



**FOOD STANDARDS**  
Australia New Zealand  
Te Mana Kouna Kai - Ahitereiria me Aotearoa



# Annual Report

2011-12



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Te Mana Kouna Kai - Ahitereiria me Aotearoa



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## Letter of transmittal

The Hon Catherine King MP  
Parliamentary Secretary to the Minister  
for Health and Ageing  
Parliament House  
Canberra ACT 2600

### **Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2012**

I am pleased to present to you the Annual Report of Food Standards Australia New Zealand.

This report fulfils the reporting requirements of *The Commonwealth Authorities and Companies Act 1997*, including the Commonwealth Authorities and Companies orders for report of operations.

The report also fulfils the reporting requirements of Section 152 of the *Food Standards Australia New Zealand Act 1991*.

The Annual Report is made in accordance with a resolution of FSANZ Board Members (Directors). They are responsible for the preparation and content of the report of operations in accordance with the Finance Minister's Orders.

Yours sincerely



Philippa Smith AM  
Food Standards Australia New Zealand  
September 2012

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## Guide to the report

This report has been prepared following the requirements of the *Commonwealth Authorities and Companies Act 1997* and Section 152 of the *Food Standards Australia New Zealand Act 1991*.

The **Chief Executive Officer's review** provides a perspective on the past year and an outlook for the year ahead.

The **Corporate overview** provides a snapshot of our role and functions, how we are organised and the processes involved in our decision making. It also provides a summary of our financial performance.

Under **Priorities and performance**, we summarise the year's activities against the key strategic imperatives and performance measures identified in the *FSANZ Corporate Plan 2009–12*.

The main text of the report details outputs and outcomes in 2011–12 under the four strategic imperatives of our *Corporate Plan*—regulatory standards, stakeholder relationships, people and organisational capability, and accountability.

**Regulatory standards** describes outputs associated with developing new standards or varying existing standards. It also provides details of other activities that support regulatory measures for the sale of food in Australia and New Zealand.

**Stakeholder relationships** documents our community consultation and communication processes, including our engagement with stakeholders.

**People and organisational capability** reports on the ability of the agency to meet its legislative responsibilities and on initiatives for fostering and encouraging a rewarding work environment.

**Accountability** refers to our corporate governance arrangements and initiatives.

**Appendixes** to the report contain detailed information on a number of mandatory reporting requirements and other areas of interest.

### **Additional information**

You can obtain information on the projects and activities described in this report from the Communication and Stakeholder Engagement Manager, Lorraine Belanger, on +61 2 6271 2147 or [lorraine.belanger@foodstandards.gov.au](mailto:lorraine.belanger@foodstandards.gov.au). For information on the *FSANZ Annual Report 2011–12*, please contact the managing editor, Dr Michael Dack, on +61 2 6271 2239 or [michael.dack@foodstandards.gov.au](mailto:michael.dack@foodstandards.gov.au). An electronic version of this report and other FSANZ publications can be accessed from the FSANZ website at [www.foodstandards.gov.au](http://www.foodstandards.gov.au).

## Compliance index

The checklist below, based on the Report of Operations Schedule of the Commonwealth Authorities and Companies (Report of Operations) Orders 2011, summarises FSANZ's compliance with essential reporting requirements in this annual report.

Topic	Requirement met	Comment	Page
<b>Preliminaries</b>			
Director's sign-off	Yes	Letter of transmittal	
Subsidiaries included	N/A		
<b>Operations</b>			
Legislation/objectives/functions	Yes	Corporate overview Our roles and priorities Appendixes 1, 2 and 6	
Name of Minister in financial year	Yes	Corporate overview	
Organisational structure and locations	Yes	Corporate overview Organisational structure	
<b>Review of operations and future prospects</b>			
Performance against targets in Portfolio Budget Statements	Yes	Priorities and performance Standards Development Work Plan Appendixes 1 and 2	
Risks, opportunities and strategies	Yes	Science Strategy Citizen involvement Corporate risk management	
Significant changes during 2011–12	Yes	Regulatory standards	
Financial results	Yes	Appendix 5 Corporate overview	
Developments since 30 June 2011	Yes	Throughout this annual report	

Topic	Requirement met	Comment	Page
<b>Reviews</b>			
Judicial decisions and administrative tribunals	Yes	Appendix 2	107
Reports—Auditor-General, Parliamentary Committee, Ombudsman	Nil		
Ministerial directions	Yes	Ministerial Council Reviews Work requested by the Ministerial Council	36 37
Government policies	Yes	Government Response to COAG Review of Food Labelling Law and Policy	12
<b>Corporate Governance</b>			
Directors: names/meetings/attendances	Yes	Appendix 11	184
Corporate governance practices	Yes	Corporate overview	17
Board committees (including Audit) and attendance	Yes	Finance, Audit and Risk Management Committee	99
Indemnities and insurances	Yes	Indemnities and insurances	101
Financial statements	Yes	Appendix 5	
<b>Miscellaneous</b>			
Other matters in legislation	Yes	FSANZ Act (Corporate Overview)	17
		FOI Act	96
		OH&S Act	86
		Corporate Overview	17
National Disability Strategy	Yes	National Disability Strategy	87
Sustainable development	Yes	Sustainable development	82

## Chief Executive Officer's review



CEO Steve McCutcheon.

This past year, FSANZ marked its 20th anniversary with an event at Old Parliament House in Canberra. The event, held in August 2011, gave FSANZ an opportunity to bring together stakeholders and regulatory partners to discuss present issues, consider emerging issues and reflect on the history of the agency. We were particularly pleased that the Hon Catherine King was able to contribute from her perspective as our Parliamentary Secretary.

A similar event in Wellington, New Zealand was hosted by the New Zealand Minister for Food Safety, the Hon Kate Wilkinson, who spoke very positively about fifteen years of trans-Tasman cooperation in food regulation.

In its 20 years FSANZ has tackled some major regulatory challenges and 2011–12 has proved no different.

During the year, the Legislative and Governance Forum on Food Regulation assigned responsibility to FSANZ for 21 of the 61 recommendations arising from the Government's *Response to the Recommendations of Labelling Logic: Review of Food Labelling Law and Policy (2011)*. These recommendations ask FSANZ to undertake a range of tasks including providing technical evaluation and advice, doing cost benefit analyses, reviewing standards, and preparing proposals.

We are now developing a work plan for these tasks, taking into account the Government's expectations, available resources, and other influencing factors. We anticipate that this work will extend into 2015.

There is no doubt that the work will be complex, involving many regulatory disciplines, including labelling, regulatory analysis, consumer and social sciences, risk assessment, legal drafting and communication. We recognise the intrinsic value of meeting the expectations of government ministers and the community. We will therefore divert resources, as necessary, to ensure that we are able to keep to the timelines of our work plan. Fortunately, we have a mature prioritisation process that will assist us in deferring or cancelling work of lower priority.



Longest serving FSANZ staff member, Janine Lewis, cuts the anniversary cake with CEO Steve McCutcheon, Parliamentary Secretary for Health and Ageing, Catherine King, and FSANZ Board Chair, Philippa Smith.

### Regulatory highlights

While small projects have the capacity to provide tangible benefits to the Australian and New Zealand people, it is usually the larger and more complex (and sometimes controversial) projects that stand out as 'highlights'.

For this reason, our continuing work on a regulatory framework for nutrition and health claims is worth noting. At the request of the Forum on Food Regulation, we reviewed our proposals to address 'fat free' claims and conducted a round of public comment. The Forum will consider our response to its review request in 2012–13.

The Forum also asked us to review our proposals to extend country-of-origin labelling requirements to unpackaged meat products. Once FSANZ has examined the grounds for the review request, we will proceed accordingly.

In 2011–12, we were particularly productive in developing food safety measures for the primary industries, with primary production and processing standards being gazetted for seed sprouts and certain semi-hard and hard-cooked cheeses made from raw (unpasteurised) milk. We also made significant progress on standards for horticulture and meat and meat products, the latter involving a review of minor meat species, such as emu and kangaroo.

We gazetted measures for food for special medical purposes in June 2012 and, throughout the year, a number of foods or food ingredients requiring pre-market approval. These included seven genetically modified foods. We also assigned a Category 1 status to New Zealand after assessing food safety arrangements in that country for ensuring BSE-free cattle herds. In addition, our staff conducted in-country inspections of BSE arrangements in three other countries during the year.

Finally, mention should be made of an application requesting the approval of low-THC hemp in food. Submissions received during the year—including from police and enforcement agencies—raised a number of important issues, which we are considering. This has delayed final consideration by the FSANZ Board until late 2012.

### **FSANZ staff**

By the standards of the Australian Public Service, FSANZ is a small agency, with a workforce rarely exceeding 150 people. Our size has advantages and disadvantages.

The problems associated with small agencies are well documented. They include the lack of full career pathways, the difficulties of assimilating extra tasks into the work program without additional resources, and the challenge of moving people from a small talent pool into areas of highest priority in times of limited resources.

In addition, the effects of funding cuts and the concomitant flow-on to staffing levels and workloads in 2011–12 may have been expected to result in a lowering of morale within the agency. We explored this possibility in our 2012 staff survey, conducted by Orima Research, and compared our results with those of other small APS agencies.

We were particularly interested in the overall satisfaction levels of our employees, their level of engagement with FSANZ, and their loyalty and commitment to FSANZ.

Elsewhere in this report, we provide details of this biennial staff survey. For me, the highlights were 86% of respondents being satisfied with FSANZ as an employer (APS small agency average 75%) and an 82% job satisfaction level (APS 75%). These and some other results were slightly down on our 2010 survey, which recorded exceptional levels of satisfaction.

Some 89% of staff were proud to tell others that they worked at FSANZ (APS 77%), while 82% recommended FSANZ as a good place to work (APS 68%). So, despite the difficulties that we experienced during the year, morale and commitment appear to be high, and this is reflected in an employee retention rate of more than 92%.

Within these pleasing results, however, lie a few areas requiring action from management and staff. For example, lower satisfaction levels were recorded in the APS5/6 cohort of staff this year, compared to the rest of the agency. We intend to work with this cohort (about a quarter of the agency) to understand the reasons for this anomaly and take steps to remove it.

Other events of note include the retirement of Dr Andrew Bartholomaeus from the position of General Manager Risk Assessment. Dr Bartholomaeus came to FSANZ from the Therapeutic Goods Administration more than four years ago. His contribution to the leadership team has been considerable and he leaves us with the respect and good wishes of his colleagues.

On a more personal note, the Board formally approved my re-appointment as Chief Executive Officer for another four years. I have appreciated the support and guidance provided by the Board since my commencement with FSANZ in 2007 and look forward to working with members on the many challenges that I am sure will come our way.

### **Stakeholders**

In 2011–12 FSANZ conducted a Stakeholder Survey as a follow-up to the 2009 survey of opinion leaders among our consumer, industry, public health and government stakeholder groups. This survey confirmed the high regard in which FSANZ is held by our stakeholders and a growing awareness of, and appreciation for, initiatives that the agency has put in place to reach out to its stakeholders.

These surveys are an invaluable resource for management and have an added benefit of letting our staff and the community know that we have a genuine goal of meeting their expectations, as far as is practicable.

Their value is not so much in confirming our successes, but in identifying the areas where we can do better.



### Concluding remarks

This is the fifth time I have reviewed FSANZ's work for the annual report. Each time, I have commented on the extensive support given to the executive team by the staff and the outstanding leadership provided by the FSANZ Board. This year is no exception.

I am indebted to the support freely given to me by Ms Philippa Smith AM, our Board chair, and by individual members of the Board. By necessity, the Board operates at an arm's length from the staff. Within that governance constraint, however, staff and the Board work well together. This ensures the Board is fully informed on all decisions that are made for the good of the community.

This annual report for 2011–12 is a record of another year of significant progress in food regulation.



STEVE MCCUTCHEON  
Chief Executive Officer

## Corporate overview

### Highlights

In 2011–12 FSANZ:

- gazetted 18 applications and four proposals to amend the *Australia New Zealand Food Standards Code*, including approval for seven GM foods; a proposal on food for special medical purposes, and primary production and processing standards for seed sprouts and hard-cooked raw milk cheeses
- consulted with the community on two matters raised by the Forum on Food Regulation associated with the proposed nutrition and health claims standard
- conducted or planned community consultations on food safety measures for the horticulture industry and for industry concerned with minor meat species (e.g. buffalo, antelope) and wild game (e.g. kangaroo)
- assigned a category 1 BSE status to New Zealand, indicating a negligible likelihood of the BSE agent entering the national cattle herd, and carried out in-country verifications of Croatia, The Netherlands and Vanuatu
- coordinated responses to raw apricot kernels and DMAA (1,3-dimethylamylamine) in sports foods under the National Food Incident Response Protocol
- conducted eight surveys of chemicals in the food supply as part of FSANZ's ongoing program of monitoring hazards in food
- established an Allergen Collaboration to improve, through non-regulatory means, how food allergen risks are managed and to help consumers with a food allergy to make safer choices
- collaborated with the Australian Bureau of Statistics, under a three-year contract, to prepare the nutrient database for the National Nutrition and Physical Activity Survey component of the Australian Health Survey
- operated a Code Interpretation Service to provide interpretive guidance on food standards in chapters 1 and 2 of the Food Standards Code to all food industry stakeholders on a fee-for-service basis.

## FSANZ's operating environment

### Key information

Establishment	<ul style="list-style-type: none"> <li>National Food Authority (Australia only) 1991</li> <li>Australia New Zealand Food Authority 1996</li> <li>Food Standards Australia New Zealand 2001</li> </ul>
Government oversight	The Hon Catherine King MP, Parliamentary Secretary for Health and Ageing) Chair, COAG Legislative and Governance Forum on Food Regulation
Chair, FSANZ Board	Ms Philippa Smith AM
Chief Executive Officer	Mr Steve McCutcheon
FSANZ staff (30 June 2012)	138 employees (ongoing and non-ongoing), located in Canberra and Wellington offices
Funding 2011–12 (Portfolio Budget Statement)	Australian Government appropriation – \$19.94m Other – \$2.78m
Food regulatory system	<ul style="list-style-type: none"> <li>policy development (Forum on Food Regulation)</li> <li>standards setting (FSANZ)</li> <li>enforcement (states, territories, New Zealand Ministry for Primary Industries, DAFF Biosecurity, local government)</li> </ul>

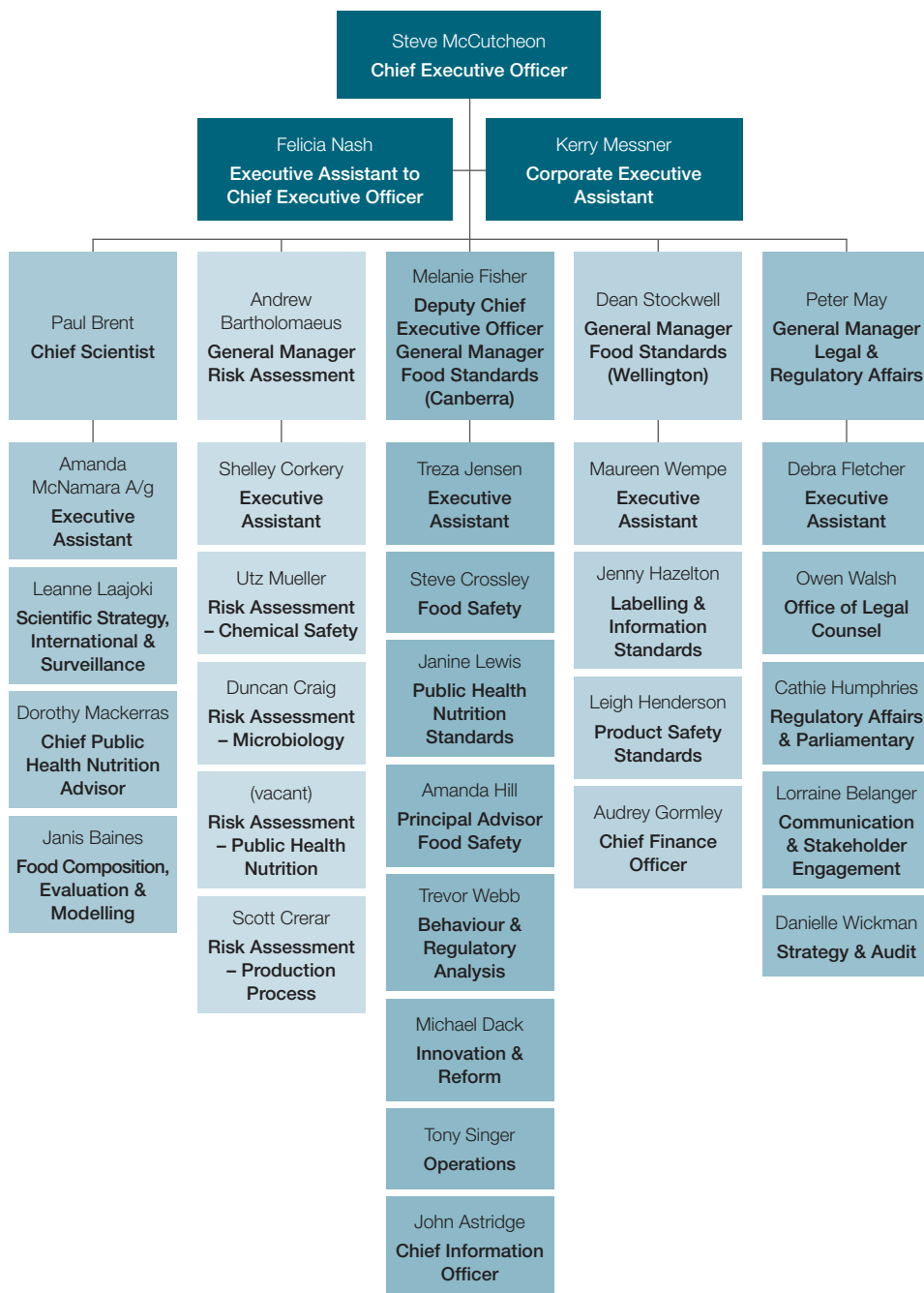
### Legislative responsibilities

Enabling Act of Parliament	<i>Food Standards Australia New Zealand Act 1991</i>
Section 18 objectives ('core' objectives applied to FSANZ's regulatory measures function)	<ul style="list-style-type: none"> <li>protection of public health and safety</li> <li>provision of adequate information to consumers</li> <li>prevention of misleading or deceptive conduct</li> </ul>
Section 18 objectives ('have regard to' objectives applied to FSANZ's regulatory measures function)	<ul style="list-style-type: none"> <li>need for [food] standards to be based on risk analysis using the best available scientific evidence</li> <li>promotion of consistency between domestic and international food standards</li> <li>desirability of an efficient and internationally competitive food industry</li> <li>promotion of fair trading in food</li> </ul>
Treaty between Australia and New Zealand	agreement between the Government of Australia and the Government of New Zealand concerning a Joint Food Standards System

## Structure and processes

Organisational structure	See organisation chart on page 20
Governance	<ul style="list-style-type: none"> <li>• 12-person Board (three members nominated by the New Zealand Government)</li> <li>• Operates under the FSANZ Act and the <i>Commonwealth Authorities and Companies Act 1997</i></li> <li>• Finance, Audit and Risk Management Committee reports to the Board on financial, accountability, internal audit and compliance systems</li> </ul>
Corporate planning	<ul style="list-style-type: none"> <li>• Corporate Plan 2009–12</li> <li>• Business Plan 2011–12</li> <li>• Portfolio Budget Statement (Health and Ageing portfolio)</li> <li>• FSANZ Strategy Map – see Appendix 12</li> </ul>
Contribution to Program 1.1 of the Department of Health and Ageing	Outcome: A safe food supply and well informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices
Australia New Zealand Food Standards Code	Any individual or organisation can apply to amend the Code. FSANZ can also initiate changes to the Code, usually to protect public safety or assist in addressing issues of long-term public health importance. The latter are normally requested by the Forum on Food Regulation.
<i>Application Handbook</i> – part 3 only (by legislative instrument)	Contains details of information required by FSANZ for the assessment of applications to amend the Code
Assessment of applications and proposals to amend the Food Standards Code	<ul style="list-style-type: none"> <li>• General procedure (nine months to complete assessment) – one round of public consultation</li> <li>• Minor procedure (three months to complete assessment) – limited consultation with government agencies only and, if relevant, affected parties</li> <li>• Major procedure (12 months to complete assessment) – two or more rounds of public consultation</li> </ul>
FSANZ risk analysis process	<ul style="list-style-type: none"> <li>• Risk assessment – determining the likelihood and severity of hazards</li> <li>• Risk management – identifying measures to minimise the risk</li> <li>• Risk communication – ensuring stakeholders are aware of, and understand, the risk being addressed and the control measures</li> </ul>
Food recall process	FSANZ coordinates a national food recall system for Australia, in association with the states and territories and the food industry
National Food Incident Response Protocol	FSANZ coordinates an integrated, whole-of-government response for incidents involving food sold within two or more Australian jurisdictions
<b>Summary of financial performance 2011–12</b>	
Financial outcome	<p>Operating revenue – \$22.533m</p> <p>Operating expenses – \$23.022m</p>
Certificate of Compliance	2011–12 Certificate of Compliance sent to the Department of Finance and Deregulation before 15 October, as required

## FSANZ organisation structure at 30 June 2012



## Priorities and performance 2011–12

We have summarised our activities against the performance information for FSANZ contained in the *Portfolio Budget Statements 2011–12: Health and Ageing Portfolio*. More detailed accounts of projects and services appear later in this report.

### Outcomes

FSANZ's reporting outcomes are linked with those of the Department of Health and Ageing, in particular, the Department's Outcome 1—Population Health. FSANZ's contribution to the departmental outcome is through Program 1.1: Food regulatory activity and services to the Minister and Parliament.

Agency	Outcome
Department of Health and Ageing	Outcome 1: A reduction in the incidence of preventable mortality and morbidity in Australia, including through regulation and national initiatives that support healthy lifestyles and disease prevention
Food Standards Australia New Zealand	Program 1.1: A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices

Through Program 1.1 the Australian Government aims to:

- manage the development and maintenance of effective evidence-based food standards contributing to the provision of a safe food supply
- ensure effective engagement with regulatory partners in implementing these standards to protect the health and safety of consumers
- strengthen engagement with industry, consumers and the general community to increase awareness of the food regulatory system.

## Performance

### Deliverables

As described in the Portfolio Budget Statements, FSANZ has overall responsibility for the deliverables that contribute to Program 1.1. In 2011–12 FSANZ achieved the following performance against the qualitative and quantitative deliverables:

Qualitative deliverables	2011–12 target	Status	Page
Develop improved templates for evidence-based applications and proposals	New assessment templates, reports and decision papers approved and implemented	Templates developed, approved and implemented	
Develop primary and production standard for seed sprouts	The primary production and processing standard for seed sprouts is finalised	Primary production and processing standard for seed sprouts gazetted	42
Develop Foods for Special Medical Purposes standard	Foods for Special Medical Purposes standard is finalised	Standard for foods for special medical purposes gazetted	39
Manage the National Food Incident Response Protocol	Deliver an efficient and effective incident management process through the National Food Incident Response Protocol and conduct a review of the protocol in 2011–12	Two incidents managed under the Protocol; Protocol arrangements reviewed	46
Participate in the implementation of the whole-of-government response to the <i>Labelling Logic</i> report	FSANZ to participate in the implementation of the Australian Government response to the <i>Labelling Logic</i> report	Completed development of FSANZ work program as part of the implementation	12
Stakeholders participate in food standards development	Stakeholders participate in standards development through avenues such as regular consultative committees, stakeholder engagement forums and submissions on draft standards	FSANZ supported a range of advisory and expert committees, the FSANZ Fellows program and an inclusive submissions mechanism	66
Provide interpretation service through the Central Interpretive Advice function for chapters 1 and 2 of the Food Standards Code	Establish Central Interpretive Advice operations and provide advice	Established, maintained and promoted the Code Interpretation Service for industry and government agencies	70

Quantitative deliverables	2011–12 target	Status	Page
Statutory timeframes are met for all regulatory measures	100%	87% (13 out of 15 applications) (Appendix 2)	107
Percentage of BSE risk assessments completed within designated timeframes	100%	100% (4 desk assessments completed within timeframes)	45
Number of international forums attended by FSANZ	≥29	36 (Appendix 10)	178
Number of Consumer and Public Health Dialogue face-to-face meetings conducted annually	3	3 meetings held in 2011–12	67
Number of fact sheets developed and available on FSANZ website	≥8	Revised >50 consumer fact sheets and published several new fact sheets	165
Number of foreign language consumer information videos available from FSANZ's website	≥8	14 food safety videos in each of 8 languages	71

### Key performance indicators

The following key performance indicators measure the impact of Program 1.1:

Qualitative indicators	2011–12 target	Status	Page
Maintain confidence in FSANZ scientific capabilities	Maintain FSANZ's reputation for scientific expertise, benchmarked against the 2009 ANOP research of FSANZ opinion leaders	Follow-up 2012 survey showed same, high regard for FSANZ science	15, 65
Enhanced data-based risk analysis capabilities through developing an integrated data mining, storage, processing, analysis and reporting platform	Overall evaluation of the dietary modelling and nutrition databases review project indicates an enhanced platform for data mining, storage, processing analysis and reporting  Overall evaluation of the risk analysis process indicates that there has been increased efficiencies from the rollout of the software platform	Phase 1 of the dietary modelling and nutrition databases review project was close to completion in June 2012  Evaluation of the Phase 1 platform indicates that there will be increased efficiencies	56



Qualitative indicators	2011–12 target	Status	Page
Enhanced public confidence in food incident and recall management	Evaluation of compliance with the National Food Incident and Recall Protocols through the triennial review of the protocols shows improved performance of food incident management	2012 Stakeholder survey showed high level of public confidence in the safety of food in Australia	15, 65
Improved public access to information about food standards and regulation	Evaluation of FSANZ's Twitter, Facebook and YouTube presence indicates improved public access to food standards information	Increase in Facebook followers to 3,600, Twitter to nearly 2,000	72
Enhanced stakeholder consultation	Evaluation of targeted web-based consultation results in enhanced stakeholder consultation	2012 stakeholder survey rated FSANZ's stakeholder engagement strategies highly)	65
Quantitative indicators	2011–12 target	Status	Page
Percentage of applications and proposals prepared which meet statutory timelines	100%	87% (13 out of 15 applications) (Appendix 2)	107
Number of bovine spongiform encephalopathy risk assessments completed	≤5	Assigned Category 1 status to New Zealand Additional 3 in-country visits undertaken	45
Compliance rate of FSANZ with the National Food Incident Response and Food Recall Protocols	100%	100% (two incidents successfully managed through the Protocol)	46
Number of stakeholders communicated with through the FSANZ Information Resister	≥5,000	7,350 subscribers to the register	

# 1

## Regulatory standards



## Regulatory standards

### Strategic imperative

- enhancing the quality of regulatory standards

### Objectives

- clear, easy to understand standards
- standards soundly based on evidence
- standards that anticipate innovation and new technologies

### Outcomes

- ready acceptance of standards by jurisdictions and industry
- easier implementation by jurisdictions and industry
- standards that are useful to consumers (understandable and beneficial)

### Highlights

In 2011–12 FSANZ:

- gazetted 18 applications and four proposals to amend the *Australia New Zealand Food Standards Code*, including approval for seven GM foods; a food for special medical purposes proposal, and primary production and processing standards for seed sprouts and hard-cooked raw milk cheeses
- notified the Forum on Food Regulation of our proposals to extend country of origin labelling to sheep, beef and chicken unpackaged meat products; received a request that FSANZ review the draft standard
- held public consultations on an application to approve the use of low-THC hemp as a food, and analysed submissions from police and other enforcement agencies
- consulted with the community on two matters raised by the Forum on Food Regulation associated with the proposed nutrition and health claims standard

- conducted or planned community consultations on food safety measures for the horticulture industry and for industry concerned with minor meat species (e.g. buffalo, antelope) and wild game (e.g. kangaroo)
- assigned a category 1 BSE status to New Zealand, indicating a negligible likelihood of the BSE agent entering the national cattle herd, and carried out in-country verifications of Croatia, The Netherlands and Vanuatu
- coordinated a national response to incidents involving raw apricot kernels and DMAA (1,3-dimethylamylamine) in sports foods under the National Food Incident Response Protocol
- assessed the potential zoonotic hazards and risks arising from dogs in outdoor dining areas, found negligible risk to humans, and started work to remove the prohibition from the Food Standards Code
- conducted eight surveys of chemicals in the food supply as part of FSANZ's ongoing program of monitoring hazards in food.

## Introduction

It is no accident that Australia and New Zealand have one of the safest food supplies in the world.

This is partly due to the relatively high standards of education and prosperity in our two countries and rigorous quality controls applied by industry. But one of the main reasons we enjoy safe food is the willingness of national, state and territory and New Zealand governments to adopt regulation through the *Australia New Zealand Food Standards Code*.

Regulation is necessary because keeping food safe is no longer a matter of scraping the mould off cheese or avoiding rhubarb leaves, as it was in the past. Our knowledge of contaminants and pathogens that exist in food has now reached the point where we can target regulations to specific foods and food handling practices.

We can, for example, detect chemicals in foods to parts per billion. We can study a food production process, from farm to fork, and identify where in the chain microbiological hazards are introduced. We can give special attention to the well-being of vulnerable groups, such as babies, pregnant women and the elderly, making sure the levels of safety that we determine provide protection.

Since FSANZ's predecessor, the National Food Authority, was established in 1991, we have existed to develop food standards for Australia and, from 1996, for New Zealand as well.

These regulatory standards have the force of law. They are enforced by jurisdictional agencies in Australia and New Zealand in a food regulatory system that has the interests of consumers and the food industry at its heart. Above all, the regulatory system has a zero tolerance for unsafe food. Consumers expect absolute safety and industry has reputational reasons for meeting this expectation. About 98% of food recalls in Australia in 2011–12 were initiated by food companies as a result of their monitoring programs.

FSANZ also considers non-regulatory interventions, such as education campaigns, when a food issue emerges or an application is received to amend the Food Standards Code.

The Council of Australian Governments (COAG) has a deregulation agenda implemented by the Office of Best Practice Regulation (OBPR). In deciding on a level of regulatory intervention, FSANZ recommends the minimum regulation necessary to achieve the stated public health and safety objectives. For major projects, our recommendations are reviewed by the OBPR. As a general rule, the costs to the community of additional regulation should be outweighed by the benefits of the measures.

Another requirement, under the FSANZ Act, is that we should use the best available science to underpin our regulatory decisions.

This is particularly important not only to establish the benefits of regulation, but also to remove, as far as possible, any subjectivity in our decision making. Using well-established and internationally recognised risk analysis processes, we achieve a consistency of approach that brings certainty to the food industry and a transparency to the community. Consultation on major pieces of work is a major part of this transparency.

Finally, food standards must be approved by the Legislative and Governance Forum on Food Regulation, an inter-governmental council of food ministers. The Forum creates the policy for the food regulatory system and forms part of the checks and balances in the system to ensure the interests of all sectors of society are considered.

The Food Standards Code, therefore, stands as a rigorously researched set of regulatory standards that have been adopted, in part, by a number of other countries. These standards are testimony to twenty years of evolution. They will continue to evolve in line with consumer expectations and the innovative practices of the food industry.

## Summary of food regulatory activity

### Applications and Proposals gazetted 1 July 2011 to 30 June 2012

We gazetted (published) 18 variations to food standards arising from applications (11 in 2010–11) and four variations were made from proposals (five in 2010–11). See Appendix 1 for details.

### Amendments to the FSANZ Application Handbook

Under section 23 of the FSANZ Act, FSANZ can make guidelines setting out mandatory information and format requirements that applications must include. If these requirements are not met, an application can be rejected.

These mandatory requirements are contained in Part 3 of the *FSANZ Application Handbook*. The latest amendments to the handbook took effect on 1 August 2011. Work has started on the next set of amendments, including additional requirements on health and nutrition claims and other miscellaneous changes. Public comment will be sought on any proposed amendments.

### Standards Development Work Plan

Applications received, or proposals prepared before 1 October 2007 continue to be assessed under procedures in place at that time. The tables on the next page reflect the information for procedures carried out before and after that date.

Table 1 shows the number of applications, proposals and potential proposals on the Work Plan (received or prepared before 1 October 2007), as at 30 June 2012, in all work plan groups. Table 2 shows the number of applications and proposals received or prepared from 1 October 2007 onwards on the Work Plan.

**Table 1: Applications and proposals on the Work Plan (received or prepared before 1 October 2007)**

As at	30 June 2009	30 June 2010	30 June 2011	30 June 2012
Group 1	8	7	6	5
Group 2	9	5	5	4
Group 3	1	0	0	0
Under review	1	1	1	1
<b>TOTAL</b>	<b>19</b>	<b>13</b>	<b>12</b>	<b>10</b>
With the Forum or awaiting notification to the Forum	3	0	0	0
Estimated waiting time Group 2	12 months	Only 4 applications remain with assessment work to commence – 3 are to be considered as part of a new proposal on raw milk products.	Only 4 applications remain with assessment work to commence – 3 are to be considered as part of a new proposal on raw milk products.	Only 3 applications remain with assessment work to commence – 2 are to be considered as part of a new proposal on raw milk products.

**Group 1** is for applications or proposals raising health and safety issues being progressed as a priority or identified by jurisdictions as warranting priority.

**Group 2** is for unpaid applications or proposals placed on a three-year rolling Work Plan scheduled for commencement in order of receipt.

**Group 3** was for paid applications.

**Table 2: Applications and proposals on the Work Plan (received or prepared from 1 October 2007 onwards)\***

As at	30 June 2009	30 June 2010	30 June 2011	30 June 2012
General Procedure	15 (8 paid)	17 (5 paid)	14 (7 paid)	14 (4 paid)
Minor Procedure	0	0	0	1
Major Procedure	5 (2 paid)	8 (4 paid)	9 (5 paid)	6 (1 paid)
Urgent applications or proposals	0	1	0	0
Under Review	0	0	0	1
<b>TOTAL</b>	<b>20</b>	<b>25</b>	<b>23</b>	<b>22</b>
With the Forum or awaiting notification to the Forum	2	4	3	3
Estimated waiting time for unpaid applications	9 months 24 months for labelling applications	9 months At least 24 months for labelling applications	6 months	2 months (approx.)

\* This does not include potential applications and proposals for which an Administrative Assessment has commenced, but not yet completed as these have not yet been placed on the Work Plan.

### FSANZ procedures

Applications and proposals are assessed under different procedures depending on range of factors. The different procedures are outlined below.

The **general procedure** applies to all applications or proposals unless they fit into one of the categories described below.

The **minor procedure** applies to applications or proposals for varying a food regulatory measure that, if made, would not directly or indirectly impose, vary or remove an obligation on any person; or create, vary or remove a right of any person; or otherwise alter the legal effect of the measure.



The **major procedure** applies to applications or proposals that involve such scientific or technical complexity that it is necessary to adopt this procedure in considering it; or involve such a significant change to the scope of the food regulatory measure that it is necessary to adopt this procedure in considering it.

**Urgent applications or proposals** are considered urgent under Division 4 of the FSANZ Act. Under these provisions, FSANZ is required to assess the variation to the Code within 12 months of the date of effect of the gazetted variation. FSANZ may then either re-affirm its original decision or prepare a proposal for a further variation or replacement variation.

**Table 3: Total applications received and accepted onto the Work Plan and proposals prepared**

	2008–09	2009–10	2010–11	2011–12
Applications	14	21	9	11
Proposals	4	5	2	9
<b>TOTAL</b>	<b>18</b>	<b>26</b>	<b>11</b>	<b>20</b>

**Table 4: Applications and proposals finalised (including applications rejected at Administrative Assessment)**

	2008–09	2009–10	2010–11	2011–12
Final assessments made by the FSANZ Board	10	2	1	1
Approvals made by the FSANZ Board	8	12	16	19
Applications withdrawn or rejected* or removed from the Work Plan	16	9	6	3
Proposals abandoned				
<b>TOTAL completed</b>	<b>34</b>	<b>23</b>	<b>23</b>	<b>23</b>
Applications or proposals gazetted	25	14	16	22
Collections of editorial notes gazetted	2	0	0	0

\* This includes applications rejected at Administrative Assessment.

Further information on the above can be obtained from Appendix 2. There may be some discrepancies between table 4 and table 6 (below) if decisions have been made in one financial year and the notification of that decision is made in the next financial year.

Table 5 provides information about significant variations from timeframes established in the FSANZ Work Plan for consideration of applications and proposals in 2011–12.

**Table 5: Reasons for delays in consideration of applications and proposals**

Application / proposal	Step	Variation	Reason
A1038 – Irradiation of Persimmons	Gazettal	12 months	Federal Court application.
A1039 – Low THC Hemp as a Food (Unpaid)	Assessment	8 months	An additional round of public comment was sought prior to the assessment being completed due to the complexity of issues raised by the application. The complexity of issues raised by submitters necessitated a further delay to evaluate issues.
	Approval	20 months +	Public comment on the draft variation to the Code raised issues which require additional consideration before a final decision can be made by the FSANZ Board. In particular, more information on the potential cost impact on food and law enforcement agencies, the potential for consumption of hemp foods to interfere with saliva THC testing results and whether industry could achieve lower THC levels in hemp foods than the maximum levels proposed by FSANZ, are required.
A1055 – Short-chain Fructo-oligosaccharides	Assessment	Clock stopped for 2 months	Request for further information from Applicant.
		Clock stopped for 3 months	Request for further information from Applicant.
	1st call for submissions	5.5 mths +	A new Ministerial Policy Guideline for the Regulation of Infant Formula has expanded the scope and complexity of the assessment. FSANZ has taken additional time to assess the issues raised and to have regard to the Guideline due to the vulnerability of the target population and stakeholder interest.

Application / proposal	Step	Variation	Reason
A1059 – Exclusive Use of Pectin-derived Oligosaccharides	Assessment	Clock stopped for 12 months	Request for further information from Applicant.
P1004 – Primary Production & Processing Standard for Seed Sprouts	Approval	16 months	Complex assessment and significant changes to existing measures requiring extensive consultation with affected parties.
P1005 – Primary Production & Processing Standard for Meat & Meat Products	Preparation of draft food regulatory measure	29 months +	On hold while a new proposal on minor species was prepared and a 1st call for submissions held. Both proposals will then be progressed together.  Concerns with the potential regulatory gap for animal welfare issues which need to be addressed.
P1007 – Primary Production & Processing Requirements for Raw Milk Products	Preparation of draft food regulatory measure	20 months	Technical work needed to progress category 2 raw milk products. This work will now be done under a new proposal.
	Approval	21 months	
P1011 – Country of Origin Labelling – Unpackaged Meat Products	Approval	18.5 months	Need for significant work on the Regulation Impact Statement which required input from external consultancies. Also, as ministers requested that this be discussed at a face-to-face meeting, the final decision had to be delayed to allow this to occur.
P298 – Benzoate & Sulphite Permissions in Food	Draft Assessment	6 yrs +	Need for updated dietary exposure data and assessments. Extensive consultations with relevant industry stakeholders have also been required.

**Table 6: Status of remaining applications and proposals received or prepared before 1 October 2007**

Application / proposal	Date received	Reason
A530 – Permission for English Farmhouse Cheddar made from Raw Milk	12/2/2004	Assessment indefinitely delayed – issues to be considered as part of a new proposal on raw milk products
A531 – Use of Raw Milk in Cheese Production	16/2/2004	Assessment indefinitely delayed – issues to be considered as part of a new proposal on raw milk products
A576 – Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label	17/2/2006	FSANZ has delayed further assessment following the decision by the Forum to accept the recommendation of the Review of Labelling Law and Policy which allows a period of two years for industry to adopt voluntary initiatives
A613 – Definitions for Nutritive Substance & Nutritive Ingredient	21/8/2007	On hold pending advice from the Applicant and progression of a separate review of nutritive substances and novel foods
P235 – Review of Food-type Dietary Supplements	10/5/2001	Unknown – on hold pending completion of related work
P236 – Sports Foods	10/5/2001	Unknown – on hold pending completion of related work
P274 – Labelling Minimum Age for Infant Foods	1/3/2003	Unknown – on hold pending NHMRC review of dietary and infant feeding guidelines
P290 – Food Safety Programs for Catering Operations to the General Public	10/2/2004	FSANZ will recommence work on this Proposal in the last quarter of 2012
P298 – Benzoate & Sulphite Permissions in Food	6/6/2005	Unknown – reason for delay addressed in Table 5

### Ministerial Council reviews

Requests for review from the Legislative and Governance Forum on Food Regulation, acting as the Ministerial Council, must be supported by a majority of members, that is, six out of 10. More details on the review process are available in Appendix 3.

**Table 7: Notification outcomes**

	2008–09*	2009–10*	2010–11*	2011–12
Final assessment decisions notified	10	2	1	1
Approval decisions notified	8	11	15	23
Requests for review	8 (44%)	1 (8%)	0 (0%)	1 (4%)
1st Review decisions notified	8	3	N/A	N/A
Requests for 2nd review	0	0	N/A	N/A

\* Figures in this column may differ from those provided in the previous year's annual report as review requests may be received by FSANZ after the deadline for publication.

Under the 2008 Inter-Governmental Food Regulation Agreement, ministers can only request reviews of FSANZ decisions based on one or more of the following criteria:

- (i) it is not consistent with existing policy guidelines set by the Ministerial Council
- (ii) it is not consistent with the objectives of the legislation which establishes FSANZ
- (iii) it does not protect public health and safety
- (iv) it does not promote consistency between domestic and international food standards where these are at variance
- (v) it does not provide adequate information to enable informed choice
- (vi) it is difficult to enforce or comply with in both practical or resource terms
- (vii) it places an unreasonable cost burden on industry or consumers.

One request for a review was received in 2011–12, the first since October 2009. The request for a review on a decision to extend country of origin labelling to unpackaged beef, sheep and chicken meat was based on criteria (i), (v), (vi) and (vii).

### Ministerial Council policy guidelines

The Australian Government, states, territories and the New Zealand Government are generally represented by their health ministers (as lead ministers) on the COAG Legislative and Governance Forum on Food Regulation, convening as the Australia and New Zealand Food Regulation Ministerial Council. Other ministers from relevant portfolios such as agriculture, industry, or consumer affairs also participate on the Ministerial Council to ensure a whole-of-government approach to food regulation.

FSANZ must have regard to any written policy guidelines formulated by the Ministerial Council and notified to FSANZ for these purposes. We were notified of a *Policy Guideline on Food Safety Management for General Food Service and Closely Related Retail Sectors* on 13 February 2012 (Appendix 2).

### Additional work requested by the Ministerial Council

No additional work was requested by the Ministerial Council.

### Administrative and judicial review of FSANZ decisions

#### *Conjugated linoleic acid triglycerides (CLA)*

In June 2011, Cognis GmbH via Axiome Pty Ltd applied to the AAT for a review of a FSANZ decision to reject its application for approval for specific brands of CLA preparations as novel foods.

The matter has been listed by the AAT for hearing in July 2012.

#### *Irradiation of persimmons*

In September 2011, GeneEthics Pty Ltd and The Safe Food Institute Ltd applied to the Federal Court seeking a review of FSANZ's decision to approve a draft variation to Standard 1.5.3 to allow the irradiation of persimmons as a quarantine measure.

The Federal Court heard the application for judicial review on 14 November 2011. The court's decision has been reserved. FSANZ is restrained from taking any action in relation to the draft variation in question until the decision is handed down.

#### *Genetically modified food*

In February 2012, GE Free New Zealand in Food and Environment applied to the AAT for a review of FSANZ's decision to approve variations to Standard 1.5.2 to permit the sale and use of food derived from specific genetically modified lines of soybean and corn.

The AAT dismissed the application for review on 11 May 2012.

## Corporate governance

### *Internal and external scrutiny*

An applicant seeking to develop or vary a food standard may, under the FSANZ Act, ask the Administrative Appeals Tribunal (AAT) to review a FSANZ decision to reject the application. A request may also be made to the AAT to review a FSANZ decision to omit a step or steps in the assessment process prescribed by the Act or to abandon a proposal to develop or vary a food standard. One application for review was made to the AAT during this financial year.

The *Administrative Decisions Judicial Review Act 1975* (Cth) provides that a person aggrieved by a decision of FSANZ, such as a decision to develop or vary a food standard, may apply to the Federal Court for judicial review of that decision. One application for judicial review was made to the Federal Court during the year.

## Standards development

### Applications and proposals

#### *Genetically modified foods*

#### **Regulatory milestone 2011–12**

Gazetted the inclusion of five GM soy varieties and two GM corn varieties into the Food Standards Code

To date, 53 GM foods have been approved for sale in Australia and New Zealand, comprising 72 separate lines. Canola, corn, cotton, lucerne, potato, rice, soybean and sugarbeet continue to be the only potential sources of GM food in the Australian and New Zealand food supply. While field trials of other GM plant species, including wheat, are being conducted, FSANZ does not anticipate that regulatory approval will be sought for the release of these species into the food supply for some years. We have not received any applications for food derived from a GM animal.

Including an approved GM food in the Code does not necessarily mean the food is presently being sold in Australia and New Zealand, especially when approvals were given some years ago. The first GM food approvals were made in 2000 and it is likely that the lines involved have been superseded or may have been commercially unsuccessful and removed from circulation. FSANZ does not monitor which particular approved foods are currently in the food supply.

**Case study: FSANZ's risk assessment process at work (GM foods)**

Companies that develop a GM food are responsible for demonstrating the safety of that food. They must supply FSANZ with the raw data from scientific studies to prove the safety of the food. The information must be obtained using sound scientific methods and be collected according to strict quality control criteria. This procedure is similar to that used for new chemicals and drugs, as well as for any substances e.g. food additives, processing aids and nutritive substances (GM or non-GM), that may be added to foods.

This is standard practice for regulatory agencies around the world. We review the scientific information and form our own conclusions from the results of the studies. We can, and do, ask companies to do additional studies, where necessary. In addition, we complement the company data with information from the scientific literature, other applications and other government agencies.

The safety assessment report generated by FSANZ may also be evaluated by independent experts; this provides additional assurance of our scientific capacity and integrity. During the public consultation phase of the assessment of a GM food, anyone can view and comment on both the company data and the scientific report produced by FSANZ. This assessment process ensures that we receive valid data of high quality, from a range of sources, during the course of the assessment.

*Food for special medical purposes*

**Regulatory  
milestone 2011–12**

Standard 2.9.5 gazetted in June 2012

Foods for special medical purposes (FSMP) are products formulated for people with particular medical conditions, whose nutritional needs cannot be met by a conventional diet. They include formulated products intended for use as the only source of nutrition, as well as specialised supplementary formulated products. A Standard was needed because the Code could not fully accommodate the specific composition and labelling requirements of FSMP.

The Standard includes labelling requirements, such as the need to state the product's dietary purpose and that it is to be used under medical supervision. It also restricts the sale of these foods to healthcare outlets that have the capacity to provide advice on the appropriate use of the product.



Because the FSMP market in Australia and New Zealand involves a high proportion of imported products from international companies manufacturing in Europe and the United States, the new Standard had the potential to increase the regulatory burden and could possibly impede or disrupt supply of some products to a vulnerable consumer group. FSANZ therefore designed the standard to harmonise with European or United States regulations as much as possible. The Standard also exempts FSMP from several requirements of the Code due to the specialised nature of these products.

#### *Low THC hemp*

**Regulatory milestone 2011–12**

Public consultation on FSANZ Assessment Report in November 2011

FSANZ continued to assess an application to permit the use of low THC hemp foods in Australia and New Zealand. Hemp is a type of *Cannabis sativa* that contains little or no delta 9-tetrahydrocannabinol (THC)—the active component of cannabis associated with psychotropic effects. At present, the Code prohibits all cannabis species from being used as food.

Low THC hemp is not considered to have psychotropic effects because it contains very low levels of THC. FSANZ conducted a safety assessment of hemp foods and did not identify any health and safety concerns resulting from their consumption. However, a number of other complex issues were raised during assessment. During public consultation we received submissions from consumers, industry and other government agencies (including police). The complexity of issues raised has resulted in delays in completing our assessment of this application. We will continue assessing the application during the second half of 2012.

#### *Microbiological limits in food*

**Regulatory milestone 2011–12**

Review of Standard 1.6.1 commenced in March 2012

Significant developments in food safety management have occurred since the incorporation of microbiological limits into the Code in 2000. A number of industry and jurisdictional stakeholders have requested that FSANZ review these limits. This review will consider the role of regulatory limits in protecting public health, particularly in the context of current preventative food safety measures.

Given the size, diversity and complexity of the issues raised, the review of microbiological limits in the Code will be conducted in several stages. We have raised a proposal to undertake the first stage, which will assess microbiological criteria for *L. monocytogenes* in ready-to-eat foods. The first call for submissions is due for July 2012.

## Addition of substances to food

During the year, FSANZ finalised 13 applications seeking to add substances to food. These applications generally fell into two categories. The first category involved requests to amend existing permissions, e.g. allowing the additive sodium carboxymethylcellulose to be used in wine as an alternative method for tartrate crystal control; and increasing the maximum permitted level of steviol glycosides in specific foods in order to improve the taste profile.

The second category involved requests to add new additives to the Code e.g. calcium lignosulphonate to incorporate fat soluble vitamins and carotenoids into water-based foods; advantame as a new intense sweetener and several different enzymes to assist in various food processing techniques. Additionally, FSANZ has considered its first application for the use of a bacteriophage preparation for the control of *Listeria* in certain ready-to-eat foods.

FSANZ has also been considering appropriate limits for residues in packaged water, in support of an application to align the Code with the World Health Organization guidelines for packaged water.

## Food labelling

### *Nutrition and health claims*

#### **Regulatory milestone 2011–12**

Public consultation in February 2012 on two matters identified by the Forum on Food Regulation

In June 2008, the then Australia and New Zealand Food Regulation Ministerial Council requested a review of draft Standard 1.2.7 – Nutrition, Health and Related Claims. Due to the overlap between the review and the recommendations from the independent review of Food Labelling Law and Policy, ministers extended the timeline for completion of the review of the draft standard.

FSANZ provided a response to the review request to the Forum on Food Regulation in December 2011. At that meeting, ministers asked us to consult broadly on the draft standard, and to consider the potential for consumers to be misled by ‘fat-free’ claims, particularly on high-sugar products, before presenting the final standard to the Forum.

In response to this request we released a public consultation paper on these two matters early in 2012. We were due to notify the Forum of our decision on the review in May 2012. However, the Forum further extended the due date for completion to early 2012–13 to give further consideration to the proposed regulation of general level health claims in consultation with stakeholders.

*Country of origin labelling***Regulatory milestone 2011–12**

Forum on Food Regulation requested a review of FSANZ's decision on amendments to Standard 1.2.11

Country of origin labelling requirements currently apply only to packaged foods and to unpackaged pork, fish and fruit and vegetables. FSANZ is proposing to extend mandatory country of origin labelling to unpackaged beef, sheep and chicken meat to provide consumers with appropriate information and to remove the inconsistency in the requirements across unpackaged meat.

The results of a regulation impact statement showed it was uncertain if the largely intangible benefits associated with mandatory labelling would sufficiently exceed the relatively low costs to create a positive net gain for society.

However, after weighing up all relevant matters, the FSANZ Board reasoned that there was sufficient likelihood of an overall benefit to the community when improved access to information and the importance of consumer trust and confidence were balanced against the relatively small industry implementation costs.

The Forum has requested a review of this decision and the review will be completed in late 2012.

**Food standards for the primary industries***Horticulture***Regulatory milestone 2011–12**

Public consultation conducted in March 2012 and draft standard developed

In 2011–12, we commenced a study of foodborne illnesses associated with horticultural produce, as well as an examination of existing on-farm food safety schemes for horticulture. We are currently analysing the costs and benefits of different options to manage the food safety risks associated with horticultural produce. This will help us to decide if any regulatory option is warranted or if the current non-regulatory schemes sufficiently manage the risks.

*Seed sprouts***Regulatory milestone 2011–12**

Standard 4.2.6 gazetted in January 2012

FSANZ worked with the seed sprouts industry, governments and consumers to develop a primary production and processing standard for seed sprouts. Seed sprout processors are required to put into place food safety measures, such as seed decontamination and traceability systems. The new standard will have effect on 12 July 2013.

*Meat and meat products***Regulatory milestone 2011–12**

Draft standard developed to prepare for public consultation in September 2012

FSANZ is considering risk management measures for the meat industry. Last year, we developed a draft primary production and processing standard for meat and meat products from farmed cattle, pigs, sheep and goats and rendered products for human consumption (major species).

In 2011–12, we considered management of the remaining (minor) meat species and wild game. Minor species are animals currently defined under existing Australian standards (published by Standards Australia), i.e. buffalo, antelope, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu. Wild game included in our assessment is wild boar, mutton birds, wallaby and kangaroo.

Our assessment included an overview of the production and processing practices for major and minor meat species. Our aim is to strengthen, where necessary, food safety measures associated with inputs and traceability. We have conducted one round of public consultation for major and minor species and will develop a draft standard and implementation package covering all meat species for a further round of consultation in the future.

*Raw milk products***Regulatory milestone 2011–12**

Amendments to Standard 4.2.4 gazetted in June 2012 to allow sale of certain hard-cooked cheeses from raw milk

FSANZ is reviewing requirements in the Food Standards Code for raw (unpasteurised) milk products. This includes raw drinking milk and raw milk cheeses. FSANZ has approved an amendment to the Food Standards Code permitting the production of raw milk hard to very hard cooked curd cheeses. This permission came into effect in June 2012.

Our aim is to ensure that specific production and processing controls can provide a raw milk product with an acceptable level of public health risk. At this stage, we consider that raw drinking milk presents too high a risk to consumers to consider any permission. We are currently examining the safety of raw goat milk, which is currently allowed to be produced and sold in some states, as well as soft and semi-soft cheeses and other raw milk products that are currently not permitted for sale.

## Public health and safety

### Public health

#### *Mandatory fortification of bread and bread making flour*

Australia adopted mandatory fortification of bread-making flour with folic acid, and mandatory use of iodised salt in bread making, in late 2009. Thiamine fortification of bread making flour has been a mandatory requirement since the 1990s.

In 2011–12, we used the results from our first analytical program for bread fortification to estimate potential changes in dietary iodine and folic acid intakes of the Australian population, including the target populations, some ten months after folic acid and iodine fortification began. We also undertook a second phase of monitoring levels of these fortificants in breads sold in Australia.

The results of the second survey will show how much of the mandatory nutrients are present in breads at a second time point, and will be used to model the impact of mandatory fortification on nutrient intakes nearly three years after the implementation of mandatory fortification standards for folic acid and iodine.

### Food safety

#### *Companion dogs in outdoor dining areas*

**Regulatory milestone 2011–12**

Public consultation conducted May – June 2012

Under the Food Standards Code, pet dogs are not permitted in any areas of a food premises where food is handled. However, state and territory food regulatory agencies have adopted different approaches to regulating pet dogs in outdoor dining areas.

We undertook an assessment of the potential zoonotic hazards and risks arising from dogs in outdoor dining areas. This assessment concluded that the risk of foodborne transmission of zoonotic agents to humans from dogs in outdoor dining settings is very low to negligible. We are therefore considering an amendment to the Code to remove the current restrictions on the presence of dogs in outdoor dining areas and expect to finalise this work by mid-2012.

#### *Pyrrolizidine alkaloids*

Plants containing naturally derived toxins are found throughout the world, including Australia and New Zealand. Pyrrolizidine alkaloids are a family of plant-derived toxins that can have serious adverse effects on animal and human health when consumed in high quantities.

FSANZ established a provisional tolerable daily intake for pyrrolizidine alkaloids in 2000. However, international research and review since that time have suggested that these limits should be reduced. Our position is that any new health standard should be based on a scientifically sound human health risk assessment, one that considers the relative toxicity of the various pyrrolizidine alkaloids in Australian and New Zealand plants.

We have developed a research strategy that involves industry, academia and other government agencies to help with our risk assessment. We are collaborating with the Ministry for Primary Industries; the Bee Products Standards Council in New Zealand and the Rural Industries Research and Development Corporation in Australia.

#### *Bovine spongiform encephalopathy (BSE)*

**Safety assessment  
milestone 2011–12**

Category 1 status for New Zealand  
In-country verification visits: 3

FSANZ is responsible for determining the BSE food safety risk of countries that currently export, or wish to export, beef and beef products to Australia. Our safety assessments involve reviewing documentation submitted by applicants and an in-country assessment to verify the effectiveness of controls to prevent the introduction and spread of BSE in the country.

In 2011–12 FSANZ received applications for assessment from fourteen countries and has processed these applications. In December 2011, we completed the New Zealand assessment, assigning a Category 1 status for country BSE risk. This status means there is a negligible likelihood that the BSE agent has or will become established in the New Zealand cattle herd and enter the human food chain. Beef and beef products derived from animals from New Zealand are therefore regarded as posing a negligible risk to human health.

We completed three in-country verification visits in 2012, with inspections of Croatia, The Netherlands and Vanuatu. In-country verification visits to Latvia and Lithuania are scheduled to take place in September 2012.

#### **Imported food**

Foods imported for sale in Australia must comply with domestic food legislation, including the Food Standards Code. In 2011–12, FSANZ continued to work closely with the Department of Agriculture, Fisheries and Forestry (DAFF) Imported Food Program to ensure the safety of imported foods.

FSANZ advises DAFF on which foods pose a medium to high risk to public health. Under the Imported Food Program food is inspected and sampled as it reaches our border. What food is inspected and how often it's inspected is based on risk assessments and information gathered on different foods. Our cooperative arrangements are outlined in a memorandum of understanding, which will be reviewed in 2012–13 to maintain efficient and effective service delivery.

During the year, we provided advice on risks associated with foods imported from Japan; imported semi-dried tomatoes and the risk of hepatitis A viral (HAV) contamination; *Aeromonas veronii* in cooked prawns; carbendazim residues in orange juice; safety of dimethoate residues; Listeria testing of imported prosciutto; and testing of imported cooked prawns from New Zealand.

## Food incidents

### *National Food Incident Response Protocol*

The National Food Incident Response Protocol provides whole-of-government guidance on responding to national food incidents. Under the protocol, FSANZ has responsibility for coordination, information gathering, risk assessment and communication.

In response to a review of our internal processes in 2011, we developed operating procedures to improve our coordination and response arrangements when the protocol is triggered. We are developing training materials to help staff apply these new procedures.

### *Undeclared drugs in coffee products*

In June 2011, the protocol was triggered following identification of imported coffee products containing undeclared drugs, possibly posing a risk to human health. Testing conducted by the Therapeutic Goods Administration indicated that analogues of sildenafil were present in a coffee product and not stated on the packaging. Investigations by the New South Wales Food Authority identified a similar product and both products were found to be available for sale in Australia via the internet.

We identified importers and distributors and requested eBay to not allow the sale of these products. We also contacted the Pharmacy Guild, the Pharmaceutical Society and the adult industry peak body, the Eros Association, advising them that these products pose a potential risk to their members, and that they do not comply with food legislation and should not be sold in Australia.

*Hydrocyanic acid in apricot kernels***Regulatory milestone 2011–12**

Draft amendments to the Food Standards Code developed

The protocol was triggered in October 2011 when high levels of naturally occurring hydrocyanic acid (HCN) were found in a brand of raw bitter apricot kernels. This followed an investigation into the hospitalisation of a member of the public for cyanide poisoning. The apricot kernels were purchased online. A previously permitted level of HCN in the Code for apricot kernels was removed some years ago.

FSANZ coordinated a consumer-level food recall and a trade-level recall and issued a media release advising on the maximum number of apricot kernels that may be consumed in a day for adults without acute adverse effects.

We are now considering amending the Code to address current public health and safety concerns about the consumption of apricot kernels and products derived from them. An assessment report will be issued for public comment later in 2012.

*Sports supplements containing DMAA*

Food regulators activated the protocol in June 2012 following adverse health reports in Australia and identification of sports products containing DMAA or 1,3-dimethylamylamine. DMAA has been linked with various adverse health effects, including high blood pressure, vomiting and deaths.

Regulatory agencies are assessing the products' safety. They have requested the withdrawal of the products and provided education brochures to importers, distributors and retailers. The Department of Health and Ageing is considering whether DMAA should become a prohibited substance and has sought advice from the Advisory Committee on Medicines Scheduling.

**Food recalls***Improvements to recall processes*

During the year, we introduced a new electronic Food Recall System and database, which enables us to coordinate food recalls more efficiently and accurately and to report on food recalls.



We also improved our communication of food recall information to industry and consumers. Our website home page now has a 'food recall icon', providing a direct link to current food recalls and recalls are posted on Facebook and via Twitter. We have included answers to frequently asked questions on our website for consumers and industry.

### *Mandatory reporting*

Australian Consumer Law requires all participants in the supply chain of consumer goods to report consumer product-related incidents, including food-related incidents, where a death or serious injury or illness has resulted, requiring medical or surgical treatment by, or under the supervision of, a qualified doctor or nurse.

All reports have to be lodged directly with the Australian Competition and Consumer Commission (ACCC) by the relevant sector of the supply chain within two days of becoming aware of the incident. In February 2011, direct referral of mandatory reports to the relevant enforcement agency began.

As the Australian government agency responsible for food standards, FSANZ simultaneously receives copies of these mandatory reports. We monitor the reports to establish trends or significant issues which may require discussion at a national level and provide a quarterly report to the Parliamentary Secretary for Health and Ageing.

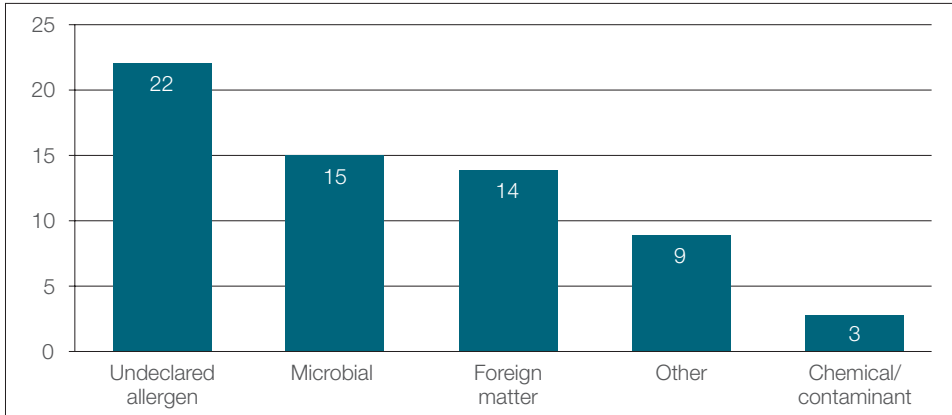
During the year, FSANZ received 1092 mandatory reports. The three most commonly reported illnesses were alleged food poisoning and gastrointestinal symptoms (43.6%), infant formula/food reactions (28.8%), followed by allergic and anaphylactic reactions (14.1%). Notifications are predominantly from supermarkets and food manufacturers and cover a broad range of foods.

The seemingly high number of notifications for infant formula is not an indication of a safety issue with the products. Most reactions reported were mild in nature, including symptoms such as reflux, wind or changes in stool hardness and frequency.

### *Food recall statistics 2011–12*

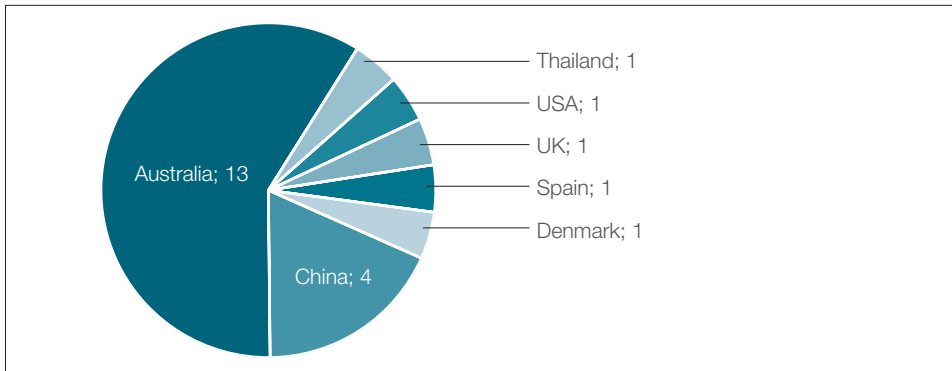
FSANZ coordinated 63 recalls during the year. As shown in Figure 1, undeclared allergens were the most common reason for a recall at 22 recalls (35%). During the same period, 15 recalls (24%) were due to microbial contamination and 14 recalls (22%) were due to foreign matter.

**Figure 1: Number of recalls notified to FSANZ in 2011–12**



Some 41% of allergen-related recalls were for imported products from a range of countries, including China, Thailand, the United States, the United Kingdom, Spain and Denmark (Figure 2).

**Figure 2: Country of origin for all allergen related recalls from 1 July 2011 to 30 June 2012**



### Improving our standards development outcomes

#### *Contributing to policy development (caffeine)*

In 2003, food regulation ministers issued a policy guideline on the Addition of Caffeine to Foods. This guideline aims to ensure that FSANZ considers limiting exposure of vulnerable individuals to foods containing caffeine when considering issues relating to the addition of caffeine to foods.

Since then, the number and variety of caffeinated products on the market has increased and there has been heightened media interest, including reporting of adverse effects from excessive intakes of caffeine from various sources. Food ministers agreed that the

Food Regulation Standing Committee (FRSC) should review the policy guideline in light of the range of products currently on the market and potential future developments.

A Caffeine Working Group was established to undertake the review. FSANZ is an observer member of the group and contributes technical advice. In the early stages, our task has been to help scope the problem and identify data on caffeine in the food supply and on consumption and consumer behaviour.

#### *Novel foods*

Issues have been raised about the definition of novel food in the Code and the lack of legal clarity associated with the recommendations of the Advisory Committee on Novel Foods when it makes determinations. In addition, there are difficulties associated with the definition of nutritive substances in the Code.

FSANZ is therefore considering a new approach to regulating food ingredients that would not hinge on definitions of 'novel' or 'nutritive'. In addition, it is considering how to provide legal certainty to conclusions about the safety of these ingredients.

FSANZ released a public consultation paper in April 2012, seeking feedback on a possible new approach for all food-derived substances. Targeted consultation was also undertaken with industry and regulators. The proposed approach would place all foods and substances in one of three groups: basic foods and their physically processed derivatives, which would not require FSANZ assessment before use; substances derived from foods, which would require a FSANZ safety and efficacy assessment (similar to the way novel food substances are assessed now); and substances that would require an application, including synthetic substances and food-derived substances for which there is a safety concern.

Submissions on the discussion paper will be considered before FSANZ decides how to proceed with further consideration of which foods would require pre-approval.

#### *Legislative audit of the Code*

FSANZ is reviewing the Code to improve its clarity and consistency; inter-operability with state and territory food laws; and consistency with best practice drafting techniques.

The review began with an audit of the Code by the Office of Legislative Drafting and Publishing (OLDP). This provided a range of suggestions for varying the Code. FSANZ subsequently consulted jurisdictions on the OLDP recommendations.

FSANZ is now working through the recommendations and issues raised with a view to drafting amendments to the Code. These will be subject to public consultation later this year.

### *FSANZ Panel of Analytical Laboratories*

We established a panel of analytical laboratories in 2011 to enhance our ability to get information and quickly respond to protect public health and safety when analytical testing is required. The panel proved particularly useful during the year when analytical data was required quickly, to assist in informing the risk assessment process and subsequent risk management decisions.

Laboratories on the panel are Advanced Analytical Australia, the National Measurement Institute, Symbio Alliance, Hill Laboratories and the Institute of Environmental Science and Research (ESR). The panel has an initial term of five years.

### **Emerging issues**

#### *Development of emerging and ongoing issues framework*

In recent years, a number of unexpected food incidents have occurred, e.g. the melamine contamination in milk and milk products incident. These incidents have had a significant effect on food safety and consumer confidence, both nationally and internationally.

The FSANZ processes for managing a food safety incident, once it is identified, are already well developed. However, FSANZ has sought to clarify roles and responsibilities in the process of identifying emerging issues. In order to do this, FSANZ has developed a framework that FSANZ staff can use to identify and respond in a coordinated manner to ongoing, emerged and emerging issues, including issues that have substantial community interest. The framework will enable a co-ordinated FSANZ approach to considering these issues and avoid potential duplication of activity.

FSANZ intends to implement the emerging and ongoing issues framework in the second half of 2012.

#### *Nanotechnology*

FSANZ continued to explore the role of nanotechnology in food under the National Enabling Technologies Strategy. We published our regulatory approach to nanotechnologies in the *International Food Risk Analysis Journal* in 2011 and engaged with stakeholders on amendments to the *Application Handbook* in relation to nanoscale materials that may be used in foods. We also sought additional information from the food industry and food packaging manufacturers in early 2012 on any current or potential uses of nanotechnologies in food packaging.

#### *Food packaging*

FSANZ engaged extensively with industry on our regulatory approach to food packaging materials, including our Industry Advisory Group on Packaging Materials. We surveyed

packaging manufacturers and the food industry about current measures to ensure the safety of food packaging materials. We also continued to conduct analytical surveys of food packaging chemicals that may migrate into food.

FSANZ expects to make a decision on whether there is a need to change the way food packaging chemicals are regulated in 2012–13, including potential changes to the Code.

## Monitoring food hazards

FSANZ's surveillance capability provides an essential scientific foundation for sound risk assessment. Information obtained from surveillance activities is important in identifying chemical, microbiological and nutritional substances in foods that may present a risk to health or safety.

### *Implementation Sub-Committee (ISC) Coordinated Food Survey Plan*

FSANZ is the sponsor for Component 1 'Surveillance and Monitoring' of ISC's work plan. The major planning tool of Component 1 is the 3-year ISC Coordinated Food Survey Plan, which outlines food survey activities of national and bi-national significance for Australia and New Zealand.

In 2011–12, we conducted and completed four food surveys as ISC-coordinated surveys, namely, iodine levels in seaweed and seaweed-containing products, the 23rd Australian Total Diet Study, sulphite levels in sausages, cordial and dried fruit, and the prevalence of *Salmonella* and *E. coli* in ready to eat nuts and nut products.

### *Australian Total Diet Study*



The cover of the 23rd Australian Total Diet Study which was released in November 2011.

The Australian Total Diet Study (ATDS) provides Australia's most comprehensive estimate of the Australian population's dietary exposure to chemicals and other substances from the Australian food supply.

In 2011, we released the results of the 23rd ATDS. This study surveyed 214 agriculture and veterinary chemicals, 12 mycotoxins, 9 contaminants and 11 nutrients found in commonly consumed foods and beverages in the Australian diet. Dietary exposure was estimated for the Australian population, with the findings confirming the current safety of the Australian food supply for these food chemicals.

The focus of the 24th ATDS is acrylamide, aluminium and food contact packaging migration chemicals. The results of the 24th ATDS will be published in 2012–13.

### *Survey of sulphite levels in sausages, cordial and dried fruit*

In 2011, FSANZ commissioned a national coordinated survey of sulphite levels in sausages, cordial and dried fruit. A total of 207 individual samples were analysed for sulphite levels, including 156 sausage samples, 30 cordial samples, 9 dried apple samples and 12 sultana samples. Samples were prepared to a ready-to-eat state before analysis.

The survey updated and enhanced the evidence base for use in the dietary exposure assessment for our consideration of amending benzoates and sulphites permissions for food in the Code. We released the analytical results of the survey report in April 2012. A comparison of the sulphite levels in these foods with the respective maximum permitted level in the Code was reported.

### *Supplementary colours survey*

FSANZ reported the findings of a survey of added colours in foods available in Australia in 2008. In 2011–12, we prepared a supplementary report containing more recent food consumption data for children, revised Acceptable Daily Intakes (ADIs) from a Food and Agriculture Organization / World Health Organization Expert Committee, and analytical data received from the confectionery industry.

Using this new information, we updated the dietary exposure assessment for children aged 2–16. The revised dietary exposure estimate confirmed that the estimated dietary exposure of children to added colours in food and beverages in Australia is well within the ADI (<5% for each colour investigated), even for high consumers.

### *Survey of iodine in seaweed and seaweed-containing products*

In November 2011, we published a report of iodine in seaweed and seaweed containing products. This survey examined the link between high levels of iodine in a specific brand of soy beverage and the addition of seaweed during the manufacturing process. FSANZ coordinated the survey work, with participation from all Australian states and territories.

We found that some types of seaweed can have very high levels of iodine that may be unsafe for human consumption. The relevant jurisdictions and DAFF Biosecurity were advised of this finding for the appropriate follow-up and enforcement action.

### *Survey of arsenic in apple juice*

Arsenic is a recognised contaminant of some foods, with inorganic forms more hazardous than organic forms. Based on overseas information on detections of arsenic in apple juice,

FSANZ undertook its own survey. Samples of different types of apple juice were analysed for total arsenic levels and the samples with highest levels of total arsenic were also analysed for inorganic arsenic levels. The results from this survey will be used in future dietary exposure assessments for arsenic (total and inorganic).

#### *Survey of inorganic arsenic in seaweed*

FSANZ undertook a small-scale survey to investigate the concentration of inorganic arsenic in a select number of seaweed and seaweed-containing products. The results of this survey indicated that inorganic arsenic levels were below the maximum level of 1 mg/kg permitted in the Food Standards Code, with the exception of one composite sample of hijiki. The home state was notified of the findings for follow-up action.

#### *Survey of cyanogenic glycosides in plant-based foods*

Cyanogenic glycosides are a group of natural toxicants that occur in a number of plants used as foods. Potential toxicity arises when these substances are degraded to hydrogen cyanide (which is measured as total hydrocyanic acid), resulting in acute cyanide poisoning.

In 2008–09, a survey of cyanogenic glycosides in ready-to-eat cassava chips led to an amendment to the Food Standards Code stipulating the maximum level at which hydrocyanic acid can be present in cassava chips. We are in the process of conducting a small, targeted follow-up analytical survey of beverages to confirm earlier results and to fill in some data gaps. Once this follow-up survey is completed, we will bring together all our results to determine whether further regulatory management is required for cyanogenic glycosides for foods other than those already covered by the Code.

#### *Survey of nitrates and nitrites*

Most dietary exposure to nitrates and nitrites is through fruit and vegetables, as they occur naturally in plant foods as part of the nitrogen cycle between air, land and water environments. In November 2011 we published a survey report on nitrates and nitrites in Australian foods.

The survey found that the major sources of estimated nitrate dietary exposures across different population groups were vegetables (42–78%) and fruits (including juices) (11–30%). Vegetables (44–57%) and fruits (including juices) (20–38%) were also major contributors to estimated dietary nitrite exposures across population groups. Processed meats account for less than 10% of total dietary exposure to nitrites.

We concluded that exposures to nitrates and nitrites in foods do not represent an appreciable health and safety risk. Rather, the health benefits of fruit and vegetables are widely accepted, and eating these foods is recommended as part of a balanced diet.

## Strengthening our evidence base

### Science evidence base

The cornerstone of FSANZ's standards development process is the generation of an evidence base to support decision making. In turn, the quality of this evidence base depends heavily on our regulatory science.

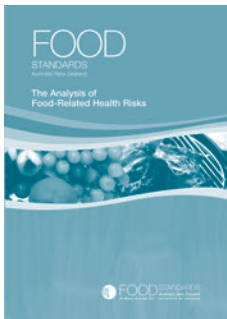
#### *FSANZ Science Strategy 2010–2015*

FSANZ's Science Strategy identifies seven key strategic areas in which we aim to enhance our scientific capability. Annual implementation plans that specify strategic aims, objectives, and deliverables underpin the strategy.

In response to the 2011 Implementation Plan, we developed a framework to help us identify and respond to emerging food safety issues in a timely and co-ordinated manner. We extended our evidence base by releasing a reference database on the nutrient content of Australian foods (NUTTAB), and by our continuing development of Harvest, our software platform and data storage system.

We developed a risk assessment plan for use in assessing more complex applications or proposals to amend the Food Standards Code that involve a multi-disciplinary team and, in collaboration with Health Canada, established the *International Food Risk Analysis Journal* to help disseminate the scientific assessment work that underpins our food regulatory decisions. We also commenced a multidisciplinary review of risk terminology and the associated descriptors of levels of risk.

#### *Analysis of Food-Related Health Risks*



The cover of the *Analysis of Food-Related Health Risks*.

*Analysis of Food-Related Health Risks* was published and made available on our website in 2008. This publication outlines the broad approach we use to analyse health risks associated with food.

FSANZ made a decision to review and update this publication approximately every two years. In 2011–12, we focused on strengthening a number of key areas in the document, including nutritional risk analysis and the use of cost benefit analysis and consumer and social research in determining risk management options. This review will continue into the second half of 2012.



*Peer review of risk assessment process*

Dr Angelika Tritscher, Coordinator of the Unit on Risk Assessment and Management at the World Health Organization, conducted an external peer review of FSANZ's risk assessment processes in February 2012.

The objectives of the review were to evaluate the current rigour of our risk assessment practices and procedures across the scientific disciplines at a high level and to benchmark these against international best practice. Dr Tritscher has provided a draft report on her findings and recommendations. The final review report and our response to the recommendations will be published in 2012–13.

*Harvest database and modelling tool*

Redevelopment of our dietary modelling and food composition data systems continued in 2011–12, with final user acceptance testing to take place early in 2012–13. A single new system, Harvest, is being developed to replace two existing systems which date from the mid-1990s. In its first phase, Harvest provides improved data storage and improved analysis and reporting capabilities for the food and nutrient data from our most recently completed national nutrition survey—the 2007 Australian Children's Nutrition and Physical Activity Survey.

*Dietary exposure assessments*

In 2011–12, FSANZ carried out dietary exposure assessments for a range of food standards projects and other purposes, including the assessment of a new food chemical (dibromo-dimethylhydantoin). We also provided dietary exposure assessment data for a number of surveillance activities.

We approved dietary exposure assessments conducted by the Australian Pesticides and Veterinary Medicines Authority (APVMA) when assessing the safety of residues in food for new or amended uses of agricultural and veterinary chemicals. We also responded to international requests for dietary data from the Food and Agriculture Organization/World Health Organization and provided assistance to other government agencies on exposure assessment matters, on an ad hoc basis.

*Re-estimating the burden of foodborne illness in Australia*

Estimates of the burden of foodborne disease are important for developing food safety policy and legislation. They are used extensively by FSANZ for risk assessment, cost-benefit and risk communication purposes, in particular to illustrate the scale of the problem and to provide estimates of the associated costs to the community.

The previous estimate of 5.4 million cases of foodborne infectious gastroenteritis annually in Australia was based on data collected in 2000. FSANZ has partnered with the New South Wales Food Authority and the Department of Health and Ageing to fund a project by the National Centre for Epidemiology and Public Health (NCEPH), Australian National University to re-estimate the burden of foodborne illness in Australia. The project will take into account improved understanding about foodborne disease and methodological advances.

NCEPH undertook a web-based consultation in 2012 to assess what pathogens should be included to estimate the burden of foodborne disease in Australia. In addition, the project team carried out a semi-formal systematic review of methods used to estimate the burden of foodborne illnesses. The final report is due to be completed by June 2013.

#### *ARC Linkage Project*

FSANZ is a partner organisation in an Australian Research Council (ARC) Linkage Project in 2012–14 titled *Identifying and controlling the source of Campylobacter and Salmonella in Australia*. The project is being led by researchers at the Australian National University in partnership with the New South Wales Food Authority, Primary Industries and Regions SA, Tasmanian Department of Health and Human Services, Hunter New England Area Health Service and FSANZ.

The project aims to develop and apply new statistical and modelling techniques to identify the source of *Salmonella* and *Campylobacter* infections in humans in Australia. The research outcomes will provide more robust evidence to determine possible measures that could be implemented to reduce human illness from these pathogens via food sources.

#### **Accessing external expertise**

##### *FSANZ Fellows*

The Fellows Program promotes engagement with respected experts to inform the development of food regulatory measures and the scientific work of the agency. The contribution of the Fellows enhances the development of food regulatory measures and the scientific work of the agency. In 2011–12, the FSANZ Board approved the appointment of three new Fellows and the reappointment of four Fellows for a further three-year term (Table 8).

**Table 8: FSANZ Fellows 2011–12**

<b>FSANZ Fellow</b>	<b>Background / Expertise</b>	<b>Affiliated institution</b>
Professor Ken Buckle	Food science, processing and microbiology	University of New South Wales
Professor Nigel French	Molecular epidemiology and risk research	Massey University, New Zealand
Professor Stephen Goodall	Health economist	Centre for Health Economics Research and Evaluation (CHERE) and University of Technology
Professor Seppo Salminen	Intestinal microbiota and health, probiotics and prebiotics, health claims	University of Turku, Finland and Vienna University of Life Science, Austria
Dr Laurence Eyres	Food technology	ECG Ltd
Dr Heather Greenfield	Food composition	University of New South Wales and University of Canberra
Professor John Cary	Social sciences	Victoria University
Professor Lyn Cobiac	Nutrition and dietetics	Flinders University
Professor Graham Giles	Cancer epidemiology	Cancer Council and University of Melbourne
Professor Peter Langridge	Genomics	University of Adelaide
Professor Brian Priestly	Health risk assessment	Monash University
Professor Richard Shepard	Consumer behaviour	University of Surrey, UK
Professor Murray Skeaff	Nutrition	University of Otago New Zealand
Professor Anthony Smith	Complementary medicine	Newcastle Mater Hospital University of Newcastle
Professor Mark Tamplin	Microbiology and food safety	University of Tasmania
Dr David Fraser	Vitamin D	University of Sydney
Dr Peter Williams	Nutrition	University of Wollongong
Dr Winsome Parnell	Nutrition and infant feeding practices	University of Otago, New Zealand

### *Engagement with academic institutions*

The student project program is intended to be a mutually beneficial relationship between academia and FSANZ by encouraging students to undertake projects of relevance to FSANZ and food regulation. In 2011–12 students from the University of Canberra, University of New South Wales and University of South Australia undertook projects related to various issues of relevance to food regulation and safety (Table 9).

**Table 9: FSANZ student projects for 2011–12**

Project title	University
Exploration of the composition of foods commonly eaten in Aboriginal and Torres Strait Islander communities in Australia	University of Canberra
Determining what 'herbal teas' people are consuming, what are in these 'herbal teas' and do they pose a risk to human health/safety?	University of New South Wales
Natural extracts replacing food additives for functional purposes in food	University of New South Wales
Analysis of a-tocopherol in dietary supplements (vitamin E and multivitamin supplements)	University of South Australia

### **Consumer and social sciences research**

FSANZ continued to build its capacity to respond to the behavioural aspects of proposed changes to the food standards and to ensure that we maintain our currency with the social and behavioural sciences disciplines that underpin this work.

In 2011–12, we finalised a review of recent literature on the effects of nutrition content claims on consumers' health and nutrition perceptions, purchase intentions, and food purchases and consumption. The review ensured that our deliberations took into account the most appropriate scientific evidence on consumers' responses to nutrition content claims. We also finalised a major collection of data on consumers' responses to fortification and their consumption and understanding of sports foods. Both datasets will inform future projects relating to sports foods and voluntary fortification applications more generally.

We became an industry partner to an Australian Research Council Linkage Project, with Flinders University and the Department of Health (SA), in a two-year project to explore how food-related organisations develop and maintain consumer trust and how they can re-build trust in response to food scares.

During the year, the Principal Social Scientist undertook a secondment to the Social Science Research Unit of the United Kingdom Food Standards Agency (FSA). As a result, several collaborative projects have commenced. One project will explore how food regulatory agencies can ensure the quality and relevance of qualitative research they undertake and another will seek to develop methodologies for more realistic estimates of the willingness to pay to reduce foodborne illness, using consumer surveys.

We re-established the Social Science Expert Advisory Group (SSEAG). The SSEAG gives FSANZ access to expertise from across the social science disciplines and, through its members, ensures that our social sciences activity is appropriate and valid.

### **Regulatory analysis**

The regulatory analysis function in FSANZ ensures that regulatory changes create the maximum benefit for the community as a whole. In doing this work, we need to comply with the Council of Australian Governments' Best Practice Regulation Guide. The Office of Best Practice Regulation, in its *Best Practice Regulation Report 2011–12*, reported that FSANZ had complied in full with the COAG best practice guidelines.

In 2011–12, we made increasing use of economic models to allow us to quickly cost small changes and refinements to proposed regulatory interventions, for example, on projects as diverse as the regulation of seed sprouts and country of origin labelling.

We hosted an Economic and Social Science Forum on food regulation in November 2011, attended by international experts (via videoconference) and a number from Australia, who discussed their research with a large group of food regulators from both inside and outside FSANZ.

### **International networks**

#### *Codex Alimentarius Commission*

The FSANZ Act requires FSANZ to have regard to the international harmonisation of food standards and to use the best available scientific evidence in our regulatory decision-making. Our international networks provide opportunities for achieving both these objectives. FSANZ plays a significant role in developing international food standards produced by the Codex Alimentarius Commission.

We participate, as part of the Australian delegation, on many Codex committees, either as delegation members, delegation leaders or as chair of an individual committee. Table 10 summarises our participation in the work of Codex.

**Table 10: FSANZ participation in the work of Codex 2011–12**

Codex committee	FSANZ participation
Codex Working Groups on Guidelines for Microbiological Metrics	Member of Australian delegation
34th Session of Codex Alimentarius Commission	Member of Australian delegation
67th Session of Codex Alimentarius Executive Committee	Member of Australian delegation
6th Session of the Codex Committee on Contaminants in Food, (CCCF), The Netherlands	Led Australian delegation
33rd Session of the Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU), Germany	Led Australian delegation and co-chaired working group on Revised Vitamin and Mineral Reference Values for Labelling
40th Session of Codex Committee on Food Labelling (CCFL), Canada	Member of Australian delegation
43rd Session of the Codex Committee on Food Hygiene (CCFH), United States	Led Australian delegation
44th Session of the Codex Committee on Food Additives (CCFA), China	Led Australian delegation and chaired working group on Endorsement of the Food Additive Provisions of Codex Commodity Committees and chaired the working group for the harmonisation of the food additive provisions of the meat commodity standards

#### *International food safety liaison groups*

In March 2012 FSANZ hosted the third face-to-face meeting of the International Food Chemical Safety Liaison Group (IFCSLG). The IFCSLG, formed in 2006, provides a platform for national food regulators to exchange information on chemical risk analysis, emerging issues and food surveillance. Some of the food chemical safety issues covered included acrylamide, food contaminants, food colours, safety assessment of radionuclides, nutritional assessment of irradiated foods, food contact packaging chemicals, natural toxins and trans-fatty acids.

Following the success of the ICFSLG, a companion group was formed in September 2011 for international food regulators to discuss and collaborate on issues of mutual interest related to the microbial safety of food. FSANZ is a foundation member. Topics under discussion during the year included the *E. coli* O104:H4 outbreak in Europe, seed-sprout safety and identifying and controlling enteric viruses (e.g. hepatitis A virus and norovirus) in food.

#### *WHO Collaborating Centre for Food Contamination Monitoring*

FSANZ is a World Health Organization (WHO) collaborating centre for food contamination monitoring, and carries out activities to support WHO programs. During the year, we submitted

data from our survey of contaminants in coffee and our survey of polycyclic aromatic hydrocarbons. We also have a role in collaborating with the Western Pacific Regional Office of WHO (WPRO) in capacity building activities in areas of the Western Pacific. In this capacity, we jointly organised the inaugural meeting of WPRO, FAO, OIE, ASEAN and APEC Food Safety Cooperation Forum to share information on capacity building activities and to explore avenues for future collaboration.

### **Relationships in the Asia-Pacific region**

#### *APEC Food Safety Cooperation Forum (FSCF)*

FSANZ (on behalf of Australia) and the People's Republic of China share responsibility for co-chairing the FSCF and play a vital role in promoting and strengthening food safety capacity building in the Asia Pacific region. Since 2007, when the APEC FSCF was formed, food safety has been recognised as a high priority for APEC.

#### *APEC FSCF activities*

In 2011–12, significant progress was made on establishing the APEC FSCF Food Safety Incident Network (FSIN). The purpose of FSIN is to facilitate the development and implementation of FSCF-agreed approaches to improved information and knowledge sharing; food safety incident preparedness and response and recovery mechanisms, across the APEC region as well as INFOSAN.

FSANZ has played a major role in establishing the FSIN. Our expertise in the area of food safety incident management will make a significant contribution to food safety incident management in the APEC region.

APEC FSCF and the World Bank have a memorandum of understanding to form the Global Food Safety Partnership (GFSP). In 2012, the new GFSP was established. It will build on the extensive work of the APEC FSCF, with capacity building programs being enhanced and implemented globally. The initiative will include pilot capacity building programs in APEC economies, as well as activities to respond to high priority food hazards and strengthen analytics and metrics.

Through the APEC FSCF, FSANZ's expertise in the areas of food regulation, food safety incident management and risk analysis will therefore be at the forefront of global initiatives to improve food safety via the GFSP.

#### *Capacity building activities in the region*

In 2011–12, demand for FSANZ food safety and regulation expertise remained high, with a number of requests for training and capacity building assistance in conducting scientific risk analysis, chemical and microbiological risk assessments, risk communication, developing food laws/food regulatory frameworks and managing food safety incidents.

# 2

## Stakeholder relationships





## Stakeholder relationships

### Strategic imperative

- building stronger stakeholder relationships

### Objectives

- a shared understanding of FSANZ's role
- FSANZ has a reputation for being proactive and alert
- stakeholders see FSANZ as credible and trustworthy

### Outcomes

- professional and constructive relationships with all stakeholders
- a strong sense of engagement with FSANZ among stakeholders

### Highlights

In 2011–12 FSANZ:

- established an Allergen Collaboration to improve, through non-regulatory means, how food allergen risks are managed and to help consumers with a food allergy to make safer choices
- continued to maintain and support a wide range of advisory and liaison committees to provide advice from the community, the food industry, individual citizens, public health groups and other arms of government
- collaborated with the Australian Bureau of Statistics, under a three-year contract, to prepare the nutrient database for the National Nutrition and Physical Activity Survey component of the Australian Health Survey
- operated a Code Interpretation Service to provide interpretive guidance on food standards in chapters one and two of the Food Standards Code to all food industry stakeholders on a fee-for-service basis
- published on our website all applications to change the Food Standards Code, as well as submissions on applications and proposals, at no cost to readers

- continued to provide information services to the media and to the food industry, and maintained a vigorous publishing program
- participated in the educational programs of the Food Safety Information Council, including the annual Food Safety Week in Australia.

## Introduction

According to surveys conducted in 2009 and 2012, stakeholder relations are one of FSANZ's key strengths, the others being our professionalism and scientific expertise.

We cannot meet everyone's expectations, but our policy of seeking the views of a wide range of stakeholders to support our evidence-based processes, is clearly appreciated by most stakeholders. It is one of the reasons for the high levels of public confidence in the safety of food consumed in Australia and New Zealand.

FSANZ has the health and safety of the community as its main priority. However, we also are required to support the competitiveness of the food industry and government initiatives towards deregulation. We therefore aim for regulatory decisions that provide a net benefit to the community. This may not necessarily be seen as the middle ground by competing stakeholders.

Our goal is to build relationships with stakeholders that continue beyond the life of a particular standard-development project or food incident. To this end, we operate diverse programs of communication, awareness and stakeholder engagement in Australia and New Zealand. Some of these programs target specific individuals and peak organisations, who serve on our advisory and expert committees. Others, which are more concerned with awareness-raising activities, are directed at the broader community. Our active participation in the social media falls into this category.

Stakeholder relations are a high priority for FSANZ because we need information from all sectors of the community along with an understanding of our processes and an acceptance of our objectivity and integrity.

This is why, with the assistance of the Australian Food and Grocery Council and primary producers, our staff regularly visit food production and processing businesses. And why we are grateful to specialist academics in food-related disciplines for freely providing input to, and advice on, our risk assessments. Such contacts are invaluable, as too are those involving consumer and public health groups through, for example, our Consumer and Public Health Dialogue.

One of our responsibilities is to ensure that the community is aware of the provisions of the Food Standards Code and the approaches and processes that underpin food standards. We usually meet this responsibility by maintaining highly visible portals to the information we hold.

These portals include our website, which contains thousands of pages of information on the safety and regulation of food, much of it specifically prepared for a lay audience. We operate a consumer and industry information service and a specialised Code Interpretation Service for industry and government agencies. We provide the media with background information on topical food issues and interact with our followers on Facebook and Twitter.

FSANZ is only one player in the food regulatory system. However, its pivotal role in developing and maintaining the Food Standards Code shapes, to a large extent, public confidence in the system as a whole.

We intend to strengthen our capability to develop stakeholder relations by providing greater opportunities for all community sectors to have their positions considered.

## Stakeholders and regulatory partners

### Citizen involvement

#### *Advisory and liaison committees*

FSANZ maintains a wide range of advisory committees and expert panels who provide advice from the community, the food industry, individual citizens, public health groups and other arms of government. This advice feeds into the decision-making processes of standards development.

In 2011–12, the advisory and liaison committees listed in Table 11 continued to provide a valuable service to FSANZ.

**Table 11: Advisory and liaison committees**

Advisory committees and groups	Number of meetings and teleconferences
Advisory Committee on Novel Foods	7
Allergen Collaboration	4
Consumer and Public Health Dialogue	4
Consumer Liaison Committee	3
Food Allergy and Intolerance Scientific Advisory Committee	0
Food Surveillance Network	2
Industry Advisory Group on Food Packaging	1
Jurisdictional Forum	3
Ngā Kaitohutohu Kounga Kai	1
Retailers and Manufacturers Liaison Committee	2
Social Sciences Expert Advisory Group	1
Standard Development Committee for Raw Milk Products	1
Standard Development Committee for Meat and Meat Products	1

*Consumer and Public Health Dialogue*

The Consumer and Public Health Dialogue was established to enhance our high-level engagement with key public health and consumer stakeholders. In 2011–12 an observer from the Department of Health and Ageing joined the dialogue.

Dialogue members considered the potential for health impact assessments to be applied to FSANZ applications and proposals; food monitoring and evaluation and the Harvest dietary modelling system; and the Australian Government response to the Review of Food Labelling Law and Policy, particularly in relation to FSANZ's future work program. The dialogue also considered the application of a public health framework to regulatory matters, developing a short paper on a definition of public health and two case studies, which were presented to the FSANZ Board in May 2012.

### *Consumer Liaison Committee*

The Consumer Liaison Committee comprises representatives from consumer groups, Māori and Indigenous representatives and private individuals. The committee's objective is to provide grassroots advice to FSANZ on consumer publications and a consumer perspective on standards development activities. In 2011, FSANZ undertook a recruitment campaign using social media and our website to attract new members to the committee. Seven new members were appointed in October 2011.

### *Consultation with Māori*

In 2011, we reviewed our Māori consultation activities to determine whether they meet the needs of both the Māori community and FSANZ. The review took the form of an email survey of Māori Network participants and discussions with Ngā Kaitohutohu Kounga Kai (Māori reference group) members.

The results showed that the Māori Network was no longer a useful tool for engaging with Māori, in part because the membership has shrunk over time and the level of engagement was low. Ngā Kaitohutohu Kounga Kai members expressed the view that our current consultation processes do not provide effective engagement with Māori. As a result of the reviews, FSANZ and reference group members agreed to the discontinuation of Ngā Kaitohutohu Kounga Kai and to hold the Māori Network in abeyance. The FSANZ Board agreed to the disbanding of the reference group in March 2012.

We remain committed to engaging with Māori in our food regulation activities. To date, several agencies have expressed interest in working collaboratively on joint consultation initiatives. In particular, we have noted the emergence of Māori food businesses and the potential to engage with this growing sector.

### **Collaborative projects**

#### *Allergen Collaboration*

A 2011 review of the regulatory management of allergens identified the need to enhance current non-regulatory risk management approaches to allergen management. We have established a collaboration of representatives from state, territory and New Zealand governments, Australian and New Zealand allergy support associations and food industry, including the food service sector. The collaboration aims to improve, through non-regulatory means, how food allergen risks are managed and to help consumers with a food allergy make safer choices.

One of their main tasks of the collaboration to date has been to develop consistent and accurate key messages for various sectors throughout the food chain, with a view to promoting these among the different stakeholder groups.

#### *Modelling the impact of food reformulation activities*

We have modelled the predicted impact of a range of changes to sodium levels in foods agreed under the Australian Government's Food and Health Dialogue. This work has been carried out under a contract with the Department of Health and Ageing. We modelled voluntary reductions to sodium levels in a range of breads, breakfast cereals, simmer sauces and processed meats to meet industry agreed targets. The findings were used by the Dialogue to assist in evaluating the outcomes of these reformulation activities.

#### *Australian Health Survey*

FSANZ is working with the Australian Bureau of Statistics (ABS), under a 3-year contract, to prepare the nutrient database for the National Nutrition and Physical Activity Survey component of the Australian Health Survey (AHS).

The primary focus of work this year was the production of nutrient and portion size data for more than 3,000 new foods and beverages consumed by survey participants. Each food requires data for about 45 different nutrients. We also developed a new data system for converting product formulation data for around 10,000 dietary supplements, held by the Therapeutic Goods Administration, into nutrient data in the format required for the AHS.

Another component of the AHS is the National Aboriginal and Torres Strait Islander Nutrition and Physical Activity Survey, which will begin in early 2012–13. We commissioned a small analytical survey of nutrients in some foods—including kangaroo tails—that are commonly available in stores in remote communities, to ensure current information is available to estimate nutrient intakes for this population group.

#### *BSE consultations*

FSANZ continued to collaborate with DAFF to ensure that beef and beef products imported into Australia are free from BSE. FSANZ worked closely with DAFF Biosecurity on developing certification measures for the importation of beef and beef products from countries to which FSANZ has assigned a favourable BSE risk status. Coordination of in-country verification visits has also been assisted by DAFF as well as the Department of Foreign Affairs and Trade at both Canberra level and through the relevant overseas posts.

*Activities in the Asia-Pacific region*

A small team of FSANZ scientists led a week-long Food Chemical Risk Analysis Workshop in Singapore for staff of the Singapore Agrifood and Veterinary Authority, funded by the Singapore Government. This course aimed to give participants a good understanding of the Codex Alimentarius risk analysis framework, with a particular focus on the risk assessment of food chemicals. Evaluation of the workshop indicated that it was very well received and of benefit to all participants.

**Case study: Stakeholder engagement on low THC hemp**

Should hemp foods be approved for sale in Australia and New Zealand? Stakeholders are divided in their attitudes and so FSANZ's assessment of an application to approve such foods has involved consultation with many stakeholders who may not ordinarily be involved in standards setting processes.

We consulted with international food and drug agencies, through our diplomatic staff in many European countries, the United States and Canada, as well as holding face-to-face discussions with the United States Food and Drug Administration and the United Kingdom Food Standards Agency. We also consulted with Canadian, Australian and New Zealand hemp industry associations and individuals to investigate some of the practical issues associated with hemp farming and processing.

In addition, we met with an analytical laboratory and teleconferenced with police and other government agencies in Australia and New Zealand. As a result of these extensive consultations, FSANZ will be in a position to present a comprehensive impact assessment for the consideration of ministers later in 2012.

*Code Interpretation Service (CIS)*

The CIS provides interpretive guidance on food standards in chapters one and two of the Food Standards Code. It is available to all food industry stakeholders on a fee-for-service basis and the interpretative guidance provided is adopted and applied by Australian state and territory food regulatory agencies in the course of monitoring and enforcement activities.

During the year, the CIS received two applications for interpretive guidance. The first concerned Standard 1.3.3 Processing aids: Use of processing aids in manufacture of preparations of food additives and vitamins and minerals. Our interpretive guidance considered whether certain

processing aids in the standard could be used in the manufacture of preparations of food additives and vitamins and minerals.

The second sought guidance on Standard 1.2.2 — Food identification requirements: Lot identification. Here, the interpretive guidance considered the requirement for a label on a package of food to include lot identification information.

The interpretative guidance provided for both applications is available on the FSANZ website. We have established a web interface for the CIS to provide a forum through which industry and government can contribute to the CIS's development of interpretive guidance.

## Communication

As a small agency with limited resources, the FSANZ website is a key tool in communicating with stakeholders. We evaluated our website in 2011 and, in the latter half of the year, began a redesign task. The goal of the redesign project is to improve navigation and usability for the thousands of website visitors we receive each month. We wanted to ensure our stakeholders had a say in the design of the website, so we sought feedback during the design process from stakeholder groups, including government and consumer groups.

We finalised the design process in early 2012 and expect the 'build' of the new website to occur in late 2012. This will be followed by further user testing.

### Information for the community

#### *Transparency and disclosure*

The Australian Government's new Information Publication Scheme aims to promote transparency and pro-disclosure. All applications to change the Food Standards Code, as well as submissions on applications and proposals, are published on our website, at no cost to readers.

We do not publish any material that is confidential commercial information or where we have been asked to keep certain information confidential, such as personal information.

Applications are published when we publicly notify FSANZ's decision to accept an application on completion of the administrative assessment. Supporting documents for applications are not placed on the website until the first call for submissions. Submissions will be published as soon as possible after the end of the public comment period.



*Website*

During 2011–12, the FSANZ website attracted more than 700,000 unique visits, with monthly visits ranging from about 60,000 unique visitors to 80,000. We are using surveys, social media and analytics tools to help define our most popular pages.

As noted earlier, the FSANZ website is being redesigned. An important part of this process is reviewing content to ensure it is current and user friendly. FSANZ has been undertaking a comprehensive review of content, beginning with consumer content; rewriting and refreshing this content ahead of the build of the new website. We revised more than 50 consumer fact sheets and published several new fact sheets on subjects ranging from nitrates and nitrites and arsenic in food to chemicals in food packaging.

The Nutrition Panel Calculator (NPC) is one of the most visited parts of FSANZ’s website. It provides the food industry with extensive information on the nutrient composition of foods, together with an easy-to-use program for preparing nutrition information panels. In 2011–12, we released an updated version of the NPC with extra nutrient data and new features for users, who number around 150 or more every day.

*Social media*

Our social media presence has continued to grow. FSANZ now has more than 3,600 ‘likes’ on Facebook and close to 2,000 Twitter followers. The feedback from people using these tools has been invaluable. It alerts us to consumer concerns and helps to determine what information consumers want. Social media figures demonstrate that food recalls continue to

be a key concern for consumers and these posts are regularly commented on or re-tweeted.

The use of chemicals in food or the migration of chemicals from food packaging continues to be a concern for some consumers, as does the genetic modification of food.



FSANZ’s Facebook cover photo.

*Print and electronic media*

FSANZ continued to receive media enquiries on a range of food-related issues during 2011–12. Food additives and the safety of additives attracted attention, as did chemicals either from a food packaging perspective (e.g. BPA) or agricultural and veterinary chemicals in food, e.g. carbendazim. The release in February 2012 of a consultation paper on a new nutrition and health claims standard attracted significant attention. Responses on Food Standards Code labelling requirements and issues relating to the genetic modification of food were also regularly sought by media both in Australia and overseas.

**Consumer publications***Food Standards News*

*Food Standards News* continues to be published monthly. The number of subscribers has increased by 1,000 to more than 7,000 subscribers in the past twelve months. The most popular stories during that time have been the FSANZ publication *Agents of Foodborne Illness* and reports on surveillance activities, including publication of the Australian Total Diet Study findings.

*Food Surveillance Newsletter*

The *Food Surveillance Newsletter* is a web-based publication promoting national and international surveillance and monitoring activities. The newsletter describes analytical survey work conducted in Australia and New Zealand, and provides summary information on food recalls, imported food matters, food incidents and international engagement. FSANZ manages the newsletter with article contributions from members of the Food Surveillance Network.

In 2012, we changed the format of *Food Surveillance Newsletter* to enable timely publication of survey work. The newsletter page on the FSANZ website is now updated as surveys are published, and subscribers alerted to the updates via email.

*Monitoring of Emerging Issues Newsletter*

The FSANZ *Monitoring of Emerging Issues Newsletter* provides a snapshot of emerging issues, foodborne disease outbreaks, food recalls, surveillance and monitoring activities and international food safety policy development. The newsletter is published each month on the FSANZ website, and FSANZ staff and more than 200 interested stakeholders are notified of its availability. As this publication captures some food safety issues at an early stage, it is considered a useful tool in identifying emerging food safety issues.

## Industry and consumer advice

### *FSANZ information service*

We receive thousands of enquiries each year from food businesses, government agencies and other stakeholders about the Food Standards Code. We continued to refine our website to provide improved information and links to associated agencies to ensure people can easily identify where to find the information they are looking for and which agency can best answer their query.

Improved website analytics have allowed us to determine how many people are visiting our contact us form and, of those, how many are proceeding to make an enquiry. The number of visits to the contact us form decreased from 13,153 in 2010–11 to 7,892 in 2011–12. Corresponding figures for the number of follow-through enquiries are 1,958 in 2010–11 and 1,539 in 2011–12.

### *Industry site visits*

FSANZ participated in two industry site visits. The first visit was to Mars Foods and McCain in Ballarat in October 2011; the second to Unilever and SPC Ardmona in Shepparton in March 2012. Staff from several Commonwealth and state departments and from the Australian Food and Grocery Council also attended. These visits provide a development opportunity for FSANZ staff to find out more about the issues facing food manufacturers.

## Public awareness campaigns

### *Food Safety Week*

FSANZ is a founding member of the Food Safety Information Council, which educates consumers in safe food handling. The council manages the annual Australian Food Safety Week. The theme for 2011 was 'vulnerable populations'. Activities included a media release, television and radio community service announcements and mailouts of brochures and posters.

The week attracted 90 media mentions, which was down on the number for 2010, but coverage included stories in mass-circulation publications such *Women's Day*. There was a significant leap in social media mentions about the campaign in 2011. Television coverage included stories on the 7PM Project, Sunrise, Today Tonight and A Current Affair.

The council also ran activities during the Christmas period with messages for return to work and school following the December holidays, and a campaign over Easter on the dangers of using raw eggs.

# 3

## People and organisational capability



## People and organisational capability

### Strategic imperative

- continuing to strengthen the capability and capacity of FSANZ

### Objectives

- increased efficiency of our organisational processes
- an enhanced reputation for being a safe, professionally rewarding and productive workplace

### Outcome

- a positive culture in FSANZ where staff feel motivated in their work, are valued and respected

### Highlights

In 2011–12 FSANZ:

- strengthened our information and communication technology capability by implementing disaster recovery plans, ICT security and the performance of our telecommunications link between our Canberra and Wellington offices
- conducted a biennial staff survey and compared the results with other small APS agencies, showing that FSANZ is in the top cohort for almost all of the metrics
- began an extensive review of workforce strategies and plans (e.g. learning and development, recruitment and retention, succession planning), and capabilities for work types within FSANZ
- commenced reporting our employment profile along the lines suggested by the Australian Public Service Commission
- concluded an Enterprise Agreement for Australian employees in October 2011
- changed our Employee Assistance Provider—an external consultant who provides employees with access to confidential professional counselling to assist with work and personal issues
- arranged hearing tests for staff members and continued to offer influenza vaccinations
- received no formal complaints for bullying and harassment.

## Introduction

Organisational capability can be divided into three areas, the first being internal processes and systems for meeting stakeholders' needs. For FSANZ, this includes having efficient processes in place for handling applications to amend the Food Standards Code; providing information to a range of audiences; and having a governance regime that sets strategic directions for the agency and provides leadership.

Organisational capability is also about creating competencies in the agency to meet our business goals. This means matching the individual capabilities of staff to corporate goals and ensuring those capabilities are developed so that FSANZ has the technical and non-technical expertise necessary to address current and future needs.

Finally, our planning and evaluation processes ensure that employee skills and efforts are directed toward achieving our corporate goals and strategies. This is particularly crucial at a time when financial resources are limited, while workloads increase. It includes the ability to prioritise work and to terminate programs. It requires a business-like approach to every aspect of FSANZ's work.

In 2011–12, we made a number of advances aimed at improving our organisational capability.

We established an innovation and reform function to act as a focal point for implementing the Australian Public Service's *Innovation Action Plan*. We formed an Innovation Practice Group to gather information from other agencies, developed a FSANZ innovation process to progress ideas and took the first steps to implementing a reward system for creative initiatives by staff. In addition, we modified our Performance Management and Development Scheme to include 'innovation' as a pathway for section managers to gain 'superior' and 'outstanding' ratings.

The FSANZ Board has had a long-standing interest in workforce planning issues. During the year, we developed a workforce planning strategy. The strategy will guide preparation of plans for learning and development; recruitment and retention; workplace diversity; succession planning and the identification of skills and expertise into the future. These detailed plans should be finalised early in 2012–13.

Allied to this initiative, we have begun preparing an organisational capability framework. The project involves identifying five work types that cover the agency's work, developing capabilities (or competencies) for these work types, and determining the technical and non-technical skills required to meet these capabilities. We are particularly concerned about capabilities used in the APS Integrated Leadership System, such as strategic thinking, cultivating productive working relationships, and communicating with influence.

Another initiative was an assessment of 'agency health', using a checklist recommended by the Australian Public Service Commission. This was a study of processes, systems and directives, not an assessment of performance. The assessment team gathered evidence that appropriate structures were in place to meet the criteria in the APSC checklist.

Using a maturity approach to the assessment, the team determined whether a process or other enabling structure was 'under-developed', 'mature' or 'fully mature'. Further work will now be undertaken to see if the maturity levels are appropriate for an agency with our responsibilities and culture.

Central to all this activity is the premise that organisational capability is not the preserve of the planning process or the human resources function. It is a responsibility of all levels of management and every member of staff. For this reason, our people have been given, and will continue to be given, every opportunity to participate in developing strategies and plans.

## Organisational capability and capacity

### Information and communication technology (ICT)

During the year, FSANZ improved its business operations by actively encouraging innovation and making better use of existing and future ICT capabilities. Our aim has been to obtain maximum value from our current investments in our core ICT infrastructure—that is, data modelling, collaboration, mobility, desktops, security and server environments.

In 2011–12, we undertook a range of initiatives to improve ICT services, including:

- increased staff ability to work away from the office, with greater mobility options
- maintaining our core systems with minimal outages and high availability
- improving the overall performance of the Wellington-to-Canberra data link, with utilisation of bandwidth at about 40%
- upgrading virtual servers on the disaster recovery site to take advantage of increased productivity changes
- installing new more cost efficient multifunction Ricoh copiers, with a swipe card printer system, to enable faster, secure printing and to reduce the environmental impact.

FSANZ's ICT systems no longer act in a reactive supporting and service role; they have evolved into a key business enabler, enhancer and driver. For example, our continued development of the SharePoint environment has enabled states and territories to consult with us on the Code Interpretation Service. We also introduced a rolling program of converting hard-copy forms to electronic forms and we are in the final stages of testing a new application and submissions management system before rolling it out in 2012–13.

FSANZ also introduced an ICT-based food recall system with SharePoint and systems to improve project management in the agency. We are currently finalising development of a document management system which, when completed, will be fully compliant with the Australian Archives Act.

#### *Canberra – Wellington link*

As a bi-national agency, reliable and effective communication between our Canberra and Wellington offices is essential. Communication between offices is achieved through video conferencing and telephone services. These systems reduce travel costs and are consistent with recent Gov 2.0 and Web 2.0 reforms, which promise to deliver better, more convenient systems.

During the year, we made improvements to the Canberra–Wellington link, including increasing data bandwidth where necessary, strengthening capacity for document sharing between offices, and providing faster Windows 7 mobile phones and more Blackberries to senior staff.

#### *ICT disaster recovery*

FSANZ selected Verizon to host our off-site disaster recovery hardware and software in one of Canberra's newest and most secure Tier 3 class data centres. Verizon has been providing ICT solutions and services to the Australian Government for more than twenty years and also manages the secure Intra Government Communications Network (ICON) between all Commonwealth agencies. We will be relocating our disaster recovery infrastructure to Verizon Data Centre early in 2012–13.

#### *ICT security*

With an increasingly mobile workforce, the risk of potential security breaches increases. To mitigate this risk, we continuously strengthen and improve network security. FSANZ installed a more secure and reliable RSA Citrix gateway that will enable more mobile devices and tablets to be used. We maintained and enhanced our Fedlink accreditation to ensure the ability to send in-confidence emails to all other government departments. And we introduced a mobile device management system to better manage remote and mobile staff, phones and tablet devices.



### *ICT workforce capability*

As required by the Australian Government's ICT Strategic Workforce Plan 2010–2013 FSANZ has submitted an ICT workforce plan to APSC during the year.

### *Information and records management*

During the year, the National Archives of Australia (NAA) analysed risk mitigation indices for APS agencies to measure the state of information and records management in the Australian Public Service. Overall, FSANZ ranked 12th, with above-average ratings for all indices, except for our performance in auditing our information and records management functions. We consider auditing of these functions to be of low risk and have therefore allocated our internal audit resources to areas of higher risk.

### **Staff Forum**

The Staff Forum is the main consultative mechanism for communication between staff and the executive on workplace issues. In 2011–12, the forum assisted in developing the staff survey. The forum coordinated hearing tests for 42 staff members and coordinated fundraising for victims of the Christchurch earthquake and the Queensland floods. The forum also supported the agency's annual RSPCA Cup Cake Day fundraising activities held each August.

In March 2012, the forum welcomed Professor Chris Parish from the Australian Cancer Research Council, who explained how FSANZ donations have been used in Canberra. FSANZ is now a corporate member of the Australian Red Cross for blood donations, with 15 staff members donating blood on average for each session.

Dr Leise Berven assumed the chair of the Staff Forum during the year, replacing long-serving co-chairs Dr Janice Abbey and Ms Gillian Duffy. We gratefully acknowledge their contributions.

### **2012 staff survey**

The FSANZ 2012 staff survey, conducted by ORIMA Research, demonstrated that FSANZ has maintained strong results in the three key outcome indicators: staff engagement, staff satisfaction and staff loyalty/commitment. Generally, results showed a slight decline from the very positive 2010 results, but were more positive than or comparable with 2008 results.

ORIMA compared FSANZ results with the overall APS results and APS small agency results from the 2011 APSC State of the Service Survey. Small APS agencies tend to have many factors in common, such as higher average levels of staff satisfaction, but more limited opportunities for career development. The APS small agency averages are generally higher, making them more challenging benchmarks for FSANZ to be compared with.

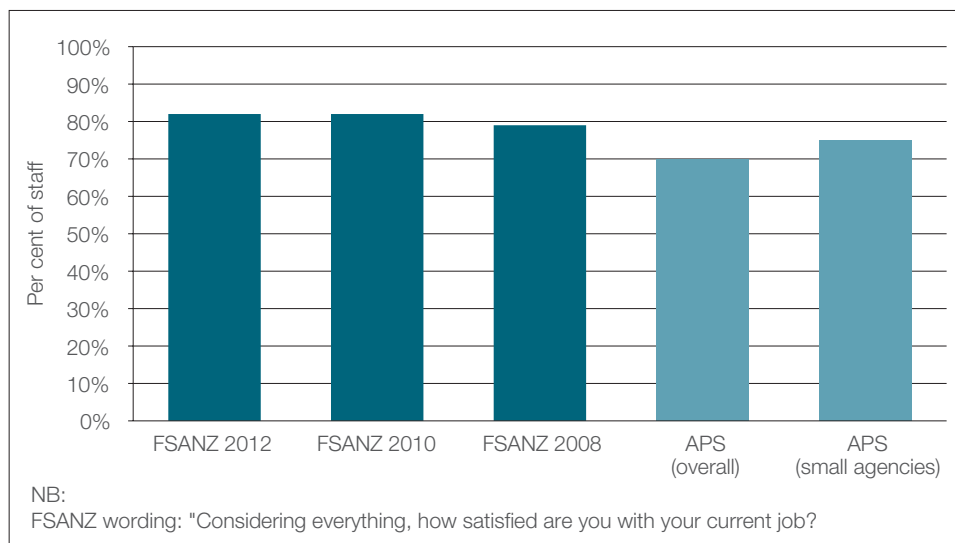
Compared with the APS overall, FSANZ staff reported higher levels of satisfaction with their jobs (82% satisfied, compared with 70% for the APS overall and 75% for small APS agencies). As shown below in Figure 3, the findings were consistent with 2008 and 2010 FSANZ results.

For the first time since FSANZ began commissioning staff surveys, individual reports for each branch have been prepared. These will be used by General Managers to identify key areas for improvement that are specific to their respective branches.

One area for FSANZ to improve on is creating a culture of innovation. Whereas 88% of APS staff, and 91% of APS small agency staff agreed that 'I am constantly looking for better ways to do things', only 84% of FSANZ staff agreed that they were always looking for better ways to do things. Similarly, only 60% of FSANZ staff were satisfied with their chance to be creative, compared to 65% of APS small agency staff.

The proportion of staff reporting that they intend to leave FSANZ in the next two years increased from 24% in 2010 to 34% in 2012. However, there was only a slight increase in staff intending to leave FSANZ in the next 12 months. ORIMA have indicated that this measure tends to fluctuate in line with overall confidence in the APS job market, as well as staff job satisfaction. Intentions do not always translate into action, as shown by staff retention rates which remain very high in FSANZ.

**Figure 3: Staff satisfaction with current job 2012**



### Sustainable development

FSANZ is a tenant in commercial premises, yet we have implemented whole-of-government action to reduce our carbon footprint as an agency. This has been achieved by requesting changes from the building owners and by encouraging 'green' behaviours by our staff.

In 2010–11, we agreed with the building owner to sign a green lease when our Canberra lease is renewed in January 2013. The owner undertook to raise the energy efficiency of our Canberra office to a 5-star energy rating and also to install state-of-the-art energy efficient air conditioning and heating systems. This latter improvement is resulting in an overall reduction in energy consumption of over 50% a year.

We signed a whole-of-government electricity supply contract which, as well as saving us money, also provides detailed reports that allow us to monitor our electricity use. We installed heat-reflecting blinds on the side of the building most exposed to sunlight to keep interior temperatures lower in summer and reduced our carbon footprint from airline travel between Canberra and our New Zealand office by increasing our use of video conferencing.

New, more cost-efficient multifunction copiers have enabled us to reduce the environmental impact of copying, including the use of paper. In addition, during the year, the agency organised a 'paper challenge' to staff to find ways of reducing the use of paper in their work. We began the distribution of tablets (e.g. iPads) to staff to eliminate the need for hard-copy papers at meetings.

### FSANZ employment profile

In tables 12–17 below, we provide a summary of our employment profile for the year, compared with that for 2010–11 and with the Australian Public Service. APS statistics were obtained from the *State of the Service Report 2010–11*. Data for FSANZ and the APS are as at 30 June for the year in question.

**Table 12: Total employees**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
Total employees	141	166,495	138
Total employees (ongoing)	119	153,315	117
Total employees (non-ongoing)	22	13,180	21
New Zealand-based employees (ongoing)	11	N/A	11
New Zealand-based employees (non-ongoing)	4	N/A	4

During the year, the FSANZ workforce decreased slightly from 141 employees in 2010–11 to 138 employees.

**Table 13: Stability and mobility**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
New starters (% employees ongoing)	5.0% (7 people)	10.7%	3.6% (5 people)
New starters (% employees non-ongoing)	10.6% (15 people)	N/A	9.4% (13 people)
Separations (% employees ongoing)	13.4% (16 people)	6.2% (ongoing)	7.7% (9 people)
Retention rate (% ongoing employees)	86.6% (103 people)	93.8%	92.3% (108 people)

The number of ongoing new starters fell from 5.0% to 3.6%, reflecting management's response to increased efficiency dividends announced by the Australian Government and the appointment of non-ongoing staff for specific projects, with defined short-term funding.

Canberra continued to experience a tight employment market. However, the high retention rate is probably also due, in part, to the high levels of satisfaction reported by FSANZ employees in the recent staff survey. These results are reflected in a 92.3% retention rate for ongoing employees, which has increased over the past three years. If, however, we consider only those staff leaving the APS, the FSANZ staff retention rate would increase to 95.7%.

**Table 14: Workforce diversity**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
Indigenous Australian employees	0.0%	2.1%	0.0%
Employees with disability	N/A	3%	2.2% (3 people)
NESB1 (employees in Australia)	10.6% (15 people)	5.1%	7.2% (10 people)
Women	66.7% (94 people)	57.4%	65.2% (90 people)
Non-ongoing employees	15.6% (22 people)	7.9%	15.2% (21 people)
Part-time employees (ongoing)	15.6% (22 people)	13.8%	20.3% (28 people)

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
Part-time employees (non-ongoing)	2.8% (4 people)	38.8%	1.5% (2 people)
Part-time female employees	16.3% (23 people)	21.2%	18.1% (25 people)
Part-time male employees	2.1% (3 people)	4%	3.6% (5 people)

The number of employees from non-English speaking backgrounds (NESB1) decreased from 10.6% in June 2011 to 7.2%.

Please note that FSANZ does not require staff to disclose whether they are affected by a disability. Statistics issued by the Australian Bureau of Statistics, suggest that 18.5% of the population suffer from some form of disability.

FSANZ's female workforce has remained stable at 65.2%. This percentage of female employees is higher than the APS (57.4%) and has remained steady over the past 15 years. It reflects the nature of our work as much as our family-friendly work environment, such as providing access to flexible working arrangements through the FSANZ Enterprise Agreement.

Non-ongoing employees fell slightly from 15.6% to 15.2% of our workforce, partly due to the non-renewal of contracts, compared to 7.9% in the APS.

**Table 15: Workforce experience**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
New starters (% all employees)	15.6% (22 people)	N/A	13.0% (18 people)
Re-engagements (% ongoing new starters)	2.1% (3 people)	4.1% (ongoing)	0.0%
Re-engagements (% non-ongoing new starters)	0.7%	17.1%	2.2% (3 people)
Average length of service in APS (ongoing)	9.4 years	8.5 years (ongoing)	11.5 years
Average length of service in APS (non-ongoing)	2.6 years	N/A	1.7 years
% of employees having worked in more than one APS agency	41.0% (58 people)	29.3%	41.3% (57 people)

The percentage of total re-engagements to the APS is significantly lower than the APS average. Given the specialised nature of many of our job vacancies, they often attract applicants from a wide range of private, academic and state government work environments. We view this as a positive situation, bringing new ideas and expertise to the agency.

**Table 16: Ageing workforce**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
Employees >55yo (% employees)	24.2% (34 people)	14.1% (ongoing)	<b>23.9%</b> <b>(33 people)</b>
Separations of ongoing >55yo (%)	2.8% (4 people)	28.4%	<b>1.5%</b> <b>(2 people)</b>
Separations of non-ongoing >55yo (%)	0.7% (1 person)	N/A	<b>1.5%</b> <b>(2 people)</b>
Re-engagement of non-ongoing >55yo (% of age group)	0.7% (1 person)	48.2%	<b>0.0%</b>

FSANZ's ageing workforce has slightly decreased from 24.2% in 2010–11 to 23.9%, with the retirement of two employees. This is higher than the APS figure (14.1%) and remains a concern for management. We intend to address this issue further in our review of workforce planning and capability.

**Table 17: Classification structure**

	FSANZ 2010–11	APS 2010–11	FSANZ 2011–12
APS levels (% employees)	40.5% (57 people)	70.5%	<b>37.7%</b> <b>(52 people)</b>
EL levels (% employees)	55.3% (78 people)	26.4%	<b>58.0%</b> <b>(80 people)</b>
SES (% employees)	4.2% (6 people)	1.8%	<b>4.3%</b> <b>(6 people)</b>
Staff promoted (% employees)	2.1% (3 people)	0.8% (ongoing)	<b>2.2%</b> <b>(3 people)</b>

Due to the nature of work and structure of FSANZ (high levels of specialist scientific staff), the proportion of APS-level employees (37.7%) is significantly less than the APS average of 70.5%.

## Employment environment

### *Enterprise Agreement*

Our previous Enterprise Agreement (EA) expired on 30 June 2011. Preparations for appointing a negotiating committee began in January 2011 and we began discussions in March 2011. Negotiations took longer than expected, with the vote by staff taking place in September 2011. Staff supported a new three-year agreement, which came into effect in November 2011. The new EA has a nominal expiry date of 30 June 2014.

The terms and conditions agreed by staff and unions in the EA were consistent with Government policy, including the requirement that increases in salaries are fully offset from within the existing budgets by improvements in productivity.

While our New Zealand employees are not eligible to be included in the Australian EA, they had observers on the negotiating committee. Following finalisation of the EA, individual New Zealand staff agreements were revised to match the terms and conditions of the Australian EA, except where New Zealand workplace legislation took precedent.

### *Occupational health and safety*

The Australian Government's *Work Health and Safety Act 2011* came into effect on 1 January 2012. FSANZ reviewed all its policies and procedures to ensure that it met the requirements of the legislation. However, while all key requirements of the legislation are already in place, we have scheduled appropriate training courses to inform staff of the provisions of the legislation as part of the learning and development program.

Our Occupational Health and Safety Committee continued to meet on a quarterly basis to report on selected issues. No accidents or injuries were reported to the committee or to the Staff Forum during the year and, importantly for our premiums, there were no incidents filed with Comcare.

In 2011–12, we changed our Employee Assistance Program (EAP) provider following a tender process undertaken by the Department of Health and Ageing to identify a new provider for the portfolio. The EAP provides employees with access to confidential professional counselling to assist with work and personal issues and provides training programs to help staff manage in the workplace. Employees are also able to access a range of flexible working arrangements that promote work-life balance.

### *Workplace wellness*

The Workplace Wellness Program facilitated a number of activities to encourage staff to become more health-conscious, physically active and to achieve an appropriate work-life balance. Weekly yoga sessions continued to be well attended. There was strong participation in the three-week challenge aimed at encouraging participants to walk at least 10,000 steps each day. Staff also participated in Are you OK day; which was promoted across the organisation by senior executives.

As in previous years, we provided staff with free on-site influenza vaccinations. In addition, because of our ageing workforce, we offered free hearing tests to staff for the first time. Some 42 staff members took up the offer, with two being identified as needing further testing. We continued to fund eyesight testing and corrective lenses to approved levels for all staff required to operate screen-based equipment.

Personal/carers leave use was 8.9 days per employee.

### *Learning and development*

Each year, FSANZ employees and their supervisors agree on a schedule of professional development covering technical and non-technical capabilities. Most discipline-specific training is organised at section level. Other education and training opportunities are either provided by the Australian Public Service Commission or by the agency through its human resources function, e.g. time management courses.

All staff—ongoing and non-ongoing—have an annual budget for professional development but, at no cost to the agency, mentoring and in-house tuition supplement these paid opportunities. We intend to re-assess our professional development programs once our capability framework is finalised, tailoring the programs more closely to individual needs.

### *Workplace harassment and bullying*

In 2011–12, Harassment Contact Officers (HCOs) completed their biennial refresher training program and we provided training on bullying and harassment to all staff members. The Staff Forum adopted bullying and harassment as a standing item on its agenda to ensure that the matter continues to be given a high profile in the agency. No formal complaints of bullying and harassment were made during the year.



*Workplace diversity*

We reviewed and extensively revised our Workplace Diversity Strategy to ensure it remained relevant to current needs. The strategy for 2012–15 represents FSANZ’s response to identified areas of potential disadvantage for employees. It aims to create a supportive, flexible and fair workplace in which differences between employees are respected and viewed as an organisational asset.

*Rewards and recognition*

FSANZ has a program to reward and recognise individuals or teams who perform their work over and above expectations. A panel of representatives from each branch assesses nominations and makes a recommendation to the Chief Executive Officer.

The Chair’s Annual Development award is made by the FSANZ Chair on behalf of the CEO and executive team and recognises significant one-off achievements or contributions by individuals or teams. The recipient for 2011–12 was Jenny Hazelton for her outstanding contribution to the work of the agency and, in particular, in managing the response to the Review of Labelling Law and Policy (the Blewett Report).



CEO Steve McCutcheon with the Australia Day Achievement Medallion recipient, Cathie Humphries.

The Australia Day Achievement Medallion acknowledges an individual or team that has demonstrated achievements beyond the expectations of their role. In January 2012, the recipient was Cathie Humphries for exemplary service as Parliamentary Liaison Officer and Standards Management Officer.

The CEO’s Half-Yearly Award acknowledges team or individual contributions towards the corporate goals of FSANZ. This year’s recipients were Peter Keegan, Melanie Perin, Joy Gosden, Dr Matthew O’Mullane, Dave Meier, Colleen Seamons and Dr Leise Berven.

## Organisational structure

FSANZ's six-member executive team includes the Chief Executive Officer, the Chief Scientist, General Manager Risk Assessment Branch, Deputy Chief Executive Officer and General Manager Food Standards (Canberra) Branch, General Manager Food Standards (Wellington) Branch and General Manager Legal and Regulatory Affairs Branch.

To separate the risk assessment and risk management functions of the agency, we conduct these activities within different branches.

The Food Standards Branch in Canberra is largely responsible for risk management in relation to food safety standards in the Food Standards Code, for coordinating Australia-wide responses to food incidents and for nutrition and public health activities. The branch is also responsible for corporate operations, finance, consumer and social sciences, regulatory analysis and ICT. The corresponding branch in Wellington is responsible for developing labelling and compositional standards (including product safety) and for information and finance.

Our Risk Assessment Branch carries out the scientific evaluation of risks to human health through food, including collecting compositional information, dietary modelling and evaluating the effectiveness of food standards.

Our work is organised in sections, as set out on the organisation chart (Figure 1) in the Corporate Overview.

### Senior management

Working under the strategic directions established by the Board, the executive leads and effectively manages the operations of the agency. The management group, comprising section managers and the executive, meets weekly. Section managers, and their general managers, are responsible for supervising staff to ensure they meet milestones, appropriately use budgets and staffing resources and contribute effectively to our goals and outcomes.

During the year, six senior executive service staff received performance bonuses totalling \$113,643 and 22 employees received performance payments totalling \$145,388.

At 30 June 2012, our executive team comprised:

#### *Steve McCutcheon—Chief Executive Officer*

Mr McCutcheon is responsible to the FSANZ Board for the efficient administration of the agency and, in conjunction with the Board, for the corporate and strategic directions of FSANZ. He is also an *ex officio* member of the Board.

*Melanie Fisher—Deputy Chief Executive Officer and General Manager Food Standards (Canberra)*

Ms Fisher is responsible for risk management associated with developing food standards that primarily address health and safety matters, including standards for the primary industries, as well as for the agency's social sciences and regulatory impact and analysis activities, and innovation and reform. In addition, she has senior management responsibility for corporate services, including a library, human resources and ICT functions.

*Dr Paul Brent—Chief Scientist*

Dr Brent has executive responsibility for FSANZ's scientific work, data collection activities (including dietary modelling) and developing collaborative relations with scientific institutions and the program that evaluates the impact of our standard setting activities. He also coordinates our scientific relations with international agencies, especially Codex.

*Dr Andrew Bartholomaeus—General Manager (Risk Assessment)*

Dr Bartholomaeus has executive oversight of the agency's risk assessment activities involving chemical, microbiological and nutritional analyses and the assessment of the BSE status of overseas countries.

*Dean Stockwell—General Manager Food Standards (Wellington)*

Mr Stockwell is responsible for the risk management functions associated with developing food standards that address labelling and information matters, food contaminants, food composition, food additives and foods requiring pre-approval such as novel foods. Mr Stockwell is the senior FSANZ representative in New Zealand and is responsible for managing relationships with consumers, industry, government and other stakeholders there. He also has executive responsibility for finance.

*Peter May—General Manager Legal and Regulatory Affairs*

Mr May is responsible for corporate governance, oversight of the Office of General Counsel (an independent provider of internal legal advice), maintaining the Food Standards Code, and parliamentary and ministerial liaison. He also has executive oversight of communication and stakeholder engagement.

# 4

## Accountability



## Accountability

### Strategic imperative

- complying with relevant governance and accountability requirements

### Objectives

- a continued culture of excellent governance
- appropriate systems in place and regularly checked

### Outcomes

- total compliance with legislative and reporting requirements
- government confidence in FSANZ's ability to manage its work and resources

### Highlights

In 2011–12 FSANZ:

- received seven freedom of information requests
- organised internal audits of workforce planning, procurement processes, disaster response and business continuity planning and provided advice to stakeholders on the operation of the Food Standards Code
- developed a corporate plan for 2012–15, structured around three strategic imperatives—building food standards and practices, strengthening our evidence-based approach to regulation and helping consumers make informed decisions
- tested our Business Continuity Plan successfully against a number of scenarios
- transferred New Zealand staff to new premises in Wellington after an assessment of the earthquake risk for the building housing the New Zealand office proved to be too high.

## Introduction

Accountability only exists where there are proper accounting practices. This annual report is a case in point. The content of this report is determined by requirements of the FSANZ Act, the *Commonwealth Authorities and Companies Act 1997* and the Report of Operations Schedule of the Commonwealth Authorities and Companies (Report of Operations) Orders 2011.

These requirements demonstrate to the Australian Parliament wise stewardship by the FSANZ Board of the expenditure of public monies in meeting the agency's objectives.

Financial accountability is a key part of our accountability structure along with demonstrating how we meet our objectives, determine our priorities and apply ethical considerations in running a regulatory business.

Added to this is the Statement of Expectations issued by the Parliamentary Secretary for the year, which can found on our website. The statement outlines how FSANZ should operate to meet its key objectives. For 2011–12, the statement includes our short-term and long-term priorities, stakeholder relationships, compliance activities and our role as an employer.

FSANZ provided the Parliamentary Secretary with a Statement of Intent (also available on our website) in which we outlined our response to the Parliamentary Secretary's expectations.

Our system of rolling internal audits ensures that our processes are not only robust and appropriate, but also consistent with our legislative remit. We have a *Corporate Plan* and other planning strategies that provide overarching directions for staff and signals to the community of where FSANZ's priorities lie. We pursue a policy of transparency in all our work as the ultimate accounting practice.

The Board's Finance, Audit and Risk Management Committee maintains oversight of our accountability processes. Areas under surveillance include possible non-compliance with governmental and international regulatory requirements, such as the FSANZ Act, inaccurate recording and reporting of financial transactions and failures of the Food Standards Code to achieve our regulatory objectives.

This standing committee of the Board requires FSANZ staff to demonstrate that measures are in place to mitigate the inherent risks associated with these potential failures of accountability, and reduce their impact on the agency. The committee also monitors mitigation measures applied by the agency to other strategic and operational risks, including potential failures in workforce planning, reputation and credibility, and conflicts of interest by Board members.

Accountability aspects of governance are thereby well-entrenched in FSANZ.

However, as stated above and in previous annual reports, transparency is the key to good accounting practice. By making our approaches, processes and decisions publicly available, we receive feedback from consumers, the food industry and our regulatory partners on how well we are meeting our legislative obligations.

Such feedback can and does keep us honest and mindful that we are ultimately accountable to the people of Australia and New Zealand for ensuring a safe food supply.

## Our role and priorities

FSANZ's main and subsidiary objectives for developing food standards are set out in Section 18 of the *Food Standards Australia New Zealand Act 1991*. Our functions are outlined in Section 13 of the Act. These legislative requirements determine the way we do our core business.

Our goal is to achieve a high degree of public confidence in the safety and quality of food. This goal is shared by all elements of the food regulatory system. Our outputs—food standards—provide the food industry with the regulatory framework for conducting business, but the ultimate beneficiaries of our work are the Australian and New Zealand populations.

FSANZ developed a Strategic Map for 2009–12 which appears in Appendix 12. The map describes how the FSANZ Board has translated the agency's legislative responsibilities into a strategic approach to guide our work into the future.

Central to this approach are the four strategic imperatives of the agency for 2011–12:

- enhancing the quality of regulatory standards
- building stronger stakeholder relationships
- continuing to strengthen the organisational capability and capacity of FSANZ
- complying with relevant governance and accountability requirements.

These imperatives provide the framework for our annual undertakings to the Australian Parliament, outlined in Portfolio Budget Statements (PBS), and reflected in the aims of Program 1.1 of the Health and Ageing PBS. We report against the deliverables and key performance indicators of Program 1.1 in the section on priorities and performance in this report.

## Regulatory partners

FSANZ is one of three elements of the food regulatory system. The COAG Legislative and Governance Forum on Food Regulation, convening as the Australia and New Zealand Food Regulation Ministerial Council, supported by the Food Regulation Standing Committee (FRSC), develops and provides policy guidance on food regulation. The states, territories and New Zealand implement provisions of the Food Standards Code, increasingly through the coordination activities of the Implementation Sub-Committee of FRSC, of which FSANZ is also a member.

### *Australian states and territories*

Under a 1991 inter-governmental agreement (updated in 2008), the states and territories agreed to adopt, without variation, food standards recommended by the National Food Authority (now FSANZ). The purpose of the 1991 agreement was to consolidate responsibility for developing food standards into one specialist agency and to ensure the uniformity of food standards across all states and territories.

### *New Zealand*

On 1 July 1996, a treaty between Australia and New Zealand to establish a single joint food-standards system came into force. The joint arrangement (last updated in 2010) aims to harmonise food standards between the two countries, reduce compliance costs for industry and help remove regulatory barriers to trade in food.

The treaty does not cover maximum residue limits, food hygiene provisions, primary production standards and export requirements relating to third country trade. It contains provisions that allow New Zealand to opt out of a joint standard for exceptional reasons relating to health, safety, trade, environmental concerns or cultural issues. In such cases, FSANZ may be asked to prepare a variation to a standard to apply only in New Zealand. An amended treaty with New Zealand was signed in July 2010.

We work collaboratively with the Ministry for Primary Industries, which has carriage of food standards matters in New Zealand.

### *Requests under FOI legislation*

In 2011–12, FSANZ received seven requests for access to documents under the *Freedom of Information Act 1982*. Three related to requests for documents associated with applications under consideration by FSANZ. We refused one request for access to documents, as the request did not adequately identify the document(s) sought as required under section 15(2)(b) of the Act.



We received three third-party consultation requests from state authorities about documents affecting FSANZ. We also received two consultation requests from Australian Government agencies and, even though the Act does not formally provide for third-party consultations between federal agencies, we engaged in these consultations as a matter of good practice.

#### *FOI requests received*

2008–2009	2009–2010	2010–2011	2011–12
1*	4**	3	7

\* This request was transferred to the Australian Government Department of Health and Ageing as the subject matter of the documents was more closely connected with that department's functions.

\*\* Two of these requests were treated as one application, as the subject matter for both requests was very similar.

## Corporate governance arrangements

### Government and parliament

Most contact with the office of our Parliamentary Secretary, the Hon Catherine King MP, related to information, parliamentary-related functions and providing public affairs support. We also provide the Parliamentary Secretary's and Minister's offices with weekly 'hot issues' reports.

### FSANZ performance

#### *Ministerial correspondence*

	Completed on time	1–2 days late	3–7 days late	8–14 days late	>14 days late	TOTAL for action	For info / no further action
2011–12	107 <sup>1</sup>	0	0	0	0	107	119
	100%	0%	0%	0%	0%	100%	
2010–11	344 <sup>1</sup>	0	0	0	0	344	25
	100%	0%	0%	0%	0%	100%	
2009–10	223	5	0	1	0	230	38
	97.5%	2%	0%	0.5%	0%	100%	

1 This includes 7 responses that were provided by the due date, but were processed the next working day.

2 This includes 6 responses that were provided by the due date, but were processed the next working day.

FSANZ assisted the Department of Health and Ageing, other Australian government departments and state and territory governments by providing input to correspondence on matters relating to our agency responsibilities.

Issues raised in correspondence included palm oil labelling, general food safety issues, bisphenol A, food additives, raw milk, general labelling issues, low THC hemp, olive oil labelling, health claims, country of origin labelling, carbendazim maximum residue limits, imported food, irradiation and genetically modified food.

#### *Minutes*

Sent	Returned
53	53

Issues raised in Minutes included FSANZ Board outcomes, BSE risk assessment updates, updates on mandatory reporting of food-related illnesses, progress of matters before the Federal Court and the AAT, imported food from Japan, releases of surveys and FOI matters.

#### *Briefing Note Requests*

Received	Sent	Late	% sent late
3	4	0	0

FSANZ also assisted the Department of Health and Ageing or other departments by providing input for briefings.

#### *Parliamentary Questions on Notice*

Received	Sent	Late	% sent late
0	0	0	0

Although we received no Parliamentary Questions on Notice, we provided input for a number of answers to questions managed by the Department of Health and Ageing.

#### *Senate Estimates*

Senior staff members were required to appear before Senate Estimates on three occasions during the year (October 2011, February 2012 and May 2012). Issues raised during the hearings and in subsequent Questions on Notice included safety and labelling of genetically modified and irradiated food, the release of a report relating to alcohol advisory statements, amendments to the Code, maximum residue limits, health claims, olive oil labelling and testing of imported food.

We also provided input into a number of answers to Questions on Notice being managed by the Department of Health and Ageing.

*Question Time briefings (QTBs)*

FSANZ prepared more than 20 briefings, either as new QTBs or updates to existing QTBs, on a range of issues. We also provided input to a number of QTBs prepared by other areas in the portfolio, or other departments, where the issues crossed portfolio or agency responsibilities. Issues included the release of FOI documents, low THC hemp, food recalls, genetically modified food safety, bisphenol A, imported food and other general food safety issues.

*Senate Select Committee – Inquiry into the food processing sector*

FSANZ gave a briefing to members of the committee on FSANZ's role in food standard-setting. We responded to a question on notice following the briefing. The outcome of this inquiry is not expected to directly affect FSANZ.

**FSANZ Board**

FSANZ has a 12-member Board appointed by the Australian Government Minister for Health and Ageing, following consultation with the Australian, state, territory and New Zealand governments. Members of the Board have been drawn from a number of areas of expertise covering public health, food science, medical science, consumer policy, primary industry, the National Health and Medical Research Council, the food industry and government.

All members are part-time, except for the Chief Executive Officer. Details of the qualifications of Board members and their attendance at meetings are summarised in Appendix 11.



FSANZ 2011-2012 Board members

Back (left to right): Dr James (Gardner) Murray AO, Dr Andrew McKenzie QSO, Mr Steve McCutcheon (CEO), Dr Dave Roberts, Mr Tony Nowell CNZM, Mr Neil Walker JP, Professor Stephen Corbett and Mr Peter Boyden. Front (left to right): Ms Jenni Mack, Dr Michele Allan, Ms Philippa Smith AM (Chair) and Professor Katrine Baghurst.

The four-year appointment of Board Chair Ms Philippa Smith, AM, commenced on 1 July 2008. On 22 June 2012, the Parliamentary Secretary for Health and Ageing, the Hon Catherine King, MP, announced that Ms Smith had been reappointed to the position for a further four years.

The terms of Associate Professor Peter Williams and Professor Winsome Parnell ceased on 30 June 2011.

The CEO of FSANZ is an *ex-officio* member of the Board. Mr Steve McCutcheon was appointed CEO on 29 October 2007. The then Food Regulation Ministerial Council and the Prime Minister approved a recommendation from the Board that Mr McCutcheon's appointment should be extended to 29 October 2015.

The Board meets at least four times per year and also convenes through teleconferences to discuss urgent issues. Five Board meetings and four Board teleconferences were held in 2011–12. Members also considered matters out of session. FSANZ publishes outcomes of Board meetings on its website.

#### *Finance, Audit and Risk Management Committee*

The FSANZ Board has established its Finance, Audit and Risk Management Committee (FARMC) to provide it with independent advice on FSANZ's risk, control, compliance and governance activities and frameworks. FARMC assists the Board and staff to fulfil their obligations under *Commonwealth Authorities and Companies Act 1997* and to meet other legislative and governance requirements.

In 2011–12, FARMC, under its chair Dr Michele Allan, continued its involvement in corporate governance and risk management activities, advising the Board on FSANZ's appetite for risk in relation to strategic, operational and fraud control matters. The committee monitors the identification and management of risks to FSANZ, providing assurance that reasonable steps have been taken to address the risks by reducing the likelihood they (and their consequences) will occur.

FARMC also oversees our corporate risk assessment processes, and these risk assessments inform both FARMC's risk monitoring activities and the Strategic Internal Audit Plan. Internal audits considered by FARMC in 2011–12 related to workforce planning, procurement processes, disaster response and business continuity planning and the provision of advice to stakeholders on the operation of the Food Standards Code.

FARMC continued to provide an important oversight role for a broad range of accountability activities in the agency, including monitoring revisions of the Chief Executive's Instructions, legislative delegations, and the annual Portfolio Budget Statements. FARMC also endorsed FSANZ's decision to reappoint our existing internal audit contractor for a further three years.

## **Business planning and management**

### *Strategic and corporate planning*

FSANZ and its Board operate within a three-year strategic planning cycle, with annual updates of the Business Plan and Portfolio Budget Statements underpinning a three-year *Corporate Plan*. During the year the Board developed and endorsed a new *Corporate Plan* for 2012–15.

The 2012–15 *Corporate Plan* is structured around three strategic imperatives:

- build and sustain food standards and practices
- maintain a transparent and evidence-based approach to regulation and the management of food risk
- provide support for informed consumer decisions by collecting and providing relevant information.

These imperatives are supported by five key enablers—FSANZ's scientific capacity, the quality and dedication of its people, a strong communication capability, appropriate and effective governance, and an ability to look forward and respond to emerging issues.

The purpose of the *Corporate Plan* is to provide FSANZ staff, stakeholders and government with a distinct vision of our work and aspirations. The plan provides a clear link between our responsibilities under the Act, our commitments to government in the Portfolio Budget Statements and the day-to-day work of our staff.

### *Training*

FSANZ conducts an annual training session for its Board members, which generally covers issues such as the duties and responsibilities of directors; the unique perspective of a Board functioning under the Commonwealth Authorities and Companies Act; the need for directors to have an independent view and governance compared with management. An education session was held for Board members in August 2011, conducted by the Australian Institute of Company Directors.

*Statement of interests*

The FSANZ Act requires that the FSANZ Board establish and maintain a system for declaring and registering material personal interests of its members. The Act also requires that the entries recorded in the register of members' material personal interests be published on FSANZ's website. The Board has also resolved that, as a matter of good practice, certain other interests of its members be published on the website. These include pecuniary and non-pecuniary interests relevant to the agency's roles and responsibilities.

*Insurance*

FSANZ maintains directors' and officers' liability insurance through Comcover, which may assist Board members in responding to legal claims made against them in the course of their duties.

*Portfolio Budget Statements and performance measurement*

FSANZ's planned outcome for 2011–12, as set out in the Portfolio Budget Statements, was to deliver:

A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.

In support of this outcome, we pursued three program objectives for 2011–12:

- to manage the development and maintenance of effective evidence-based food standards contributing to the provision of a safe food supply
- to ensure effective engagement with regulatory partners in the implementation of food standards to protect public health and safety
- to strengthen engagement with industry, consumers and the general community to increase awareness of the food regulatory system.

Under Priorities and Performance (page 21), we report against the deliverables and key performance indicators in the Portfolio Budget Statements and the targets for 2011–12.

*Business continuity management*

Business continuity management provides a framework to enable FSANZ to recover quickly from any major disruptive event, so we can continue to provide a service to stakeholders

and protect our reputation. Disruptive incidents can arise by accident or through natural disasters. For example, our New Zealand office could be affected by an earthquake and so we have prepared a separate set of documents to ensure staff in Wellington and Canberra are able to respond appropriately in such an event.

In 2011, we commissioned a review of our Business Continuity Plan (BCP), which resulted in a complete redrafting of the plan bringing it into line with best practice. As part of the BCP, we finalised a Disaster Recovery Plan which involved establishing an off-site back-up for our computer systems.

To ensure our preparedness we tested our BCP in February 2012 under a number of different scenarios. Internal auditors reviewed the BCP and found it to be robust and effective.

#### *Chief Executive Instructions*

Much of the policy for our day-to-day operations is governed by Chief Executive Instructions (CEIs), covering general administration, financial management, human resources, information technology and security. In 2011–12 we introduced a new category—Enterprise Agreement Supporting Policies (EASPs)—to support our Enterprise Agreement for 2011–14.

In 2011–12, we completely redrafted CEIs for general recruitment, Indigenous recruitment, disabled recruitment, and security, as well as revising our document management policies to include the handling of electronic documents.

#### *Accommodation*

The lease to our Wellington office in New Zealand expired in January 2012. We conducted a review of our accommodation needs in Wellington and concluded that, due to concerns about the building's ability to withstand an earthquake, the office should be relocated. Suitable premises were located in the Wellington CBD and staff moved in at the end of June 2012.

The Canberra office lease will expire in January 2013. In accordance with Australian Government policy, we reviewed all options, including the possibility of moving to a new location. Following extensive negotiations with the building owners at our present location, the executive agreed that FSANZ would remain in its current premises, as it provided significant savings over the life of the lease.

#### *Consultants, competitive tendering and contractors*

We spent \$1.824 million on consultants and contractors during the year on services and products costing more than \$10,000 (see Appendix 9 for details).

# 5

## Appendixes





## Appendix 1 – Gazetted amendments to the *Australia New Zealand Food Standards Code* from 1 July 2011 to 30 June 2012

Gazettal and registration on the Federal Register of Legislative Instruments of amendments to the *Australia New Zealand Food Standards Code* occurs throughout the year after the Forum on Food Regulation notifies FSANZ that it does not need to review its decision on a standard or a variation to a standard; or if, after a review by FSANZ, the Forum accepts or amends the standards or variation to a standard. Each series of amendments is sequentially numbered.

FSANZ gazetted amendments to the Food Standards Code relating to the following applications and proposals.

### Amendment No. 124 (11 July 2011)

Application A1030 – Calcium Lignosulphonate (40–65) as a Food Additive	To permit the use of calcium lignosulphonate (40–65) as a carrier in preparations of food additives and nutrients and other functional ingredients to facilitate their introduction into water-based foods
Application A1037 – Steviol Glycosides – Increase in Permitted Use Levels	To approve an increase to 200 mg/kg steviol equivalents for the permitted use level for ice cream, water based beverages, brewed soft drinks, formulated beverages, flavoured soy beverages and to 100 mg/kg steviol equivalents for plain soy beverages
Application A1049 – Food derived from Herbicide-tolerant, High Oleic Acid Soybean Line MON87705	To seek permission for food derived from soybean genetically modified to contain an improved fatty acid profile
Proposal P1013 – Code Maintenance IX	To make amendments to Standards as considered necessary for reasons of clarification and to correct minor typographical errors or inconsistencies, including updating references, amendment or deletion of outdated provisions, correcting some typographical and formatting issues, and correcting cross references

### Amendment No. 125 (8 September 2011)

Application A1034 – Advantame as a High Intensity Sweetener	To approve Advantame for use in table top sugar substitutes and a range of powdered beverages including fruit drinks, milks and milk flavoured drinks, instant tea and coffee, and protein drinks
Application A1050 – Glycerophospholipid Cholesterol Acyltransferase as a Processing Aid	To seek approval for acyltransferase, produced from a genetically modified strain of <i>Bacillus licheniformis</i> , for use as an emulsifier

**Amendment No. 126 (13 October 2011)**

Application A1026 – Minimum Alcohol Content for Wine	To reduce the minimum alcohol content for wine and sparkling wine in Standard 4.5.1 from 8% to 4.5% alc/vol
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Application A1042 – Food derived from Herbicide-tolerant Corn Line DAS-40278-9	To seek permission for food derived from herbicide-tolerant corn line genetically modified to provide resistance to broadleaf herbicides such as 2,4-D and other related chemicals
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**Amendment No. 127 (17 November 2011)**

Application A1041 – Food derived from SDA Soybean Line MON87769	To seek permission for food derived from soybean genetically modified to contain stearidonic acid (SDA), an alternate source of omega-3 fatty acid
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Application A1046 – Food derived from Herbicide-tolerant Soybean Line DAS-68416-4	To seek permission for food derived from soybeans genetically modified to provide tolerance to the herbicides, 2,4-D and glufosinate
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Application A1047 – Sodium Carboxymethylcellulose as a Food Additive in Wine	To permit the use of sodium carboxymethylcellulose (CMC) as a food additive (stabiliser) in wine
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**Amendment No. 128 (12 January 2012)**

Application A1057 – Endo-protease (EC 3.4.21.26) as a Processing Aid (Enzyme)	To seek approval for endo-protease, produced by fermentation of a self-cloned strain of <i>Aspergillus niger</i> , to be used in the preparation of beer
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Proposal P1004 – Production & Processing Standard for Seed Sprouts	To develop a primary production and processing standard to address food safety concerns resulting from consumption of seed sprouts available for sale for human consumption in Australia
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**Amendment No. 129 (9 February 2012)**

Application A1051 – Food derived from Herbicide-tolerant Soybean Event FG72	To approve food derived from a genetically modified soybean with a tolerance to the herbicides glyphosate and isoxazole, to reduce cultivation needs
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**Amendment No. 130 (26 April 2012)**

Application A1056 – Dimethyl Ether as a Processing Aid for Dairy Ingredients & Products	To seek approval to permit the use of dimethyl ether as an extraction solvent processing aid to treat all dairy ingredients and dairy products
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Application A1060 – Food derived from Insect-protected Corn Line 5307	To seek permission for food derived from insect-protected corn genetically modified to provide protection from damage from corn rootworm
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Application A1062 – Dimethyl Ether as a Processing Aid for Non-dairy Ingredients & Products	To seek approval to permit the use of dimethyl ether as an extraction solvent processing aid to treat all foods except dairy ingredients and dairy products
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**Amendment No. 131 (24 May 2012)**

Application A1054 – Dibromo-dimethylhydantoin (DBDMH) as a Processing Aid	To approve the use of 1,3-dibromo-5,5-dimethylhydantoin (DBDMH) as an antimicrobial processing aid to be added to water for treating poultry and meat carcasses and other animal parts
Application A1061 – Amylomaltase as a Processing Aid (Enzyme)	To permit the use of a new enzyme processing aid, amylomaltase sourced from <i>Bacillus amyloliquefaciens</i> containing the gene for amylomaltase isolated from <i>Thermus thermophilis</i> (for use to produce modified starch products as an ingredient in dairy products)
Application A1063 – Food derived from Herbicide-tolerant Soybean MON87708	To seek permission for food derived from a genetically modified soybean to provide tolerance to the herbicide Dicamba

**Amendment No. 132 (28 June 2012)**

Proposal P1007 – Primary Production & Processing Requirements for Raw Milk Products	To consider the risks associated with the production and sale of raw (unpasteurised) milk products in Australia and possible risk management measures to address the identified risks
Proposal P242 – Food for Special Medical Purposes	To develop a Standard for foods permitted for special dietary and medical purposes

The Australian Pesticides and Veterinary Medicines Authority gazetted and registered on the Federal Register of Legislative Instruments a number of amendments to Schedule 1 of Standard 1.4.2

Amendment APVMA1	16 August 2011
Amendment APVMA2	30 August 2011
Amendment APVMA3	27 September 2011
Amendment APVMA4	8 November 2011
Amendment APVMA5	6 December 2011
Amendment APVMA6	17 January 2012
Amendment APVMA7	31 January 2012
Amendment APVMA8	14 February 2012
Amendment APVMA9	27 March 2012
Amendment APVMA10	24 April 2012
Amendment APVMA11	5 June 2012

## Appendix 2 – Applications received and proposals prepared at 30 June 2012

### Applications received and proposals prepared before 1 October 2007

Section 69 of the *Food Standards Australia New Zealand Act 1991* (in force before 1 July 2007) requires FSANZ to report on its processing of applications and proposals in the following manner:

During 2011–12, FSANZ progressed **5** Applications received before 1 October 2007:

- (v) **1** was withdrawn
- (vi) **0** was rejected by FSANZ
- (vii) **0** was finalised and notified to the Ministerial Council
- (viii) **0** were considered after a request for a review and notified to the Ministerial Council
- (ix) **4** were still being progressed as at 30 June 2012.

During 2011–12, FSANZ progressed **7** Proposals prepared before 1 October 2007:

- (v) **0** were abandoned by FSANZ
- (vi) **1** was finalised and notified to the Ministerial Council
- (vii) **0** was considered after a request for a review and notified to the Ministerial Council
- (viii) **6** were still being progressed as at 30 June 2012.

- (e) **Any occasion during 2011–12 that FSANZ, after preparing a draft standard or a draft variation of a standard, failed to make a decision under section 18 of the FSANZ Act (as was in force before 1 July 2007) within the period required under section 35 (as was in force before 1 July 2007) and a statement of the reasons for that failure:**

Nil

- (f) **Extensions of time FSANZ granted under subsection 35(2) of the FSANZ Act during 2011–12 and the reasons for those extensions:**

Nil

- (g) The number of applications made to the Administrative Appeals Tribunal during 2011–12 for a review of a decision made by FSANZ:

Nil

- (h) The results of the applications made to the Administrative Appeals Tribunal that were determined during 2011–12:

Nil

- (i) The number of standards made under the FSANZ Act during 2011–12:

1 (this includes both standards and variations to standards gazetted)

- (j) The number of draft standards and draft variations approved during 2011–12 under: section 18 of the FSANZ Act

1

- (k) The number of occasions during 2011–12 when requests were made under section 21 of the FSANZ Act (as was in force before 1 July 2007) for a review of a draft standard or draft variation:

0

- (l) The number of occasions during 2011–12 when requests were made under section 22 of the FSANZ Act (as was in force before 1 July 2007) for a review of a draft standard or draft variation:

0

- (m) The number of occasions during 2011–12 when a draft standard or draft variation was rejected under section 23 of the FSANZ Act (as was in force before 1 July 2007):

0

- (n) The number of occasions during 2011–12 when requests were made under section 28A of the FSANZ Act (as was in force before 1 July 2007) for a review of a standard or variation:

0

- (p) The number of occasions during 2011–12 when a standard or variation was revoked or amended under section 28C of the FSANZ Act (as was in force before 1 July 2007):

0

## Applications received and proposals prepared from 1 October 2007 onwards

Section 152 of the *Food Standards Australia New Zealand Act 1991* requires FSANZ to report on its processing of applications and proposals in the following manner:

(aa) The number of applications that were made under section 22 during 2011–12:

14

(ab) The number of applications accepted under subsection 26(1) during 2011–12:

11

(ac) The number of applications rejected under subsection 26(1) during 2011–12 and the reasons for the rejections:

1

PA1067 – on the basis that it did not meet the mandatory information requirements under subsection 22(2) of the FSANZ Act which are set out in Part 3 of the FSANZ *Application Handbook*. The Administrative Assessment does not consider the merits of the Application.

(ad) The number of applications withdrawn in 2011–12 under subsection 24(1) during the current year:

1

(ae) The number of applications accepted under subsection 26(1) during 2011–12 that FSANZ had not begun to assess under section 29 during 2011–12:

2

(af) The number of applications accepted under subsection 26(1) during a previous financial year that FSANZ had not begun to assess under section 29 before the end of 2011–12:

0

(a) the number of applications that were considered under Subdivision D of Division 1 of Part 3 during 2011–12:

20

(b) the number of applications that were considered under Subdivision E of Division 1 of Part 3 during 2011–12:

0

(c) the number of applications that were considered under Subdivision F of Division 1 of Part 3 during 2011–12:

5

(d) Health claims

N/A

(e) for each of those Subdivisions, the number of applications considered under that Subdivision that were disposed of during 2011–12 and the manner of their disposal:

Subdivision D:	Subdivision E:	Subdivision F:
12 Approved	0	3 Approved
0 Withdrawn		0 Withdrawn
0 Rejected		

(f) for each of those Subdivisions, the average time taken to dispose of applications during 2011–12 (for Approval only):

Subdivision D:	Subdivision E:	Subdivision F:
8.2 months	N/A	13.3 months

(fa) The number of applications accepted under subsection 26(1) during a previous financial year that FSANZ had begun to assess under section 29 before the end of the current year, but that FSANZ had not disposed of before the end 2011–12:

5

(fb) For an application covered by paragraph (fa), the period that has elapsed since the application was accepted under subsection 26(1):

- A1039 30.5 months
- A1045 27.5 months
- A1055 20.5 months
- A1059 14 months

(g) the number of applications made during 2011–12 in relation to which a charge fixed under section 146 was payable:

7

- (h) the number of applications made during 2011–12 in relation to which no charge fixed under section 146 was payable:

2

- (i) the average number of days that elapsed between the acceptance or rejection under section 26 of an application made during 2011–12 in relation to which no charge fixed under section 146 was payable, and the commencement of the assessment of the application under section 29:

4.7 months

- (j) each occasion during 2011–12 on which the consideration period under section 109 elapsed without FSANZ completing the procedure that FSANZ must, under Subdivision C of Division 1, adopt in considering the application:

A1026 Approval due: 4 July 2011. Approved 4 August 2011

A1051 Approval due: 28 November 2011. Approved 8 December 2011

- (k) each occasion during 2011–12 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

**A1045 (3 months)** This was the first time FSANZ has considered the use of a bacteriophage. The nature of the bacteriophage, its newness and technical complexity meant a number of new issues had to be taken into account during the assessment. The potential for loss of efficacy due to resistance development by the bacteria, the possibility of extended activity of the bacteriophage in various food matrices raising queries on the true nature of its technological function, were among issues requiring additional consideration. This led to extensive consultation, communication and risk management strategies, including several discussions with the Applicant, a special consultation with the jurisdictions and extensive scrutiny during clearance.

- (ka) The number of applications declared under section 95 to be urgent applications during 2011–12:

0

- (l) the number of proposals prepared by FSANZ under section 55 during 2011–12:

9

- (la) The number of proposals prepared under section 55 during 2011–12 that FSANZ had not begun to assess under section 59 during that year:

0



(lb) The number of proposals prepared under section 55 during a previous financial year that FSANZ had not begun to assess under section 59 before the end of 2011–12:

0

(n) the number of proposals that were disposed of during 2011–12 and the manner of their disposal:

3 Approved

(o) the average time taken to dispose of proposals under each of Subdivisions D, E, F and H of Division 2 of Part 3 during 2011–12:

General

Major

12.8 Months

33.25 months

(p) the average number of days that elapsed between the preparation of a proposal during 2011–12 under each of sections 55 and 81 and the commencement of the assessment of the proposal under section 59:

31 days

(pa) The number of proposals prepared under section 55 during a previous financial year that FSANZ had begun to assess under section 59 before the end of 2011–12, but that the FSANZ had not disposed of before the end of 2010–2011:

1

(pb) For a proposal covered by paragraph (pa), the period that has elapsed since the proposal was prepared under section 55:

P1005 39.5 months

(pc) The number of proposals declared under section 95 to be urgent proposals during 2011–12:

0

(pd) The number of occasions during the current year when the 12 month period referred to in subsection 101(1) ended with no decision having been made under that subsection and the reasons for no decision having been made:

N/A

**(q) the number of applications made to the Administrative Appeals Tribunal during 2011–12 for review of decisions of FSANZ:**

2

An application was lodged in the Administrative Appeals Tribunal on 6 June 2011 by Axiome Pty Ltd seeking review of the decision to refuse approval for Tonalin® as a novel food (Application A1005).

An application was lodged in the Administrative Appeals Tribunal by GE Free New Zealand in Food and Environment on 16 January 2012 for review of two decisions made by FSANZ to approve two genetically modified commodities—soybean and corn. (Applications A1042 and A1046).

**(r) the results of the applications made to the Administrative Appeals Tribunal that were determined during 2011–12:**

The application for review by GE Free New Zealand was dismissed for want of jurisdiction.

**(s) the number of standards made during 2011–12:**

21

**(t) the number of draft standards and draft variations approved during 2011–12 under each of the following:****(i) section 33:**

20

**(ii) section 41:**

0

**(u) the number of occasions during 2011–12 when requests were made by the Ministerial Council under Division 3 of Part 3 for a review of a draft standard or draft variation:**

1

**(v) the number of occasions during 2011–12 when a draft standard or draft variation was rejected by the Ministerial Council under Division 3 of Part 3:**

0

**(w) the number of occasions during 2011–12 when requests were made by the Council under Division 3 of Part 3 for a review of a standard or variation:**

N/A

- (x) the number of occasions during 2011–12 when a standard or variation was revoked or amended by the Ministerial Council under Division 3 of Part 3:

0

In relation to applications or proposals declared to be urgent under section 95, either in 2011–12 or in previous financial years, the number which were disposed of under section 101 and the manner of their completion:

N/A

In relation to applications or proposals declared to be urgent under section 95, either in 2011–12 or in previous financial years, the number of occasions where disposal did not occur within 12 months of the date of effect of the publication of a standard under section 97:

N/A

- (y) a summary of policy guidelines notified to FSANZ during 2011–12:

Updated *Policy Guideline on Food Safety Management for General Food Service and Closely Related Retail Sectors* (notified to FSANZ on 13 February 2012). This Policy Guideline provides a framework for food safety management in Australia in retail/food service. Businesses subject to Standard 3.3.1 – Food Safety Programs for Food Service to Vulnerable Persons are specifically excluded.

- (z) such other matters (if any) as are specified in the Regulations:

Nil

## Appendix 3 – FSANZ processes for assessing Applications

Information on these processes can be found on the FSANZ website at [www.foodstandards.gov.au/foodstandards/changingthecode/](http://www.foodstandards.gov.au/foodstandards/changingthecode/).

### FSANZ’s process for assessing applications

FSANZ’s primary role is developing or amending food standards to ensure the safety of food sold in Australia and New Zealand, to ensure the provision of adequate information to consumers and to prevent misleading or deceptive conduct.

FSANZ’s work is open for public scrutiny. When developing or changing a food standard, there is generally at least one round of public consultation.

Anyone can make an application to change a current standard or develop a new food standard or code of practice. FSANZ can also initiate the development or review of a standard by preparing a proposal. Both follow the same steps (as set out below). Guidelines on how to make an application are available from our Standards Management Officer or from the FSANZ website.

FSANZ maintains an *Application Handbook* which includes information to assist potential applicants. FSANZ is able to reject an application on the basis that it has not met the mandatory information requirements set out in Part 3 of the *Application Handbook*.

This ensures that applications contain sufficient information to enable them to be properly assessed, thus minimising delays in the completion of assessments where further information from an applicant is required to enable an assessment to proceed.

The *Application Handbook* also includes information covering cost-recovery, confidentiality, application templates and minimum data requirements to complete an assessment.

The *Application Handbook* is updated as required to ensure currency of FSANZ’s information needs.

FSANZ continually looks at ways to improve its assessment processes. In recent years, a number of changes have been adopted to improve the format of reports and to place greater emphasis on impact or cost-benefit assessment of regulatory options.

Many documents such as applications and submissions are being progressively made available on our website. All accepted applications and submissions are uploaded as soon as possible after acceptance or processing. All active applications accepted before 1 May 2011 have also been uploaded. Submissions relating to active applications received or proposals prepared prior to 1 May 2011 were progressively uploaded throughout the year. For access to applications and submissions which were received prior to 1 May 2011 and which are not on the website or for more information about the detailed matters to do with food standards development, contact FSANZ's Standards Management Officer in Canberra on (02) 6271 2280 or email [standards.management@foodstandards.gov.au](mailto:standards.management@foodstandards.gov.au).

The steps are:

#### *Administrative Assessment*

The purpose of this assessment is to determine whether an application includes certain minimum mandatory requirements (as outlined in the *Application Handbook*) and the Procedure by which it should be assessed. Fees are payable after FSANZ has determined whether or not to accept the application and the assessment Procedure. FSANZ has 15 working days to complete this process. A report is prepared which is available to the public. An 'early bird' public notification is subsequently made by FSANZ, advising of the acceptance of the application and its placement on the Work Plan. Proposals are treated in a similar fashion.

#### *Procedures for the assessment of applications and proposals*

**General Procedure** (Default) (9 months to complete assessment) – This Procedure is the default process for variations to a food regulatory measure and generally involves one round of public consultation only. Most applications and proposals will be assessed under this Procedure, although more can be held as required.

**Minor Procedure** (3 months to complete assessment) – This Procedure applies to minor variations to food regulatory measures including, but not limited to, correction of a typographical error or minor editorial changes. It involves one round of limited consultation with government agencies only, and if relevant, affected parties.

**Major Procedure** (12 months to complete assessment) – This Procedure applies to the development of a new standard or a major variation to a food regulatory measure involving such scientific or technical complexity that it is necessary to adopt this procedure in considering it or such a significant change to the scope of the food regulatory measure that it is necessary to adopt this procedure to consider the application. This Procedure generally involves two rounds of public consultation, although more can be held as required.

### Assessment

The purpose of this assessment is to determine whether to proceed to develop a food regulatory measure. FSANZ will then either prepare a draft food regulatory measure or variation or reject (in whole or part) the application, or abandon the proposal. In this assessment, FSANZ must have regard to the matters listed under section 29 of the FSANZ Act. Paragraph 29(d) also includes the section 18 objectives of the FSANZ Act (see below). A summary of the assessment and reasons for FSANZ's decision are prepared and publicly released for consultation. Calls for public comment are made via the Food Standards *Notification Circular*, email alerts to interested stakeholders, media releases and published on our website.

If an application or proposal is being considered under the Major Procedure, the Assessment is carried out in two parts (1st and 2nd call for submissions) with an additional round of consultation between. The 2nd call for submissions includes draft variations to the Code.

#### Section 29 matters

In assessing the application, the Authority must have regard to the following matters:

- (a) whether costs that would arise from a food regulatory measure developed or varied as a result of the application outweigh the direct and indirect benefits to the community, Government or industry that would arise from the development or variation of the food regulatory measure;
- (b) whether other measures (available to the Authority or not) would be more costeffective than a food regulatory measure developed or varied as a result of the application;
- (c) any relevant New Zealand standards;
- (d) any other relevant matters.

### Section 18 objectives

In descending order of priority:

- (a) The protection of public health and safety; and
- (b) the provision of adequate information relating to food to enable consumers to make informed choices and
- (c) the prevention of misleading or deceptive conduct.

In developing or reviewing food standards, the Authority is also required to have regard to the following.

- (a) The need for standards to be based on risk analysis using the best scientific evidence.
- (b) The promotion of consistency between domestic and international food standards.
- (c) The desirability of an efficient and internationally competitive food industry.
- (d) The promotion of fair trading in food.
- (e) Any written policy guidelines formulated by the Ministerial Council and notified to FSANZ.

### Approval

After the submission period, FSANZ must either approve, approve subject to amendment, or reject the draft standard or variation. FSANZ must have regard to all submissions made during the submission period/s. A report is prepared containing the decision, reasons, summary of issues raised in submissions and how these have been addressed, Regulation Impact Statement (if prepared) and if approved, the food regulatory measure or variation.

The report is publicly released following the notification of the decision to Ministers. Advice on approvals is made via the Food Standards *Notification Circular*, email alerts to interested stakeholders and on our website, as well as in the newspapers. The newspaper notices appear nationally in *The Australian* and in New Zealand, *The New Zealand Herald*.

### Ministers consider approved food standards

Decisions on food standards, once approved by the FSANZ Board, are notified to the COAG Legislative and Governance Forum on Food Regulation (the Forum) (formerly known as the Australia and New Zealand Food Regulation Ministerial Council). Within 60 days of this notification, a majority of jurisdictions on the Forum may ask FSANZ to conduct a review of its decision.

Alternatively, the Forum may inform FSANZ that it does not intend to request a review. In the latter case, the standards are gazetted in Australia and New Zealand and registered as legislative instruments and become law at the date specified.

If the Forum requests a review, FSANZ must conduct the review within three months (or a longer period if allowed by the Forum) and either re-affirm the decision, with or without amendments to the standard, or withdraw its approval of the standard.

That decision is then notified to the Forum. The Forum, by a majority decision, may then, within 60 days, approve, amend or reject the draft variation.

If the Forum amends or does not amend the draft variation, the amendment is gazetted in Australia and New Zealand and registered as a legislative instrument and becomes law at the date specified.

Advice on gazettals is made via the Food Standards *Notification Circular*, email alerts to interested stakeholders and on our website, as well as in the newspapers. The newspaper notices appear nationally in *The Australian* and in New Zealand, *The New Zealand Herald*.

Once the amendment becomes law, it is the responsibility of state and territory governments and the New Zealand Ministry for Primary Industries to enforce the standard. DAFF Biosecurity is responsible for enforcing standards relating to imported food.



## Appendix 4 – External FSANZ committee members

### Advisory Committee on Novel Foods

Mr Michael Apollonov	New South Wales Food Authority
Mr Gary Bielby	Queensland Health
Ms Janine Curl	New South Wales Food Authority
Ms Ursula Egan	Ministry for Primary Industries, NZ
Mr David Larkings	Queensland Health
Ms Enita Ostojic	Department of Health, WA
Mr John van den Beuken	Ministry for Primary Industries, NZ
Mr John Ward	Department of Health, Vic

### Allergen Collaboration

Mr Tony Beaver	Food and Beverage Importers Association
Mr Mark Bell	Progressive Enterprises Ltd
Ms Marisa Bidois	Restaurant Association of New Zealand
Ms Heather Carnegie	Restaurant Brands
Mr Des Crowe	Australian Hotels Association
Mr David Cusack	Implementation Sub-Committee
Ms Fiona Fleming	Australian Food and Grocery Council – Allergen Forum
Ms Kirsten Grinter	Allergen Bureau
Ms Carole Inkster	New Zealand Food and Grocery Council
Ms Penny Jorgensen	Allergy New Zealand
Ms Samara Kitchener	New South Wales Food Authority
Mr Kim Leighton	Australian Food and Grocery Council
Mr Neil McSkimming	Coles Supermarkets
Mr Steven Meads	Foodstuffs New Zealand
Mr Glen Neal	Ministry for Primary Industries NZ

### Allergen Collaboration

Mr Steven Newton	Metcash Limited
Ms Angela O'Shea	Aldi Australia
Mr George Passas	Metcash Limited
Mr Justin Pleass	Restaurant and Catering Australia
Mr Bruce Robertson	Hospitality Association of New Zealand
Mr Nick Robertson	TPF Group NZ
Ms Maria Said	Anaphylaxis Australia
Ms Toni Spicer	Australian Food and Grocery Council – Quick Service Restaurant Forum
Ms Penny Tregear	Ministry for Primary Industries, NZ

### Consumer & Public Health Dialogue

Ms Kathy Chapman	Australian Chronic Disease Prevention Alliance
Ms Sue Chetwin	Consumer NZ
Ms Nicola Chilcott	Agencies for Nutrition Action (NZ)
Ms Christine Cook	Dietitians NZ
Dr Danielle Gallegos	Dietitians Association of Australia
Assoc Prof Mark Lawrence	Deakin University
Ms Angela McDougall	CHOICE
Assoc Prof Cliona Ni Mhurchu	University of Auckland
Dr Rosemary Stanton	Public Health Association of Australia
Assoc Prof Heather Yeatman	University of Wollongong

**Consumer Liaison Committee**

Ms Veronica Balassa	Private individual
Ms Kerry Beake	Private individual
Ms Eileen Clark	Private individual
Ms Linda Kaye	Private individual
Ms Libby Manley	Consumer NZ
Mr David Oakenfull	CHOICE
Ms Michele Oakley	Private individual
Mr Hayden Potaka	Te Puni Kokiri (Ministry of Māori Development)
Mr Mark Robinson	Private individual
Mr George Seymour	Private individual
Ms Rachel Toonen	Private individual
Ms Nicole Turner	Durri Aboriginal Corporation Medical Service
Dr Pam Williams	National Council of Women Australia

**Food Allergy and Intolerance Scientific Advisory Committee**

Assoc Prof Katrina Allen	Royal Children's Hospital, Melbourne
Dr Vincent Crump	Auckland Allergy Clinic
Dr Robert Loblay	Royal Prince Alfred Hospital, Sydney
Dr Raymond Mullins	John James Medical Centre, Canberra
Professor Robyn O'Hehir	Alfred Hospital, Melbourne
Dr Jane Peake	Royal Children's Hospital, Brisbane
Dr Jan Sinclair	Starship Children's Hospital, Auckland
Ms Sofia Sipsas	Consultant – Lupin Research and Development
Dr William Smith	Royal Adelaide Hospital
Dr Martin Stuckey	Alfred Hospital, Melbourne

### Food Surveillance Network

Mrs Tracie Brady	Department of Agriculture, Fisheries and Forestry, Cwth
Mr Cameron Bright	Queensland Health
Mr Garry Clarke	Department of Health, SA
Mr Mike Clear	Ministry for Primary Industries, NZ
Dr Paul Dansted	Ministry for Primary Industries, NZ
Ms Yvette Dethridge	DAFF Biosecurity
Ms Tracey Duffy	Department of Health and Ageing, Cwth
Mr Gerard Fitzsimmons	Department of Health and Ageing, Cwth
Ms Tenille Fort	Queensland Health
Mr Paul Goldsmith	Department of Health, Vic
Mr Stan Goodchild	Department of Health, WA
Mr Edward Jansson	New South Wales Food Authority
Mr Radomir Krsteski	ACT Health
Ms Robyn Leader	Department of Health and Ageing, Cwth
Mr Glen Martin	Department of Health, SA
Ms Olivia McQuestin	Department of Health and Human Services, Tas
Ms Jane Oliver	Ministry for Primary Industries, NZ
Mr John Reeve	Ministry for Primary Industries, NZ
Ms Jenny Reid	Ministry for Primary Industries, NZ
Mr Ian Reichstein	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Themy Saputra	New South Wales Food Authority
Mr Russell Schultz	Safe Food Queensland
Dr Rob Solomon	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Kim Unwin	Department of Health, WA
Mr John van den Beuken	Ministry for Primary Industries, NZ
Mr John Ward	Department of Health, Vic
Ms Tracy Ward	Department of Health and Community Services, NT

**Industry Advisory Group on Food Packaging**

Mr Adrian Benetti	Cyrovac Australia Pty Ltd
Mr Roger Cripps	Mars Petcare Australia
Mr Paul Haberland	Nestlé Australia Ltd
Mr Chris Hartwell	Fonterra Co-Operative Group Ltd
Mr Mark Kerr	Lion
Mr Kim Leighton	Australian Food and Grocery Council
Mr Kevin McBrien	Woolworths Ltd
Mr Martin Neilson	Visy Pty Ltd
Mr Chris Peloso	Amcor
Mr Stuart Shepherd	NCI Packaging (NZ) Ltd
Mr Richard Smith	Amcor
Mr Gavin Williams	The Packaging Council of Australia

**Jurisdictional Forum**

Ms Elena Anear	Department of Health, SA
Ms Tracie Brady	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Nola Caffin	Queensland Health
Ms Joanne Cammans	Department of Health, SA
Ms Clare Chandler	Ministry for Primary Industries, NZ
Dr Kerry Chant	New South Wales Health
Ms Candy D'Menzie-Bunshaw	Department of Health, Vic
Ms Yvette Dethridge	DAFF Biosecurity
Ms Tenille Fort	Queensland Health
Mr Paul Goldsmith	Department of Health, Vic
Mr Stuart Heggie	Department of Health and Human Services, Tas
Mr Edward Jansson	New South Wales Food Authority
Dr Fay Jenkins	Department of Health, SA
Ms Nicole King	Department of Health and Ageing, Cwth

### Jurisdictional Forum

Mr David Larkings	Queensland Health
Ms Narelle Marro	Department of Agriculture, Fisheries and Forestry, Cwth
Mr Dean McCullum	Department of Health, SA
Ms Julie-Ann Price	Department of Health and Ageing, Cwth
Ms Jenny Reid	Ministry for Primary Industries, NZ
Mr Craig Sahlin	New South Wales Food Authority
Ms Jennifer Savenake	Department of Health and Human Services, Tas
Ms Judy Seal	Department of Health and Human Services, Tas
Dr Rob Solomon	Department of Agriculture, Fisheries and Forestry, Cwth
Mr Vojkan Stefanovic	ACT Health Protection Service
Dr Roscoe Taylor	Department of Health and Human Services, Tas
Ms Samantha Torres	New South Wales Food Authority
Mr John Van Den Beuken	Ministry for Primary Industries, NZ
Mr John Ward	Department of Health, Vic
Ms Tracy Ward	Department of Health and Community Services, NT
Ms Emily White	Department of Health, SA
Ms Sophe Williamson	Department of Health, WA

### Ngā Kaitohutohu Kounga Kai

Mr Mason Ngawhika	Te Hiringa Ltd
Mr Hayden Potaka	Te Puni Kokiri (Ministry of Māori Development)
Ms Ann Thompson	Public Health South

### Retailers and Manufacturers Liaison Committee

Dr Geoffrey Annison	Australian Food and Grocery Council
Mr Tony Beaver	Food and Beverage Importers Association
Dr Roger Bektash	Mars Food Australia
Ms Katie Birch	Department of Health and Ageing, Cwth

### Retailers and Manufacturers Liaison Committee

Mrs Tracie Brady	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Suzanne Davies	Australian Food and Grocery Council
Mrs Yvette Dethridge	DAFF Biosecurity
Ms Kirsten Grinter	Nestlé Health Care Nutrition Australia
Ms Jackie Healing	Coles Supermarkets
Mr Barry Hellberg	New Zealand Retailers Association
Mr Ken Henrick	National Association of Retail Grocers of Australia
Ms Melissa Hodd	Foodstuffs (NZ) Ltd
Ms Carole Inkster	New Zealand Food and Grocery Council
Ms Nicole King	Department of Health and Ageing, Cwth
Mr Ed Klim	Department of Agriculture, Fisheries and Forestry, Cwth
Mr Kim Leighton	Australian Food and Grocery Council
Ms Janet Macdonald	Goodman Fielder Ltd
Ms Julie Newlands	Unilever Australasia
Mr Steven Newton	Metcash Trading Ltd
Ms Angela O'Shea	Aldi Stores
Mr Geoff Parker	Australian Beverages Council Ltd
Mr George Passas	Metcash Ltd
Ms Stephanie Rajczyk	Nestlé Australia Ltd
Ms Linda Ralph	Mars Food Australia
Ms Katherine Rich	New Zealand Food and Grocery Council
Ms Nadine Smith	Woolworths Supermarkets
Dr Rob Solomon	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Kim Stapaes	Australian Beverages Council Ltd
Ms Jennifer Thompson	The Australian Industry Group, Confectionery Sector
Ms Kerry Tyack	New Zealand Juice & Beverage Association
Mr Benjamin Ward	Aldi Stores

### Social Sciences Expert Advisory Group

Prof John Cary	Victoria University, NZ
Prof John Coveney	Flinders University, SA
Prof Janet Hoek	University of Otago, NZ
Dr Phil Mohr	CSIRO Food and Nutritional Sciences
Assoc Prof Cliona Ni Mhurchu	University of Auckland, NZ
Prof Ken Reed	Australian Consortium for Social and Political Research Inc
Emeritus Prof Richard Shepherd	University of Surrey, UK
Prof Carlene Wilson	Flinders University, Cancer Council of South Australia

### Standard Development Committee for Raw Milk Products

Ms Carol Bate	Fonterra Australia Pty Ltd
Mr Tony Beaver	Food and Beverage Importers Association
Mr Bill Calder	Department of Health, WA
Mr Tony Coope	Parmalat Australia Limited
Ms Helen Dornom	Dairy Australia
Mr Doug Eddy	Dairy Food Safety Victoria
Ms Kira Goodall	Dairy Australia
Ms Corrie Goodwin	Dairy Food Safety Victoria
Mr Ross Greenaway	Murray Goulburn Co-op Ltd
Dr Catherine Hollywell	Dairy Food Safety Victoria
Mr Wes Judd	Queensland Dairy Farmers
Mr John O'Regan	Murray Goulburn Co-op Ltd
Mr Phil Pond	Safe Food Production Qld
Ms Jane Raupach	Department of Health, SA
Mr Steve Rice	Dairy Authority of South Australia
Mrs Denise Riches	Goat Industry Council of Australia
Dr Steve Roberts	DAFF Biosecurity
Dr Jenny Robertson	Consultant



**Standard Development Committee for Raw Milk Products**

Ms Shona Scott	Ministry for Primary Industries, NZ
Dr Rob Solomon	Department of Agriculture, Fisheries and Forestry, Cwth
Mr Peter Sutherland	New South Wales Food Authority
Mrs Heather Wieland	Country Women's Association of Australia
Mr Neil Willman	Private Consultant
Ms Slava Zeman	DAFF Biosecurity

**Standard Development Committee for Meat and Meat Products**

Ms Judy Barker	Ministry for Primary Industries, NZ
Mr Bob Barwell	Cattle Council of Australia
Mr David Basham	Australian Dairy Farmers Limited
Mr Brian Casey	PrimeSafe, Vic
Mr Ron Cullen	Sheepmeat Council of Australia
Mr Peter Day	New South Wales Food Authority
Ms Helen Dornom	Dairy Australia
Mr Stan Goodchild	Department of Health, WA
Mr Dougal Gordon	Australian Lot Feeders Association
Ms Michelle Gorman	Meat and Livestock Australia
Mr David Inall	Cattle Council of Australia
Mr Brian Jones	Department of Health and Community Care, ACT
Ms Kate Joseph	Sheepmeat Council of Australia
Mr Wesley Judd	Australian Dairy Farmers Limited
Mr Tim Juzefowicz	Australian Renderers' Association Inc
Mr John Kelly	Australian Game Meat Producers Association
Mr Ed Klim	Department of Agriculture, Fisheries and Forestry, Cwth (also representing SAFEMEAT)
Mr John Langbridge	Australian Meat Industry Council
Mr Chris Lyall	Department of Primary Industries, Parks, Water and Environment, Tas

### Standard Development Committee for Meat and Meat Products

Mr Peter Merrell	DAFF Biosecurity
Dr David Miles	New South Wales Food Authority
Dr Patricia Mitchell	Australian Pork Ltd
Mr Jason Ollington	DAFF Biosecurity
Mr Robert Parkes	Stockfeed Manufacturers' Council of Australia
Mr Phil Pond	Safe Food Production Qld
Mr Geoff Raven	Department of Primary Industries and Resources, SA
Mr Glenn Telford	Goat Industry Council of Australia
Dr Rob Solomon	Department of Agriculture, Fisheries and Forestry, Cwth
Ms Heather Wieland	Country Women's Association of Australia
Dr Barbara Wilson	SafeFood Production Qld

# Appendix 5 – Financial Statements



## INDEPENDENT AUDITOR'S REPORT

### To the Parliamentary Secretary for Health and Ageing

I have audited the accompanying financial statements of Food Standards Australia New Zealand for the year ended 30 June 2012, which comprise: a Statement by the Directors, Chief Executive and Chief Finance Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

#### *Directors' Responsibility for the Financial Statements*

The directors of Food Standards Australia New Zealand are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Food Standards Australia New Zealand's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Food Standards Australia New Zealand's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 6203 7300 Fax (02) 6203 7777

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of Food Standards Australia New Zealand:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including Food Standards Australia New Zealand's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Puspa Dash  
Executive Director

Delegate of the Auditor-General

Canberra

20 September 2012





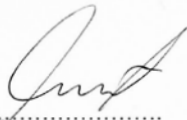
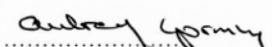
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**STATEMENT BY THE DIRECTORS, CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Food Standards Australia New Zealand will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the directors.

			
Ms Philippa Smith AM	Dr. Michele Allan	Mr. Steve McCutcheon	Ms Audrey Gormley
Chairperson	Director	Chief Executive Officer	Chief Finance Officer
20 September 2012	20 September 2012	20 September 2012	20 September 2012

**STATEMENT OF COMPREHENSIVE INCOME****for the period ended 30th June 2012**

	Notes	2012 \$	2011 \$
<b>EXPENSES</b>			
Employee benefits	3A	16,393,379	15,672,637
Supplier	3B	5,784,576	5,972,335
Depreciation and amortisation	3C	821,752	725,293
Finance costs	3D	19,324	14,120
Write-down and impairment of assets	3E	857	-
Foreign exchange losses	3F	6,395	17,649
Losses from asset sales	3G	596	-
<b>Total Expenses</b>		<u>23,026,879</u>	<u>22,402,034</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	3,177,484	2,616,869
Interest	4B	574,940	515,171
Other revenue	4C	25,620	23,384
<b>Total own-source revenue</b>		<u>3,778,044</u>	<u>3,155,424</u>
<b>Gains</b>			
Sale of assets	4D	-	892
<b>Total gains</b>		<u>-</u>	<u>892</u>
<b>Total own-source income</b>		<u>3,778,044</u>	<u>3,156,316</u>
<b>Net cost of (contribution by) services</b>			
		<u>19,248,835</u>	<u>19,245,718</u>
Revenue from Government	4E	18,760,186	19,296,000
<b>(Deficit) Surplus</b>		<u>(488,649)</u>	<u>50,282</u>
<b>(Deficit) Surplus attributable to the Australian Government</b>		<u>(488,649)</u>	<u>50,282</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		970,493	33,422
<b>Total other comprehensive income</b>		<u>481,844</u>	<u>83,704</u>
<b>Total comprehensive income attributable to the Australian Government</b>		<u>481,844</u>	<u>83,704</u>

The above statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET****as at 30th June 2012**

	Notes	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	10,707,283	9,587,097
Trade and other receivables	5B	655,759	484,800
<b>Total financial assets</b>		<u>11,363,042</u>	<u>10,071,897</u>
<b>Non-Financial Assets</b>			
Land and buildings	6A,C	1,393,186	503,297
Property, plant and equipment	6B,C	599,471	692,170
Intangibles	6D,E	1,933,403	1,406,521
Other non-financial assets	6F	276,071	212,656
<b>Total non-financial assets</b>		<u>4,202,131</u>	<u>2,814,644</u>
<b>Total assets</b>		<u>15,565,173</u>	<u>12,886,541</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	815,536	597,593
Other payables	7B	2,914,667	1,867,626
<b>Total payables</b>		<u>3,730,203</u>	<u>2,465,219</u>
<b>Provisions</b>			
Employee provisions	8A	4,962,989	4,078,445
Other provisions	8B	337,553	290,293
<b>Total provisions</b>		<u>5,300,542</u>	<u>4,368,738</u>
<b>Total liabilities</b>		<u>9,030,745</u>	<u>6,833,957</u>
<b>Net assets</b>		<u>6,534,428</u>	<u>6,052,584</u>
<b>EQUITY</b>			
Contributed equity		1,823,000	1,823,000
Reserves		1,953,189	982,696
Retained surplus		2,758,239	3,246,888
<b>Total equity</b>		<u>6,534,428</u>	<u>6,052,584</u>

The above statement should be read in conjunction with the accompanying notes.



**STATEMENT OF CHANGES IN EQUITY**

for the period ended 30th June 2012

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	3,246,888	3,196,606	982,696	949,274	1,823,000	1,523,000	6,052,584	5,668,880
<b>Adjusted opening balance</b>	<b>3,246,888</b>	<b>3,196,606</b>	<b>982,696</b>	<b>949,274</b>	<b>1,823,000</b>	<b>1,523,000</b>	<b>6,052,584</b>	<b>5,668,880</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	970,493	33,422	-	-	970,493	33,422
(Deficit) Surplus for the period	(488,649)	50,282	-	-	-	-	(488,649)	50,282
<b>Total comprehensive income</b>	<b>(488,649)</b>	<b>50,282</b>	<b>970,493</b>	<b>33,422</b>	<b>-</b>	<b>-</b>	<b>481,844</b>	<b>83,704</b>
<b>Transactions with owners</b>								
Contributions by owners	-	-	-	-	-	300,000	-	300,000
Equity injection	-	-	-	-	-	300,000	-	300,000
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>
<b>Closing balance as at 30 June</b>	<b>2,758,239</b>	<b>3,246,888</b>	<b>1,953,189</b>	<b>982,696</b>	<b>1,823,000</b>	<b>1,823,000</b>	<b>6,534,428</b>	<b>6,052,584</b>

The above statement should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENT

### for the period ended 30th June 2012

	Notes	2012 \$	2011 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Sales of goods and rendering of services		2,535,521	1,648,600
Receipts from Government		18,760,186	19,296,000
Funding from New Zealand Government		1,621,376	1,527,875
Interest		669,834	400,944
Net GST received		483,561	596,483
Other		25,620	–
<b>Total cash received</b>		<u>24,096,098</u>	<u>23,469,902</u>
<b>Cash used</b>			
Employees		(15,514,512)	(15,191,731)
Suppliers		(6,306,157)	(7,193,760)
<b>Total cash used</b>		<u>(21,820,669)</u>	<u>(22,385,491)</u>
<b>Net cash from operating activities</b>	9	<u>2,275,429</u>	<u>1,084,411</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		4,240	1,496
<b>Total cash received</b>		<u>4,240</u>	<u>1,496</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		(1,153,088)	(1,759,266)
<b>Total cash used</b>		<u>(1,153,088)</u>	<u>(1,759,266)</u>
<b>Net cash used by investing activities</b>		<u>(1,148,848)</u>	<u>(1,757,770)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		–	300,000
<b>Total cash received</b>		<u>–</u>	<u>300,000</u>
<b>Net cash from financing activities</b>		<u>–</u>	<u>300,000</u>
<b>Net increase (decrease) in cash held</b>		<u>1,126,581</u>	<u>(373,359)</u>
Cash and cash equivalents at the beginning of the reporting period		9,587,097	9,978,105
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		(6,395)	(17,649)
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>10,707,283</u>	<u>9,587,097</u>

The above statement should be read in conjunction with the accompanying notes.

**SCHEDULE OF COMMITMENTS****as at 30th June 2012**

	2012	2011
	\$	\$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	655,723	623,838
Contracts receivable <sup>2</sup>	4,167,375	4,610,053
Net GST recoverable on commitments	1,206,095	1,090,577
<b>Total commitments receivable</b>	<u>6,029,193</u>	<u>6,324,468</u>
<b>Commitments payable</b>		
Operating leases <sup>3</sup>	(14,070,913)	(10,347,795)
Other commitments <sup>4</sup>	(1,124,910)	(1,644,503)
<b>Total commitments payable</b>	<u>(15,195,823)</u>	<u>(11,992,298)</u>
<b>Net commitments by type</b>	<u>(9,166,630)</u>	<u>(5,667,830)</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	2,668,365	2,773,976
From one to five years	2,406,626	3,158,802
Over five years	954,202	391,690
<b>Total commitments receivable</b>	<u>6,029,193</u>	<u>6,324,468</u>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	(1,577,288)	(1,679,568)
From one to five years	(5,463,138)	(6,144,918)
Over five years	(7,030,487)	(2,523,309)
<b>Total operating lease commitments</b>	<u>(14,070,913)</u>	<u>(10,347,795)</u>
<b>Other Commitments</b>		
One year or less	(876,510)	(1,543,535)
From one to five years	(248,400)	(100,968)
<b>Total other commitments</b>	<u>(1,124,910)</u>	<u>(1,644,503)</u>
<b>Total commitments payable</b>	<u>(15,195,823)</u>	<u>(11,992,298)</u>
<b>Net commitments by maturity</b>	<u>(9,166,630)</u>	<u>(5,667,830)</u>

NB: Commitments are GST inclusive where relevant.

1. Sublease rental income relates to car parking spaces sub leased to staff.
2. Contracts receivable includes future receivables from contracts and term deposit interest.
3. Operating leases are in relation to office accommodation, car leases and equipment.
4. Other commitments comprise mainly future payments to contractors and consultants under formally agreed contracts.

Operating leases included are effectively non-cancellable and comprise:

<b>Nature of lease</b>	<b>General Description</b>
Leases for office accommodation	Australian lease payments are subject to a fixed annual increase of 3%. Food Standards Australia New Zealand (FSANZ) has taken the option to extend the office lease in Australia for five more years. New Zealand lease payments are subject to market reviews.
Lease in relation to computer equipment	The lessor provides all computer equipment and software designated as necessary in the supply contract for 3 to 5 years. FSANZ may vary its original designated requirement, subject to giving 3 months notice.

The above schedule should be read in conjunction with the accompanying notes.

## Notes to and forming part of the Financial Statements

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## Notes to and forming part of the Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Objectives of Food Standards Australia New Zealand (FSANZ)

Food Standards Australia New Zealand (FSANZ) is an Australian Government controlled entity. It is a not for profit entity. The objective of FSANZ is to improve the health of all Australians. FSANZ is structured to meet one outcome – A safe food supply and well informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.

FSANZ was established under the *Food Standards Australia New Zealand Act 1991* (FSANZ Act). The continued existence of FSANZ in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for FSANZ's administration and programs.

#### 1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and is in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to FSANZ or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless an alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

#### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

#### 1.4 New Australian Accounting Standards

##### *Adoption of New Australian Accounting Standard Requirements*

No accounting standard has been adopted earlier than the application date as stated in the standard.

Other standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on FSANZ.

##### *Future Australian Accounting Standard Requirements*

Other standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on FSANZ.

## Notes to and forming part of the Financial Statements

### 1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- FSANZ retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to FSANZ.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to FSANZ.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### *Resources Received Free of Charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### *Revenues from Government*

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to FSANZ) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

#### *Parental Leave Payments Scheme*

Amounts received under the Parental Leave payments Scheme by FSANZ not yet paid to employees would be presented gross as cash and a liability (payable). The total amount received under this scheme was (\$24,786) (2011:\$10,260).

### 1.6 Gains

#### *Resources Received Free of Charge*

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

#### *Sale of Assets*

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

## Notes to and forming part of the Financial Statements

### 1.7 Transactions with the Government as Owner

#### *Equity injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCB) are recognised directly in contributed equity in that year.

### 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### *Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of FSANZ is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including FSANZ's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *Separation and Redundancy*

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### *Superannuation*

Staff of FSANZ are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or a complying fund.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other complying funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

FSANZ makes employer contributions to the employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. FSANZ accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the last pay accrual of the year.

### 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets. FSANZ has no finance leases.

#### *Lease incentives*

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced on a straight-line basis by allocating lease payments between rental expense and reduction of the lease incentive liability.

## Notes to and forming part of the Financial Statements

### 1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and any demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### 1.12 Financial Assets

FSANZ classifies its financial assets as loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

#### *Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### *Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### *Impairment of Financial Assets*

Financial assets are assessed for impairment at end of each reporting period.

Financial assets carried at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

### 1.13 Financial Liabilities

Financial liabilities are classified as other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### *Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote. No schedule of contingencies was prepared as FSANZ did not have any quantifiable contingent assets or liabilities as at 30 June 2012. (2011:Nil)



## Notes to and forming part of the Financial Statements

### 1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

### 1.16 Property, Plant and Equipment

#### *Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by FSANZ where there exists an obligation to restore the property to prescribed conditions. These costs are included in the value of FSANZ's leasehold improvements with a corresponding provision for the 'make good' recognised.

#### *Revaluations*

Fair values for each class of asset are determined as shown below:

<b>Asset class</b>	<b>Fair value measurement</b>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus/deficit. Revaluation decrements for a class of assets are recognised directly in surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### *Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to FSANZ using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2012</b>	2011
Leasehold improvements	<b>Per life of lease</b>	Per life of lease
Plant and equipment	<b>3–15 years</b>	3–15 years

## Notes to and forming part of the Financial Statements

### Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if FSANZ were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### 1.17 Intangibles

FSANZ's intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Internally developed software and purchased software with values of \$20,000 or greater are capitalised. Any purchases under these thresholds are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

Intangible assets are amortised on a straight line basis over their anticipated useful lives. The useful lives of FSANZ's software are:

	2012	2011
Internally developed software	4 Years	4 years
Purchased	4 Years	4 years

All software assets were assessed for indications of impairment as at 30 June 2012.

### 1.18 Taxation

FSANZ is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST) in Australia and New Zealand.

Revenues, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

### 1.19 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency bank account amounts are translated at the exchange rate current as at the reporting date.

### 1.20 Comparative Figures

Comparative figures have been adjusted, where required, to conform to the following changes in presentation in these financial statements:

- Note 13 Executive Remuneration now includes the General Manager based in New Zealand.

## NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of FSANZ.

## Notes to and forming part of the Financial Statements

**NOTE 3: EXPENSES**

	2012	2011
	\$	\$
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	13,172,975	13,229,970
Superannuation		
Defined contribution plans	844,801	793,897
Defined benefit plans	1,052,707	1,137,642
Leave and other entitlements	1,159,736	455,447
Separation and redundancies	98,402	-
Other employee expenses	64,758	55,681
<b>Total employee benefits</b>	<u>16,393,379</u>	<u>15,672,637</u>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Consultants	958,261	736,193
Contractors	261,019	353,036
Travel	1,105,127	1,337,166
Computer expenses	457,048	411,852
Subscriptions	120,839	168,826
Legal fees	294,516	83,892
Training	205,487	177,186
Other	924,171	1,266,136
<b>Total goods and services</b>	<u>4,326,468</u>	<u>4,534,287</u>
<b>Goods and services are made up of:</b>		
Provision of goods – related entities	2,089	2,421
Provision of goods – external parties	742,605	542,265
Rendering of services – related entities	768,959	476,215
Rendering of services – external parties	2,812,815	3,513,386
<b>Total goods and services</b>	<u>4,326,468</u>	<u>4,534,287</u>
<b>Other supplier expenses</b>		
Operating lease rentals:		
Minimum lease payments	1,419,285	1,413,363
Workers compensation expenses	38,823	24,685
<b>Total other supplier expenses</b>	<u>1,458,108</u>	<u>1,438,048</u>
<b>Total supplier expenses</b>	<u>5,784,576</u>	<u>5,972,335</u>
<b>Note 3C: Depreciation and Amortisation</b>		
<b>Depreciation:</b>		
Property, plant and equipment	628,801	648,867
<b>Total depreciation</b>	<u>628,801</u>	<u>648,867</u>
<b>Amortisation:</b>		
Computer Software	192,951	76,426
<b>Total amortisation</b>	<u>192,951</u>	<u>76,426</u>
<b>Total depreciation and amortisation</b>	<u>821,752</u>	<u>725,293</u>
<b>Note 3D: Finance costs</b>		
Unwinding of discount	19,324	14,120
<b>Total finance costs</b>	<u>19,324</u>	<u>14,120</u>
<b>Note 3E: Write-Down and Impairment of Assets</b>		
Write Offs	857	-
<b>Total write-down and impairment of assets</b>	<u>857</u>	<u>-</u>
<b>Note 3F: Foreign Exchange Losses</b>		
Non-speculative	6,395	17,649
<b>Total foreign exchange losses</b>	<u>6,395</u>	<u>17,649</u>
<b>Note 3G: Losses from Asset Sales</b>		
Property, plant and equipment		
Proceeds from sale	(4,240)	-
Carrying value of assets sold	4,836	-
<b>Total losses from asset sales</b>	<u>596</u>	<u>-</u>

## Notes to and forming part of the Financial Statements

### NOTE 4: INCOME

#### OWN-SOURCE REVENUE

	2012	2011
	\$	\$
<b>Note 4A: Sale of Goods and Rendering of Services</b>		
New Zealand Government funding	1,621,376	1,527,875
Cost recovery fees	416,157	453,054
International projects	120,494	–
Nanotechnology	100,000	120,000
Surveys	714,936	505,835
Royalties	846	6,991
Dietary Modelling	171,000	–
Other	32,675	3,114
<b>Total sale of goods and rendering of services</b>	<u>3,177,484</u>	<u>2,616,869</u>

#### Sale of goods and rendering of services are made up of:

Provision of goods – related entities	–	–
Provision of goods – external parties	–	3,114
Rendering of services – related entities	985,936	625,835
Rendering of services – external parties	2,191,548	1,987,920
<b>Total sale of goods and rendering of services</b>	<u>3,177,484</u>	<u>2,616,869</u>

#### Note 4B: Interest

Deposits	574,940	515,171
<b>Total interest</b>	<u>574,940</u>	<u>515,171</u>

#### Note 4C: Other revenue

Other	25,620	23,384
<b>Total other revenue</b>	<u>25,620</u>	<u>23,384</u>

### GAINS

#### Note 4D: Sale of Assets

##### Property, plant and equipment

Proceeds from sale	–	1,496
Carrying value of assets sold	–	(604)
<b>Net gain from sale of assets</b>	<u>–</u>	<u>892</u>

#### Note 4E: Revenue from Australian Government

##### Department of Health and Ageing

CAC Act body payment item	18,760,186	19,296,000
<b>Total revenue from Government</b>	<u>18,760,186</u>	<u>19,296,000</u>

## Notes to and forming part of the Financial Statements

**NOTE 5: FINANCIAL ASSETS**

	2012	2011
<b>Note 5A: Cash and Cash Equivalents</b>	\$	\$
AUSTRALIA		
Cash on hand	500	500
Deposits	10,656,065	9,573,553
NEW ZEALAND		
Cash on hand	50,326	12,658
Deposits	392	386
<b>Total cash and cash equivalents</b>	<u>10,707,283</u>	<u>9,587,097</u>
<b>Note 5B: Trade and Other Receivables</b>		
Goods and services – related parties	370,072	230,919
Goods and services – external parties	177,672	31,558
<b>Total receivable for goods and services</b>	<u>547,744</u>	<u>262,477</u>
<b>Other receivables:</b>		
Interest	58,891	153,785
Other receivables	49,124	68,538
<b>Total other receivables</b>	<u>108,015</u>	<u>222,323</u>
<b>Total trade and other receivables (gross)</b>	<u>655,759</u>	<u>484,800</u>
Less impairment allowance account	–	–
<b>Total trade and other receivables (net)</b>	<u>655,759</u>	<u>484,800</u>
<b>Receivables are expected to be recovered in:</b>		
No more than 12 months	655,759	484,800
More than 12 Months	–	–
<b>Total trade and other receivables (net)</b>	<u>655,759</u>	<u>484,800</u>
<b>Receivables are aged as follows:</b>		
Not overdue	636,749	455,484
Overdue by:		
0 to 30 days	19,010	29,202
31 to 60 days	–	1
61 to 90 days	–	113
More than 90 days	–	–
<b>Total receivables (gross)</b>	<u>655,759</u>	<u>484,800</u>
<b>The impairment allowance account is aged as follows:</b>		
Overdue by:		
61 to 90 days	–	–
More than 90 days	–	–
<b>Total impairment allowance account</b>	<u>–</u>	<u>–</u>

## Notes to and forming part of the Financial Statements

### NOTE 6: NON-FINANCIAL ASSETS

	2012	2011
	\$	\$
<b>Note 6A: Land and Buildings</b>		
<b>Leasehold improvements</b>		
– Fitout & leasehold improvements at fair value	1,578,650	683,081
– Accumulated depreciation	<u>(185,464)</u>	<u>(179,784)</u>
<b>Total leasehold improvements</b>	<u>1,393,186</u>	<u>503,297</u>
<b>Total land and buildings</b>	<u>1,393,186</u>	<u>503,297</u>
<b>Note 6B: Property, Plant and Equipment</b>		
<b>Artefacts</b>		
Artefacts (at fair value)	<u>7,500</u>	<u>7,500</u>
<b>Total artefacts</b>	<u>7,500</u>	<u>7,500</u>
<b>Furniture and fittings</b>		
Furniture & Fittings (at fair value)	<u>9,650</u>	<u>15,270</u>
<b>Total furniture &amp; fittings</b>	<u>9,650</u>	<u>15,270</u>
<b>Computer equipment</b>		
Computer Equipment (at fair value)	<u>386,982</u>	<u>448,500</u>
<b>Total computer equipment</b>	<u>386,982</u>	<u>448,500</u>
<b>Office equipment</b>		
Office Equipment (at fair value)	<u>195,339</u>	<u>220,900</u>
<b>Total office equipment</b>	<u>195,339</u>	<u>220,900</u>
<b>Total property, plant and equipment</b>	<u>599,471</u>	<u>692,170</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. In 2011–12, an independent valuer, Pickles Valuation Services (PVS), conducted a full review of all asset categories at Net Book Value (NBV), as at 30 June 2012.

Revaluation increment of \$994,359 (2011:\$0) for leasehold improvements and decrement of \$23,867 (2011: \$0) for property plant and equipment were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. No decrements were expensed (2011:\$0).

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is held for sale, however, some assets may be sold as part of the normal refresh process within the next 12 months.

## Notes to and forming part of the Financial Statements

## NOTE 6: NON-FINANCIAL ASSETS

## Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2011–12)

	Buildings – Leasehold Improvements	Property, Plant & Equipment	Total
	\$	\$	\$
<b>As at 1 July 2011</b>			
Gross book value	683,081	692,170	1,375,251
Accumulated depreciation/amortisation and impairment	(179,784)	–	(179,784)
<b>Net book value 1 July 2011</b>	<u>503,297</u>	<u>692,170</u>	<u>1,195,467</u>
Additions:			
By purchase	194,439	238,817	433,256
By makegood recognition	27,936	–	27,936
Revaluations and impairments recognised in other comprehensive income	994,360	(23,867)	970,493
Depreciation/amortisation expense	(326,846)	(301,956)	(628,802)
Disposals:			
Other disposals	–	(5,693)	(5,693)
<b>Net book value 30 June 2012</b>	<u>1,393,186</u>	<u>599,471</u>	<u>1,992,657</u>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	1,578,650	599,471	2,178,121
Accumulated depreciation/amortisation and impairment	(185,464)	–	(185,464)
<b>Net book value 30 June 2012</b>	<u>1,393,186</u>	<u>599,471</u>	<u>1,992,657</u>

## Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010–11)

	Buildings – Leasehold Improvements	Property, Plant & Equipment	Total
	\$	\$	\$
<b>As at 1 July 2010</b>			
Gross book value	1,679,101	906,526	2,585,627
Accumulated depreciation/amortisation and impairment	(842,579)	(279,660)	(1,122,239)
<b>Net book value 1 July 2010</b>	<u>836,522</u>	<u>626,866</u>	<u>1,463,388</u>
Additions:			
By purchase	5,455	342,674	348,129
By makegood recognition	–	–	–
Revaluations and impairments recognised in other comprehensive income	3,874	29,548	33,422
Depreciation/amortisation expense	(342,554)	(306,314)	(648,868)
Disposals:			
Other disposals	–	(604)	(604)
<b>Net book value 30 June 2011</b>	<u>503,297</u>	<u>692,170</u>	<u>1,195,467</u>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	683,081	692,170	1,375,251
Accumulated depreciation/amortisation and impairment	(179,784)	–	(179,784)
<b>Net book value 30 June 2011</b>	<u>503,297</u>	<u>692,170</u>	<u>1,195,467</u>

## Notes to and forming part of the Financial Statements

### NOTE 6: NON-FINANCIAL ASSETS

	2012	2011
	\$	\$
<b>Note 6D: Intangibles</b>		
<b>Computer software:</b>		
Purchased	973,657	483,624
Internally developed – in use	–	234,800
Internally developed – in progress	1,230,999	1,028,775
Accumulated amortisation	<u>(271,253)</u>	<u>(340,678)</u>
<b>Total computer software</b>	<b>1,933,403</b>	<b>1,406,521</b>

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

#### Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2011–12)

	Computer software internally developed	Computer software purchased	Total
	\$	\$	\$
<b>As at 1 July 2011</b>			
Gross book value	1,263,575	483,624	1,747,199
Accumulated amortisation and impairment	<u>(234,800)</u>	<u>(105,878)</u>	<u>(340,678)</u>
<b>Net book value 1 July 2011</b>	<b>1,028,775</b>	<b>377,746</b>	<b>1,406,521</b>
Additions:			
By purchase or internally developed	202,224	517,608	719,832
Amortisation	<u>–</u>	<u>(192,950)</u>	<u>(192,950)</u>
<b>Net book value 30 June 2012</b>	<b>1,230,999</b>	<b>702,404</b>	<b>1,933,403</b>
<b>Net book value as of 30 June 2012 represented by:</b>			
Gross book value	1,230,999	973,657	2,204,656
Accumulated amortisation and impairment	<u>–</u>	<u>(271,253)</u>	<u>(271,253)</u>
<b>Net book value 30 June 2012</b>	<b>1,230,999</b>	<b>702,404</b>	<b>1,933,403</b>

#### Note 6E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2010–11)

	Computer software internally developed	Computer software purchased	Total
	\$	\$	\$
<b>As at 1 July 2010</b>			
Gross book value	234,800	101,262	336,062
Accumulated amortisation and impairment	<u>(234,800)</u>	<u>(29,452)</u>	<u>(264,252)</u>
<b>Net book value 1 July 2010</b>	<b>–</b>	<b>71,810</b>	<b>71,810</b>
Additions:			
By purchase or internally developed	1,028,775	382,362	1,411,137
Amortisation	<u>–</u>	<u>(76,426)</u>	<u>(76,426)</u>
<b>Net book value 30 June 2011</b>	<b>1,028,775</b>	<b>377,746</b>	<b>1,406,521</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	1,263,575	483,624	1,747,199
Accumulated amortisation and impairment	<u>(234,800)</u>	<u>(105,878)</u>	<u>(340,678)</u>
<b>Net book value 30 June 2011</b>	<b>1,028,775</b>	<b>377,746</b>	<b>1,406,521</b>

#### Note 6F: Other Non-Financial Assets

Prepayments	<u>276,071</u>	212,656
<b>Total other non-financial assets</b>	<b>276,071</b>	<b>212,656</b>

All other non-financial assets are expected to be recovered in no more than 12 months.

No indicators of impairment were found for other non-financial assets.



## Notes to and forming part of the Financial Statements

**NOTE 7: PAYABLES**

	2012	2011
	\$	\$

**Note 7A: Suppliers**

Trade creditors	815,536	597,593
<b>Total suppliers payables</b>	<b>815,536</b>	<b>597,593</b>

**Supplier payables – expected to be settled within 12 months:**

Related entities	169,760	55,749
External parties	645,776	541,844
<b>Total</b>	<b>815,536</b>	<b>597,593</b>

**Supplier payables – expected to be settled in greater than 12 months:**

Related entities	-	-
External parties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total suppliers payables</b>	<b>815,536</b>	<b>597,593</b>

Settlement was usually made within 30 days.

**Note 7B: Other Payables**

Wages and salaries	360,055	297,207
Superannuation	51,518	35,948
Performance based pay	282,819	366,915
Unearned income	2,061,913	1,104,545
Lease incentives	28,370	24,782
Other	129,992	38,229
<b>Total other payables</b>	<b>2,914,667</b>	<b>1,867,626</b>

**Total other payables are expected to be settled in:**

No more than 12 months	2,898,726	1,858,496
More than 12 months	15,941	9,130
<b>Total other payables</b>	<b>2,914,667</b>	<b>1,867,626</b>

## Notes to and forming part of the Financial Statements

### NOTE 8: PROVISIONS

	2012	2011
	\$	\$
<b>Note 8A: Employee Provisions</b>		
Leave	4,962,989	4,078,445
<b>Total employee provisions</b>	<u>4,962,989</u>	<u>4,078,445</u>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	1,831,047	1,778,522
More than 12 months	<u>3,131,942</u>	<u>2,299,923</u>
<b>Total employee provisions</b>	<u>4,962,989</u>	<u>4,078,445</u>
<b>Note 8B: Other Provisions</b>		
Provision for restoration obligations	<u>337,553</u>	290,293
<b>Total other provisions</b>	<u>337,553</u>	<u>290,293</u>
<b>Other provisions are expected to be settled in:</b>		
No more than 12 months	308,606	–
More than 12 Months	<u>28,947</u>	<u>290,293</u>
<b>Total other provisions</b>	<u>337,553</u>	<u>290,293</u>
	<b>Provision for restoration</b>	<b>Total</b>
	\$	\$
<b>Carrying amount 1 July 2011</b>	290,293	290,293
Additional provisions made (Revaluations)	27,936	27,936
Unwinding of discount or change in discount rate	<u>19,324</u>	<u>19,324</u>
<b>Closing balance 2012</b>	<u>337,553</u>	<u>337,553</u>

FSANZ currently has two agreements (2011: Two) for the leasing of premises which have provisions requiring FSANZ to restore the premises to their original condition at the conclusion of the lease. FSANZ has made a provision to reflect the present value of this obligation.

## Notes to and forming part of the Financial Statements

### NOTE 9: CASH FLOW RECONCILIATION

	2012	2011
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	10,707,283	9,587,097
Balance sheet	<u>10,707,283</u>	<u>9,587,097</u>
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(19,248,835)	(19,245,718)
Add revenue from Government	18,760,186	19,296,000
<b>Adjustment for non-cash items</b>		
Depreciation / amortisation	821,752	725,293
Net write down of non-financial assets	857	-
Foreign Exchange loss	6,395	17,649
Loss (Gain) on sale of assets	596	(892)
<b>Changes in assets/liabilities</b>		
(Increase) in net receivables	(170,959)	(49,166)
(Increase) / decrease in prepayments	(63,415)	3,026
Increase in other payables	1,047,041	496,095
Increase in employee provisions	884,544	348,732
Increase / (decrease) in supplier payables	217,943	(520,728)
Increase in other provisions	<u>19,324</u>	<u>14,120</u>
<b>Net cash from operating activities</b>	<u>2,275,429</u>	<u>1,084,411</u>

### NOTE 10: CONTINGENT ASSETS AND LIABILITIES

As FSANZ had no contingent liabilities or contingent assets as at 30 June 2012 or in the preceeding reporting period, a Schedule of Contingencies has not been included. FSANZ also had no unquantifiable or remote contingent assets or liabilities. (2011: Nil)

## Notes to and forming part of the Financial Statements

### NOTE 11: DIRECTORS REMUNERATION

The number of non-executive directors of FSANZ included in these figures are shown below in the relevant remuneration bands:

	2012	2011
	No.	No.
\$0 to \$15,000	1	–
\$15,000 to \$29,999	–	1
\$30,000 to \$44,999	8	9
\$45,000 to \$59,999	1	–
\$60,000 to \$74,999	1	–
\$75,000 to \$89,999	–	1
Total number of directors of FSANZ	<u>11</u>	<u>11</u>
Total remuneration received or due and receivable by directors of FSANZ	<b>\$339,692</b>	\$434,257

Directors of FSANZ are appointed by the Minister for Health and Ageing. New Zealand members are nominated for appointment by the New Zealand Minister for Food Safety.

The Chief Executive Officer is the only full time paid director – and is included in Note 13 Executive Remuneration.

### NOTE 12: RELATED PARTY DISCLOSURES

FSANZ had no related party transactions during the year. (2011: Nil)

### NOTE 13: SENIOR EXECUTIVE REMUNERATION

Note 13A: Senior Executive Remuneration Expense for the Reporting Period

	2012	2011
	\$	\$
<b>Short-term employee benefits:</b>		
Salary	1,254,073	924,770
Annual leave accrued	79,486	77,603
Performance bonuses	114,588	92,242
Other	87,945	64,024
<b>Total short-term employee benefits</b>	<u>1,536,092</u>	<u>1,158,639</u>
<b>Post-employment benefits:</b>		
Superannuation	163,749	132,018
<b>Total post-employment benefits</b>	<u>163,749</u>	<u>132,018</u>
<b>Other long-term benefits:</b>		
Long-service leave	27,111	25,280
<b>Total other long-term benefits</b>	<u>27,111</u>	<u>25,280</u>
Termination benefits	98,402	–
<b>Total</b>	<u>1,825,354</u>	<u>1,315,937</u>

Notes:

- Note 13A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 13B).
- Note 13A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$150,000.
- Note 13A has been restated for 2010–11 to reflect the inclusion of the New Zealand General Manager.

## Notes to and forming part of the Financial Statements

**NOTE 13: SENIOR EXECUTIVE REMUNERATION**

Note 13B: Average Annual Reportable Remuneration Paid for Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration <sup>1</sup>	2012				2011							
	Senior Executives No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total \$	Senior Executives No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total \$
<b>Total remuneration (including part-time arrangements):</b>												
\$210,000 to \$239,999	3	176,164	23,209	-	12,432	211,805						
\$270,000 to \$299,999	1	159,503	86,155	-	18,824	264,482						
\$300,000 to \$329,999	1	226,451	69,320	-	6,515	302,286						
\$330,000 to \$359,999	1	250,721	31,439	-	29,994	312,154						
<b>Total</b>	<b>6</b>											
<b>Average annual reportable remuneration<sup>1</sup></b>												
<b>Total remuneration (including part-time arrangements):</b>												
less than \$150,000	1	79,679	34,888	-	-	114,567						
\$180,000 to \$209,999	3	151,381	35,528	-	11,786	198,695						
\$270,000 to \$299,999	1	147,770	83,362	-	22,845	253,977						
\$300,000 to \$329,999	1	241,090	31,721	-	29,120	301,931						
<b>Total</b>	<b>6</b>											

Notes:

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

## Notes to and forming part of the Financial Statements

**NOTE 13: SENIOR EXECUTIVE REMUNERATION**

Note 13C: Other Highly Paid Staff

	Staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total \$
<b>Average annual reportable remuneration<sup>1</sup></b>						
<b>Total remuneration (including part-time arrangements):</b>	9	114,919	34,958	–	11,731	161,607
\$150,000 to \$179,999	9					
<b>Total</b>						
<b>Average annual reportable remuneration<sup>1</sup></b>						
<b>Total remuneration (including part-time arrangements):</b>	8	109,863	35,676	–	12,415	157,955
\$150,000 to \$179,999	8					
<b>Total</b>						

Notes:

- This table reports staff:
  - who were employed by the entity during the reporting period;
  - whose reportable remuneration was \$150,000 or more for the financial period; and
  - were not required to be disclosed in Tables A, B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

## Notes to and forming part of the Financial Statements

### NOTE 14: REMUNERATION OF AUDITORS

Financial statement audit services were provided by the Australian National Audit Office

	2012	2011
	\$	\$
<b>Fair value of the services provided</b>		
– Financial statements audit services	35,000	34,000
	<u>35,000</u>	<u>34,000</u>

No other services were provided by the ANAO.

### NOTE 15: FINANCIAL INSTRUMENTS

	2012	2011
	\$	\$

#### 15A: Categories of Financial Instruments

##### Financial Assets

##### Loans and receivables:

Cash and cash equivalents	10,707,283	9,587,097
Trade and other receivables	655,759	484,800
<b>Carrying amount of financial assets</b>	<u>11,363,042</u>	<u>10,071,897</u>

##### Financial Liabilities

##### Other Liabilities:

Payables – suppliers	815,536	597,593
<b>Carrying amount of financial liabilities</b>	<u>815,536</u>	<u>597,593</u>

#### 15B: Net Income and Expense from Financial Assets

##### Loans and receivables

Interest revenue	574,940	515,171
Foreign exchange (loss)	(6,395)	(17,649)
<b>Net gain loans and receivables</b>	<u>568,545</u>	<u>497,522</u>
<b>Net gain from financial assets</b>	<u>568,545</u>	<u>497,522</u>

#### 15C: Fair Value of Financial Instruments

	Carrying amount 2012	Fair value 2012	Carrying amount 2011	Fair value 2011
	\$	\$	\$	\$
<b>Financial Assets</b>				
Loans and receivables	11,363,042	11,363,042	10,071,897	10,071,897
<b>Total</b>	<u>11,363,042</u>	<u>11,363,042</u>	<u>10,071,897</u>	<u>10,071,897</u>

##### Financial Liabilities

Other Liabilities	815,536	815,536	597,593	597,593
<b>Total</b>	<u>815,536</u>	<u>815,536</u>	<u>597,593</u>	<u>597,593</u>

## Notes to and forming part of the Financial Statements

### NOTE 15: FINANCIAL INSTRUMENTS

#### 15D: Credit risk

FSANZ is exposed to minimal credit risk as loans and receivables are trade and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade and other receivables (2012: \$655,759 and 2011: \$484,400). FSANZ has assessed the risk of the default on payment as minimal and no allowance for impairment has been made.

FSANZ holds no collateral to mitigate against credit risk.

#### Credit risk of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired	Not Past Due Nor Impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade and other receivables	636,749	455,484	19,010	29,316
<b>Total</b>	<b>636,749</b>	<b>455,484</b>	<b>19,010</b>	<b>29,316</b>

#### Ageing of financial assets that are past due but not impaired for 2012

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<b>Loans and receivables</b>					
Trade and other receivables	19,010	–	–	–	19,010
<b>Total</b>	<b>19,010</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>19,010</b>

#### Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<b>Loans and receivables</b>					
Trade and other receivables	29,202	1	113	–	29,316
<b>Total</b>	<b>29,202</b>	<b>1</b>	<b>113</b>	<b>–</b>	<b>29,316</b>

#### 15E: Liquidity risk

FSANZ's financial liabilities are trade creditors and other payables. The exposure to liquidity risk is based on the notion that FSANZ will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to Government funding and mechanisms available to FSANZ and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

FSANZ has no past experience of default.

#### Maturities for non-derivative financial liabilities 2012

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Payables – suppliers	–	815,536	–	–	815,536
<b>Total</b>	<b>–</b>	<b>815,536</b>	<b>–</b>	<b>–</b>	<b>815,536</b>

#### Maturities for non-derivative financial liabilities 2011

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Payables – suppliers	–	597,593	–	–	597,593
<b>Total</b>	<b>–</b>	<b>597,593</b>	<b>–</b>	<b>–</b>	<b>597,593</b>

#### 15F: Market risk

FSANZ holds basic financial instruments that do not expose FSANZ to certain market risks, however FSANZ holds assets and liabilities in New Zealand dollars and is exposed to normal currency fluctuations in the Australian/New Zealand dollar exchange rate.



## Notes to and forming part of the Financial Statements

### NOTE 16: REPORTING OF OUTCOMES

FSANZ operates primarily in a single industry and has operations in both Canberra, Australia and Wellington, New Zealand.

FSANZ objectives, in developing or reviewing food standards as set down in legislation, are to: protect public health and safety; ensure the provision of adequate information relating to food to enable informed consumer choice; and prevent misleading and deceptive conduct.

FSANZ is structured to meet one outcome:

Outcome 1: A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.

#### Note 16A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Expenses</b>	<b>23,027</b>	22,402	<b>23,027</b>	22,402
<b>Income from non-government sector</b>				
Activities subject to cost recovery	416	453	416	453
Other	2,369	2,059	2,369	2,059
<b>Total</b>	<b>2,785</b>	2,512	<b>2,785</b>	2,512
<b>Other own-source income</b>				
Other	993	644	993	644
<b>Net cost of outcome delivery</b>	<b>19,249</b>	19,246	<b>19,249</b>	19,246

Outcome 1 is described in Note 1 1.1 Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

## Notes to and forming part of the Financial Statements

### NOTE 16: REPORTING OF OUTCOMES

#### Note 16B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1		Total	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employees	16,393	15,673	16,393	15,673
Suppliers	5,785	5,972	5,785	5,972
Depreciation and amortisation	822	725	822	725
Write-down and impairment of assets	1	–	1	–
Net foreign exchange losses	6	18	6	18
Finance charge	19	14	19	14
Loss from asset sales	1	–	1	–
<b>Total</b>	<b>23,027</b>	<b>22,402</b>	<b>23,027</b>	<b>22,402</b>
<b>Income</b>				
Revenues from Government	18,760	19,296	18,760	19,296
Sales of goods & services	3,177	2,617	3,177	2,617
Interest	575	515	575	515
Net foreign exchange gains	–	–	–	–
Other non-taxation revenues	26	24	26	24
<b>Total</b>	<b>22,538</b>	<b>22,452</b>	<b>22,539</b>	<b>22,452</b>
<b>Assets</b>				
Cash and cash equivalents	10,707	9,587	10,707	9,587
Trade and other receivables	656	485	656	485
Land and buildings	1,393	503	1,393	503
Property, plant and equipment	599	692	599	692
Intangibles	1,933	1,407	1,933	1,407
Other non-financial assets	276	213	276	213
<b>Total</b>	<b>15,565</b>	<b>12,887</b>	<b>15,565</b>	<b>12,887</b>
<b>Liabilities</b>				
Suppliers	816	598	816	598
Other payables	2,915	1,868	2,915	1,868
Employee provisions	4,963	4,078	4,963	4,078
Other provisions	338	290	338	290
<b>Total</b>	<b>9,031</b>	<b>6,834</b>	<b>9,031</b>	<b>6,834</b>

Outcomes 1 is described in Note 1 1.1 Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

### NOTE 17: COMPENSATION AND DEBT RELIEF

FSANZ incurred no expenses or liabilities in relation to compensation and debt relief in the reporting period (2010–11 nil).

## Appendix 6 – Functions and powers

Food Standards Australia New Zealand is a statutory authority established by the *Food Standards Australia New Zealand Act 1991*. The Act came into effect on 19 August 1991. FSANZ is part of the Health and Ageing portfolio of the Australian Government and, on day-to-day matters, is accountable to the Parliamentary Secretary for Health and Ageing, the Hon Catherine King, MP.

Sections 13 and 14 of the Act state:

### Functions

- (1) The functions of the Authority are:
  - (a) in accordance with this Act, to develop standards and variations of standards, and to review standards and variations of standards; and
  - (b) in accordance with this Act, to develop codes of practice and variations of codes of practice for industry and to review codes of practice; and
  - (c) to develop guidelines to assist the interpretation of the Australia New Zealand Food Standards Code on its own initiative or in consultation with the States, the Territories and any other body or person that the Authority considers appropriate; and
  - (d) to promote consistency between standards in Australia and New Zealand with those used internationally, based on the best available scientific evidence; and
  - (e) in consultation with the States and Territories, or on its own initiative, to facilitate the harmonisation of State and Territory laws relating to food; and
  - (f) in consultation with the States and Territories, or on its own initiative, to co-ordinate the development of procedures required to implement requirements set out in standards; and
  - (g) in consultation with the States and Territories, to co-ordinate the monitoring, surveillance and enforcement of activities relating to food available in Australia; and
  - (h) in consultation with the States and Territories, or on its own initiative, to conduct research and surveys in relation to any of the matters that may be included in a standard; and

- (i) in co-operation with the States and Territories, to develop food education initiatives, including the publication of information to increase public awareness of food standards and food labels; and
  - (j) in co-operation with the Department administering Division 1A of Part V of the *Trade Practices Act 1974*, to co-ordinate the recall of food under that Division; and
  - (k) at the request of the States and Territories, to co-ordinate action by the States and Territories to recall food under State and Territory laws; and
  - (l) to develop assessment policies in relation to food imported into Australia; and
  - (m) to provide advice to the Minister on matters relating to food; and
  - (n) to participate in international, regional and bilateral negotiations on matters that may be included in standards; and
  - (o) to make the Authority's knowledge, expertise, equipment, facilities and intellectual property available to other persons on a commercial basis; and
  - (p) at the request of New Zealand, to perform functions for New Zealand similar to the functions that the Authority may perform in relation to the States and Territories; and
  - (q) at the request of New Zealand, to perform functions for New Zealand similar to the other functions that the Authority may perform; and
  - (qa) such other functions as are conferred on the Authority by this Act; and
  - (r) any functions incidental to any of the foregoing functions.
- (2) The function conferred by paragraph (1)(o):
- (a) can only be exercised:
    - (i) for a purpose for which the Parliament has power to make laws; or
    - (ii) to utilise the Authority's spare capacity; and
  - (b) does not authorise the Authority to do something that would impede the Authority's capacity to perform its other functions.

**Powers**

- (1) The Authority has power to do all things necessary or convenient to be done in connection with the performance of its functions and, in particular, may:
- (a) enter into contracts; and
  - (b) acquire, hold and dispose of real or personal property; and
  - (c) occupy, use and control any land or building owned, or held under lease, by the Commonwealth and made available for the purposes of the Authority; and
  - (d) engage persons to perform services for the Authority; and
  - (e) provide assistance to bodies or persons to prepare submissions:
    - (i) relating to the development or consideration of draft food regulatory measures or draft variations of food regulatory measures; or
    - (ii) relating to the performance of any other function of the Authority;if the Authority determines that such assistance will advance the development or consideration of that draft or the performance of that other function; and
  - (f) accept gifts, grants, bequests and advances made to the Authority (whether on trust or otherwise) and act as trustee of money or other property vested in the Authority on trust; and
  - (fa) form, or participate in the formation of, companies; and
  - (fb) subscribe for or purchase shares in, or debentures and other securities of, companies; and
  - (fc) participate in partnerships, trusts and unincorporated joint ventures; and
  - (g) do anything incidental to any of its powers.
- (2) The powers of the Authority may be exercised within or outside Australia.

## Appendix 7 – General and scientific publications

### General publications

All publications are available from [www.foodstandards.gov.au](http://www.foodstandards.gov.au) and limited hard copies of certain publications are available by contacting [info@foodstandards.gov.au](mailto:info@foodstandards.gov.au).

Please note the hard copy of the *Australia New Zealand Food Standards Code* and User Guides are available from SAI Global at [www.saiglobal.com/Information/Legislation/Services/Food/](http://www.saiglobal.com/Information/Legislation/Services/Food/) or on (03) 9278 1144.

Title	Description
<i>Agents of Foodborne Illness</i>	A technical series summarising key information on microorganisms associated with foodborne illness.  First published 2011.
<i>Annual Report</i>	A report to the Australian Parliament on FSANZ's activities for the year. Annual publication.
<i>AUSNUT</i>	Australian Food and Nutrient Database. AUSNUT is FSANZ's first ever data release on CD Rom. The AUSNUT CD contains a set of seven inter-related data files and explanatory notes that contain a wealth of descriptive and numerical data on the food and nutrient composition of Australian foods.  First published 1999.
<i>Australia New Zealand Food Standards Code</i>	This document contains food standards (regulations) that apply to food businesses in Australia and New Zealand. Compliance with the standards is mandatory.  Available in loose-leaf form by subscription from SAI Global on (03) 9278 1144.

Title	Description
<i>Australian Total Diet Study</i> (formerly the <i>Australian Market Basket Survey</i> )	<p>This study monitors pesticide and contaminant residues present in food and estimates their intake in the diets of Australians. FSANZ uses this information when developing food standards.</p> <p>19th ATDS published April 2001.</p> <p>20th ATDS published January 2003.</p> <p>21st ATDS Latest edition released August 2005.</p> <p>22nd ATDS – latest edition released August 2008.</p> <p>23rd ATDS Latest edition released August 2011.</p>
<i>Corporate Plan</i>	<p>The <i>Corporate Plan</i> sets out FSANZ's strategic directions over a three-year period. Latest edition 2009–2012.</p> <p>Printed August 2009.</p>
<i>Food Industry Recall Protocol</i>	<p>This booklet is a step-by-step guide to carrying out food recalls. It explains what must be done when food products have to be recalled from shops or consumers for health and safety reasons.</p> <p>First published June 1994. Latest edition 5th September 2002 and print rerun June 2004, September 2008.</p>
<i>Food labels: What do they mean?</i> (Poster)	<p>A full colour A2 poster explaining the changes to food labels.</p> <p>First published October 2001. Print reruns 2002, 2003, 2004 and 2007.</p> <p>Updated 2007.</p>
<i>Food Standards News</i>	<p>A monthly e-newsletter about the key issues and significant projects undertaken by FSANZ.</p>
<i>Food Surveillance News</i>	<p>A quarterly publication co-coordinating microbiological and other food safety studies from the states and territories.</p> <p>Available by email and website.</p>
<i>GM Foods</i>	<p>FSANZ's safety assessment process for genetically modified foods.</p> <p>Published June 2005.</p>

Title	Description
<i>Listeria and Food brochure</i>	<p>An easy-to-read brochure which explains how to reduce the risk of contracting the Listeria infection—specifically advice for people at risk—pregnant women, their unborn and newborn children, older people (65 years and older), or the immuno-compromised. The brochure sets out foods which are safe and those at 'higher risk' of Listeria contamination.</p> <p>Reprinted June 2012. Available from the website and in hard copy.</p>
<i>Mercury in fish brochure and fact sheet</i>	<p>The <i>Mercury in fish brochure</i> contains information on the recommended portions of fish that should be consumed by various sectors of the population. Further information is available on the FSANZ website.</p>
<i>Monitoring of Emerging Issues newsletter</i>	<p>Occasional summary of global food safety issues. Available on website only.</p>
NUTTAB	<p>NUTTAB 2010 is an updated food composition publication containing data on the nutrient content of foods available in Australia.</p>
<i>Nutrition information panel calculator</i>	<p>A database to allow industry to calculate NIPs Released August 2001.</p>
<i>The Analysis of Food-Related Health Risks</i>	<p>Publication providing information on the risk analysis process used by FSANZ to identify, assess and manage food-related health risks within a structured framework. Published February 2009.</p>
<i>Safe Food Australia 2nd Edition January 2001 (A Guide to the Food Safety Standards)</i>	<p>This book contains Chapter 3 of the Australia New Zealand Food Standards Code (applies to Australia only). The guide was prepared to assist with interpretation of three of the food safety standards in Chapter 3 of the <i>Australia New Zealand Food Standards Code</i>. They are: 3.1.1 Interpretation and Application; 3.2.2 Food Safety Practices and General requirements; 3.2.3 Food Premises and Equipment.</p> <p>Available from SAI Global at cost and from the website free-of-charge.</p>
<i>Science Strategy 2010–15</i>	<p>Published 2010.</p>



Title	Description
<i>Thinking about having a baby?</i> Important things you need to know about what you eat and drink	Pamphlet providing nutritional information for women who may be thinking about getting pregnant.
<b>Fact sheets updated/new 2011–12</b>	Fact sheets on food issues for 2011–12.
<i>Acrylamide in foods</i> (September 2011)	Available on the FSANZ website only.
<i>Alcoholic – Health advisory labels on alcoholic beverages</i> (September 2011)	
<i>Allergen Collaboration</i> (May 2012)	
<i>Antibiotics in the food supply</i> (August 2011)	
<i>Arsenic</i> (December 2011)	
<i>Bacteriophages and food</i> (March 2012)	
<i>Bamboo Cassava and bamboo shoots</i> (October 2011)	
<i>Bisphenol A (BPA)</i> (April 2012)	
<i>Benzene in flavoured beverages</i> (August 2011)	
<i>Caffeine</i> (August 2011)	
<i>Carbendazim in orange juice</i> (January 2012)	
<i>Cassava and bamboo shoots</i> (October 2011)	
<i>Chicken – Raw Chicken Meat Microbiological Survey – summary of results</i> (November 2011)	
<i>Chemicals in food packaging</i> (May 2012)	
<i>Cloned animals</i> (December 2011)	
<i>Coffee – Consumer warning on coffee products containing drugs</i> (July 2011)	
<i>Colours – Food colours</i> (December 2011)	
<i>Cooking poultry liver dishes safely</i> (April 2012)	
<i>Chemicals in food – maximum residue limits</i> (February 2012)	
<i>Dioxins</i> (February 2012)	
<i>E-coli outbreak in Germany</i> (July 2011)	
<i>Fish labelling</i> (September 2011)	
<i>Fluoride in bottled water</i> (November 2011)	
<i>Folic acid – Monitoring of folic acid fortification</i> (March 2012)	
<i>Food colours</i> (December 2011)	
<i>Food irradiation</i> (August 2011)	
<i>Hemp as a food</i> (March 2012)	
<i>Isomaltulose</i> (December 2011)	
<i>Imported food – Food imported into Australia</i> (April 2012)	
<i>Irradiation</i> (August 2011)	
<i>Irradiation of persimmons</i> (August 2011)	
continued next page	

Title	Description
<b>Fact sheets updated/new 2011–12</b> (continued)	Fact sheets on food issues for 2011–12.
Japan – <i>Safety of food from Japan</i> (December 2011)	Available on the FSANZ website only.
Labels – <i>Health advisory labels on alcoholic beverages</i> (September 2011)	
Laboratory – <i>Good Laboratory Practice</i> (February 2012)	
Liver – <i>Cooking poultry liver dishes safely</i> (April 2012)	
<i>Monitoring of folic acid fortification</i> (March 2012)	
<i>Milk</i> (May 2012)	
<i>Milk – Plant-based milk alternatives</i> (May 2012)	
<i>MRL's – Chemicals in food – maximum residue limits</i> (February 2012)	
<i>MSG in food</i> (May 2012)	
<i>Mercury in Fish</i> (September 2011)	
<i>Nanotechnology and Food</i> (December 2011)	
<i>Nitrates and nitrites</i> (November 2011)	
<i>Nutrition, health and related claims</i> (February 2012)	
<i>Paterson's Curse/Salvation Jane honey</i> (October 2011)	
<i>Palm oil</i> (September 2011)	
<i>Plant Sterols</i> (also known as Phytosterols) (November 2011)	
<i>Plant-based milk alternatives</i> (May 2012)	
<i>Poultry – Cooking poultry liver dishes safely</i> (April 2012)	
<i>Quorn</i> (mycoprotein) (December 2011)	
<i>Sodium and salt</i> (August 2011)	
<i>Sodium – How much sodium and salt are we eating</i> (August 2011)	
<i>Sports foods</i> (February 2012)	
<i>Sulphites</i> (January 2012)	
<i>Tagatose – Information about tagatose for individuals with disorders in fructose metabolism</i> (April 2012)	
<i>Bottled wine labelled with a vintage date of 2002 or earlier</i> (February 2012)	
<i>Wholegrain food</i> (November 2011)	

## Scientific publications

**H Jin, D Craig and S Crerar** (2011), Improving the effectiveness of food safety regulation to minimise Shiga toxin-producing *Escherichia coli* contamination in fermented meat products. *European Journal of Food Research and Review* 1(3): 145–148 (extended abstract).

**Mackerras D**, Powers J, **Boorman J**, Loxton D, Giles GG (2011) Estimating the impact of mandatory fortification of bread with iodine on pregnant and post-partum women. *Journal of Epidemiology and Community Health* 65:1118–1122.

**Kerry Mills, Patricia Blenman, Michelle Robertson, Jamie Conlan, Snezana Smiljanic, Jason March, Amanda Hill** (2011) Examining the safety of fresh horticultural produce in Australia. Proceedings of Australian Institute of Food Science and Technology (AIFST) Securing Global Food Safety conference.

**Patricia Blenman, Beatrice Dias-Wanigasekera, Scott Crerar, Amanda Hill, Duncan Craig** (2011) Microbiological criteria in the Food Standards Code – time for a change? Proceedings of Australian Institute of Food Science and Technology (AIFST) Securing Global Food Safety conference.

**Mulrine H, Mackerras D** (2011) Beaton's Probability Approach for estimating prevalence of inadequate iron intakes applied to Australian data. Abstract of the Nutrition Society of Australia 35:107.

Martineau C, **Mackerras D** (2011) WHO Nutrient Profiling: Report of a WHO/IASO Technical Meeting. London, United Kingdom, 4–6 October 2010. Geneva 2011. ([http://www.who.int/nutrition/publications/profiling/WHO\\_IASO\\_report2010/en/index.html](http://www.who.int/nutrition/publications/profiling/WHO_IASO_report2010/en/index.html)).

**Hayder H, Mueller U, Bartholomaeus A** (2011) Review of Intolerance Reactions to Food and Food Additives. *International Food Risk Analysis Journal* 1:2.

**Fletcher N, Bartholomaeus A** (2011) Regulation of Nanotechnologies in Food in Australia and New Zealand. *International Food Risk Analysis Journal* 1:2

**Utz Mueller, Janet Gorst** (2011) Comment on Maternal and fetal exposure to pesticides associated to genetically modified foods in Eastern Townships of Quebec, Canada by A. Aris and S. Leblanc [Reprod. Toxicol. 31 528–533] *Reproductive Toxicology* 2012; 33(3): 401–402.

**Rosalind Dalefield, Michelle Gosse, Andrew Bartholomaeus, Chris Schyvens, Utz Mueller**

Determination of the single-dose 72-hour oral gavage LD50 values of monocrotaline and riddelliine in male Han Wistar rats using the up-and-down procedure. *Journal of Herbal Medicine and Toxicology* 2012; 6(1): 153–165.

**Rosalind Dalefield, Michelle Gosse, Andrew Bartholomaeus, Chris Schyvens, Utz Mueller**

Acute toxicity of heliotrine in male Han Wistar rats *Journal of Toxicology Research* 2012, 2(1): 12–19.

**Utz Mueller**, A refined approach to estimate exposure for use in calculating the maximum residue limit of veterinary drugs. *Regulatory Toxicology and Pharmacology* 2012; 62: 99–106.

**Utz Mueller**, Health risk assessment for cyanobacterial toxins in seafood, *International Journal of Environmental Research and Public Health* 2012; 9: 807–820.

## Appendix 8 – Categories of documents held

### Administration

Documents relating to administration include personnel, finance, property and resource management records.

### Agreements

FSANZ holds copies of the following agreements:

- The Agreement between the Commonwealth of Australia, the States, the Northern Territory of Australia and the Australian Capital Territory in relation to the adoption of uniform food standards (2000).
- The Agreement between the Commonwealth of Australia and New Zealand establishing a system for the development of joint food standards which was signed in 1995 and came into effect in 1996. This document can be found on the Internet under the Australian Treaty Series 1996 Number 12. This link is available from our website at [www.foodstandards.gov.au](http://www.foodstandards.gov.au), together with links to all relevant legislation.

### Food recalls

A full list of the products involved and the reasons for each recall are given in an end-of-year food recall report. A summary appears in this annual report.

### Briefs, submissions and reports

We prepare and hold copies of briefing papers, submissions and reports relevant to specific functions. Briefing papers and submissions include those prepared for ministers, Australia and New Zealand Food Regulation Ministerial Council, Food Regulation Standing Committee, Implementation-Sub-Committee and other committees.

### Databases

We maintain a wide range of computer databases to support our information and processing needs, including the Australian Nutrient Databank and our dietary modelling software (DIAMOND). All are held in our Canberra office.

## Files

Both paper-based and computer-based records are maintained on FSANZ's activities. They primarily relate to the processing of applications or proposals associated with a draft standard or a draft variation to a standard. While most of these records are held in our Canberra office, some are held in the Wellington office.

## Finance documents

We maintain a series of documents relating to FSANZ financial management, including our chart of accounts, expenditure and revenue ledgers and appropriation ledger.

## Freedom of information enquiries

Inquiries concerning access to documents under the FOI Act should be directed to the FOI Coordinator on +61 2 6271 2222 or email [foi@foodstandards.gov.au](mailto:foi@foodstandards.gov.au).

## Mailing lists

We maintain, for our own use, mailing lists to disseminate information to key stakeholders and interested individuals. Documents distributed through this list include FSANZ annual reports, *Food Standards News*, *Food Surveillance News*, information circulars, information summaries, Explanatory Notes and Statements of Reasons.

## Maps and plans

Maps and plans held are mainly working drawings, plans and specifications for our offices.

## Public Register

We maintain a Public Register of documents for all applications and proposals. Applications, public submissions and other associated material (with the exception of any commercially confidential material or other confidential information), as well as relevant FSANZ documents are placed on the Public Register file.

The Public Register files are now generally available electronically. Members of the public wishing to access files no longer have to come to the Canberra or Wellington offices to view the documents.

Public Register files can be inspected for an administrative charge with five working days' notice. In Australia, the charge is: 1 file AU\$110; 2–4 files AU\$145; and 5 or more files AU\$180. Copying, postage and CDs are charged in addition to these costs. The charge may be partially or fully waived for academic institutions, private individuals, community, consumer or non-profit organisations.

### **Review and research**

Documents relating to policy review, dietary surveys, labelling research and organisational and communications reviews are held in our Canberra office.

### **Media releases**

All media releases are available on request. They can also be accessed from the FSANZ website at [www.foodstandards.gov.au](http://www.foodstandards.gov.au).

### **Publications**

See Appendix 6 for a list of current publications.

## Appendix 9 – Consultants

Consultancies worth \$10,000 or more carried out in FSANZ during 2011–12:

Consultant	Nature of consultancy	Amount – excl GST	Reason for use	Selection process
Biotext limited	Imported Food Advice Review	30,268.18	C	Open tender
Tasmanian Quality Assured Inc (TQA)	Identification of Food Safety in Horticulture	15,068.73	B,C	Sole provider
Sensory7 Pty Ltd	Consultancy Services for software development – Sharepoint	368,041.50	A,B	Panel – Centrelink
Acuity Research and Insights Pty Ltd	Reputation Management Research	18,081.82	B,C	Sole provider
Yellow Edge Pty Ltd	Development of a workforce capability framework	39,090.90	A	Selective tender
Minter Ellison Rudd Watts Lawyers	HR Advice – New Zealand Employment law	12,318.99	B	Sole provider
Moore Stephens Canberra Pty Ltd	Develop a business continuity plan	17,358.00	B	Selective tender
Orima Research Pty Ltd	Conduct Staff Survey	38,779.09	B	Sole provider
Quality Management Solutions (QMS)	HR Advice	10,400.00	B	Selective tender
Gaze Commercial	Fitout of New Zealand Office	190,530.55	B	Sole provider
Sensory7 Pty Ltd	Document Management Review	12,960.00	B	Panel – Centrelink
Wizard People Pty Ltd	Update Chief Executive Instructions	20,395.10	A	Sole provider
Applied Economics	Evaluation Model Report	24,852.01	A,B	Sole provider
Centre for International Economics (CIE)	Nutrition, Health & Related Claims Cost Analysis	63,227.27	B,C	Sole provider
James R G Butler	Standards Development report	20,000.00	B	Sole provider



Consultant	Nature of consultancy	Amount – excl GST	Reason for use	Selection process
University of Sydney	Training – Discrete Choice Experiment	12,000.00	B	Selective tender
CSIRO	Literature Review	13,636.36	C	Sole provider
Flinders University	Linkage project	25,000.00	B,C	Sole provider
Newspoll Market Research	Sports Food Survey	62,399.00	A	Panel
Newspoll Market Research	Fortification Survey	38,840.00	A	Panel
Reading Room Australia Pty Ltd	Develop Website	51,000.00	A,B	Selective tender
Gillian Beaumont Legal	Executive Search and Recruitment	20,548.01	B	Sole provider
Results Consulting (Aust) Pty Ltd	Business Process Reengineering	17,500.00	B,C	Selective tender
Cogent Business Solutions Pty Ltd	Project management of an integrated database application (Harvest)	60,165.00	A,B	Open tender
National Measurement Institute (NMI)	Bread Fortification Survey	67,480.00	A,B	Panel
National Measurement Institute (NMI)	Nutrient Data for Indigenous Foods	20,698.48	C	Panel
Omni Potent Solutions	Software support enhancements and maintenance of the Australian Nutrients Data Bank (ANDB)	19,835.42	A,B	Part of an existing contract
Peoplebank Australia	Consultancy Services for software development, software support and enhancement of dietary modelling data management system	12,241.39	A,B	Part of an existing contract
Randstad Pty Ltd	Temporary Staff	20,157.98	A	Selective tender
Fujitsu	Development of an integrated database application (Harvest)	137,452.00	B	Open tender

Consultant	Nature of consultancy	Amount – excl GST	Reason for use	Selection process
ESR Limited	24th Australian Total Diet Study	43,697.08	C	Panel
National Measurement Institute (NMI)	24th Australian Total Diet Study	193,231.32	C	Panel
SOS Recruitment	Temporary Staff	26,966.44	A	Selective tender
Australian National University	ARC Linkage Project	20,000.00	B,C	Sole Provider
Christchurch Clinical Studies Trust Ltd (CCST)	Pharmacokinetic research in Humans	32,565.35	C	Open tender
Face 2 Face Recruitment Pty Ltd	Temporary Staff & Placement Fees	29,786.46	A	Selective tender
<b>TOTAL</b>		<b>1,824,519.95</b>		

**Reason for use**

- A skills currently unavailable within agency
- B need for specialised or professional skills
- C need for independent research or assessment

## Appendix 10 – FSANZ representation

### International forums attended, including Codex/WHO/FAO

Date	International Committee Meeting or Conference	Who attended	Country
1–12 July 2011	34th Codex Alimentarius Commission and The Codex Committee on Food Hygiene	Paul Brent	Switzerland
31 July – 3 August 2011	IAFP2011 (International Association for Food Protection)	Scott Crerar	United States
13 August – 10 September 2011	Secondment at the World Bank to implement the APEC FSCF/World Bank MOU and to develop a Multi-Donor Trust Fund for food safety capacity building	Sonia Bradley	United States
5–9 September 2011	First International Workshop on the Food and Environmental Safety Assessment of Genetically Modified Animals	Janet Gorst	Argentina
5–9 September 2011	Hong Kong Expert Committee on Food Safety quarterly meeting	Paul Brent	Hong Kong
14–16 September 2011	9th International Food Data Base Conference	Judy Cunningham	United Kingdom
18–27 September 2011	Development of Microbiological Risk Assessment Capability in Bangladesh, FAO Food Safety Project in Bangladesh (Stage 1)	Duncan Craig Michelle Robertson	Bangladesh
16–26 October 2011	10th International Graduate Course on Production And Use Of Food Composition Data In Nutrition	Betsy Joseph	The Netherlands
17–18 October 2011	Residues of Food Contact Materials in Food	Nick Fletcher	Germany
23–26 October 2011	Regulatory Affairs Professionals Society Annual Conference	Judy Wood	United States
1 November 2011	Taste of Tomorrow – Food Safety Forum	Steve McCutcheon	Japan
7–11 November 2011	Joint FAO/WHO Expert Meeting on Dietary Exposure Methodologies for Residues of Veterinary Drugs (Chair)	Janis Baines	Italy
14–18 November 2011	Codex Committee on Nutrition and Foods for Special Dietary Uses, 33rd session	Janine Lewis	Germany

Date	International Committee Meeting or Conference	Who attended	Country
21–23 November 2011	Development of Microbiological Risk Assessment Capability in Bangladesh, FAO Food Safety Project in Bangladesh (Stage 2)	Duncan Craig Beatrice Dias-Wanigasekera	Bangladesh
21–24 November 2011	Australia New Zealand Science and Exposure Assessment Forum	Paul Brent Andrew Bartholomaeus Judy Cunningham Rainer Reuss Janice Abbey Luisa Trevisan	New Zealand
5–9 December 2011	FAO/WHO training course on utilising risk-based approaches in national food control systems in the Pacific	Barbara Butow Lorraine Belanger	New Zealand
11–14 December 2011	Hong Kong Expert Committee on Food Safety quarterly meeting	Paul Brent	Hong Kong
12–16 December 2011	FAO/WHO expert workshop on food recalls during emergencies/incidents	Lauren Kolstad	Rome, Italy
22–26 January 2012	ILSI Annual Scientific Session and IFBiC Steering Group Committee meeting	Andrew Bartholomaeus	United States
8–10 February 2012	Asia Pacific Science Policy Studies Research Conference, New Zealand	Melanie Fisher	New Zealand
20–24 February 2012	Food Chemical Risk Analysis Workshop for the Agrifood and Veterinary Authority, Singapore	Janis Baines Tracy Hambridge Mary-Lou Dalzell Matthew O'Mullane	Singapore
6–7 March 2012	Hong Kong Expert Committee on Food Safety quarterly meeting	Paul Brent	Hong Kong
21 March 2012	EFSA-Austria-Norway Workshop on allergenicity assessment of genetically modified plants	Lynda Graf	France
22–23 March 2012	19th Meeting of the OECD Task Force for the Safety of Novel Foods and Feeds	Lynda Graf	France

Date	International Committee Meeting or Conference	Who attended	Country
26–30 March 2012	Codex Committee on Contaminants in Food	Leigh Henderson	The Netherlands
6–9 May 2012	8th International symposium on Shiga toxin (verocytotoxin)-producing <i>Escherichia coli</i> infections (VTEC 2012)	Hong Jin	The Netherlands
9–12 May 2012	Conference Prion 2012	Hong Jin	The Netherlands
3 May – 30 June 2012	Secondment with INFOSAN	Barbara Butow	Switzerland
14–17 May 2012	Codex Committee on Food Labelling	Jane Allen	Canada
4–15 June 2012	Joint Institute for Food Safety and Applied Nutrition (JIFSAN) Risk Analysis training program	Gillian Duffy	United States
5–8 June 2012	Hong Kong Expert Committee on Food Safety quarterly meeting	Paul Brent	Hong Kong
9–13 June 2012	Global Food Safety Partnership Key Stakeholders meeting	Paul Brent	United States
5–14 June 2012	76th Meeting of the Joint FAO/WHO Expert Committee on Food Additives (JECFA)	Utz Mueller Barry Fields	Switzerland
26–28 June 2012	Developing National Food Safety Emergency Response Plans – Sharing Experiences and Lessons Learnt	Paul Brent	Bangkok, Thailand
26–29 June 2012	ILSI Seminars on Science and Regulatory Perspectives on Stacked Events in Genetically Modified Crops	Janet Gorst	Korea, Taiwan
29–30 June 2012	35th Session of the Codex Alimentarius Commission	Paul Brent	Italy

## Speaking engagements

Date	Event	Presenter(s)	Title
6 July 2011	Riddet Institute workshop on nanotechnology (Palmerston North)	Leigh Henderson	Regulatory management of nanotechnologies applied to food
9 August 2011	Public Health Agency of Canada (Guelph, Canada)	Scott Crerar	FSANZ microbiology risk assessment and risk management approaches
11 July 2011	44th AIFST conference	Janis Baines	The Australian Health Survey – relevance to food regulation
25 July 2011	ABS Internal staff training session	Janis Baines	Output strategy for the Australian Health Survey – FSANZ response
11 August 2011	Effective Product Recall Systems and Consumer Safety Conference	Steve McCutcheon	Food recalls in Australia
17 August 2011	Legalwise Seminar (Melbourne)	Jenny Hazelton	Deciphering the Food Standards Code for labelling
24 August 2011	FSANZ Seminar Canberra	Melanie Fisher	Food regulation: the role of science in evidence based policy
September 2011	University of Canberra, Public Policy Post Graduate Class	Melanie Fisher	Food regulation: the role of science in evidence based policy
6 September 2011	CSIRO Biotechnology Course	Lynda Graf	Panel discussion on the regulation of GM foods
14 September 2011	ILSI fats symposium	Janis Baines	Australian Health Survey – updating fatty acid values for the food composition database
15 September 2011	ARCS Conference	Steve McCutcheon	FSANZ as a bi-national agency
26 September 2011	Securing Global Food Safety Conference	Steve McCutcheon	Defining the boundaries of responsibility for food safety – A regulator's perspective
10 October 2011	Australian Beverage Council	Glenn Stannley	Role of FSANZ, food labelling, additives and emerged issues.

Date	Event	Presenter(s)	Title
11 October 2011	ILSI SEAR Australasia symposium on public health promotion and consumer behaviour: the role of food labelling	Michelle Gosse	Use of consumer behaviour by FSANZ for predicting likely effects of food labelling changes
17 October 2011	10th International Graduate Course on Production And Use Of Food Composition Data In Nutrition  (Wageningen, Netherlands)	Betsy Joseph	Food composition in Australia
18 October 2011	Rotary Club of Tuggeranong – monthly meeting	Judy Cunningham	How do we know what Australians eat?
21 October 2011	Seminar: Office of the Gene Technology Regulator	Janet Gorst	First international workshop on the food and environmental safety assessment of genetically modified animals, Buenos Aires, 5–9 September 2011
4 November 2011	Scientific Meeting of the Australian Veterinary Poultry Association (Melbourne)	Duncan Craig	New issues with <i>Salmonella</i>
9–10 November 2011	Food Regulations and Labelling Standards Conference (Sydney)	Steve Crossley	Australia's food recall and incident system
15 November 2011	Rotary Club of Tuggeranong – monthly meeting	Lynda Graf	The regulation of genetically modified food in Australia
22–24 November 2011	APEC Scientific Seminar – Workshop on Food Safety Risk-Benefit Analysis	Jason March	Cost benefit analysis and food regulation
2 December 2011	Plant and Food symposium on natural colours (Auckland, New Zealand)	Leigh Henderson	Food legislation and food additive approval in Australia and NZ
8–10 February 2012	Asia Pacific Science Policy Studies Research Conference, New Zealand	Melanie Fisher	Food regulation: the role of science in evidence based policy
20–24 February 2012	Food Chemical Risk Analysis Workshop, Singapore – a FSANZ workshop for the Singapore Agri-Food and Veterinary Authority	Matthew O'Mullane	6 lectures and 4 tutorial/practical sessions covering hazard and risk characterisation and assessment

Date	Event	Presenter(s)	Title
22 March 2012	ILSI SEAR Australasia symposium on health benefits for polyphenol-rich foods and beverages: latest science	Hazel Fowler	Consumer response to polyphenols
23 March 2012	Australian Building Code Board, Canberra	Melanie Fisher	Stakeholder engagement
8 May 2012	8th International symposium on Shiga toxin (verocytotoxin) – producing <i>Escherichia coli</i> infections (VTEC 2012)	Hong Jin	Trends and features of VTEC infections notified to the Australian national notifiable disease surveillance systems between 2001 and 2010
8 May 2012	Seminar: Office of the Gene Technology Regulator	Lynda Graf	Report of the EFSA Workshop on the Allergenicity Assessment of GM foods.
9 May 2012	AIFST Hot Topics Seminar on the Dietary Guidelines and FSANZ NUTTAB	Renee Sobolewski	The development of FSANZ reference database NUTTAB 2010
16 May 2012	DAA seminar: updates on developments in Federal nutrition policy	Janis Baines	Australian Health Survey
25 May 2012	Canadian Nutrition Society 2012	Jane Allen	Glycaemic index claims
29 May 2012	Contech 2012	Nick Fletcher	Regulation of nanotechnologies in food in Australia and New Zealand
12 June 2012	ILSI SEAR Australasia/ Australian Academy of Science National Committee for Nutrition symposium on Vitamin D in the food supply	Janine Lewis	Regulating the addition of vitamin D to food
19–20 June 2012	Food Safety Management Conference 2012, United Kingdom	Steve Crossley	Food safety legislation in Australia
27–28 June 2012	Developing National Food Safety Emergency Response Plans – Sharing Experiences and Lessons Learnt	Paul Brent	Management of Food Safety Emergencies



## Appendix 11 – FSANZ Board members, attendance, qualifications and experience

*Table 1. Board attendance*

Member	Teleconferences	Meetings
Ms Philippa Smith AM (Chair)	4/4	5/5
Dr Michele Allan	4/4	5/5
Professor Katrine Baghurst	4/4	4/5
Mr Peter Boyden	3/4	5/5
Associate Professor Stephen Corbett	2/4	5/5
Ms Jenni Mack	3/4	5/5
Mr Steve McCutcheon (CEO)	4/4	5/5
Dr Andrew McKenzie QSO	3/4	5/5
Dr James (Gardner) Murray AO	4/4	4/5
Mr Tony Nowell CNZM	3/4	5/5
Dr Dave Roberts	4/4	4/5
Mr Neil Walker JP	3/4	5/5
Observer		
Dr Anne Astin / Mr Stan Goodchild (alternate)	0/4	5/5

*Table 2. Finance, Audit and Risk Management Committee attendance*

Member	Meetings
Dr Michele Allan (FARMC Chair)	4/4
Ms Philippa Smith AM (Board Chair)	4/4
Mr Peter Boyden	4/4
Dr Dave Roberts	4/4
Observers	
Mr Steve McCutcheon (CEO)	4/4
Ms Audrey Gormley (Chief Finance Officer)	4/4

## Food Standards Australia New Zealand Board expertise and experience (2011–12)

### **Ms Philippa Smith AM** (term expires 30/06/2016)

Ms Philippa Smith, AM [s.116(1)(a)] was appointed Chair of the FSANZ Board in July 2008. Ms Smith is a former Commonwealth Ombudsman, CEO of the Association of Superannuation Funds of Australia and the inaugural Chair of the Consumer's Health Forum. She has developed strong strategic skills and extensive experience in ensuring effective accountability and governance structures across a number of portfolios.

### **Dr Michele Allan** (term expires 30/06/2013)

Dr Michele Allan [s.116(1)(f)] has strong leadership experience across many facets of the food industry including a CEO position in a publicly listed food company. Her areas of expertise include leadership, manufacturing strategy, organisational strategy, risk and insurance leadership, food safety systems implementation, food packaging innovation and commercialisation. Dr Allan has held senior executive positions with Amcor Limited, Bonlac Foods, Bioinformatics Centre of Excellence Tasmania, Kraft Foods and ICI. She has held board positions in both the private and public sectors, and is currently on the board of William Angliss Institute.

### **Professor Katrine Baghurst** (term expires 30/06/2013)

Professor Katrine Baghurst [s.116(1)(e)] has been involved in research and in translation of research to practice in the nutrition field in both Australia and New Zealand over the past 30 years, notably at the CSIRO Human Nutrition Division. Her extensive experience makes her a specialist in relation to determining food choice, consumer needs, current dietary patterns in the community and nutritional and food education. Professor Baghurst is an Adjunct Professor in the Department of Medicine, University of Adelaide and currently works as a nutrition consultant.

### **Mr Peter Boyden** (term expires 30/06/2013)

Mr Peter Boyden [s.116(1)(g)] is an internationally experienced CEO with extensive general management and marketing experience gained in consumer foods businesses in Australia, United Kingdom, Netherlands and Greece. His most recent corporate role was Managing Director and regional Board member of the Unilever Australasian foods business and a Board member of the Australian Food and Grocery Council. He is currently a Principal at The Adelante Group (senior executive mentoring) and Chairman of Dairy Innovation Australia Ltd. His areas of responsibility have included the management of consumer marketing, product and packaging development, food production and general management, where he has focused on strategy development and portfolio management.

**Associate Professor Stephen Corbett** (term expires 30/06/2015)

Associate Professor Stephen Corbett [s.116(1)(f)] has more than 20 years' experience as a public and environmental health physician, with qualifications in public health and medicine. He is a non-executive Director on the Board of the Sydney Catchment Authority. Associate Professor Corbett is director of the Centre for Population Health at the Sydney West Area Health Service, Conjoint Associate Professor, School of Public Health, University of Sydney and Western Clinical School, Westmead Hospital. He works part-time as a general practitioner at the Aboriginal Medical Service Western Sydney in Mt Druitt in Sydney. His interests include environmental health risk assessment and management, regulatory policy and practice and chronic disease prevention. He is an Associate Editor on the journal *Evolution, Medicine and Public Health (OUP)*.

**Ms Jenni Mack** (term expires 30/06/2013)

Ms Jenni Mack [s.116(1)(d)] has worked in consumer affairs since 1993 when she was Executive Director of the Australian Federation of Consumer Organisations. Her work has spanned food, chemicals, telecommunications, energy, legal and financial services policy incorporating areas such as industry self-regulatory and co-regulatory practices, professional standards and codes of practice. Ms Mack has worked closely with regulators and government agencies on good regulatory science, community education, licensing, best practice enforcement and compliance schemes, and community and social research projects. Ms Mack is the Chair of Choice, Australia's largest consumer organisation. She has a BA (UQ) and Masters in Administrative Law and Policy (USyd) and a Graduate Certificate in International Food Law and Regulation (Michigan State University).

**Mr Steve McCutcheon** (term expires 30/06/2017)

Mr Steve McCutcheon [s.116(1)(B)] was appointed CEO of FSANZ in October 2007. Prior to his appointment, Mr McCutcheon held a number of senior executive positions in the Australian Government Department of Agriculture, Fisheries and Forestry. During that time he led the team that developed the new food regulatory framework for Australia and New Zealand under the auspices of the Council of Australian Governments. He also led the Australian delegation to annual sessions of the Codex Alimentarius Commission from 2004–2007. Mr McCutcheon holds a Bachelor of Economics degree and has undertaken further studies in public law and public policy. The Chief Executive Officer of FSANZ is an ex officio member of the Board.

**Dr Andrew McKenzie QSO** (term expires 30/06/2014)

Dr Andrew McKenzie [s.116(1)(c)] is qualified as a veterinarian, with post graduate qualifications in veterinary public health, and has a background working for the (former) New Zealand Ministry of Agriculture and Fisheries with a focus on the meat, seafood and other food industries. In 2002 Dr McKenzie set up the New Zealand Food Safety Authority and led it until his retirement in June 2010. He has extensive experience in domestic food safety policy and standards, as well as international food safety and trade standards at the bilateral and multilateral level. Dr McKenzie has a continuing interest in management and governance, as well as contemporary regulatory approaches to food safety / quality and trade, particularly around standard-setting.

**Dr James (Gardner) Murray AO** (term expires 30/06/2013)

Dr Gardner Murray [s.116(1)(f)] has extensive experience in food safety and veterinary science. He holds numerous high level positions including Non-Executive Governing Board Member at the Australian Biosecurity Cooperative Research Centre for Emerging Infectious Diseases, and special adviser to the World Animal Health Organisation (OIE). Dr Murray has extensive experience in the field of agricultural food safety and standards, zoonoses and emerging threats.

**Mr Tony Nowell CNZM** (term expires 30/06/2013)

Mr Tony Nowell [s.116(1A)] has had extensive senior executive experience across various industries (including food) both internationally and within New Zealand. This has included holding positions such as CEO of Zespri International; Managing Director of Griffin's Foods; Regional Vice President of Sara Lee Asia; Zone Manager for Sara Lee Indonesia, Philippines and Thailand; Managing Director of Sara Lee Indonesia; Managing Director of L'Oreal Indonesia; and Operations Manager of L'Oreal New Zealand. Mr Nowell's other roles and responsibilities have included being the former Chair of the New Zealand Packaging Accord Governing Board and the New Zealand Government Food and Beverage Taskforce; and include Chairmanship of the New Zealand Forest Research Institute and Wellington Drive Technologies, as well as directorships at New Zealand Food Innovation Auckland and the Export Advisory Board of Business New Zealand. Mr Nowell has represented New Zealand as a member of the APEC Business Advisory Council since 2007.

**Dr David Roberts** (term expires 30.06.2013)

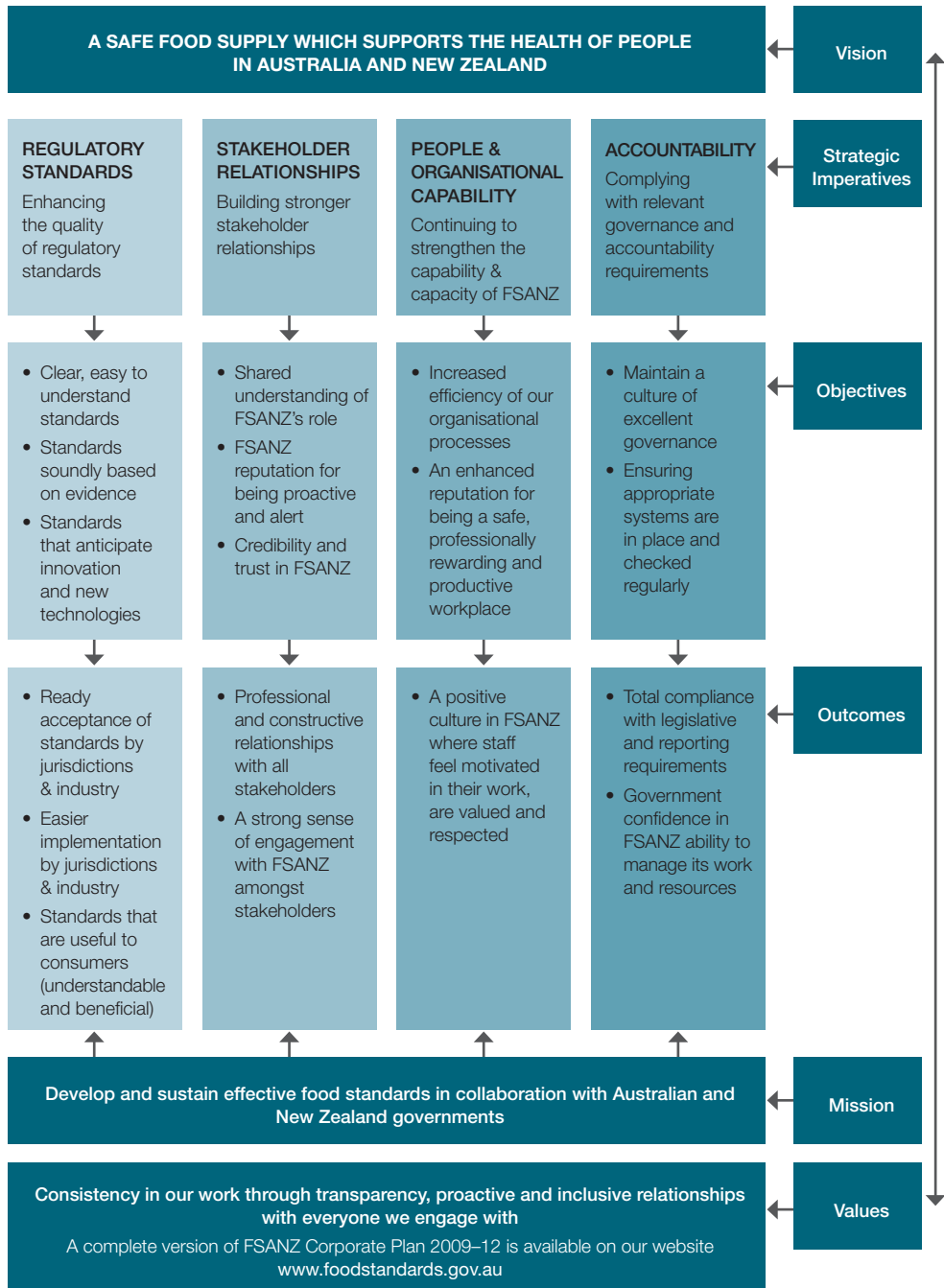
Dr David Roberts [s.116(1)(g)] is a food and nutrition consultant who is currently President of ILSI Australasia country committee of ILSI South East Asia Region, scientific advisor to the Grains and Legumes Nutrition Council and an associate editor of the journal, Public Health Nutrition. He was Deputy CEO and scientific and technical Director of the Australian Food and Grocery Council for 5 years until October 2007. Prior to that, he held the Foundation Chair in Nutrition and Dietetics (established 1991) at the University of Newcastle for 10 years. He was at Sydney University for 12 years teaching and researching in nutritional biochemistry. Dr Roberts is a former Chair of the Federation of Australasian Nutrition Organisations, former President of the Nutrition Society of Australia (3 years), former Chair of the NSW Branch of AIFST (1 year), former Chair of the inaugural Complementary Medicines Evaluation Committee of the Therapeutic Goods Administration (4 years) and was on the Editorial Board of the British Nutrition Foundation (many years).

**Mr Neil Walker JP** (term expires 2014)

Mr Neil Walker [s.116(1)(ca)] is a food scientist with 35 years experience in the dairy industry. He is a fellow of the Institute of Chemistry and the New Zealand Institute of Food Science and Technology. He held senior executive roles in Fonterra until 2007. Mr Walker has been a 5th term Taranaki Regional Councillor and Chair of the Policy and Planning Committee since 2001 and also chairs the independent Taranaki Waste Management Authority. He is an accredited hearings Commissioner under the New Zealand Resource Management Act, and a JP in court. Mr Walker's private interests include Chair of a Taranaki dairy farm-owning trust, Chair of Nukuhau Carbon Ltd (which holds extensive forestry interests), and Chair of Manuka Research Partnership (New Zealand) Ltd. He is a Chair, Trustee or committee member of a number of private trusts and organisations, and national, community, charitable and family entities.

Note: The reference after each member's name refers to the role specified in section 40 of the *Food Standards Australia New Zealand Act 1991* which the member fulfils. All members, with the exception of the CEO of FSANZ, are part-time. Members are listed alphabetically after the Chairman.

## Appendix 12 – FSANZ Strategy Map 2009–12



## Acronyms and abbreviations

<b>ACCC</b>	Australian Competition and Consumer Commission
<b>ADI</b>	Acceptable daily intake
<b>AFGC</b>	Australian Food and Grocery Council
<b>ANAO</b>	Australian National Audit Office
<b>ANZFRMC</b>	Australia and New Zealand Food Regulation Ministerial Council
<b>APEC</b>	Asia-Pacific Economic Cooperation (Forum)
<b>APS</b>	Australian Public Service
<b>APVMA</b>	Australian Pesticides and Veterinary Medicines Authority
<b>ATDS</b>	Australian Total Diet Study
<b>AusAID</b>	Australian Agency for International Development
<b>ATO</b>	Australian Taxation Office
<b>CCCF</b>	Codex Committee on Contaminants in Food
<b>CCFA</b>	Codex Committee on Food Additives
<b>CCFH</b>	Codex Committee on Food Hygiene
<b>CCFL</b>	Codex Committee on Food Labelling
<b>CCFICS</b>	Codex Committee on Food Import and Export Inspection Certification Systems
<b>CCNFSDU</b>	Codex Committee on Nutrition and Foods for Special Dietary Uses
<b>COAG</b>	Council of Australian Governments
<b>Codex</b>	Codex Alimentarius Commission and its committees
<b>DAFF</b>	Department of Agriculture, Fisheries and Forestry
<b>EEO</b>	Equal Employment Opportunity
<b>FAO</b>	Food and Agriculture Organization
<b>FDA</b>	United States Food and Drug Administration
<b>FOI</b>	Freedom of Information
<b>FRSC</b>	Food Regulation Standing Committee
<b>FSANZ</b>	Food Standards Australia New Zealand
<b>FSANZ Act</b>	<i>Food Standards Australia New Zealand Act 1991</i>

<b>GM</b>	Genetically modified
<b>IGA</b>	Inter-Government Agreement
<b>ILSI</b>	International Life Sciences Institute
<b>INFOSAN</b>	International Food Safety Authorities Network
<b>ISC</b>	Implementation Sub-Committee
<b>MPI</b>	Ministry for Primary Industries (New Zealand)
<b>MoU</b>	Memorandum of Understanding
<b>MRL</b>	Maximum residue limit
<b>NHMRC</b>	National Health and Medical Research Council
<b>NICNAS</b>	National Industrial Chemicals Notification and Assessment Scheme
<b>NUTTAB</b>	Nutrient tables for use in Australia (publication)
<b>OBPR</b>	Office of Best Practice Regulation
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OGTR</b>	Office of the Gene Technology Regulator
<b>OH&amp;S</b>	Occupational health and safety
<b>PMD</b>	Performance management and development initiative (FSANZ)
<b>QUADS</b>	Food Safety Quadrilateral meetings, involving Australia, New Zealand, Canada and the United States
<b>SCSC</b>	APEC Sub-Committee on Standards and Conformance
<b>SDC</b>	Standard Development Committee (FSANZ)
<b>SES</b>	Senior Executive Service
<b>TGA</b>	Therapeutic Goods Administration
<b>USFDA</b>	United States Food and Drug Administration
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization



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