

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS FEBRUARY 2016
– SEPTEMBER 2016**

Organisation: Department of Primary Industries

Name: Dr Lisa Szabo

Date Received: 11 September 2017



Department of Primary Industries

OUT17/37070

Mr Bruce Notley-Smith MP
Chair
Legislative Assembly Public Accounts Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

Your Ref D17/23639

Dear Mr Notley-Smith MP

Thank you for your letter of 18 August 2017 regarding the NSW Food Authority's response to the Auditor-General's report *Monitoring food safety practices in retail food businesses*, and request for feedback on the effectiveness and benefit of the audit process.

As the NSW Food Authority has previously advised the Auditor-General, the context for the Food Authority's engagement with local government reflects councils' long standing responsibility for food safety in the retail food service sector. It can sometimes be taken for granted, but arrangements which ensure the safety of our food supply are fundamental to the orderly and harmonious function of our society. In the past, each local council had separate and in many cases inconsistent food safety inspection and compliance regimes. The Food Regulation Partnership was formalised in 2008 to bring these disparate regimes together under a single consistent system overseen and coordinated by the Food Authority under the *Food Act 2003*. The partnership has been recognised as best regulatory practice by the Independent Pricing and Regulatory Tribunal (IPART) but was nevertheless formally evaluated in 2012 as part of the Food Authority's commitment to continuous improvement.

The Food Authority therefore welcomed the Performance Audit as a further opportunity for external evaluation of arrangements that underpin food safety in the retail food service sector, including assessment of areas where these arrangements were operating effectively and others where they could be improved. It also provided independent verification of the progress the Food Authority had already made to address emerging retail food business issues and important external validation of the need to better understand retail food business compliance by collecting more timely and precise data from enforcement agencies.

I am pleased to advise that the NSW Food Authority has made good progress on implementing the Auditor-General's recommendations in line with the timeframes outlined in the NSW Food Authority's response to the Auditor-General's report.

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I have attached the completed template as requested.

Please feel to contact Dr Lisa Szabo, Group Director Food Safety & CEO NSW Food Authority on 02 9741 4700 if you require further information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Lisa Szabo', with a stylized, cursive script.

Dr Lisa Szabo

Chief Executive Officer

11 September 2017

PERFORMANCE AUDIT

MONITORING FOOD SAFETY PRACTICES IN RETAIL FOOD BUSINESSES

IMPLEMENTATION OF RECOMMENDATIONS

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on-track, delayed) Comment	Responsibility
1.a	We recommend that the NSW Food Authority should, by June 2017, improve its risk-based approach by: <ul style="list-style-type: none"> monitoring the consistency and quality of regulatory activities undertaken by councils and other enforcement agencies. 	Accepted in principal and noted that the only realistic way to achieve this is through technology, which cannot be implemented by June 2017. June 2018 is a possible and ambitious target subject to a successful business case.	<p>a) Consult with enforcement agencies, to develop and identify critical design and usability elements to inform a funding business case.</p> <p>b) Develop a business case and implement a single electronic platform to regularly capture the Food Premises Assessment.</p> <p>c) Reports (FPAR) generated during retail food business inspections.</p> <p>d) If business case is successful, implement the platform.</p>	30/06/18	<p>On-track Business case is well advanced. Service NSW and Food Authority are moving to consult with enforcement agencies to inform design, finalise cost and cost recovery model commencing August 2017.</p>	Executive Officer, Food Regulation Partnership; (Lead) Food Policy and Partnerships Unit.
1.b	We recommend that the NSW Food Authority should, by June 2017, improve its risk-based approach by: <ul style="list-style-type: none"> clarifying the roles and responsibilities between it, councils and other enforcement agencies. 	Accepted and noted that NSW food legislation which underpins the NSW Food Authority from subjecting enforcement agencies to new conditions against their will.	<p>a) Revise guidelines to more clearly explain enforcement agency roles and responsibilities as per 1.c below</p> <p>b) Consult with enforcement agencies on the revision of the instruments of appointment and guidelines.</p> <p>c) Reissue enforcement agency instruments of appointment.</p>	30/06/17	<p>Delayed All protocols and guidelines have been revised. Consultation with enforcement agencies completed with 47 submissions received from councils and local government stakeholders. Letters outlining proposed appointment details will be provided</p>	Food Standards and Programs Unit; Executive Officer, Food Regulation Partnership.

Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on-track, delayed) Comment	Responsibility
<p>1.c</p> <p>We recommend that the NSW Food Authority should, by June 2017, improve its risk-based approach by:</p> <ul style="list-style-type: none"> updating its guidelines to councils, including defining distinct monitoring requirements for medium and high risk retail food businesses. 	<p>Accepted and noted that NSW food legislation which underpins the Food Regulation Partnership prevents the NSW Food Authority from subjecting enforcement agencies to new conditions against their will.</p>	<p>a) Review the rationale underpinning the inspection frequency of retail food businesses</p> <p>b) Review of the risk based classification that applies to medium and high risk retail food businesses.</p> <p>c) Include (a) and (b) in the reissuing of enforcement agency instruments of appointment as per 1.b above.</p>	<p>30/06/17</p>	<p>Completed</p> <p>once submissions have been dealt with and will allow enforcement agencies 28 days to comment. New instruments of appointment will be formally issued in late 2017 and commence on 1 July 2018.</p>	<p>Executive Officer, Food Regulation Partnership; (Lead) Food Standards and Programs Unit.</p>
<p>1.d</p> <p>We recommend that the NSW Food Authority should, by June 2017, improve its risk-based approach by:</p> <ul style="list-style-type: none"> developing additional detailed performance indicators, with baseline data, to assess the effectiveness of regulatory activities undertaken by councils and other enforcement agencies. 	<p>Accepted in principal and noted that June 2019 is a possible and ambitious target subject to successful implementation in 2018 of a single electronic platform to capture Food Premises Assessments.</p>	<p>a) If the realisation of a single electronic platform to regularly capture FPAR data (see 1.a) is achieved, baseline data can be established.</p> <p>b) Consult with food regulatory partners to establish performance indicators.</p>	<p>30/06/19</p>	<p>Not yet commenced, dependent on 1.a</p>	<p>CEO</p>

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status (completed, on-track, delayed) Comment	Responsibility
2.a	<p>We recommend that the NSW Food Authority should, by June 2017, improve its monitoring and oversight of food safety inspection and enforcement activities, conducted by councils on its behalf, by:</p> <ul style="list-style-type: none"> ensuring it receives and promptly analyses sufficient and timely information from councils. 	Accepted in principal and noted that June 2018 is a possible and ambitious target subject to a successful business case.	See 1.a and 1.d	30/06/18	Not yet commenced, dependent on 1.a	Executive Officer, Food Regulation Partnership; (Lead)
2.b	<p>We recommend that the NSW Food Authority should, by June 2017, improve its monitoring and oversight of food safety inspection and enforcement activities, conducted by councils on its behalf, by:</p> <ul style="list-style-type: none"> improving the availability of training and guidance material for council inspectors. 	Accepted	The Food Authority will provide training materials and resources online and develop options for food inspectors to have remote access to training and networking.	30/06/17	Completed	Local Government Unit.