Food Safety in Queensland

Fees charged by Local Government under the Food Act 2006

in partnership with

LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND INC.

Australian Institute of Environmental Health

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Introduction

The Food Act 2006 (the Act) gives Local Governments the capacity to charge fees for services provided or action taken under the Act. This guide outlines the activities for which fees may be set and the criteria for determining fee structures.

Fee for service

The Act prescribes that fees charged by Local Governments must not be greater than the cost of providing the service or taking action. Local Government inspection fees cannot be charged if the service is not provided. Some Local Governments may charge for an inspection fee as part of the annual licence fee (to recover service costs). This administrative practice may require further consideration if the inspection service is not delivered.

How to establish fees

Fees can be established either by resolution of the Local Government or by local law.

Fee structures

Fees for a business licensed by Local Government

A Local Government issuing a licence to a food business can charge a fee for that service that may be based on:

- Administrative costs in recording and issuing the licence
- Professional costs in assessing the application
- Professional costs for undertaking inspections
- Administrative costs in maintaining a register of licensed food businesses
- Administrative costs of recording details of mobile food businesses into a state register.

Fees for a business not licensed by Local Government

The Act exempts some activities from licensing requirements. However, these businesses are still required to comply with the Act in terms of ensuring the food they produce is safe and suitable. Local Government will play a role in regulating food businesses that are not required to hold a licence and are entitled to charge a fee for any service they provide to these businesses, such as inspections or investigation of complaints.

However, to minimise the effects of frivolous or vexatious complaints, Local Governments are encouraged to only charge fees for investigation of the complaint in the event that the complaint is justified.

Fees for mobile food businesses

Mobile food businesses only require one licence issued by a Queensland Local Government in order to operate anywhere in the state. Where a mobile food business licensed by one Local Government operates in a second Local Government area, the second Local Government may charge fees for any service they provide to the business.

This may include fees for inspections or investigation of complaints.

Fees for non-profit organisations

The Act does not differentiate between commercial businesses and non-profit organisations in terms of the charging of fees. However, Local Governments may choose to reduce or waive fees to non-profit organisations.
Variations to fees

Licence fees may be required to be varied depending on the actions of the business and the impact on Local Government services. For instance, a business may incur an increase or decrease in fees when:

- Changing to different size premises
- Changing the type of food products they serve or manufacture
- Serving food to high-risk customers
- Updating details or adding food safety supervisors
- Failing to renew licences on time
- Discounts for early payment of fees.

Refunding of fees

A policy for refunding a licence fee should be developed by Local Governments to facilitate the transparent and consistent reimbursement of fees.

Food safety programs

Food safety programs will not become mandatory until 1 July 2007. Food businesses may only voluntarily decide to implement food safety programs after this date. Local Governments will need to establish fees to reflect the service provided in the accreditation and auditing of food safety programs.

Accreditation of food safety programs

Accreditation is the desktop assessment of a food safety program to determine if the program meets the requirements of the Act. Local Governments will need to consider the following in setting fees for accreditation:

- Administrative costs of keeping a register of and issuing accreditations
- Professional costs in assessing the program
- Costs of out-sourcing the assessment of the program for complex or technical matters.

Auditing

A food business with a food safety program is required to be audited at the frequency prescribed by the Local Government. However, the food business may use either an approved auditor from the Local Government that issued the accreditation or another approved auditor.

Local Governments will need to consider the following in setting fees for auditing:

- Time spent on-site undertaking the audit
- Travel time
- Time spent on preparing audit reports
- Administrative costs associated with reporting to Queensland Health on audit outcomes
- Administrative costs associated with assessing reports where the food business has used an auditor not employed by the Local Government.
Fee Calculation

This fee calculator is provided as a guide to calculating fees for food related activities carried out under the Act.

Fees for cost recovery would be calculated by multiplying the time taken to provide a service by the hourly rate for the officer performing the service.

To calculate the fee for full cost recovery of a service the following formula can be used:

Hourly Rate Calculations

The hourly rate for officers varies per Local Government depending on a number of factors. These factors include:

- direct costs – direct labour costs associated with professional and administrative staff (eg. labour, plant and other costs)
- indirect costs – apportioned costs of supervisory staff (eg. Branch, Directorate and Corporate), and
- corporate overheads. – IT systems and other corporate management services (eg. purchasing, accounts payable).

Customer service time model

In a customer service time model, only time directly spent on a service that involves a customer by frontline staff is calculated into the fee. The hourly rate would then take into account all the other time spent on the service by non-frontline staff (Management IT support etc.) as indirect and corporate overheads.

Each local government would have its own individual hourly rate dependant on the combination of the above inputs.

Average time per service activity

The following table is one method of calculating the average time taken to complete a service activity. The time taken per activity per annum can be obtained by calculating the average time taken per activity task and then placing these times in the table below.

The rate may vary depending on the officer undertaking the activity. For example professional on site time and administration officer filing may be charged at different rates.

Table 1 - Example fee calculation for licensing and monitoring food premises

<table>
<thead>
<tr>
<th>Activity/Task</th>
<th>Time spent (hours)</th>
<th>Rate ($ per hour)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of application/data entry</td>
<td></td>
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<tr>
<td>Application assessment</td>
<td></td>
<td></td>
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<tr>
<td>Report writing/letters</td>
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<tr>
<td>Pre-inspection planning</td>
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<td></td>
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<tr>
<td>Pulling file checking history</td>
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<td></td>
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<tr>
<td>Travel on site</td>
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<tr>
<td>On site assessment</td>
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<tr>
<td>Travel between premises</td>
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<tr>
<td>Report write up/letter drafting</td>
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<tr>
<td>Letter administration</td>
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<tr>
<td>Reschedule visit/complete records</td>
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<tr>
<td><strong>TOTALS</strong></td>
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