

SMALL BUSINESS REGULATION REVIEW (RETAIL SECTOR)

“Making it easier to do business in Victoria”

3.1 Clarity for all – let’s administer the Food Act better

The Department of Health and Human Services Food Safety Program, for Class 2 premises, is a copious document (75 pages) that is used by most Class 2 premises – which is the majority of food businesses in Victoria. This is a burden on small business proprietors. Many do not have this document, and a very low percentage have read it, and even less would understand it. Records that are required for the Food Safety Program that are additional pages.

Suggested solution:

That the Food Safety Program be simplified so it is a succinct document that can be easily read and understood, and also includes record sheets

. Also that a supplementary document be available that provides background information.

3.2 Fee transparency for food regulation

Councils operate on a “user pays” basis. However small businesses subsidize large business by paying the same fee for the same risk category.

e.g. A home based, one person part time hobby/business making jam and some relishes is categorized as a Class 2 business, has to pay nearly \$550.00 per annum, (which would be several weeks of production to raise enough revenue) for Food Act registration to Council.

An annual inspection of the home kitchen should take less than half an hour.

At the same time, a large restaurant/food manufacturer which employs 20+ staff, also a Class 2 business, has to pay the same nearly \$550.00 per annum (which would be an hour or so of production to raise the revenue) for Food Act registration to Council.

An annual inspection of the the restaurant or food manufacturer could take 3 hours or more.

This fee structure is clearly prejudiced against small business operators to subsidize medium to large business.

Suggested solution:

That a scale of fees be related to the risk classification, as well as the size of the business (number of employees).

(See Health Act 1958)

Food business classification

The Food Act 1984 classifies food business according to the risk to the public.

FSANZ and Food Safety documents base the risk in accordance with the definition of Potentially Hazardous Food/High Risk Food.

Food that falls into this category includes meat, milk, eggs, fish, and other foods through processing become Potentially Hazardous Food (PHF) – rice, fruit salad.

These foods are clearly PHF as they require temperature, time, pH controls to keep these foods safe.

Under the Food Act 1984, there is a “Classification System” that is a list of businesses categorized into Class 1, Class 2, Class 3, and Class 4 premises.

The Classification System has no supporting information or justification, and there is no appeal process to challenge the classification process.

Further, the Classification Tool is administered meticulously by some Councils, whereas most Local Government bodies have a more relaxed approach to classification.

This tool results in classification which results in fee structure, Food Safety requirements, Food Safety Supervisors and costly audit.

There is a review of this of this Gazetted system, which will rationalize the classification of business, however, it is not expected to be implemented for maybe two or more years. This adds considerable cost to small business because of the inconsistency and incorrect classification.

e.g. A home based, one person part time hobby/business making jam and some relishes is categorized as a Class 2 business. (jam making is classified as Class 3, whereas making relish is a similar process with similar risks to jam making, yet is categorized as Class 2).

This results in:

Higher fees

The requirement for a Food Safety Program. There is no suitable food safety program template for making relish, which therefore requires that a special food safety program has to be designed for the production of relish (additional cost) – however there is no identified risk that a FSP would mitigate, as there is no identified potentially hazardous food. (This has been confirmed by Local Government and Department of Health Officers). Further, a special food safety program requires third party auditing annually (more additional cost).

Suggested solution:

That the Health and Human Services Food Safety Unit be urged to review the Classification System as soon as possible – preferably before 2018 registration year, and educate Local Government so the classification system is administered consistently.