

Auditor-General's Report 2 of 2026

## Managing food safety in council areas

Part A: Department for Health and Wellbeing



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Part A: Department for Health and Wellbeing

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First Session, Fifty-Sixth Parliament

By authority: T. Foresto, Government Printer, South Australia

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*The Audit Office of South Australia acknowledges and respects  
Aboriginal people as the State's first people and nations, and  
recognises Aboriginal people as traditional owners and occupants  
of South Australian land and waters.*



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18 May 2026

President  
Legislative Council  
Parliament House  
ADELAIDE SA 5000

Speaker  
House of Assembly  
Parliament House  
ADELAIDE SA 5000

Dear President and Speaker

**Report of the Auditor-General:  
Report 2 of 2026 *Managing food safety in council areas, Part A: Department for Health and Wellbeing***

Under the *Public Finance and Audit Act 1987*, I present this report to each of you. This is one of two reports. This report looks at how the Department for Health and Wellbeing oversees and supports councils in managing food safety. The other report reviews the food safety activities of two local government entities.

This review is a reasonable assurance engagement where we conclude on the performance of the activities against the identified criteria. It is conducted in line with the Australian Standard of Assurance Engagement ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements for assurance engagements.

**Acknowledgements**

The review team for this report was Salv Bianco, Iolanda Telford, Kris Slaytor, Sharon Ryan, Sue Forder and Nicholas Pidd.

We appreciate the cooperation and assistance given by staff of the Department for Health and Wellbeing.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett'.

Andrew Blaskett  
**Auditor-General**



# Contents

<b>Audit snapshot</b>	<b>1</b>
<b>1 Executive summary</b>	<b>3</b>
1.1 Introduction	3
1.2 Conclusion	3
<b>2 Background – Food safety requirements</b>	<b>5</b>
2.1 Food safety framework in South Australia	5
2.2 Roles and responsibilities	6
<b>3 Challenges for enforcement agencies in food safety</b>	<b>9</b>
3.1 Ensuring enforcement agencies are notified of all food businesses	9
3.2 New food safety standard: 3.2.2A <i>Food safety management tools</i>	9
3.3 Environmental health officer shortages	10
<b>4 Food safety framework in South Australia</b>	<b>11</b>
4.1 Findings and recommendations	11
<b>5 Data analysis and reporting</b>	<b>15</b>
5.1 Findings and recommendations	15
<b>6 What the Department did well</b>	<b>18</b>
6.1 The Department has effective ways to collect data	18
6.2 The Department provides effective education and guidance to councils	18
6.3 The Department has effective processes to assess and approve qualified food safety auditors	19
<b>Appendices</b>	
<b>Appendix 1 – Audit mandate, objective, criteria and scope</b>	<b>20</b>
<b>Appendix 2 – National food safety framework</b>	<b>22</b>
<b>Appendix 3 – Overview of food safety inspections and audits in South Australia</b>	<b>25</b>
<b>Appendix 4 – Food business registration/licensing requirements across Australian states and territories</b>	<b>28</b>
<b>Appendix 5 – Response from the Department for Health and Wellbeing</b>	<b>30</b>
<b>Appendix 6 – Abbreviations and terms used in this report</b>	<b>31</b>
<b>Annexure</b>	<b>32</b>
<b>References</b>	<b>33</b>



## Audit snapshot

### Managing food safety in council areas – Department for Health and Wellbeing

#### What we reviewed and why

Food safety is vital to protecting public health and wellbeing. Strong regulatory systems and effective enforcement help to prevent illnesses, hospitalisations and deaths resulting from foodborne diseases.

In South Australia, food safety is managed by both the Department for Health and Wellbeing and local government. They work together to administer and enforce the *Food Act 2001* and the Australia New Zealand Food Standards Code.

We reviewed selected state and local government activities to assess whether food safety is effectively managed in council areas. This is one of two reports. This report looks at how the Department for Health and Wellbeing oversees and supports councils in managing food safety. The other report reviews the food safety activities of two local government entities.

#### What we concluded

The Department for Health and Wellbeing had effective activities to oversee and support councils manage food safety in their council areas. We noted improvement opportunities for the Department to:

- maximise the strategic value of the data it collects by broadening its analysis of the data and improving its reporting on the performance of food safety activities
- consider mechanisms to address the absence of a centralised system about food businesses operating in South Australia
- review the memorandum of understanding between the Minister for Health and Wellbeing and the Local Government Association of South Australia to ensure that it reflects the intentions and current arrangements for all parties.

#### Key facts

In 2024-25

**18,000**  
food businesses  
were operating in  
South Australia

**67**  
approved food  
safety auditors

**7,329**  
food businesses  
were classified as  
high-priority risk

Local government audited

**395**  
childcare centres

**231**  
aged care facilities

**16**  
private hospitals



Government  
of South Australia

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# 1 Executive summary

## 1.1 Introduction

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Food safety is crucial to public health and wellbeing. Food Standards Australia and New Zealand estimates that foodborne illnesses cost the Australian economy about \$3 billion each year.<sup>1</sup>

The dynamic nature of the food industry, marked by the rise of food trucks, home-based catering services and pop-up restaurants, presents new challenges for food regulators. Its food safety frameworks must adapt to meet these emerging trends to protect public health and ensure that:

- all types of food businesses are effectively governed by legislation
- high standards of safety for consumers are achieved.

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*The Food Act 2001 defines a food business as a business, enterprise or activity (excluding primary food production) that handles food intended for sale or sells food regardless of whether it operates on a commercial, charitable or community basis, or on a single occasion.*

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State and local governments work together to check that food businesses comply with the national food standards so that the food we consume is free from harmful contaminants, is safely prepared and is suitable for our consumption.

Our review assessed whether the Department for Health and Wellbeing (Department) has effective activities that oversee and support councils in managing food safety in their council areas. We also reviewed selected food safety activities performed by a council and local government entity, which is reported separately in *Part B: Local government*.<sup>a</sup>

Our audit mandate, review objective, criteria and scope are provided in Appendix 1.

## 1.2 Conclusion

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We concluded that the Department had effective activities to oversee and support councils manage food safety in their council areas. We noted improvement opportunities for the Department to:

- maximise the strategic value of the data it collects from councils by broadening its analysis of the data, and improving its reporting on the performance of food safety activities
- consider mechanisms to address the absence of a centralised system about food businesses operating in South Australia

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<sup>a</sup> Auditor-General's Report 2 of 2026 *Managing food safety in council areas, Part B: Local government*.

- review the memorandum of understanding between the Minister for Health and Wellbeing and the Local Government Association of South Australia (LGA) to ensure that it reflects the intentions and current arrangements for all parties.

The Department showed a clear commitment to supporting and guiding councils about food safety.

We shared our findings and recommendations with the Department. See sections 4 and 5 of this report for its responses to our findings and how it would action our recommendations. The Department's overall response to this report is in Appendix 5.

## 2 Background – Food safety requirements

### 2.1 Food safety framework in South Australia

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South Australia's food safety framework is based on a national framework. It comprises the:

- *Food Act 2001 (Act)*
- Food Regulations 2017 (Food Regulations)
- Australia New Zealand Food Standards Code (Code)
- *Primary Produce (Food Safety Schemes) Act 2004.*<sup>b</sup>

See Appendix 2 for more information about the framework.

#### 2.1.1 *Food Act 2001* and Food Regulations 2017

The objectives of the Act are to:

- ensure that food for sale is safe and suitable for human consumption
- prevent misleading conduct in connection with the sale of food
- provide for the application of the Code in South Australia.

The Act contains provisions about the legal and administrative regulation of food in South Australia and prescribes the offences and penalties for not complying with them.

Food safety regulation in South Australia is jointly administered by state and local governments. The Minister for Health and Wellbeing and the LGA periodically consult about the administration and enforcement of the Act. A memorandum of understanding (MoU) between the LGA and the Minister was established in 2014 which also sets the food safety responsibilities for the Department and councils. The Minister must report on the outcome of all consultation with the LGA and the operation of the agreement.

The Food Regulations adopt the national Code for use in South Australia and contain details about the administration of the Act.

#### 2.1.2 Australia New Zealand Food Standards Code

All food that is sold, processed or handled for sale in Australia and New Zealand must comply with the Code. It outlines the requirements to safeguard the public and ensure consumers have accurate information about their food. See figure 2.1 for more information.

The food standards apply to all Australian food businesses with additional requirements for those serving food to vulnerable members of the community, such as hospitals, aged care facilities and childcare centres. State and local governments monitor compliance with these standards by:

- regularly inspecting food businesses
- auditing food safety programs (FSP) in high-risk food businesses (hospitals, aged care facilities and childcare centres)

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<sup>b</sup> The *Primary Produce (Food Safety Schemes) Act 2004*, which is administered by the Department of Primary Industries and Regions, sets the food safety requirements for the meat, poultry, dairy, seafood, sprouts, egg and citrus industries. It is outside the scope of our review.

- investigating complaints from the public about food businesses
- responding to food safety incidents and investigations
- participating in national and local food sampling programs.

See Appendix 3 for more about the food safety inspection and audit processes in South Australia.

**Figure 2.1: The Australia New Zealand Food Standards Code**



## 2.2 Roles and responsibilities

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### 2.2.1 Memorandum of understanding between the Minister and the LGA

The MoU<sup>c</sup> between the Minister for Health and Wellbeing and the LGA establishes the roles and responsibilities of the Department, the LGA and councils for the exercise of the functions under the Act.

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<sup>c</sup> MoU between the Minister for Health and Ageing and the Local Government Association of South Australia Incorporated for exercise of functions under the *Food Act 2001*, signed 13 November 2014 made pursuant to section 96(2) of the Food Act (MoU).

## 2.2.2 The Department's responsibilities

Under the MoU, the Department is responsible for:

- leading, setting policy direction and overseeing the administration of the Act
- the safety and suitability of food sold, and monitoring and enforcing the compliance with food safety standards in unincorporated areas of the State
- providing advice, support, education and assistance to councils
- monitoring compliance with food labelling and food composition requirements of the Code in South Australia
- providing advice and education to food businesses and the public about food issues
- promoting and supporting a consistent enforcement of standards through policies, guidelines, advice and education to councils
- monitoring food safety incidents and initiating appropriate responses to them
- providing advice to councils dealing with minor foodborne disease outbreaks in their areas
- leading investigations and remediation of more serious foodborne disease outbreaks
- advising the Minister about food safety matters and initiating/coordinating the recall of food in South Australia
- conducting food safety audits of public hospitals, SA Health businesses and not-for-profit organisations that provide food to vulnerable people.

The Department also has sole responsibility for provisions of the Act about:

- the sale of falsely described food
- misleading conduct relating to the sale of food
- the sale of food that does not comply with purchaser's demand
- the sale of unfit food equipment, packaging or labelling material
- the false description of food
- not complying with the Code's requirements about food packaging, labelling, sale and advertising.

## 2.2.3 LGA responsibilities

Under the MoU, the LGA is responsible for:

- supporting councils to monitor and enforce the Act and food safety standards in their council areas
- supporting and coordinating councils' participation in policy and initiatives to improve the Act
- providing advice about managing local government issues under the Act and MoU, including liability issues
- providing advice about IT issues related to the Act and local government

- developing and assisting the Department to develop model policies and guidelines to clarify roles and responsibilities
- helping the Department communicate and consult with councils
- updating its guidelines about inspection fees and levels of inspections for councils
- encouraging consistency and good practice from councils about:
  - inspection fees, frequency of inspections, classification of food businesses and inspection methods
  - using IT systems and processes to provide food businesses with online notices, and to help councils and the Department in reporting and administration processes
  - managing minor foodborne disease outbreak investigations in their council areas
  - helping the Department investigate foodborne disease outbreaks
  - monitoring and taking action to ensure that food that is recalled for health and safety reasons is removed from sale
  - consultation and communication activities with food businesses about food safety matters.

#### 2.2.4 Council responsibilities

Under the Food Regulations and MoU, councils are responsible for enforcing parts of the Act in their council areas. The councils' environmental health officers (EHOs) perform these enforcement activities, including:

- inspecting food business premises to check they meet the requirements of the food safety standards
- managing minor foodborne illness outbreaks and helping the Department investigate major outbreaks
- ensuring food recalled for health and safety reasons is removed from sale
- receiving notifications from food businesses about their operations.

Councils conduct food safety audits of private hospitals, childcare centres and aged care facilities that provide food to vulnerable people, if they offer this regulatory activity.

More broadly, they are also responsible for educating businesses about food standards and helping them comply with these rules. Councils also deal with complaints from the community about food businesses.

## 3 Challenges for enforcement agencies in food safety

The Department and councils face a range of challenges in enforcing food safety in South Australia. This section comments on some of these challenges.

### 3.1 Ensuring enforcement agencies are notified of all food businesses

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A significant challenge for enforcement agencies, particularly councils, is ensuring that they are aware of all food businesses operating in their areas. This includes temporary businesses such as food trucks used in festivals and markets, pop-up restaurants and home-based catering services.

The Act requires food businesses to notify councils about their business details before starting operations, and whenever those details change. Food businesses often fail to do this. This increases the risk that councils will not carry out required food safety inspections because they are not aware of all food businesses. These inspections are crucial for P1 food businesses such as restaurants, cafes and other businesses that sell ready-to-eat foods. See section 4.1.1 for more information.

### 3.2 New food safety standard: 3.2.2A *Food safety management tools*

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Food Standards Australia New Zealand (FSANZ) introduced food safety standard 3.2.2A *Food safety management tools* in December 2022, mandating food safety supervisors, staff training and record-keeping for high-risk food businesses.

Enforcement agencies play a key role in educating food businesses about food standards. Councils' EHOs also work closely with food businesses during inspections and audits to promote compliance with the food standards and inform them of new food legislation and its requirements, including the new food safety standard.

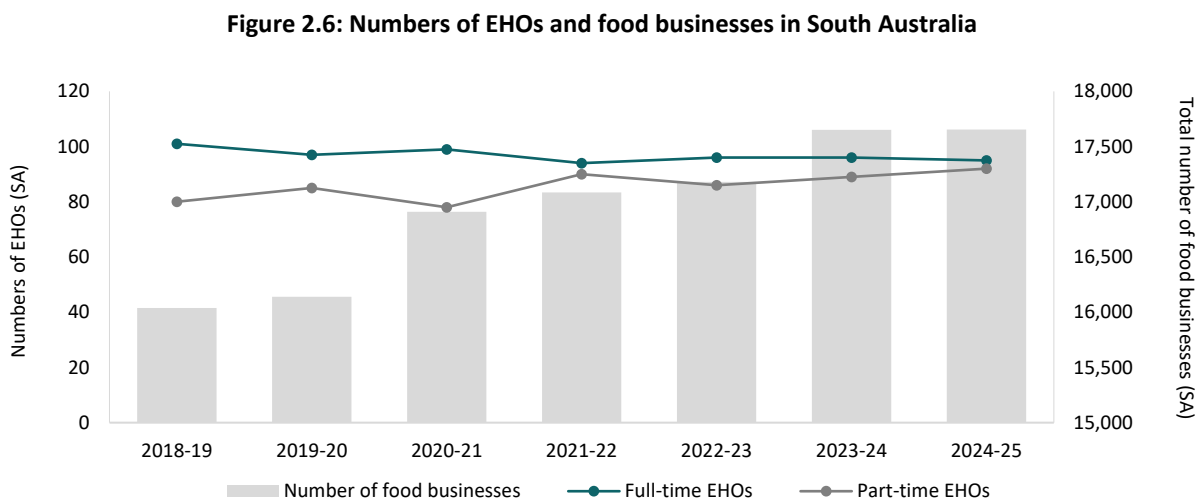
Enforcement agencies continue to face challenges in raising awareness and ensuring compliance with this new standard, especially with small businesses. A recent study by Flinders University<sup>2</sup> shows that this standard has improved food safety awareness and practices, however it has also increased the workload for EHOs through longer inspections, extra follow-up visits and more administrative tasks. High staff turnover in food businesses adds to this, requiring EHOs to spend more time ensuring compliance.

### 3.3 Environmental health officer shortages

Food business inspections, audits and enforcement activities are performed by a council’s EHOs and approved food safety auditors. EHOs also protect public health by:

- inspecting public swimming pools, cooling towers, hair, beauty, tattooing and piercing businesses, lodging houses, supported residential facilities
- investigating infectious disease outbreaks
- responding to complaints about noise, odour, smoke, vermin and unsanitary conditions
- approving and examining septic and wastewater systems.

There has been a steep rise in the number of food businesses in South Australia, compared to the relatively unchanged number of EHOs in councils in the last seven years, as shown in figure 2.6.



Source: Based on data from the Department’s annual reports about the *Food Act 2001*. We did not audit this data.

A national shortage of EHOs<sup>3</sup> is creating resourcing challenges for councils, especially in regional areas. Some councils rely on EHOs from other councils to meet inspection frequency requirements.

In 2025, Environmental Health Australia and Flinders University identified employment barriers for EHOs and ways to help address workforce shortages. It created a cadetship model to help local government employ EHOs and identified other strategies, such as sharing EHOs with neighbouring councils, to build capacity for environmental health resources.<sup>4</sup>

## 4 Food safety framework in South Australia

### 4.1 Findings and recommendations

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#### 4.1.1 South Australia does not have a centralised system about food businesses

##### Recommendation

The Department considers mechanisms to address the absence of a centralised system about food businesses in South Australia.

##### Finding

Unlike other jurisdictions in Australia, South Australia does not have a centralised statewide system to record food businesses' details, such as a food business registration or licensing system. Instead, food business owners must notify the appropriate enforcement agency, typically their local council, about their business details before beginning operations.

Business owners are only required to contact the council again if there are changes to these details. All food businesses are required to follow the same notification procedure, regardless of whether they serve high-risk or low-risk foods.

Councils do not charge a fee on notification of the business's details, but penalties can apply if businesses fail to notify councils. The local government entities we reviewed told us that while:

- they maintain food business registers to inform audit and inspection schedules, food businesses often do not notify councils before starting operations or update councils when food business details change, including when these could affect their risk classification
- councils can issue expiations to business owners for failure to notify, they are reluctant to do this as it does not encourage businesses to comply with food safety laws from the start of their operations or achieve improved food safety outcomes.

The absence of a centralised system about food businesses in South Australia amplifies the limitations of the current notification process. For example, the absence of such a system may contribute to:

- a lack of oversight and inadequate inspection frequency of food businesses and their compliance with food safety laws because councils have incomplete or inaccurate records of all businesses operating in their areas
- food businesses providing high-risk foods without being assessed by councils for food safety competency and readiness before starting operations
- operational inefficiencies because valuable council resources must be directed towards surveillance efforts to detect changes in business circumstances.

## *What other states and territories do*

All other states and territories in Australia have food business registration or licensing systems. Most of the systems require the owners of food businesses to periodically renew their registration and licences and confirm the accuracy of business details.

Appendix 4 provides a summary of registration/licensing requirements across different jurisdictions in Australia.

## *Benefits of a centralised system in South Australia*

Implementing a centralised system such as a food business registration or licensing system in South Australia could make the process consistent across councils and bring the State in line with other states and territories. Such a system could support better public health outcomes by helping councils to:

- access current and complete information about food businesses, classify their risk priority and set appropriate inspection frequencies
- check if new businesses can handle food safely by ensuring staff are trained, a food safety supervisor is appointed when needed, and premises are properly designed
- verify that owners and staff have the skills and knowledge for safe food, no history of major Food Act breaches, and no previous registration or licence cancellations
- meet inspection frequency requirements because they are aware of food businesses and any changes to their operations that affect their priority risk classifications
- build effective relationships with food businesses early in their operations
- improve data collection for trend analysis of areas of non-compliance, expiations issued and other enforcement actions taken
- assist with faster tracing, investigation and treatment of foodborne illness outbreaks
- communicate significant food incident warnings, food recalls and other emergencies to food businesses.

Businesses could also benefit from the introduction of a food business registration or licensing system. Benefits include:

- registration and licensing indicate the legitimacy of businesses and signals their commitment to the safety of customers. This builds trust, increases consumer confidence and gives registered/licensed food businesses economic benefits through increased trade
- faster communications from councils or SA Health about significant food incidents
- helping to reduce confusion for food business owners about when and why they need to notify councils and reinforce that all businesses must comply with the same rules, so that non-compliant businesses do not receive unfair advantages.

## *Potential amendment to the Food Act 2001*

The Department indicated that it plans to review the *Food Act 2001* in the near future. The Food Regulation Agreement between states and territories, which aims to establish a nationally consistent approach to food regulation across Australia, includes model drafting provisions for state and territory Food Acts. The Agreement has model provisions about food business registration that include:

- requirements for registration of food businesses
- renewal of registration
- terms of registration, variations of conditions, or suspension or cancellation of registration
- review of decisions about registration.

These provisions could be adapted to suit a South Australian context if a food business registration or licensing system was introduced. A review of the Food Act may provide the Department with a suitable opportunity to evaluate the feasibility of implementing such a system across the State.

### The Department's response

*The absence of a centralised record of food businesses in South Australia has been raised previously by both the Department and local government. It is acknowledged that such a system would enhance the ability of regulatory agencies to better monitor and communicate with food businesses and potentially provide better safeguards to food safety.*

*The Department is currently pursuing mechanisms to address this issue, including through potential changes to business notification requirements in the South Australia Food Act 2001; however, this work is still in its preliminary stages.*

#### 4.1.2 The memorandum of understanding should reflect current agreed responsibilities

##### Recommendation

The Department should consult with the Local Government Association of South Australia to review and update the MoU to ensure it reflects the parties' intentions and any changes in policy or legislative requirements, and it remains relevant and effective.

### Finding

In South Australia, the regulation of food safety is jointly administered by the Department and local government in line with the Act. It provides for an agreement between the Minister and the Local Government Association of South Australia (LGA) about councils' food safety responsibilities.

The existing MoU, signed in November 2014 by the Minister for Health and Ageing and the LGA, was established to clarify mutual expectations about regulatory roles and responsibilities, though it is not legally binding on councils.

A clause in the MoU requires its review every three years. Although there have been attempts to update the MoU, a revised version has never been finalised because it was considered preferable to align this process with a review of the Act.

Given the shared responsibility of the Department and councils to enforce food safety, it is important the MoU accurately reflects how agreed responsibilities have been assigned. An outdated agreement can lead to uncertainty in responsibilities, duplicated work and may not accurately reflect the current operating environments of these parties.

For example, the MoU assigns the Department sole responsibility for section 15 of the Act, which covers false food descriptions. In other jurisdictions, local governments have used similar laws to prosecute businesses for selling food of a nature or quality not demanded by the customer, including where foods have contained allergens.<sup>5</sup> Councils received allergen management training in 2019 with the expectation that they would inspect businesses for allergen controls, following a rise in customer complaints about poor allergen management in food businesses such as restaurants. However, the MoU was not updated to clarify shared responsibilities between councils and the Department regarding section 15.

Similarly, the MoU states that the Department is responsible for section 19 of the Act, which concerns the sale of food that does not comply with a purchaser's demand. This section could also be used in enforcement action against a food business that has failed to meet a purchaser's request about allergens.

Should councils be tasked with assessing allergen management in food businesses during their inspections, and taking enforcement action for breaches, the MoU must clearly specify the councils' joint responsibility for sections 15 and 19 with the Department.

Further, the MoU does not reflect the councils' current operating processes. For instance, it refers to the Food Act Information System used to notify food businesses and assist councils and the Department in the reporting and administration processes of the Act. We were advised that this information system no longer exists and has not been used for many years.

These examples of outdated elements reinforce the need to review and update the MoU. Alternatively, when the Act is reviewed, the Department could consider whether it clarifies expectations about roles and responsibilities in legislation, rather than in an agreement between the Minister and the LGA.

## The Department's response

*An administrative review of the MoU between the Department and the Local Government Association (LGA) is currently being progressed by a working group consisting of representatives from the department, the LGA and councils. It is expected that a more substantial review will be undertaken if a review of the Food Act proceeds as changes to the Act would likely impact on enforcement arrangements.*

## 5 Data analysis and reporting

### 5.1 Findings and recommendations

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#### 5.1.1 Opportunities for the Department to conduct further data analysis

##### Recommendation

The Department should perform a more robust data analysis of food safety activities to gain greater strategic value from the data it collects from councils. This analysis could consider benchmarking an individual council's performance and sharing the results with them.

##### Finding

During the year the Department collects useful data from councils about their food safety activities. This data includes information about their inspections and audits, enforcement activities and investigation of complaints received from the public about food businesses.

The Department uses this data to:

- monitor councils' performance of inspections, audits and enforcement activities
- identify emerging food safety risks
- understand common areas of non-compliance, such as hygiene issues like inadequate handwashing or poor cleaning of food contact surfaces
- inform its report on the operations of the Act.

While the Department performs some data analysis, there is opportunity for it to conduct more comprehensive trend evaluation and benchmarking. A more robust analysis can improve strategic value by:

- supporting evidence-based decisions about strategies to improve food safety outcomes
- identifying emerging risks, trends and insights
- evaluating councils' food safety activities performance
- improving the support and guidance provided to councils to ensure that they consistently apply food safety standards
- improving reporting on food safety performance to achieve greater transparency and accountability.

##### *The value of trend analysis*

Trend analysis reveals patterns, changes and emerging issues over time. It supports performance monitoring and guides decisions on actions and resource allocation to meet goals. The Department could use the analysis to:

- assess whether food safety across the State is improving by evaluating the number of complaints received from the public about food businesses or the number and types of

findings identified during inspections, where available, and audits. This information informs decisions about areas where food businesses require greater guidance and support from the Department or councils

- track the number of high-risk food businesses operating in South Australia and whether councils are managing to inspect these each year over time.

### *The value of benchmarking councils' performance*

Benchmarking helps compare performance against standards and requirements. The Department can use it to measure councils' food safety activities against a State average or policy requirement. Sharing these results with councils would provide the Department and councils with a reference point to assess their performance and consider whether they are resourcing their food safety activities in line with other local government entities similar in site location (metropolitan or regional), size and number of food businesses.

Benchmarking enables the Department and councils to identify and address any issues and learn from others to enhance the effectiveness and efficiency of food safety activities.

### The Department's response

*The findings acknowledge that the Department has effective mechanisms to collect useful data from councils about their food safety activities, yet the data analysis of this information could be improved for greater strategic value.*

*The Department will consider enhancing their data analysis options and strive to use this information to provide more valuable insights, including benchmarking of individual council's performance.*

## 5.1.2 The Department needs to improve its reporting on the performance of food safety activities

### Recommendation

The Department should improve its reporting on the performance of food safety activities by providing:

- information about the local government's performance against a relevant performance standard, such as SA Health's inspection frequency guidelines based on food business risk classification
- clear explanations that help the report users understand what the information means, the conclusions drawn and why it matters.

The Department should also include trend analysis of food safety activities in its reporting.

## Finding

The Department publishes data on key aspects of the operations of the Act in its annual report for both the State and local government sectors. The data for local government includes the number of:

- food businesses by risk classification
- audits and inspections performed by risk classification
- complaints received by councils and summarised by category
- enforcement actions resulting from councils' inspections and audits.

While the annual report provides data about food safety activities, there is limited analysis and explanation of how well the local government sector is meeting its responsibilities under the Act. This is because guidelines, such as the South Australian Food Business Risk Classification, which sets out how often councils should inspect food businesses, are not detailed in the report and compared to councils' actual performance of these activities.

The Department also publishes enforcement data classified by food business types. While this may help identify high-risk food businesses, the analysis could be extended to include data by council area or region. This would indicate the extent of food safety issues and enforcement activities across council areas.

When compared to two other states in Australia, we found the Department's reporting could be strengthened by:

- trend analysis to present and explain trends in councils' food safety data in its annual report
- comment about whether councils are effectively meeting their responsibilities under the Act
- interpreting councils' food safety data and summarising findings, areas of concern, risks and any improvements achieved.

These improvements would make it easier for the report users to understand information about trends over time, better assess whether food safety activity requirements for the period were met and consider any emerging food safety risks and issues.

## The Department's response

*The Department publishes data on aspects of the operation of the Food Act via the Department for Health and Wellbeing Annual Report.*

*The review recommends that the Department improve its reporting on the performance of food safety activities by providing information about a council's performance against a relevant performance standard, such as SA Health's inspection frequency guidelines based on food business risk classification, the inclusion of relevant trend analysis and more clear explanations for readers of the report to understand what the information means and why it matters.*

*The Department will consider this information and endeavour to improve its reporting on the matters identified.*

## 6 What the Department did well

We found that the Department has effective activities in place to support councils in managing food safety in their councils' areas.

### 6.1 The Department has effective ways to collect data

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We found that the Department has effective ways for collecting useful information about councils' food safety activities. It collects this information through:

- its annual survey of councils for the Food Act report
- food safety rating scheme reports from those councils that participate in the scheme
- food safety auditors' reports
- general enquiries about food safety matters from councils and members of the public.

The information gathered through these activities:

- supports the analysis of food safety data
- helps the Department to identify areas where councils may need more guidance or to improve their processes
- can be used by the Department to inform councils about areas where food businesses are not consistently complying with food standards and where they may need to provide more education.

### 6.2 The Department provides effective education and guidance to councils

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We found that the Department provides effective guidance and education to councils' EHOs. These education and support tools include:

- audit and inspection program templates and guidelines
- annual food safety auditors forums, ongoing training for EHOs and involvement in Environmental Health Australia forums
- guidance materials about emerging food safety issues and changes to food standards
- a helpdesk enquiry function and resource registers
- online information about food safety is available on the SA Health website.

These initiatives show a strong commitment to helping EHOs stay informed and equipped to perform their duties.

### 6.3 The Department has effective processes to assess and approve qualified food safety auditors

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Only qualified food safety auditors can conduct audits of hospitals, aged care facilities and childcare centres as these food businesses service vulnerable people. We found the Department has effective processes to ensure food safety auditors are qualified, experienced and appropriately competent for auditing high-risk and complex systems. These processes include ensuring applicants:

- have relevant work experience and formal qualifications
- are certified by a recognised professional body and can demonstrate that they are technically competent
- recertify their qualifications every four years and demonstrate their ongoing compliance with ethical requirements and professional standards.

# Appendix 1 – Audit mandate, objective, criteria and scope

## Our mandate

The Auditor-General has authority to conduct this review under section 31(2) of the *Public Finance and Audit Act 1987*. This section allows the Auditor-General to review the efficiency, economy and effectiveness with which a public authority uses its resources.

This review is a reasonable assurance engagement where we conclude on the performance of an activity against the identified criteria. It is conducted in line with the Australian Standard of Assurance Engagement ASAE 3500 *Performance Engagements*.

## Our objective

The objective of the review was to conclude on whether the Department for Health and Wellbeing has effective activities that support and oversee councils’ management of food safety in their council areas.

Our review covered the period from 1 July 2023 to 30 June 2025.

## What we reviewed and how

Audit subobjective	Audit criteria
To determine whether the Department has an effective framework that supports councils to manage food safety in their council areas.	<p>Does the Department have a sound (comprehensive, current, well communicated and understood) framework that clearly defines roles and responsibilities for management of food safety in South Australia?</p> <p>Does the Department provide sufficient guidance and support to the councils to help them conduct consistent, thorough and effective food safety inspections/audits and address non-compliance issues?</p>
To determine whether the Department has effective processes to appoint and approve qualified food safety auditors.	Does the Department have appropriate processes to appoint and approve qualified food safety auditors?
To determine whether the Department has effective processes to collect data from councils to inform and direct activities about food safety compliance in South Australia.	Does the Department collect sufficient data from the councils to inform and direct activities and processes around food safety compliance in South Australia?

We reviewed documents in detail and held discussions with Department staff.

## What we did not review

Food safety involves a broad range of activities. Areas we did not review included:

- aspects of the Act and regulations about food labelling, composition, packaging and equipment
- food sampling and surveying by the Department
- primary industries such as dairy, seafood, egg producers
- the management of foodborne disease outbreaks, investigations and food recall processes
- audits performed by the Department of public institutions such as public hospitals and delivered meals organisations
- inspections and audits performed by the Department in the unincorporated areas of the State.

# Appendix 2 – National food safety framework

## A2.1 The bi-national food regulation system

Australia and New Zealand share a bi-national food regulation system. It is established by a treaty between Australia and New Zealand, and is supported by an agreement among Australian federal, state and territory governments for a unified approach to food regulation. It consists of three main components:

- policy developed by the Food Ministers’ Meeting, which is comprised of ministers responsible for health and food safety from the Australian Government, the New Zealand Government and the Australian state and territory governments, supported by the Food Regulation Standing Committee
- standards about food safety practices, labelling and packaging, and food composition developed by Food Standards Australia New Zealand (FSANZ)
- legislation implemented and enforced by federal, state, territory and local governments.

Figure A2.1 shows how the joint Australian and New Zealand food regulation system works in Australia.

**Figure A2.1: Australia’s food safety system**

### Joint Australia New Zealand Food Regulation



## A2.2 Intergovernmental agreement

Under the Intergovernmental Food Regulation Agreement 2002, all Australian states and territories must implement the national food standards issued by FSANZ. Application of the food standards is enforced under the food acts in each state and territory, which are based on a national model.

## A2.3 *Food Standards Australia New Zealand Act 1991*

The *Food Standards Australia New Zealand Act 1991* aims to ensure a high standard of public health protection throughout Australia and New Zealand by establishing FSANZ to:

- maintain a high degree of consumer confidence in the quality and safety of food
- provide a transparent regulatory framework which the food industry can efficiently work in
- provide information to allow consumers to make informed choices
- promote consistency between domestic and international food regulations.

## A2.4 Food Standards Australia New Zealand

FSANZ is an independent statutory agency. It operates in the Australian Government's health portfolio and is responsible for:

- developing and maintaining food standards (ie the Australia New Zealand Food Standards Code), which are used to regulate food sold in Australia and New Zealand
- working with government, industry and the public to develop standards
- setting labelling requirements for packaged and unpackaged foods, including warning and advisory statements
- coordinating national food surveillance programs and managing food incident responses and recalls in Australia
- aligning domestic and international food regulations that support consumer protection
- considering latest scientific evidence to ensure food safety and public health.<sup>6</sup>

The FSANZ Board assesses applications and proposals to amend the Code. The Australian and New Zealand Ministers through the Food Ministers' Meeting give final approval of new and amended standards and can ask FSANZ to review its decisions.<sup>7</sup>

## A2.5 Food Ministers' Meeting

The Food Ministers' Meeting oversees food safety in Australia and New Zealand. It consists of health ministers from the Australian federal, state and territory governments and the New Zealand Government. Each government can also nominate ministers from related portfolios with prime responsibility for food regulation, such as the primary industries.

The Food Ministers' Meeting oversees the food regulation system in Australia and New Zealand by:

- developing policy guidelines that FSANZ must consider when setting standards
- ensuring food standards are consistent between Australia and New Zealand
- ensuring food standards across jurisdictions are implemented and enforced
- requesting FSANZ review a food standard or variation if it:
  - conflicts with policy guidelines or legislation
  - fails to protect public health and safety
  - is inconsistent with international standards
  - places an unreasonable burden on industry or consumers.<sup>8</sup>

## A2.6 Food Regulation Standing Committee

The Food Regulation Standing Committee supports the Food Ministers' Meeting by providing policy advice and encouraging consistent implementation and application of food standards across Australia and New Zealand. The Committee also evaluates emerging or potential food issues and develops policy options to address them. Its members are senior officials from the same agencies represented in the Food Ministers' Meeting, and it includes representations from the Australian Local Government Association.

## A2.7 Implementation Subcommittee for Food Regulation

The Implementation Subcommittee for Food Regulation (ISFR) is a subcommittee of the Food Regulation Standing Committee.<sup>9</sup> Its main responsibilities are:

- ensuring food standards are consistently implemented and enforced across Australia and New Zealand (ie ensuring there is consistency in approaches)
- supporting FSANZ to develop food standards
- developing surveillance plans and conducting food surveys
- monitoring compliance with food laws (members are authorised to make compliance and enforcement decisions in their jurisdictions)
- providing guidance and resources (eg fact sheets, protocols) for consistency.

Members of the ISFR include representatives (senior operational officers) from:

- each state and territory
- the Australian Government (Health and Agriculture Departments)
- the New Zealand Government
- FSANZ
- the Australian Local Government Association.

The ISFR and Food Regulation Standing Committee establish working groups as needed to focus on specific areas of food regulation.

# Appendix 3 – Overview of food safety inspections and audits in South Australia

Enforcement agencies perform food safety inspections and audits of food businesses to ensure they comply with legislation and the Code’s food safety standards.

## A3.1 Inspections

Food safety inspections focus on a business’s compliance with the food safety standards. They check hygiene, safe handling and storage practices, temperature control, and the condition of food businesses’ equipment and facilities. Inspections are mostly unannounced, with frequency based on the South Australian Food Business Risk Classification.

Risk ratings are determined by the potential risks food products pose to consumers and the sector the business operates in. High-risk (priority 1 – P1) food businesses such as restaurants, cafes and takeaway shops that prepare ready-to-eat foods in advance are inspected more often. Low-risk (priority 4 – P4) businesses such as newsagents and chemists that sell low-risk pre-packaged foods are inspected only when complaints arise or risks change.

Inspection intervals range from three months to two years. Figure A3.1 shows the inspection frequency of food businesses in South Australia based on their risk classification.

**Figure A3.1: Frequency of food business inspections in South Australia**

Classification	Inspection frequencies (every x months)		
	Starting	Maximum	Minimum
P1	6	3	12
P2	12	6	18
P3	18	12	24
P4	Initial inspection to confirm risk level Re-inspect on complaint, recall or risk change only		

Source: The South Australian Food Business Risk Classification, December 2023.

## A3.2 Audits

Food businesses undertaking food services for vulnerable people, such as hospitals, aged care facilities and childcare centres, must be audited by food safety auditors who are approved by the Department. These businesses must have a documented FSP, which is checked by an approved auditor at least annually or more often if needed. Audits are planned, systematic and comprehensive to verify a business has:

- complied with its FSP
- addressed identified hazards with appropriate controls
- complied with the food safety standards.

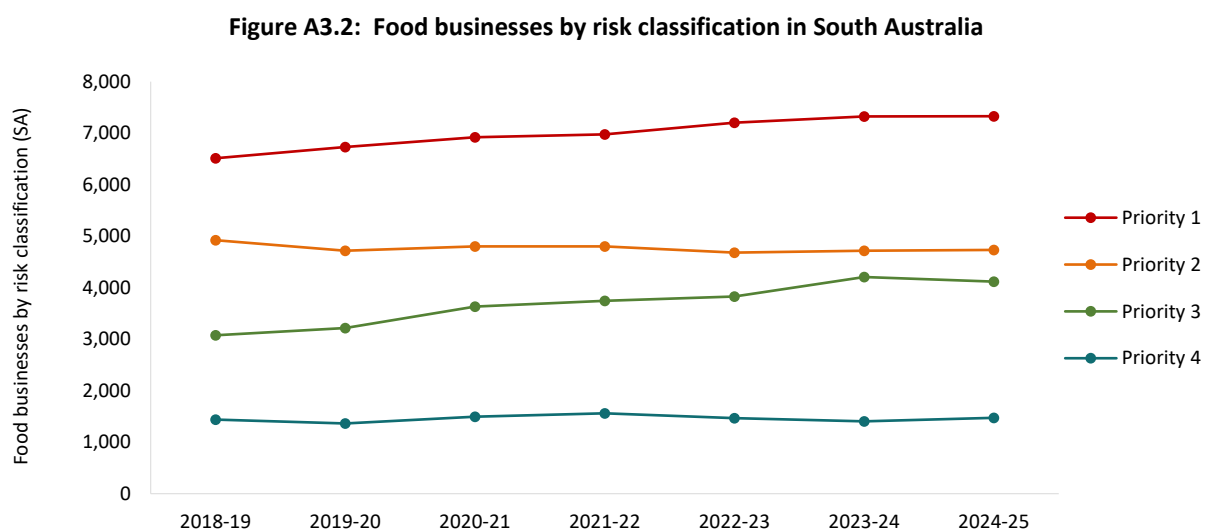
Department-approved food safety auditors within councils perform food safety audits of private hospitals, childcare centres and aged care facilities in council areas. The Department conducts audits of public hospitals and not-for-profit delivered meals organisations. It also audits childcare and aged care centres in unincorporated areas with no local government or in remote locations.

Some of the EHOs employed by councils are also food safety auditors approved by the Department. In 2024-25, there were 67 approved food safety auditors in South Australia.

Businesses are responsible for engaging their own food safety auditor from SA Health’s approved food safety auditor register.

### A3.3 Number and risk priority of food businesses in South Australia

There were more than 18,000 food businesses operating in South Australia in 2024-25. 7,329 of these were classified as high-priority risk. Most food businesses operating in the last seven years were classified as high risk, as shown in figure A3.2.



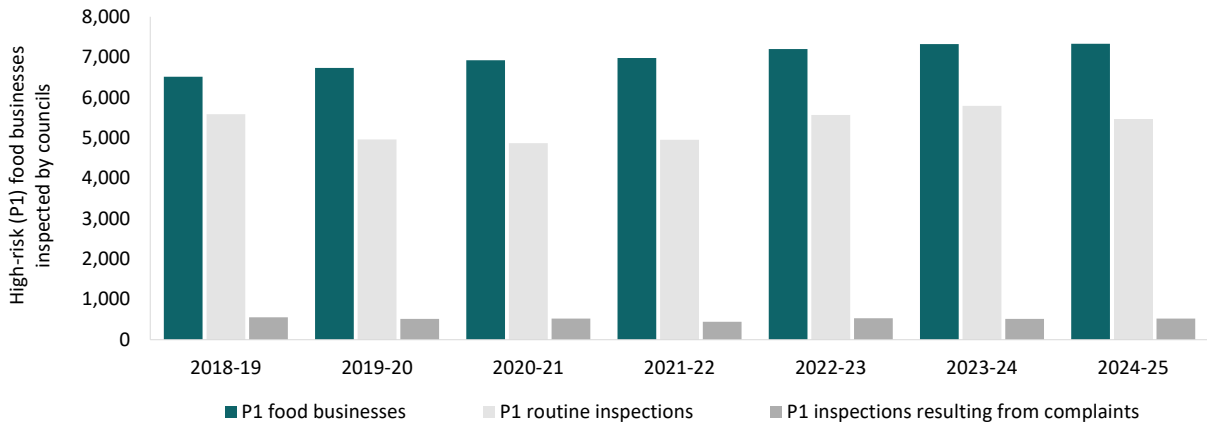
Source: Based on data from the Department’s annual reports about the *Food Act 2001*. We did not audit this data.

### A3.4 The number of high-risk food businesses inspected in South Australia

High-risk (P1) food businesses deal with foods that can easily grow harmful bacteria if they are not handled properly. These businesses can include restaurants, cafes, takeaway shops and caterers for large events that pre-prepare food that is ready to eat. These food businesses have steps in their food preparation processes where safety controls are critical, like cooking, cooling or reheating food. P1 food businesses must be inspected every 12 months (minimum).

Figure A3.3 shows the number of P1 food businesses and routine inspections that occurred in South Australia over the last seven years. The number of P1 food businesses includes those that were operating for a full year and those that closed or changed ownership during the year. The inspections that resulted from complaints are not included in the number of routine inspections. These are shown separately.

**Figure A3.3: Number of P1 food businesses inspected by councils**



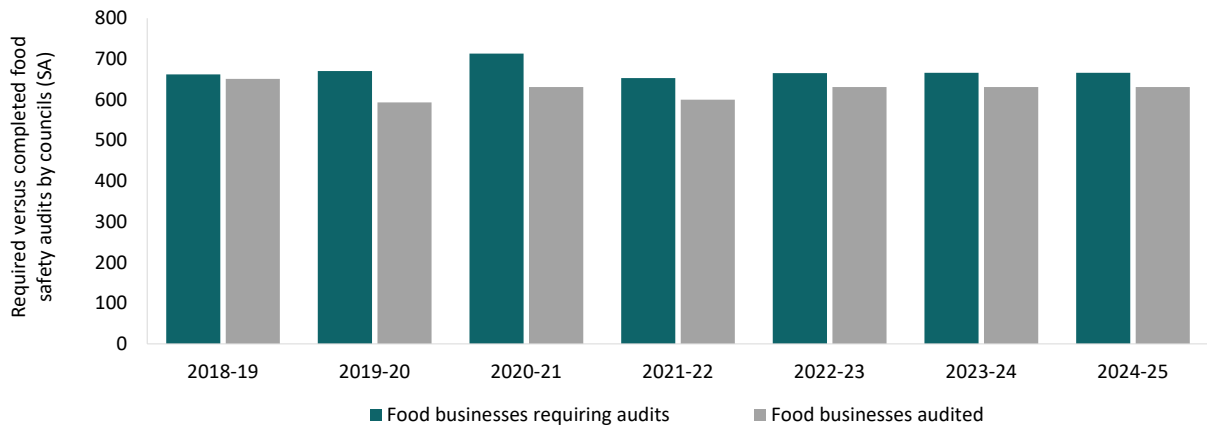
Source: Based on data from the Department’s annual reports about the *Food Act 2001*. We did not audit this data.

### A3.5 The number of food businesses audited in South Australia

Hospitals, aged care facilities and childcare centres are audited annually and must demonstrate that their food safety programs work and are continuously in place.

Figure A3.4 shows the number of businesses in South Australia that required food safety audits and those that were audited in the last seven years. These numbers may not match for reasons such as audit delays due to a lack of available auditors.

**Figure A3.4: Required and completed food safety audits by councils in South Australia**



Source: Based on data from the Department’s annual reports about the *Food Act 2001*. We did not audit this data.

## Appendix 4 – Food business registration/licensing requirements across Australian states and territories

Jurisdiction	Key legislation	Food business registration/licensing requirements
Western Australia (WA)	<i>Food Act 2008</i>  Food Regulations 2009	<p>Food businesses must register with the WA Department of Health or with local government and pay a once-off registration fee.</p> <p>The application must be accompanied by (if required) the design and fitout specifications and any other information the enforcement agency requires to determine the priority classification of the food business.</p> <p>The Food Act (WA) requires the proprietor of a registered food business to notify the appropriate enforcement agency of any change made to the activities of the food business that is likely to affect its priority classification.</p>
Northern Territory (NT)	<i>Food Act 2004</i>  Food Regulations 2014	<p>Food businesses must be registered with the NT Department of Health. A fee is charged for registration and food businesses must renew their registration annually.</p> <p>When applying for a new registration the food business must submit the proposed menu. If renewing the registration, the menu does not need to be submitted unless it has changed.</p> <p>The food business must display a copy of the notice of registration or notice of the renewal of the registration in a conspicuous place on the food business premises.</p>
Queensland	<i>Food Act 2006</i>  Food Regulations 2016	<p>Food businesses must be licensed by local governments. Certain businesses, such as primary producers and sellers of whole fruit and vegetables, are exempt. A licence remains in force for up to three years. Fees vary across local governments.</p> <p>The assessment of an application for a food business licence considers if the proprietor:</p> <ul style="list-style-type: none"> <li>• has the appropriate approvals or permits for the food business (eg planning and development approvals, footpath dining permits)</li> <li>• has the appropriate skills and knowledge to run a food business</li> <li>• has had a previous food business licence suspended or cancelled or refused</li> <li>• needs a food safety program, that it was developed and submitted with the application</li> <li>• has a food safety supervisor.</li> </ul>

Jurisdiction	Key legislation	Food business registration/licensing requirements
		The assessment of the application also considers if the design and fitout of the premises are appropriate for the type of food business.
New South Wales (NSW)	<i>Food Act 2003</i> Food Regulations 2015	Food businesses must either hold a licence from NSW Food Authority or notify their business details to local government. Businesses do not need to renew registration annually but must keep their business details up to date, including if the nature of their food activities changes. Fees vary across local government.
Australian Capital Territory	<i>Food Act 2001</i> Food Regulations 2002	Most food businesses must be registered with the Health Protection Service and registration must be renewed every three years. Information to be provided with an application for registration includes the design and fitout specification of the food business premises. Fees apply based on length of registration.  The registration certification must be displayed in a way that is clearly visible to the public at the food business's premises.
Victoria	<i>Food Act 1984</i>	Any business selling food must be registered with or notified to their registering council. All food businesses are classified by their local council according to the food safety risk at the premises.  Class 1, 2, 3A or 3 businesses must register with their local council and pay an annual registration fee. These differ between local councils. Class 4 businesses only need to notify their local council.  The class of the food business determines what requirements need to be met before registration will be granted by a council.

# Appendix 5 – Response from the Department for Health and Wellbeing

OFFICIAL: Sensitive

Our ref: CE-2026-5145  
Your ref: A25/515



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Ms Kris Slaytor  
Principal Performance Audit Manager (Local Government)  
Audit SA

Email: [records@audit.sa.gov.au](mailto:records@audit.sa.gov.au)

Dear Ms Slaytor

**RE: AUDITOR-GENERAL'S REPORT 2 OF 2026: MANAGING FOOD SAFETY IN COUNCIL AREAS - PART A: DEPARTMENT FOR HEALTH AND WELLBEING**

Thank you for your letter of 27 April 2026, about the Auditor General's proposed Report 2 of 2026: *Managing food safety in council areas*, and for your consideration of our previous comments on the draft Report.

The Department for Health and Wellbeing (DHW) has reviewed the proposed Report and is comfortable with the reflection of the current role of DHW in relation to food safety in council areas. We support the findings of the Report and note that they will assist in planning future work to enhance food safety regulation. On that basis, we do not have any additional feedback.

DHW will continue to work with councils to ensure a united approach to food safety management in SA.

In line with this Report, DHW has already progressed several pieces of work to improve food safety across SA including:

- Reviewing the current Memorandum of Understanding between the Minister for Health and Wellbeing and the Local Government Association of SA, that supports the administration of the *Food Act 2001*.
- Considering potential changes to food business notification requirements in SA.
- Considering the assessment and use of data collected to address performance and improve food safety activities.

DHW has appreciated the opportunity to participate in this audit and thanks you and your team for your transparency and supportive approach.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robyn Lawrence'.

**DR ROBYN LAWRENCE**  
Chief Executive

04 / 05 / 2026

## Appendix 6 – Abbreviations and terms used in this report

Abbreviation/Term	Description
Act	<i>Food Act 2001</i>
Code	Australia New Zealand Food Standards Code
Department	Department for Health and Wellbeing
EHO	Environmental health officer
Food Regulations	Food Regulations 2017
FSANZ	Food Standards Australia New Zealand
FSANZ Act	<i>Food Standards Australia New Zealand Act 1991</i>
FSP	Food safety program
Intergovernmental Food Regulation Agreement 2002	Agreement between all Australian states and territories
ISFR	Implementation Subcommittee for Food Regulation
LGA	Local Government Association of South Australia
MoU	Memorandum of understanding between the LGA and the Minister, established in 2014
PFAA	<i>Public Finance and Audit Act 1987</i>

# Annexure

Information will be published on the Audit Office of South Australia's website

Section 32(6) of the *Public Finance and Audit Act 1987* allows the Auditor-General to publish information on a website. I have published a video summarising the results of this review on the Audit Office of South Australia's website – [www.audit.sa.gov.au](http://www.audit.sa.gov.au).

# References

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- <sup>1</sup> Food Standards Australia New Zealand, *FSANZ updates estimate of annual cost of foodborne illness*, 2 July 2025 <<https://www.foodstandards.gov.au/news/FSANZ%20updates%20estimate%20of%20annual%20cost%20of%20foodborne%20illness>>, viewed 12 January 2026.
- <sup>2</sup> Prof Whiley, H & Prof Ross, K (2024), *Implementation of the new Food Safety Standard 3.2.2A*, Prepared Report for 2024 External round Local Government Research and Development Scheme, Flinders University, Adelaide, p 13 <[https://www.lga.sa.gov.au/\\_\\_data/assets/pdf\\_file/0033/1886262/Implementation-of-the-new-Food-Safety-Standard-3.2.2A-Final-report-190325.pdf](https://www.lga.sa.gov.au/__data/assets/pdf_file/0033/1886262/Implementation-of-the-new-Food-Safety-Standard-3.2.2A-Final-report-190325.pdf)>, viewed 25 March 2026.
- <sup>3</sup> SGS Economics & Planning and Prof Sansom, G (November 2022) *2022 Local Government Workforce Skills and Capability Survey – Final Report*, prepared for the Australian Local Government Association <<https://alga.com.au/wp-content/uploads/2025/04/2022-Local-Government-Workforce-Skills-and-Capability-Survey-National-Report.pdf>>
- <sup>4</sup> Prof Whiley, H & Prof Ross, K (2024), *Addressing the regional Environmental Health Officer shortage by promoting environmental health cadetships*, Report for 2024 External round of Local Government Research and Development Scheme, Flinders University, Adelaide.
- <sup>5</sup> City of Subiaco Health Food Allergies resources, <[https://www.subiaco.wa.gov.au/subiacowebiste/media/media/Health and Compliance/Health/City-of-Subiaco-Health-Food-Allergies.pdf](https://www.subiaco.wa.gov.au/subiacowebiste/media/media/Health%20and%20Compliance/Health/City-of-Subiaco-Health-Food-Allergies.pdf)>, p. 7, viewed 26 March 2026.
- <sup>6</sup> *Food Standards Australia New Zealand Act 1991* (Cth).
- <sup>7</sup> Better Health Channel n.d., *Food Standards Australia New Zealand (FSANZ)*, Victorian Government, available at: <<https://www.betterhealth.vic.gov.au/health/healthyliving/food-standards-australia-new-zealand-fsanz>>, viewed 25 March 2026.
- <sup>8</sup> Food Standards Australia New Zealand n.d., *The Food Ministers’ Meeting*, available at: <<https://www.foodstandards.gov.au/food-standards-code/legislation/fofr>>, viewed 26 March 2026.
- <sup>9</sup> Food Regulation n.d., *Implementation Subcommittee for Food Regulation (ISFR)*, available at: <<https://www.foodregulation.gov.au/activities-committees/isfr>>, viewed 26 March 2026.



