FAA	Financial Accountability Act 2009
FAMS	Food Allergen Management Symposium
FPMS	Financial and Performance Management Standard 2019
FRSC	Food Regulation Standing Committee
FSANZ	Food Standards Australia New Zealand
FTE	Full-Time Equivalent
IP	Information Privacy
ISFR	Implementation Subcommittee for Food Regulation

ISMS	Information Security Management System
IT	Information Technology
PRISM	Public Risk Management Institute
RTI	Right to Information



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