

INFORMATION FOR STAKEHOLDERS

In 2022, the Board of TDIA engaged Dr Lloyd Klumpp to undertake a review of the Authority, including its governance and regulatory frameworks and to provide recommendations for improvements to the Tasmanian dairy food safety system. Dr Klumpp consulted with the Board, staff, and stakeholders across the industry to inform his review and recommendations.

The review found that although TDIA operated well overall, some opportunities for improvement would assist the TDIA in ensuring their role was better understood by stakeholders and more effective in regulating the dairy industry for Tasmania.

The Board met formally in April 2023 to consider the findings of the review in its entirety in line with the strategic objectives of the Authority and are pleased to provide a summary of the findings of the review together with the Board's response.

FINDINGS

Regulatory Environment:

Dr Klumpp considered the regulatory environment and found that the TDIA model of regulation as an independent statutory authority served the industry well and should continue.

However, Dr Klumpp found the primary legislation for regulating dairy food production and processing food safety should be changed to support the TDIA to regulate the food safety system effectively and efficiently.

The legislative underpinning of dairy food production is complex, currently sits across the *Dairy Industry Act 1994* and the *Food Act 2003* and operates differently for the primary production sector than it does for the processing sector. A move to the *Primary Produce Safety Act 2011* will simplify and streamline the legislation underpinning dairy food safety.

Dr Klumpp recommended the Authority develop regulations under the *Primary Produce Safety Act 2011 (PPSA)*. The Board have previously agreed to consider this approach to better serve the industry and have received approval from the Minister to progress this.

Dr Klumpp also recommended that, although the Authority could continue to operate independently and undertake the role of the Chief Inspector for the purposes of the PPSA, a formal relationship between the TDIA and the Product Integrity Branch of NRE should be developed to ensure roles and responsibilities in the policy setting framework for the PPSA are clear and that appropriate communication between the two bodies occurs. The Board agreed with this recommendation and will progress this as regulations for dairy are developed under the PPSA.

TDIA undertakes activities on behalf of the Commonwealth Department of Agriculture, Fisheries and Forestry related to export certification for dairy manufacturing and processing plants in Tasmania. Although this benefits our industry, Dr Klumpp recommended a formal agreement should be put in place and the Board have accepted this recommendation and will look to progressing such an agreement.

Effluent Management:

Dr Klumpp recommended that the Board consider its options for farm dairy premises effluent management regulation, noting that the Authority do not currently have the regulatory tools to effectively regulate in this area. The Board discussed options regarding effluent management and agreed to seek input from stakeholders before making a final decision on the future management of farm dairy premises effluent.

Whatever the decision for future management is, it was recommended that the Board revise and renew the Memorandum of Understanding it currently has with the Environment Protection Authority and actively work with the other regulatory bodies to ensure there is clarity, mutual understanding, and acceptance of each body's responsibilities. The Board agreed with Dr Klumpp's findings.

Governance:

Dr Klumpp felt that the Chair of the Authority should be independent of Government and Industry to have true independence from any perceived political influences. The Board agreed and have engaged a professional recruitment organisation to recruit an independent, qualified Chair for the Authority.

Dr Klumpp also recommended that the Board move to a skills-based board model rather than an industry based board, and the Board agreed to this approach. The Authority has recently undertaken a process of self-review and has developed a model with an appropriate balance of independence, expertise, roles and skills to inform the Minister and future Board membership appointments.

Funding:

Dr Klumpp recommended that the Board should undertake a review of its funding model and the associated fees and charges. In particular, he recommended that the Board consider options for funding existing functions which provide a clear public benefit for services that are delivered by the TDIA and that might progress the dairy food safety regulatory system e.g. communication and engagement projects etc.

Stakeholder relationships:

Dr Klumpp found that, although there was a general level of trust in TDIA from the industry, there was an opportunity to better engage and inform stakeholders as to TDIA's role and provide better communication, extension and education. A recommendation was made that the Board prioritise updating and implementing TDIA's communications and engagement plan, with appropriate resources to be devoted to this task. The Board agreed, and will be moving to undertake this task as a priority.

Operational matters:

Operational practices of the TDIA were not reviewed except where they were relevant to the objectives. The standard of operation of the TDIA Board in the conduct of its duties was also not examined in this review.

Dr Klumpp did find opportunities for TDIA to make improvements in some areas of operations that related to considering audit approaches, and expanding compliance and enforcement activity decision-making frameworks, and these are currently being considered and/or undertaken.