

Fees charged by Local Government under the *Food Act* **2006**



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An electronic version of this document is available at www.qld.gov.au/foodpantry

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Introduction

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

1 Fee for service

Section 31 of the Act prescribes that local government may charge a fee for taking action or providing services under the Act. However, the fee charged cannot be greater than the cost of providing the service or taking the action.

Local government cannot charge an inspection fee if the service is not provided. Some local governments include a charge for inspections as part of the annual licence fee (to recover service costs), however, this administrative practice may require further consideration if the inspection service is not delivered.

2 How to establish fees

Fees can be established either by the local government making a resolution or via a local law.

3 Fee Structures

3.1 Fees for a licensed food business

A local government issuing a licence to a food business can charge a fee for that service. The fee may be based on:

- administrative costs associated with recording and issuing the licence
- professional costs for assessing the application
- professional costs for undertaking inspections
- professional costs associated with investigating complaints
- administrative costs in maintaining a register of licensed food businesses
- administrative costs of recording details of mobile food businesses into the state register.

3.2 Fees for a business not required to be licensed

The Act exempts some activities from licensing requirements. However, these food businesses are still required to comply with the requirements of the Act in terms of ensuring the food they produce is safe and suitable.

Local governments play a role in regulating food businesses that are not required to hold a licence and are able to charge a fee for any service they provide to these businesses, such as inspections or investigation of complaints.

It is suggested that to minimise the effects of frivolous or vexatious complaints, local government only charge fees for inspections of non-licensed food businesses in the event that the complaint is justified.

3.3 Fees for mobile food businesses

The Act provides that mobile food businesses only require one licence in order to operate anywhere in Queensland. 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.

3.4 Fees for non-profit organisations

The Act does not differentiate between commercial businesses and non-profit organisations in terms of charging fees. However, local government may choose to reduce or waive fees for non-profit organisations.

4 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 sized 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.

5 Refund of fees

A policy for refunding a licence fee should be developed by local governments to facilitate the transparent and consistent reimbursement of fees reflecting the requirements of section 31 of not charging a fee greater than the cost of providing the service or taking the action.

6 Food safety programs

Local governments can establish fees to reflect the service provided in the accreditation and compliance auditing 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 should consider the following in setting fees for accreditation:

- administrative costs of keeping a register and issuing accreditations
- professional costs in assessing the program
- costs of obtaining the written advice of an auditor in the assessment of the program for accreditation.

A food business with a food safety program is required to have the program audited at the frequency prescribed by the local government.

If the local government chooses to offer auditing services, the auditor must be approved under the Act. Fees associated with auditing should consider:

- time spent on-site undertaking the audit
- travel time
- time spent on preparing audit reports
- administrative costs associated with assessing reports where the food business has used an auditor not employed by the local government.

7 Fee calculation

Fees charged need to comply with the *Local Government Act 2009* and the *Local Government Regulation 2012*. The following fee calculations are 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 models can be used. It is recommended that criteria used to decide the amount of the fee are documented by the local government.

7.1 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 (e.g. labour, plant and other costs)
- indirect costs – apportioned costs of supervisory staff (e.g. Branch, Directorate and Corporate)
- corporate overheads - IT systems and other corporate management services (e.g. purchasing, accounts payable).

7.2 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 dependent on the combination of the above inputs.

7.3 Average time per service activity

Table 1 is one means 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 recording these times in table 1.

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

Activity/task	Time spent (hrs)	Rate (\$/hr)	Cost
Receipt of application/data entry			
Application assessment			
Report writing/letters			
Pre-inspection planning			
Pulling file/ checking history			
Travel on-site			
On-site assessment			
Travel between premises			
Report write up/letter drafting			
Letter administration			
Reschedule visit/ complete records			
TOTAL			