



FOOD BUSINESS INSPECTION FEE POLICY

Policy Reference	GOV04
Date of initial Board Adoption	12 February 2003
Minutes Reference	
Date of Audit Committee endorsement (if applicable)	N/A
Date last reviewed by Eastern Health Authority Board of Management	4 July 2018
Applicable legislation	Memorandum of Understanding between The Minister for Health and Local Government Association (February 2009) Guidelines prepared by LGA for Councils - Inspection Fees, <i>Food Act 2001</i>

1. Purpose

The Food Business Inspection Fee Policy (Policy) outlines the circumstances that fees are applied for the inspection of food businesses as provided by Regulation 11 of the *Food Regulations 2017*.

To specify the rate at which inspection fees are charged.

2. Scope

This Policy applies to food businesses that are subject to inspection by authorised officers appointed by the Eastern Health Authority (EHA), an enforcement agency under the *Food Act 2001*.

3. Definitions

‘Community or charitable organisation’ - any group, club or organisation that provides a community benefit and not for the personal financial gain of an individual person or group of people. Examples include Rotary, Lions, church groups, community sporting clubs and scouting groups.

(To determine if an organisation fit this category, an Australian Taxation Office certificate of 'Endorsement as a Tax Concession Charity' may be requested.)

South Australian Food Business Risk Classification (FBRC)

- **'Priority 1 (P1)' and 'Priority 2 (P2)'** – businesses that characteristically handle foods that support the growth of pathogenic micro-organisms and where such pathogens are present or could be present. The handling of food will involve at least one step at which control actions must be implemented to ensure safety of the food. P1 businesses are further characterised by known risk-increasing factors, such as potential for inadequate / incorrect temperature control. Due to the high risk nature of the foods and their practices regular and lengthy inspections are required.
- **'Priority 3 (P3)'** – Businesses that will characteristically handle only 'low risk' or 'medium risk' foods and will warrant an inspection.
- **'Priority 4 (P4)'** - businesses that will normally handle only 'low risk' foods, because they handle pre-packaged low risk food, and hence will not warrant regular or lengthy inspections. Examples include pharmacies, video stores and newsagents.

'Re-inspection' – an inspection carried out as a result of non-compliance that has been identified with the *Food Act 2001* or Food Safety Standards.

'Routine Inspection' - an inspection conducted at a scheduled frequency determined by the business' priority classification and performance history utilising Environmental Health Australia's Food Safety Standard of Practice and Australian Food Safety Assessment tool.

'Small Business' - a food business employing not more than 20 full-time equivalent food handling staff.

4. Principles

Regulation 11 of the *Food Regulations 2017* provides for EHA as an enforcement agency to charge an inspection fee for the carrying out of any inspection that is required in connection with the operation or administration of the *Food Act 2001*.

Under the Regulations, the maximum fee for inspection is prescribed:

- for a **small business** –\$121.00 per inspection excl GST
- in any other case - \$300.00 per inspection excl GST

Food safety inspection fees are listed under division 81 of the GST Act for exemption, and as a result GST will not apply to inspection fees set by EHA.

The Minister for Health, Department of Health (DH) and Local Government administer and enforce the *Food Act 2001*, with some functions exercised jointly and others exclusively performed by one authority or the other. The Memorandum of Understanding between the Minister for Health and Local Government Association of SA, adopted in February 2009, clarifies the allocation of responsibility for enforcement of specific areas of the Act.

EHA is responsible for ensuring compliance with Chapter 3 of the Food Standards Code (Food Safety Standards) and the safety and suitability of food sold. This is achieved by performing inspections of food businesses based on a priority classification system developed by Food Standards Australia New Zealand (FSANZ).

The priority categories of high, medium and low risk are determined by the type of food, activity of the business, method of processing and customer base. SA Health has developed the South Australian Food Business Risk Classification (FBRC) using the national food safety risk profiling framework that allocates food businesses into risk classifications, based on their likelihood of contributing to foodborne disease and the potential magnitude of that contribution.

The FBRC took effect from 1 July 2014. From this date EHA utilises SA FBRC system to determine the priority classifications and inspection frequencies for food businesses in accordance with the table below:

Classification	Frequencies (every x months)		
	Starting point (new business owners)	Maximum	Minimum
Priority 1 (P1) – Highest risk	6	3	12
Priority 2 (P2)	12	6	18
Priority 3 (P3)	18	12	24
Priority 4 (P4) – Lowest risk	Inspect on complaint or change to risk profile only	Inspect on complaint or change to risk profile only	

4.1 Routine Inspection

An inspection fee will apply to **routine inspections** of food premises. The inspection fee is based on the 'priority risk rating' of a food business to recognise the inherent risk and time taken to undertake an inspection. The following fee schedule is outlined in the table below:

Classification	Small Business	Large Business
Priority 1 (P1) – Highest risk*	\$121.00	\$300.00
Priority 2 (P2)	\$121.00	\$300.00
Priority 3 (P3)	\$85.50	\$214.00
Priority 4 (P4) – Lowest risk	No fee	No fee

*A six month inspection frequency is applied to new P1 businesses within their first year of operation. Fees apply to these routine inspections.

4.2 Complaint Inspection

An inspection fee will not be imposed for an inspection carried out in response to food safety related complaints received from the public.

4.3 Re-inspection

An inspection fee will apply when more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe.

4.4 Inspection of Festivals, Fetes and Markets

An appropriate inspection fee will be negotiated with the organising body/host of non council events. Such a fee will be applied in lieu of inspection fees for individual stall-holders. The negotiated fee will reflect the cost of the inspections but will not exceed the maximum fee chargeable multiplied by the number of stall-holders.

4.5 Inspection of Businesses with Food Safety Programs

An inspection fee will apply for food businesses that have formal audited food safety programs in place.

4.6 Exemptions

4.6.1 Community and Charitable Organisations

Inspection fees will not be imposed upon community and charitable organisations.

4.6.2 Schools and Educational Institutions

Inspection fees will not be imposed for inspections of the canteen or out of school hours care service (OSHC) in schools and educational institutions unless the operator of the canteen / OSHC operates the service as a commercial concern for profit.

4.6.3 Nominal Risk Businesses

Inspection fees will not be imposed upon nominal P4 risk businesses.

4.6.4 Mobile Food Vans

Inspection fees will not be imposed upon mobile food vans that can display evidence of having completed notification with an alternate local council.

4.7 Cost of Inspection Fees

Inspection fees will be charged at the following rate:

Classification	Small Business	Large Business
Priority 1 (P1) – Highest risk*	\$121.00	\$300.00
Priority 2 (P2)	\$121.00	\$300.00
Priority 3 (P3)	\$85.50	\$214.00
Priority 4 (P4) – Lowest risk	No fee	No fee

5. Review of the Food Inspection Fee Policy

Every 24 months or as needed.

6. Statement of Adoption

This Policy was adopted by the Board of the Eastern Health Authority on 12 February 2003.