



FOOD STANDARDS
Australia New Zealand
Te Mana Kounga Kai – Ahitereiria me Aotearoa

ANNUAL REPORT



2017–18

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For more information email information@foodstandards.gov.au.

FSANZ Australia
PO Box 5423
Kingston ACT 2604
AUSTRALIA

Ph: +61 2 6271 2222
Fax: +61 2 6271 2278

FSANZ New Zealand
PO Box 10559
Wellington 6143
NEW ZEALAND

Ph: +64 4 473 5630

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Letter of transmittal

The Hon Bridget McKenzie
Minister for Rural Health
Parliament House
Canberra ACT 2600

Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2018

I am pleased to present to you the Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2018.

This report fulfils the reporting requirements of the *Public Governance, Performance and Accountability Act 2013* (Cth) and the *Acts Interpretation Act 1901* (Cth).

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

The Food Standards Australia New Zealand Board is responsible for preparing the report [made in accordance with a resolution of FSANZ Board Members (Directors)] and for providing a copy of the report to the Minister under section 46 of the PGPA Act.

Yours sincerely



Robyn Kruk
Chair – Food Standards Australia New Zealand Board
October 2018

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Chief Executive Officer's review

The 2017–18 financial year has been a year of significant change for Food Standards Australia New Zealand (FSANZ). The organisation moved from its Barton premises where we had been located for some 20 years to new accommodation which better fits our needs and further reduces corporate overheads. In addition, we refined our structure into three branches (Food Safety and Corporate; Risk Management and Intelligence; and Science and Risk Assessment). These changes were made to ensure the agency can be agile and to make the best use of our resources. The new structure allows us to continue to deliver on our core responsibilities while also allowing us to be more forward looking and potentially play a bigger role in the food regulatory system. We also welcomed a number of new Board members with five of the 12 members newly appointed during the year.

In April 2017, the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) agreed that the food regulatory system is producing strong food safety outcomes overall, but identified the following three priority areas for 2017–2021 to further strengthen the system:

1. Reduce foodborne illness, particularly related to *Campylobacter* and *Salmonella*, with a nationally consistent approach.
2. Support public health objectives to reduce chronic disease related to overweight and obesity, including

evaluating the effectiveness of existing initiatives and identifying potential new initiatives, such as how the food regulation system can facilitate healthy food choices and positively influence the food environment.

3. Maintain a strong, robust and agile food regulation system that gives confidence to consumers that their food is safe, and that the system can manage new and innovative industry approaches.

For priority one, FSANZ helped the Food Regulation Standing Committee (FRSC) develop a national strategy to reduce foodborne illness. FSANZ also worked with Queensland and New South Wales on a draft framework and implementation plan for the strategy. Consultation on the strategy was undertaken in 2018.

FSANZ's on-going work program includes reviews of Chapter 3 Food Safety Standards; Chapter 4 Primary Production and Processing standards and microbiological criteria. We are also planning on developing national resources to help industry and government strengthen food safety culture. The review of these standards to provide "fit for purpose" regulatory controls should complement the national strategy.

For priority two, FSANZ is contributing a FRSC policy development process by leading the sugar labelling work. We have also provided technical input

on fats and oils labelling and we are supporting consideration of policy options for energy labelling.

Change has bought with it a renewed focus on our role in the broader food regulation system which has not changed significantly since 2002, when legislative changes were made to the Food Standards Australia New Zealand Act and FSANZ was established. As part of our work with priority three we are now looking to the future, to see where we fit in the system and whether our role can and/or should change to meet new challenges. In June this year the Forum on Food Regulation Forum asked FSANZ to consider options for modernising food regulation in light of significant technological changes and rising expectations.

In the very short term there is considerable work to be done to bring together the strands of work that have already been done to identify how food regulation might be modernised and to present those ideas within government, before any broader community consultation occurs.

Meanwhile the core work of the agency continues. In the last financial year 16 applications and proposals were finalised. Some of the more significant applications related to genetically modified foods from plants with enhanced nutrition qualities. For example, after a thorough safety assessment (one we apply to all applications to change the Australia New Zealand Food Standards Code), FSANZ approved an application for a canola line that has been genetically modified to produce two omega 3 long chain fatty acids. We also approved an application

from the International Rice Research Institute for food derived from rice that was genetically modified to produce a form of provitamin A. Both applications were significant and included an extensive nutrition risk assessment.

Another significant piece of work this financial year was the first stage of consultation on how the Code applies to food derived using new breeding techniques (NBTs). These techniques refer to a variety of new approaches in plant and animal breeding that were not in use when the Food Produced Using Gene Technology Standard was first developed nearly 20 years ago. The consultation period closed in April 2018. FSANZ is considering the submissions it received during the period and is expecting to publish a report in late 2018.

While lupin was added to the list of allergens that must be declared on food labels in May 2017, the change came into effect in May 2018. FSANZ communicated with industry stakeholders in the lead up to the change with regular media and social media updates.

Work also continued on two significant projects—reviews of the Infant Formula Standard and the regulation of nutritive substances and novel foods. These have been complex and difficult projects, involving considerable stakeholder consultation. FSANZ is aiming to finalise work on both in the next financial year. Stakeholder consultation, which is always at the forefront of the work we do, will continue to be a key consideration as this work progresses.

Our role in providing advice about the Food Standards Code was highlighted by the release of several new publications including the Compendium of Microbiological Criteria for Food. The updated Compendium (published in January 2018) is a compilation of process hygiene criteria established for specific food commodities and microbiological guideline criteria used for ready-to-eat foods. It supersedes the Guidelines for the Microbiological Examination of Ready-to-eat Foods and the User Guide to Standard 1.6.1 – Microbiological Limits for Food.

In 2017–18, FSANZ continued to invest in new approaches to behavioural and regulatory analysis. We commenced a scoping project to explore the feasibility of an ongoing consumer monitor—a regular survey of consumers’ responses and behaviours with respect to food, food safety and labelling. This will be completed in 2018–19 and may lead to the development of a longitudinal dataset of consumer behavioural and attitudinal data to track changes in consumer attitudes and behaviour through time.

FSANZ continued to work with industry and government stakeholders on improving food safety culture and responsiveness when recalls and incidents occur. To this end FSANZ and Dairy Australia jointly held a food incident exercise with stakeholders in early May 2018. The aim of exercise IBIS (Identifying Better Information Sharing) was to better understand the roles, responsibilities and constraints of government and industry processes;

identify opportunities for using and sharing industry and government intelligence; and understand potential food supply and consumer implications of responses to food incidents. Some of the outcomes of the day included a commitment to developing an engagement protocol; a framework outlining processes and contacts for different stages of an incident and a commitment to explore opportunities for earlier engagement between government and industry. We look forward to progressing this work in 2018–19.

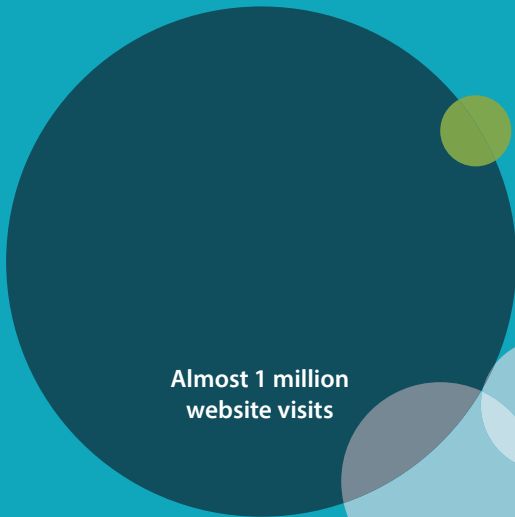
The changes that FSANZ has made over the last year will hold us in good stead for the coming year and we look forward to continuing to engage with all stakeholders in the food area.



Mark Booth



2017 - 18 HIGHLIGHTS



Almost 1 million
website visits

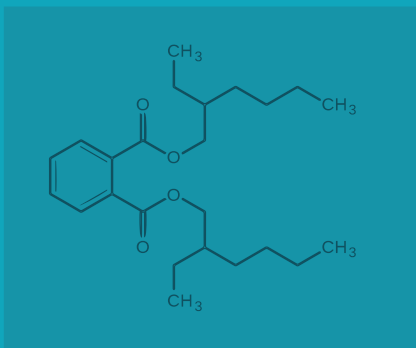
2,300 enquires fielded

6,500 Twitter followers

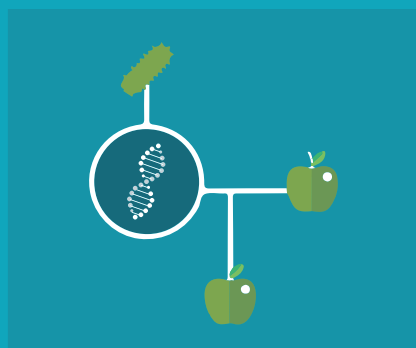
26,000 Facebook followers

15000

Nutrition panel calculator receives
15,000 online hits per month



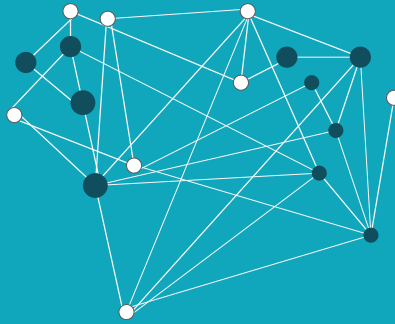
Published Survey of
Plasticisers in Australian
Foods



Consultation paper on
food derived using new
breeding techniques

16

applications and proposals finalised



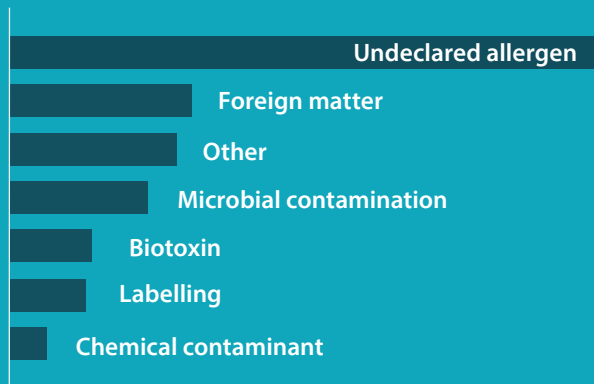
10 incidents referred to the Bi-National Food Safety Network



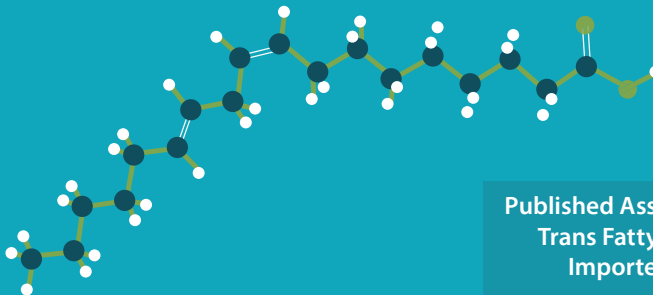
Published report on Plain English Allergen Labelling

81

coordinated food recalls



Relocated to a 5 star, green-star rated building



Published Assessment of Trans Fatty Acids in Imported Oils

FSANZ purpose and performance

Purpose

FSANZ's purpose is to contribute to the cooperative food regulatory system by developing evidence-based standards, providing evidence-based advice, coordinating regulatory responses and providing information about food standards.

We are established by the *Food Standards Australia New Zealand Act 1991*, which was enacted to implement an Intergovernmental Agreement between the Australian Government and all states and territories and a treaty agreement between Australia and New Zealand.

The object of the Act is to ensure a high standard of public health protection throughout Australia and New Zealand. FSANZ's objective is a safe food supply and well-informed consumers.

Our operating environment, structure and processes are detailed in Appendix 1 on page 64.

Annual performance statements

Under the *Public Governance, Performance and Accountability Act 2013* FSANZ is required to present annual performance statements.

Our reporting outcomes are linked with those of the portfolio agency, the Australian Government Department of Health, in particular the department's Outcome 1: Population Health.

Through Program 1.1 the Australian Government aims to:

- ensure effective, evidence-based food standards
- coordinate food regulation to protect public health and safety
- provide food-related information.

The qualitative deliverables set by the portfolio agency and our performance against those deliverables are detailed on the following page. The measures are also reflected in our 2017–18 Corporate Plan.

FSANZ outcome and program

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

PROGRAM 1.1: Food Regulatory Activity and Services to the Minister and Parliament

The Australian Government aims to ensure that all Australians have access to a safe food supply and adequate, accurate information to make informed choices about the food they consume. FSANZ develops evidence-based food regulatory measures, coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.

QUALITATIVE DELIVERABLES 2017-18 TARGET

PERFORMANCE

Ensuring effective, evidence-based food regulatory measures are considered in a timely manner

Food regulatory measures are considered in a timely manner.

Applications are assessed within 12 months or less as required by the FSANZ Act.

All applications finalised this year were completed within the statutory timeframes.

Coordinating food regulation to protect public health and safety

Manage the operation of the Bi-National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol.

Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.

10 issues were referred to the Bi-National Food Safety Network. Of these, two were managed under the National Food Incident Response Protocol.

Debriefings with key stakeholders occur after each incident to identify possible improvements in managing future incidents.

Make a valuable contribution to ensuring that the food regulatory system is implemented consistently.

FSANZ's coordination role is effectively demonstrated in the annual report on recall activities (including evaluation outcomes) to states and territories, through the Implementation Subcommittee for Food Regulation (ISFR).

FSANZ is responsible for coordinating recall action at the request of states and territories. FSANZ coordinated 81 recalls during 2017-18. FSANZ surveys stakeholders after each recall to determine the level of satisfaction with how the recall is managed.

Coordinating food regulation to protect public health and safety *(continued)*

Deliver efficient and effective food recall coordination.	Industry satisfaction with food recall coordination is ≥95%.	All industry responses gave FSANZ a satisfied to very satisfied rating for food recall coordination.
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Providing food-related information

FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.	Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.	In 2018 we published the results of our most recent stakeholder survey (May 2017). Stakeholders continue to report a high level of satisfaction on most measures (between 63 and 78 per cent). On three measures, the level of satisfaction was below 50 per cent. Priority will be given to responding to enquiries (47 per cent), getting things done in a timely manner (49 per cent) and social media (36 per cent). Note a significant proportion of respondents responded not applicable to the question on social media ¹ .
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Improved understanding of community food safety and public health issues through the Consumer and Public Health Dialogue (CPHD).	Food policy is informed by public health and consumer evidence-base.	<p>We contributed scientific literature reviews to the evidence base in support of policy work by the Food Regulation Standing Committee (FRSC) on both sugar labelling and labelling of fats and oils.</p> <p>The CPHD met twice during the year to contribute consumer and public health intelligence on issues and challenges related to FSANZ's roles and responsibilities, and the broader priorities of the food regulatory system.</p>
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Encourage stakeholder engagement through up-to-date information on FSANZ's website and social media interactions.	A: >850,000	960,000
	B: >200,000	269,175

A. Website unique visitors.

B. Social media interactions.

¹ Note 162 responded N/A to this question.



CHAPTER 1

Develop Food Regulatory Standards—or contribute to other control measures using the risk analysis process

HIGHLIGHTS

STANDARDS DEVELOPMENT



Highlights

Proposal P1044 – Plain English Allergen Labelling

In December 2016, we began working on a new proposal to investigate changes to the Code to ensure allergens are declared on food labels more clearly. FSANZ is seeking to improve the clarity of labelling by looking at the use of plain English words and terms when declaring allergens on their food labels. These potential changes will mean allergen-sensitive consumers can better identify foods that are safe to purchase and also make it easier for the food industry to provide safe and accurate information about food allergens.

FSANZ consulted on the proposal from 1 March to 10 May 2018 and is now considering submissions and developing proposed amendments to the Code. We expect to conduct a further round of public consultation in the first half of 2019.

Application A1138 – Food derived from provitamin A rice line GR2E

Rice line GR2E is a genetically modified line developed within the *Golden Rice* project that began in the late 1990s with the humanitarian aim of complementing existing vitamin A deficiency control measures in high-risk countries, including Bangladesh, Indonesia, and the Philippines. An application

for food approval was submitted by the International Rice Research Institute, a non-government organisation based in the Philippines. GR2E has been modified to produce beta-carotene, a vitamin A precursor that can be metabolised to vitamin A in the human body.

There is no intention to grow or sell GR2E in Australia. The application was made for trade reasons (in the unlikely event that small amounts of Golden Rice may inadvertently be present in shipments of rice to Australia or New Zealand).

The approval of food from GR2E rice was gazetted in February 2018.

Application A1143 – Food derived from DHA canola line NS-B50027-4

This canola line was genetically modified to produce the omega 3 long chain fatty acid docosahexaenoic acid (DHA) in the seeds.

DHA, which is mainly obtained from eating seafood and marine oils, plays a role in physiological functions including regulating inflammation and immune function, and cardiovascular function.

To date, DHA and EPA are primarily sourced from oils extracted from wild-caught fish, which consume algae containing these healthy oils. The DHA canola line represents a sustainable and

land-based source of DHA and EPA to meet demand from aquaculture and the food industry.

The approval of food from the DHA canola line was gazetted in February 2018.

P1024 – Revision of the Regulation of Nutritive Substances and Novel Food

FSANZ is continuing to develop a new framework for regulating nutritive substances and novel foods. In response to stakeholder feedback, FSANZ's assessment has included discussion of potential benefits that might be possible if the *Food Standards Australia New Zealand Act 1991* was amended. While FSANZ can't amend the Act, stakeholders have noted Proposal P1024 provides an opportunity for discussion about legislative change, particularly in the context of building a proportionate and agile framework. We conducted targeted stakeholder consultation on this and other aspects of a new framework during 2017–18 and held a stakeholder summit in Sydney on 27 June 2018.

Health claims

In July 2017 FSANZ publicly released outcomes from our work on 15 EU-authorized health claims. This draws to conclusion most of our work on

considering 32 EU-authorized health claims for possible inclusion in the Food Standards Code. The remaining three claims include the two claims about electrolyte drinks which will be considered under a separate project given the connection of the claims to a current proposal on our work plan (Proposal P1030 – Composition and labelling of electrolyte drinks) and a claim about the replacement of digestible starch with resistant starch and reduction in peak postprandial blood glucose concentration.

A consultation paper on the pre-approved general and high level health claims about β -glucan and blood cholesterol was released in August 2017. This consultation was focused on the outcomes from the systematic review of the evidence for the existing high level health claim in the Food Standards Code. FSANZ is considering comments from submitters before determining next steps.

New breeding technology review

In 2018 we issued a consultation paper on how the Food Standards Code applies to food derived using new breeding techniques (NBTs).

The consultation paper sought feedback from the community on whether food derived from NBTs should be captured for pre-market safety assessment approval under Standard 1.5.2 and whether the



definitions for ‘food produced using gene technology’ and ‘gene technology’ in Standard 1.1.2–2 should be changed to improve clarity about which foods require pre-market approval.

FSANZ is in the process of preparing a preliminary report which will include a summary of the issues raised in

submissions. The preliminary report, along with submissions, is expected to be published on our website in July 2018.

We aim to conclude the review by the end of 2018, at which time we will consider whether to prepare a proposal to amend the Code.

Standards development

Work Plan

FSANZ’s Executive team reviews the Work Plan every month. New unpaid applications and proposals do not appear on the Work Plan until the Executive considers their priority and approves timeframes and resources for their consideration to proceed.

Applications received, or proposals prepared before 1 October 2007, continue to be assessed under the procedures in place at that time. The tables below reflects the two types of approaches.

Information on the different types of procedures for assessing applications is in the Work Plan on our website at <http://www.foodstandards.gov.au/code/changes/workplan/Pages/default.aspx>.

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

AS AT	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018
General procedure	14 (2 paid)	19 (7 paid)	17 (1 paid)	15 (4 paid)	19 (10 paid)
Minor procedure	0	0	0	0	0
Major procedure	4	3	3	0	1
High level health claims	0	0	0	0	0
Urgent applications or proposals	0	0	0	0	1
Under review	1	0	1	0	0
TOTAL	19	22	21	15	21
With the Forum or awaiting notification to the Forum	2	8	5	5	5
Estimated waiting time for unpaid applications	6 months approx	9 months approx	7 months approx	7 months approx	6 months approx

Applications can be either paid or unpaid. While the same statutory timeframes apply, work on paid applications starts immediately once payment is received while work on unpaid applications starts when resources become available reflecting the number of applications already underway. The current lead time for starting work on unpaid applications is approximately 6 months, which is consistent with the historical range of 3–9 months.



Table 2: Applications and proposals on the Work Plan (received or prepared before 1 October 2007)

AS AT	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018
Group 1	4	2	1	1	1
Group 2	4	4	4	4	4
Under review	0	0	0	0	0
TOTAL	8	6	5	5	5
With the Forum or awaiting notification to the Forum	0	0	0	0	0
Estimated waiting time Group 2	Unknown	Unknown	Unknown	Unknown	Unknown

Tables 3 and 4 summarise our performance in developing food standards.

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

	2013-14	2014-15	2015-16	2016-17	2017-18
Applications	4*	18	19**	12	18
Proposals	6***	6	5	3	3
TOTAL	10	24	23	15	21

* This includes any applications received in one financial year and accepted onto the Work Plan in the following year. This figure therefore may be adjusted in the next Annual Report.

** This includes one cost-recovered application which was rejected because the applicant chose not to pay the fees owing for an exclusive capturable commercial benefit by the due date.

*** This includes one proposal which was prepared and then abandoned within this financial year.

Table 4: Applications and proposals finalised

	2013-14	2014-15	2015-16	2016-17	2017-18
Approvals made by the FSANZ Board	11	18	23	19	14
Final assessments made by the FSANZ Board	0	1	0	0	0
Applications withdrawn or rejected*	5	2	1	3	2
Proposals abandoned					
TOTAL completed	16	21	24	22	16

* This includes potential applications rejected following an administrative assessment or withdrawn before an administrative assessment was completed.

Further information on the above can be obtained from Appendix 4. There also may be some apparent discrepancies where 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 any significant variation from the timetable established in the Work Plan for the consideration of applications and proposals during 2017–18.

Table 5: Reasons for significant delays in consideration of applications and proposals in 2017–18

Applications and proposals to change the Code vary in complexity. For example, processing aid and food additive applications tend to be more straight forward while proposals that involve complex standards can involve significant stakeholder consultation and considerations of wide-ranging and complex issues.

APPLICATION / PROPOSAL	STEP	VARIATION*	REASON
A1102 – L-carnitine in Food	Assessment, preparation of draft food regulatory measure and call for submissions	2 years	Delay due to the complexity and scope of the application in addition to resourcing issues.
A576 – Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label	Draft assessment	9 years 5 months (from date final assessment due)	Deferred at the request of the applicant.
P1024 – Revision of the Regulation of Nutritive Substances & Novel Food	Assessment	3 years 8 months	Delay due to the complexity of issues, variety of stakeholder views and some resourcing issues.
P1028 – Infant Formula Products	Assessment	2 years	Delay due to complexity of issues, expanded scope, consideration of the divergent stakeholder views and some resourcing issues.
P1030 – Composition & Labelling of Electrolyte Drinks	Assessment	3 years 9 months	Delay due to complexity of issues raised in submissions and other work priorities. Project scope has been narrowed in response to submitters concerns.
P290 – Food Safety Programs for Catering Operations to the General Public	Final Assessment	12 years (from date final assessment due)	Delayed pending further implementation strategy work required by jurisdictions.

* Variation based on indicative timeframes in the administrative assessment report against timeframe indicated in FSANZ Work Plan as at 30 June.

Table 6 shows the status of the applications and proposals received or prepared before 1 October 2007 and which remain on the Work Plan.

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

APPLICATION / PROPOSAL	STEP	REASON
A530 – Permission for English Farmhouse Cheddar made from Raw Milk	Initial assessment	Received 12 February 2004. Waiting on advice from the applicant following completion of work on raw milk products (P1022).
A531 – Use of Raw Milk in Cheese Production	Initial assessment	Received 16 February 2004. Waiting on advice from the applicant following completion of work on raw milk products (P1022).
A576 – Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label	Draft assessment	Received 17 February 2006 – <i>see Table 5.</i>
A613 – Definitions for Nutritive Substance & Nutritive Ingredient	Initial assessment	Received 11 August 2007. Waiting on advice from the Applicant and consideration of P1024.
P290 – Food Safety Programs for Catering Operations to the General Public	Final assessment	Prepared 13 May 2004 – <i>see Table 5.</i>



Australia and New Zealand Ministerial Forum on Food Regulation

Table 7: Notification outcomes

	2013-14	2014-15	2015-16	2016-17	2017-18
Approval decisions notified	12	18	23	15	16
Final assessment decisions notified	0	1	0	0	0
Requests for review	0	1	0	0	0
Review decisions notified	0	1	0	0	0

Reviews requested by the Australia and New Zealand Ministerial Forum on Food Regulation

The Forum is notified of FSANZ decisions to vary standards. Ministers can request a review of a FSANZ decision following notification. However, this can only occur if six of the ten ministers request a review. More details on the review process are in the Application Handbook².

Under the 2008 Inter-Governmental Food Regulation Agreement, the Forum 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 Forum

- (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.

No reviews were requested in 2017-18.

² <http://www.foodstandards.gov.au/code/changes/pages/applicationshandbook.aspx>

Ministerial policy guidelines and statements

The Forum is responsible for developing food regulatory policy for domestic and imported foods and developing policy guidelines for setting food standards for domestic and imported foods. In developing or reviewing food regulatory measures and variations to food regulatory measures, under section 18 of the FSANZ Act, FSANZ must have regard to any written policy guidelines formulated by ministers and notified to FSANZ for these purposes.

No guidelines were notified.

Gazettal of variations 1 July 2017 to 30 June 2018

Variations to standards arising from 14 applications were gazetted (compared to 15 in 2016–17). Variations to standards arising from 2 proposals were gazetted (compared to 4 in 2016–17). See Appendix 4 for more detail.

Table 8: Gazettal of variations to the Code

	2013–14	2014–15	2015–16	2016–17	2017–18
Arising from applications	9	5	14	15	14
Arising from proposals	2	7	11	4	2
TOTAL	11	12	25	19	16



Table 9: Gazetted food standard variations

APPLICATION/ PROPOSALS	DESCRIPTION	DATE OF GAZETTAL
A1123 – Isomalto-oligosaccharide as a Novel Food	To permit isomalto-oligosaccharide as a novel food for use as an alternative (lower calorie) sweetener and bulk filler in a range of general purpose and special purpose foods.	Gazetted 13/7/2017 (Amendment 171).
A1125 – Endo β (1,4) Xylanase as a Processing Aid (Enzyme)	To permit the use of the enzyme endo β (1,4) xylanase, derived from <i>Pseudoalteromonas haloplanktis</i> , and produced by a genetically modified source of <i>Bacillus subtilis</i> , for use as a processing aid in the manufacture of cereal products.	Gazetted 7/9/2017 (Amendment 172).
A1126 – Pectins & Carrageenan as Processing Aids in Wine (Fining Agent)	To permit pectins and carrageenan as processing aids to remove heat-unstable proteins from Australian produced wine.	Gazetted 7/9/2017 (Amendment 172).
A1135 – Beta-galactosidase as a Processing Aid (Enzyme)	To permit the use of a new source of beta-galactosidase from a genetically modified strain of <i>Bacillus licheniformis</i> to be used as a processing aid during the production of reduced lactose or lactose free milk and dairy products	Gazetted 7/9/2017 (Amendment 172).
A1127– Processing Aids in Wine	To seek permission for the use of four processing aids, silver chloride, ammonium bisulphite, chitin-glucan and PVI/PVP as processing aids for wine	Gazetted 26/10/2017 (Amendment 174).
A1139 – Food derived from Potato Lines F10, J3, W8, X17 & Y9	To seek approval for food derived from genetically modified potato lines F10, J3, W8, X17 and Y9, which has late blight protection, low acrylamide potential, reduced browning (black spot) and lower reducing sugars.	Gazetted 7/12/2017 (Amendment 175).
A1140 – Food derived from Herbicide-tolerant Canola Line MS11	To seek approval for food derived from herbicide-tolerant, male-sterile canola line MS11, genetically modified to provide tolerance to the herbicide glufosinate-ammonium.	Gazetted 7/12/2017 (Amendment 175).
A1130 – Triacylglycerol Lipase as a Processing Aid (Enzyme)	To permit the use of triacylglycerol lipase from <i>Candida cylindracea</i> as a processing aid in baking, dairy foods processing and fats and oils processing.	Gazetted 11/1/2018 (Amendment 176).

APPLICATION/ PROPOSALS	DESCRIPTION	DATE OF GAZETTAL
A1131 – Aqualysin 1 (Protease) as a Processing Aid (Enzyme)	To permit the use of aqualysin 1 sourced from <i>Bacillus subtilis</i> containing the aqualysin 1 gene from <i>Thermus aquaticus</i> for use as a processing aid in the manufacture of bakery products.	Gazetted 11/1/2018 (Amendment 176).
A1138 – Food derived from Provitamin A Rice Line GR2E	To seek approval for food derived from rice line GR2E genetically modified to contain increased levels of provitamin A in the grain.	Gazetted 22/2/2018 (Amendment 177).
A1143 – Food derived from DHA Canola Line NS-B50027-4	To seek approval for food derived from canola line NS-B50027-4, genetically modified to produce omega-3 long chain polyunsaturated fatty acids, particularly DHA, in the seed.	Gazetted 22/2/2018 (Amendment 177).
A1136 – Protein Glutaminase as a Processing Aid (Enzyme)	To permit the use of protein-glutaminase from <i>Chryseobacterium proteolyticum</i> as a processing aid to improve protein functionality in baking, noodle, dairy, meat, fish and yeast products.	Gazetted 3/5/2018 (Amendment 178).
A1142 – Addition of Prescribed Method of Analysis for Resistant Starch	To add a method of analysis for dietary fibre and other fibre content for specifically named fibre content of food (resistant starch).	Gazetted 24/5/2018 (Amendment 179).
A1147 – Food derived from Herbicide-tolerant Cotton Line GHB811	To seek approval for food derived from cotton line GHB811, genetically modified to provide resistance to isoxaflutole and glyphosate.	Gazetted 24/5/2018 (Amendment 179).
M1014 – Maximum Residue Limits (2016)	To consider varying certain maximum residue limits for residues of agricultural and veterinary chemicals that may occur in food.	Gazetted 7/12/2017 (Amendment 175).
P1045 – Code Revision (2017)	To make minor amendments including the correction of typographical errors and formatting issues and updating of references.	Gazetted 7/9/2017 (Amendment 172).



Maximum residue limits

Maximum residues limits (MRLs) are set for chemicals at levels that reflect the highest concentrations that may occur from the approved conditions of use. MRLs are therefore not direct safety limits but nevertheless FSANZ undertakes an assessment to ensure that the residues are safe for the consumer.

In 2017–18 FSANZ undertook 208 MRL-related dietary exposure assessments (DEAs) for agricultural and veterinary (agvet) chemicals which included routine reviews of Australian Pesticides and Veterinary Medicines Authority (APVMA) DEAs and the 2017 MRL harmonisation proposal, Proposal M1015. The MRL process also resulted in the establishment of 35 all other foods (AoF)³ MRLs for low level inadvertent chemical residues in food, for the chemicals assessed as suitable to have this MRL category.

Proposal M1015, considered 128 agvet chemicals for a total of 360 chemical/food commodity combinations requested by domestic and overseas stakeholders. The proposal ensured that the existence or absence of Australian MRLs in Schedule 20 of the Code did not pose a barrier to food trade. It allowed Australia to meet its WTO obligations while enabling the importation of safe food commodities.

The APVMA also has the power to amend permitted MRLs in Schedule 20 as a result of amendments to domestic use of agricultural and veterinary chemicals (see Appendix 4 for further information).

We are required by the FSANZ Act to provide advice about applications and variations that are being considered by the APVMA that may result in an amendment to the Code. We notify the public via our Notification Circular of progress with any proposed amendments during the APVMA's MRL consideration process.

FSANZ continues to liaise closely with the APVMA and the Department of Agriculture and Water Resources to ensure that agvet chemical residues in the Australian food supply do not pose health and safety concerns to consumers.

3 AoF MRLs refer to *all other foods except animal food commodities* MRLs which are set on a case-by-case basis to prevent the application of zero tolerance to food commodities with low level inadvertent residues of chemicals that result from farming processes such as spray drift and crop rotation following their legitimate use on other foods.

Table 10: Dietary exposure assessment notifications and approvals

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of regular DEA notifications	29	27	29	38	27	22
Number of DEA approved	93	112	92	122	84	87
Emergency Permit DEA notifications	1	5	1	0	0	1
DEAs relating to pesticide contamination incident(s)	-	-	-	-	13	-



CHAPTER 2

Coordinate and monitor: Coordinate national response, conduct surveillance and monitoring

NATIONAL RESPONSE

MONITORING AND SURVEILLANCE

National response

Food incidents

FSANZ coordinates the Bi-National Food Safety Network, a mechanism for national coordination and early information sharing and communication on food incidents between government agencies.

The network includes all Australian state and territory food enforcement agencies, the Australian Government Department of Health, the Australian Government Department of Agriculture and Water Resources and the New Zealand Ministry for Primary Industries. In 2017–18 ten issues were referred to the network, including the multi-jurisdictional outbreak investigations of listeriosis linked to rockmelons and hepatitis A virus linked to frozen pomegranate arils.

In May 2018 FSANZ (together with Dairy Australia) organised a government/industry exercise, Exercise IBIS (Identifying Better Information Sharing)

for government and industry members of the national Food Incident Forum.

The objectives of this exercise were to:

- better understand roles, responsibilities and constraints of government and industry processes
- identify opportunities for using and sharing industry and government intelligence
- understand potential food supply and consumer implications of responses to food incidents.

The outcomes from this exercise will be used to strengthen and expand information sharing opportunities between government and industry.



Food recalls

We coordinated 81 food recalls from 1 July 2017 to 30 June 2018 (Figure 1). The recalls were mainly due to undeclared allergens (Figure 2).

Figure 1: Number of recalls by month (1 July 2017–30 June 2018)

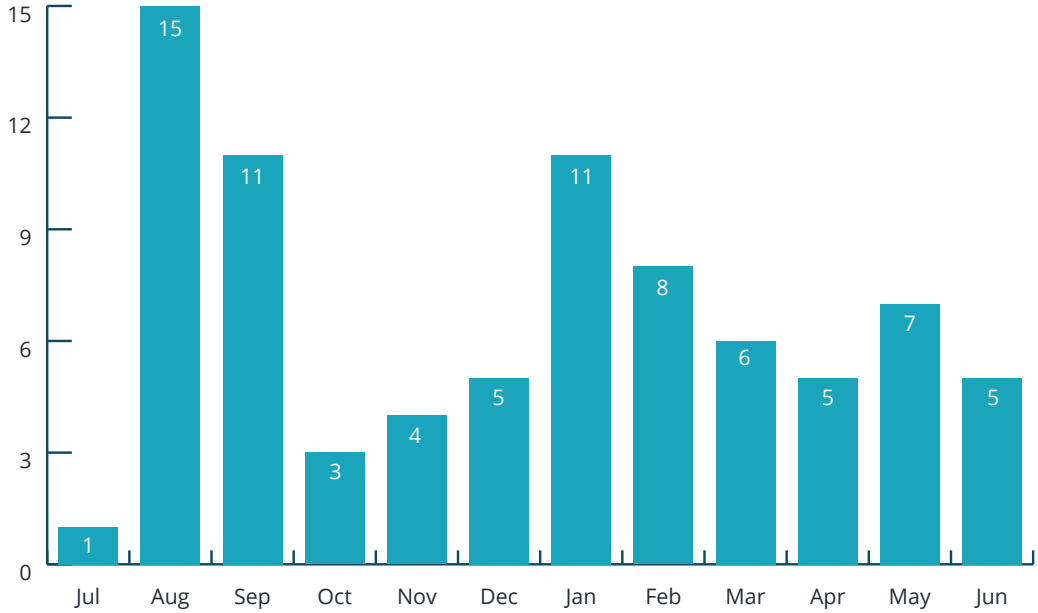
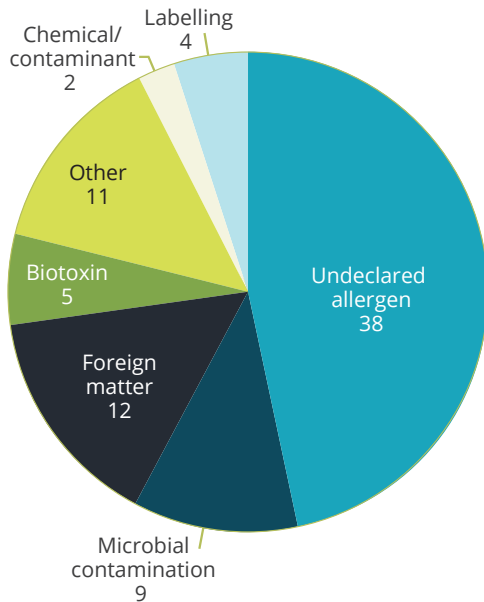


Figure 2: Reason for recalls



Since mid-2016, FSANZ has added new questions to the post recall report asking food businesses what caused the issue to occur. We have reviewed allergen-related recalls and identified four broad categories of how problems occur:

- lack of skills and knowledge of labelling requirements
- supplier verification issues (e.g. raw ingredient contained allergen but this information was not passed on to the manufacturer)
- packaging errors
- accidental cross-contamination either of a raw ingredient, or during final production process.

These problems were identified via consumer complaints, company and government testing and in-house reviews. The corrective action taken by the business for these issues included education and training for staff, amended processes and procedures and amending product packaging. While FSANZ is not a regulator (this is the responsibility of jurisdictions) we have undertaken communication activities to promote awareness of the need to declare allergens on the label, particularly to small and medium sized businesses. Details of these activities are on page 53.

INFOSAN

FSANZ is Australia's emergency contact point for the International Food Safety Authorities Network (INFOSAN), a global network under the World Health Organization/Food and Agriculture Organization. As the emergency contact point we are responsible for reporting food safety events of potential international significance to the INFOSAN Secretariat.

In 2017–18 FSANZ reported two food safety events to INFOSAN relating to listeriosis linked to rockmelons and hepatitis A virus linked to frozen pomegranate arils.

Food safety culture

Food safety culture (an important part of effective food safety management) is a concept that is attracting significant international and domestic consideration.

In 2017–18 FSANZ led several activities to promote and improve food safety culture across the food regulatory system and food industries. Key activities were:

- running three CEO forums with leaders from the food regulatory system, the fresh produce industry and the food service industry, to outline national initiatives and issues on food safety and discuss the role of food safety culture and organisational culture from a CEO's perspective
- publishing two newsletters on food safety culture with articles contributed from food companies and food regulators including case studies on building and enhancing food safety culture.

The food safety culture newsletter and other resources are available on our website⁴.

4 <http://www.foodstandards.gov.au/foodsafety/Pages/Food-Safety-Culture-Connections.aspx>



Monitoring and surveillance

Australian Total Diet Study

FSANZ's Australian Total Diet Study (ATDS) is the most comprehensive ongoing monitoring survey of the Australian food supply, which investigates Australian consumers' dietary exposure to agricultural and veterinary chemicals, metal contaminants and other substances. The ATDS provides a scientific evidence base to allow FSANZ to assess and monitor the safety of the Australian food supply and ensure the continued effectiveness of food regulatory measures. The 25th ATDS, which investigated agricultural and veterinary chemicals and various metal contaminants, is due for publication in late 2018. The 26th ATDS focuses on persistent organic pollutants, including dioxins, dioxin-like compounds and non-dioxin like polychlorinated biphenyls. The sampling and analytical component of the survey results is expected to be completed in mid-2018.

Survey of plasticisers in Australian foods

In February 2018 FSANZ published⁵ a survey of plasticisers to determine levels of chemicals that may migrate from food packaging into food. The results indicated that levels of plasticisers analysed in Australian foods are generally low, with no public health and safety concerns identified. These findings formed part of the evidence base for the packaging proposal P1034- Chemical Migration from Packaging into Food.

Assessment of trans-fatty acids in imported oils

In 2015, the Australia New Zealand Ministerial Forum on Food Regulation asked us to undertake an assessment of trans-fatty acids in imported oils. The survey determined that total imports of oils into Australia and New Zealand have declined substantially in recent years. Trans-fatty acid levels in both retail and commercial imported oil products are consistent with previous analytical survey results. The final assessment report was published on the FSANZ website in November 2017⁶.

5 <http://www.foodstandards.gov.au/science/surveillance/pages/iscomponent1.aspx>

6 <http://www.foodstandards.gov.au/science/surveillance/pages/iscomponent1.aspx>



CHAPTER 3

Informaton: Collect and provide
food related information and
provide food related advice



Food safety hub

The food safety hub provides a single access point from our website's home page to food safety web pages:

- standards, guides and other information
- food recalls, incidents and consumer advice
- food safety culture
- featured content.

In 2017–18 FSANZ published an “Infobite”⁷ series for food businesses on our website with key information on the food safety standards in the Code and practical tips to reduce food safety risks. The Infobites are based on the updated edition of Safe Food Australia, a widely used guide book.

We also published website information about the seven bacteria, three viruses and a seafood toxin that cause foodborne illness⁸.

Notification Circulars

Our Notification Circulars include notices that are required to be given to the public, submitters and appropriate government agencies under the FSANZ Act. Stakeholders, including applicants, submitters or those who have indicated an interest in a particular application or proposal mentioned in a circular are advised of its publication. Circulars may also mention other matters of interest to our stakeholders. We maintain a subscription list of more than 6000 stakeholders who have registered to receive alerts when a circular is published on the FSANZ website.

Table 11: Notification circulars published

2013–14	27
2014–15	28
2015–16	36
2016–17	31
2017–18	37

Sugar labelling

In November 2017, the Australia New Zealand Ministerial Forum on Food Regulation considered a stage 1 program of work which included evidence gathered by us on consumer understanding and behaviour with respect to sugar and sugar labelling approaches in other countries.

⁷ <http://www.foodstandards.gov.au/foodsafety/standards/Pages/Food-safety-requirements.aspx>

⁸ <http://www.foodstandards.gov.au/consumer/safety/foodborne-illness/Pages/default.aspx>

Based on this, ministers asked the Food Regulation Standing Committee (FRSC) to develop regulatory and non-regulatory policy options for sugar labelling.

On behalf of FRSC, FSANZ has been co-leading this work with the Australian Government Department of Health. A consultation paper including a range of policy options was approved by the Forum with public consultation expected in July to September 2018.

Information relating to standards development

During the year FSANZ published information relating to a number of standards under consideration and others that came into effect this year. Some of this information was published to address confusion or misinformation about an application or proposal. However the bulk of the information was provided to ensure stakeholders had access to easy to understand information about standards of interest. Information was published about:

- protein glutaminase
- two applications on food genetically modified to have enhanced nutrition traits
- the plain English allergen labelling proposal
- infant formula proposal
- mandatory labelling for lupins.

Nutrition Panel Calculator (NPC)

The NPC provides the food industry and other users with a readily available easy-to-use interactive tool for preparing nutrition information panels, to make it easier to meet the labelling requirements of the Food Standards Code. In 2017–18, the calculator continued to be one of the most popular features of FSANZ's website. This year, on average, there were 15,000 hits on the NPC landing page each month, by approximately 9800 unique users.



CHAPTER 4

Key enablers

**RISK—AN ANTICIPATIVE APPROACH TO
MANAGING RISK**

**SCIENCE—ROBUST EVIDENCE AND
SUSTAINED, HIGH QUALITY SCIENTIFIC
CAPACITY**

**PEOPLE—DEDICATED PEOPLE WITH A
BROAD SPREAD OF SPECIALIST DISCIPLINES**

**COMMUNICATION—A BROAD
COMMUNICATION CAPACITY**

**GOVERNANCE—GOOD GOVERNANCE AND
EFFECTIVE PROCESS**

Enabler 1: Risk—an anticipative approach to managing risk

Anticipating risk

Managing risk is at the core of what FSANZ does. This takes place at the scale of the overall business operations of the agency as well as in individual risk management strategies applied when balancing the risks and opportunities of individual changes to the Australia New Zealand Food Standards Code. The FSANZ Board articulates the overall risk appetite for the agency and ensures appropriate strategies, practices and policies are in place to manage risk within that appetite.

Emerging issues and intelligence

FSANZ published its first Annual Emerging Issues⁹ report in February 2017 relating to the 2016 calendar year. The second report, relating to 2017 calendar year, was published in March 2018 and identified one new emerging issue and seventeen ongoing issues. The new emerging issue related to glutamates in food. This was identified in response the European Food Safety Authority publishing a new group acceptable daily intake of 30 mg/kg body weight per day for glutamate. FSANZ published information on glutamate as a food additive and reviewed the opinion

published by EFSA. FSANZ determined that the EFSA opinion did not raise new safety issues.

Following the restructure of the agency our anticipatory approach to risk was further articulated with an overt ‘intelligence’ function located in the Risk Management and Intelligence Branch. This signals the agency’s intention to be more strategic and forward-looking in how it sets itself up for the potential risks and opportunities of the future. FSANZ has begun reviewing the emerging issues system and will explore new methodologies to identify and understand future emerging issues and the underlying technological, social, environmental and political drivers underpinning them.

Behavioural and Regulatory Analysis

In 2017–18 FSANZ assisted the broader food regulatory system by providing behavioural and regulatory analysis advice and expertise in the policy development processes of Food Regulation Standing Committee (FRSC). In particular, FSANZ undertook extensive literature reviews on consumer attitudes and behaviours with respect to both sugar labelling and fats and oils labelling. Additionally, FSANZ provided

9 www.foodstandards.gov.au/publications/Pages/Report-on-emerging-issues.aspx



regulatory impact assessment advice and guidance ensuring that the policy option consultation regulatory impact statement for sugar labelling was compliant with the requirements of the Office of Best Practice Regulation within the Department of Prime Minister and Cabinet.

In March 2018 FSANZ convened a workshop with jurisdictions on the better use of social sciences and economics in food regulation. Representatives from the jurisdictions, other Commonwealth government departments and experts from academia gave presentations, worked in groups and convened a panel discussion. The workshop identified areas where social sciences and economics could assist in delivering more effective and efficient food regulation. Follow up work will trial the use of social sciences and economics to ensure that regulation is better targeted and used only when necessary to achieve safe and suitable food for Australian and New Zealand consumers.

In 2017–18, FSANZ continued to invest in new approaches to behavioural and regulatory analysis. We commenced a scoping project to explore the feasibility of an ongoing consumer monitor—a regular survey of consumers’ responses and behaviours with respect to food, food safety and labelling. This will be completed in 2018–19 and may lead to the development of a longitudinal dataset of consumer behavioural and attitudinal data to track changes in consumer attitudes and behaviour through time. We also began a project to explore the use of expert elicitation in economic estimates

for food regulation. This project seeks to enhance the accuracy of the data we use in assessing the impact of regulation on consumers, businesses and the government. This project will outline the possible approaches we could use, and it is expected that FSANZ will use expert elicitation to derive better estimates of the costs of labelling to industry.

Risk advice for imported food

Imported food is inspected and controlled using a risk-based border inspection program called the Imported Food Inspection Scheme, which is administered by the Department of Agriculture and Water Resources (DAWR). We inform DAWR on whether foods pose a potential medium to high risk to public health and safety. DAWR then determines appropriate measures at the Australian border to manage the food safety risk.

In 2016–17 we reviewed our imported food risk advice processes. We developed a risk characterisation tool, new data handling and analysis procedures and modified the risk statement template, to ensure we could provide more contemporary fit-for-purpose advice to DAWR. A guideline document on imported food risk assessment in Australia has now been developed and peer reviewed. The guideline is expected to be published on the FSANZ website later in 2018 in two phases. The first part to be published will be on microbial risks and the second part will be on chemical risks.

Antimicrobial Resistance (AMR) and food

We support the implementation of the National Antimicrobial Resistance (AMR) Strategy through various activities.

This year we commenced a project on AMR in the food supply chain to better understand the nature of the potential foodborne AMR hazard and develop a framework to assess risks from AMR in food. As part of this project, we hosted an inter-governmental gap analysis workshop in February 2018 to determine if gaps exist in assessing and managing risks associated with foodborne AMR and sought clarity on our role in assessing risk. We presented the findings of the gap analysis workshop to the Australian Strategic and Technical Advisory Group on AMR in June 2018. As part of the national AMR strategy, we also provide technical expertise to a working group, led by the Commonwealth Department of Health. We led the Australian delegation to the Codex ad hoc Taskforce on AMR which is currently developing draft Guidelines on Integrated Surveillance for AMR and reviewing the Code of Practice to Minimize and Contain AMR.



Enabler 2: Science—robust evidence and sustained, high quality scientific capacity

The Australian and New Zealand food regulatory system was established to address the desire for a safe food system and to protect health and safety. Scientific experts in a range of disciplines support the system providing advice on the evidence required to make regulatory decisions.

To ensure that FSANZ is undertaking high quality science, FSANZ implements a Science Strategy that outlines a strategic approach to ensuring our scientific capability. The strategy outlines how we will enhance our scientific capabilities in food regulatory science, our tools and our partnerships. It positions us to respond effectively to the strategic challenges of a complex operating environment.

The FSANZ Science Strategy 2017–2021¹⁰ is the fifth such strategy. This strategy identifies three key strategic areas: Scientific Capability, Evidence and Collaboration.

FSANZ has staff with expertise in a broad range of scientific disciplines. However we also maximise our access to, and use of, external experts to provide advice on issues for which we do not have the specific technical or scientific expertise

in-house. These experts may be from research agencies, universities and other organisations. Working with these experts helps to build our knowledge and facilitates a greater understanding and consensus on the science underpinning our work. We also ask external experts to peer review our work.

Under the FSANZ Fellows program we have set up a network of experts to provide us with objective expert advice and critical review of our work. This program also helps to develop academic links and networks.

The FSANZ student research project program¹¹ incorporates scientific research from academic institutions into the work priorities of FSANZ. It provides students with an opportunity to gain research experience working alongside staff from Australia and New Zealand's food regulatory agency. In participating, students can extend their knowledge of food regulatory science.

FSANZ also uses national and international networks to collaborate on projects and issues. These networks include the International Food Chemical

10 <http://www.foodstandards.gov.au/science/strategy/Pages/default.aspx>

11 <http://www.foodstandards.gov.au/science/expertise/student/Pages/default.aspx>

Safety Liaison Group, the International Food Microbiological Safety Liaison Group and the Food Safety Quadrilateral Group.

To enhance collaboration with consumer and public health groups on a range of key food safety issues, FSANZ established the Consumer and Public Health

Dialogue (CPHD). The CPHD is made up of representatives from peak consumer and public health bodies and public health academics.

Table 12: FSANZ Fellows

FSANZ FELLOW	BACKGROUND/EXPERTISE
Professor Ken Buckle	Food science, processing and microbiology
Dr Laurence Eyres	Food technology
Professor Nigel French	Molecular epidemiology and risk research
Professor Stephen Goodall	Health economist
Professor Peter Langridge	Genomics
Professor Brian Priestly	Health risk assessment
Professor Seppo Salminen	Intestinal micro biota and health, probiotics and prebiotics, health claims
Professor Murray Skeaff	Nutrition
Professor Mark Tamplin	Microbiology and food safety
Professor David Fraser	Vitamin D
Dr Vanessa Jordan	Methodologist and epidemiologist
Professor Samir Samman	Human nutrition
Professor Wendy Umberger	Agricultural and food economics
Professor Andrew Bartholomaeus	Toxicology and human health risk assessment
Professor Bridget Hutter	Social sciences



Data science

We are actively supporting and implementing the Australian Government Public Data Policy. To do this effectively, data science, management and support functions have been invested in a small team. The focus is building capacity in data management, business services, communication and solution development. A system to identify our data holdings and tag them with key words is undergoing testing. In addition, two key projects have been identified as the basis for further developing data management: the development of a unique food key and a metadata schema that can be applied to all of our data holdings.

Food composition

Silo food composition database development

We are close to completing work on redeveloping our food composition database platform, Silo, which will allow us to decommission our legacy system (the Australian Nutrient Database). The redeveloped platform (which is expected to be complete in July 2018) incorporates a range of enhanced functionality that, together with an upgraded website infrastructure, will allow more efficient compilation and reporting of food composition data and more regular publication of updated food composition data. Future enhancements to Silo will focus on storing and compiling other non-

nutrient concentration data for foods and linking these data to the dietary modelling platform Harvest.

Australian food composition database (NUTTAB)

We completed work on updating our reference database, the Australian Food Composition Database—Release 1. This release incorporates updated analytical data for a range of foods and nutrients generated by us or by external stakeholders. The publication also focussed on improving the look and feel of the webpages and explanatory notes as well as the online search function. Future work will include providing more frequent updates to nutrient data and the provision of additional statistical data, based on the new functionality available in Silo.

Analysis of nutrients in foods

We commissioned the laboratory analysis of 38 foods to strengthen the quality and robustness of our nutrient data holdings. The analyses focussed on foods which contribute significantly to the Australian population nutrient intake and for which our current data holdings were outdated or non-existent.

International

We participate in various international activities that involve food standards development and other harmonisation work, including:

- Codex Alimentarius and its various committees

- the Joint Food and Agriculture Organization (FAO)/World Health Organization (WHO) Expert Committee on Food Additives (JECFA)
- the Organisation for Economic Co-operation and Development (OECD Working Group for the Safety of Novel Foods and Feeds)
- the Asia-Pacific Economic Cooperation Food Safety Cooperation Forum (FSCF).

Through this involvement, we advance and contribute to the Australian Government's food safety, public health and nutrition, and trade objectives.

Codex Alimentarius Commission

The Codex Alimentarius Commission (Codex) develops internationally recognised food standards, codes of practice, guidelines and other recommendations relating to food commodities, food production and food safety to protect the health of consumers and ensure fair practices in international food trade.

Our CEO Mark Booth attended the Codex Alimentarius Commission (CAC) annual meeting as part of the Australian Government's delegation. New batches of Codex standards are formally adopted at the annual meeting.

We lead the Australian delegation to five Codex committees or taskforces relating to food hygiene; food additives; contaminants in foods; nutrition and

foods for special dietary uses; and antimicrobial resistance. We also provide scientific and technical input into several other Codex committees, including for food labelling; pesticide residues; general principles; fats and oils; fish and fishery products; and fresh fruit and vegetables.

The Codex standards are specifically referenced by technical agreements of the World Trade Organization (WTO) as representing the international consensus. As a signatory of the WTO, Australia may be required under international law to provide a justification where the Food Standards Code deviates from Codex.

In 2017–18, FSANZ scientists also attended the Joint Expert Meeting on Food Additives (JECFA) as invited experts. JECFA is the FAO/WHO body which provides authoritative expert scientific advice to several Codex committees.

International food safety liaison groups

We collaborate with other authoritative international risk assessment or regulatory agencies by participating in various international liaison groups. The formal international liaison groups which we actively participate in are the international:

- Chemical Food Liaison Group
- Microbiological Food Safety Liaison Group
- Risk Communication Liaison Group



- Food Safety Regulatory Economics Liaison Group
- Social Science Liaison Group
- Health Claims Liaison Group
- Methods for Risk Assessment of Chemicals Liaison Group.

These groups include representatives from agencies such as the US Food and Drug Administration (FDA), the European Food Safety Authority, the New Zealand Ministry for Primary Industries, the United Kingdom Food Standards Agency and the Japan Food Safety Commission.

Relationships in the Asia-Pacific region

The APEC Food Safety Cooperation Forum (FSCF) is a group of APEC food safety regulators and key international stakeholders. As an APEC sub-forum, FSCF works on behalf of APEC member economies to strengthen food safety systems, ensure a safer food supply and facilitate the harmonisation of member economies' food standards to international standards through capacity building training, guideline development and information sharing activities.

FSANZ and the General Administration of Customs China (GACC) of the People's Republic of China co-chair the FSCF and provide secretariat services. The secretariat services involve organising regular FSCF teleconferences, project specific meetings and workshops, and the biannual FSCF conference. The next FSCF conference will be held in May 2019 in Chile.

In 2017–18 we led a number of projects:

- the development of an APEC alert system for food safety incidents
- the harmonisation of import maximum residue limits (import MRLs) for pesticides
- the development of an APEC framework for food safety modernisation.

The projects on MRLs and food safety modernisation result from two recent successful bids for new funds from the Department of Agriculture and Water Resources and the Department of Foreign Affairs and Trade.

FSANZ also co-sponsors and supports a range of other APEC projects, many of which are run as official APEC workshops.

OECD Conference on Genome Editing

Dr Lisa Kelly (pictured, fourth from left) from FSANZ recently participated in the *OECD Conference on Genome Editing: Applications in Agriculture – Implications for Health, Environment and Regulation* held in Paris, France on 28–29 June 2018. Dr Kelly gave a joint presentation with Dr Peter Thygesen (pictured, third from left) from the Office of the Gene Technology Regulator on current regulatory considerations in Australia on genome editing and also participated in

a panel discussion with other government representatives from around the globe—Argentina, Canada, European Union, India and the United States.

The purpose of the conference was to provide an update on the current status and future prospects for genome editing applications in agriculture and to discuss the risk, safety and regulatory considerations. More than 200 hundred delegates representing governments from around the world participated. A conference proceedings will be published later in 2018.



Discussion session at the OECD conference on Genome Editing: Applications in Agriculture—Implications for Health, Environment and Regulation



Delegates attending an expert workshop on trade facilitation through harmonization of import maximum residue limits on pesticides, held by FSANZ, in Haikou, China

International visitors

We hosted a number of international delegations during the year. These visits provide an opportunity to learn about the food safety issues and priorities of other food agencies. They also allow us to explain the Australia and New Zealand food regulatory system. Key visitors this year are summarised adjacent.

Table 13: Key international delegations 2017-18

DATE	COUNTRY/ ORGANISATION VISITING	TOPICS
3 August 2017	Indonesian National Agency for Drug And Food Control (jointly with the Therapeutic Goods Administration)	<p>Overview of the food safety regulatory system in Australia and New Zealand.</p> <p>Our role in the food standard development process.</p> <p>Coordinating recalls and national food incidents.</p>
12 September 2017	Korean Ministry of Food and Drug Safety	<p>Overview of the food safety regulatory system in Australia and New Zealand.</p> <p>Our role in the food standard development process.</p>
3 November 2017	Shandong Food and Drug Administration (China)	<p>Overview of the food safety regulatory system in Australia and New Zealand.</p> <p>Our role in the food standard development process.</p>
17 April 2018	Korean Ministry of Food and Drug Safety	<p>Overview of the food safety regulatory system in Australia and New Zealand.</p> <p>Our role in the food standard development process.</p> <p>Overview of regulatory system of raw materials for food.</p>



Enabler 3—People

Staff forum

Open communication and information sharing between staff and the Executive is supported by the organisation and is encouraged in a number of ways, including through our Staff Forum. The forum includes representatives of each section of the agency and meets monthly. The forum chair reports to the Executive each month to provide feedback on workplace issues raised by the forum representatives and any outcomes from the Executive are reported back to the staff forum.

During the organisation's move to new premises, the Staff Forum acted as "Move Champs". The Move Champs worked as a team sharing information and supporting each other and their fellow staff members both during and after the move.

In 2017–18 the Forum discussed a range of issues, however most of the discussion related to the Canberra office relocation. The Forum was also consulted on the workplace behaviour, under performance, travel, and work health and safety policies.

Sustainable development

In January 2018, our Canberra office moved from Barton into a 5 Star, green-star rated building at Majura Park. The building has been designed to reduce greenhouse gas emissions and water use. Energy saving devices have been used throughout the building and the fitout to further reduce energy consumption.

FSANZ continues to work closely with the building owners to ensure efficiency of the Australian and New Zealand office air conditioning and electricity usage, limiting the overuse of energy during working hours. FSANZ has also contracted to source 10 per cent of energy provided to the Canberra office from renewable sources.

As part of our commitment to sustainable development, the following activities are being undertaken:

- contracting services to recycle organic waste, paper and cardboard
- reducing electricity use by encouraging staff to turn off computers and monitors when they leave for the night
- reducing electricity by using sensors for the office lights in the Canberra office, ensuring lights are turned off when there is no movement in an area
- providing recycling bins in all kitchens
- recycling decommissioned computers, tablets and phones.

Training

FSANZ supported staff in a range of professional development activities during 2017–18. FSANZ spent almost \$170,000 on staff development during the financial year and provided some in-house training available for all staff.

FSANZ employment profile

Tables 14–19 provide a summary of our employment profile for the year. Comparisons are made with the previous year's data and to the APS overall. APS statistics were obtained from the APS Statistical Bulletin. The information below relates to numbers at 30 June. Employee numbers fell slightly in 2017–18. The use of non-ongoing employees increased during the year in order to manage workloads and deliver against priority work (see Table 13).

Table 14: Total employees

	FSANZ 2016–17	APS DEC 2017	FSANZ 2017–18
Total employees	114	150,489	108
Total employees (ongoing)	100	136,392	97
Total employees (non-ongoing)	14	14,097	11
New Zealand-based employees	12	n/a	12

Table 15: Stability and mobility

	FSANZ 2016–17	APS DEC 2017	FSANZ 2017–18
New starters – ongoing (% employees ongoing)	8 (8%)	9,213 (6.8%)	5 (4.6%)
New starters – non-ongoing	13	n/a	10
Separations ongoing	9	9,664	12
Retention rate (% ongoing employees)	91%	n/a	88%



Table 16: Workforce diversity

	APS DEC 2017	FSANZ 2017-18
Indigenous Australian employees	3.3%	0.0%
Employees with disability	3.6%	2.7%
Non-English Speaking Background (NESB)	14.2%	11.0%
Women	59%	64%
Part-time employees (ongoing)	15.8%	19.3%

FSANZ recruited a number of staff in 2016-17 as a result of staff separations. While there were only five new ongoing employees a further four non-ongoing employees became ongoing during the course of the year. The retention rate decreased in 2017-18, with a small round of voluntary redundancies resulting in a reduction of employees. Three of these roles were downgraded while the other has remained unfilled (see Table 14).

FSANZ has a specialised workforce. We will continue to encourage employees to report their diversity status, as a large proportion of employees have not done so. FSANZ continues to employ a higher proportion of women than the broader APS, with almost two thirds of our employees being women.

We continue to support flexible working arrangements for staff, with our part-time employment numbers (19 per cent) being significantly higher than the rest of the APS (see Table 15).

Table 17: Workforce experience

	FSANZ 2016-17	APS DEC 2017	FSANZ 2017-18
Average length of service in APS (ongoing)	13 years	11 years	11 years

Table 18: Age structure

	APS DEC 2017	FSANZ 2017-18
Less than 30	12.4%	4.6%
30 to 39	26.6%	24.8%
40 to 49	28.5%	24.8%
50 to 59	24.9%	34.9%
Over 60	7.0%	10.9%

Table 19: Classification structure

	FSANZ 2016-17	APS DEC 2017	FSANZ 2017-18
APS levels	41% (46 people)	73.4%	39% (42 people)
EL levels	55% (63 people)	24.8%	57% (62 people)
SES	4% (5 people)	1.8%	4% (4 people)

FSANZ has a workforce with relatively similar experience to the average for the APS overall. Over the past 12 months a number of older more experienced people have departed from FSANZ which has resulted in a slightly younger less experienced workforce (see Table 16).

The proportion of our employees who are aged 50 and over has increased from 48 per cent of all employees to 45 per cent of employees in 2017-18. Those under 40 years are currently only 29 per cent of employees, compared with 39 per cent in the APS overall. The mean age of FSANZ employees is 47, compared with the APS mean age of 43 years (see Table 17).

Due to the nature of our work, involving large numbers of executive level employees with specialist scientific

and technical skills, the proportion of APS level employees (39 per cent) is significantly less than the APS average of 73 per cent (see Table 18).

Employment environment

FSANZ completed the negotiation of its Enterprise Agreement in 2015-16. The agreement came into effect in May 2016 and remains in place for three years. All non-SES Australian employees are covered by the agreement, New Zealand employees and the SES have individual employment agreements.



Work health and safety

We are committed to work health and safety and demonstrate this through a number of initiatives one of which is the Health and Safety Committee. The committee is made up of representatives of management, work health and safety representatives, first-aid officers and workplace behaviour contact officers. It reports on a number of items including incidents reported, first aid reports and activities, workplace behaviour contacts and HR statistics that might identify if there is an area of concern within the agency.

We support activities that aim to contribute to the wellness of staff. In 2017 staff were responsible for forming the Mental Health Awareness Committee. This committee organises various activities throughout the year, providing information and support that contributes to the development of a positive and open culture around mental health and wellbeing.

In 2018 we provided all Canberra-based staff with electronic sit/stand work stations allowing staff to set appropriate heights for a sitting position and standing position and to easily be able to change between the settings. Workstation assessments were undertaken for all Canberra-based employees following the move to the new premises. Assessments were also provided for all new starters. Additionally, work station assessments were conducted for employees requiring an assessment throughout the year in other locations including home-based work employees. FSANZ also provided

onsite flu vaccinations for all employees and reimbursement for some employees who received it at a different location.

Flexible working arrangements are encouraged to support work-life balance, 32 employees currently have formal flexible working arrangements in place, this includes seven employees with formal working from home agreements.

Workplace bullying and harassment

Trained harassment contact officers (now known as Workplace Behaviour Contact Officers) continued to help employees who feel they may have been discriminated against, bullied and/or harassed. In 2017-18 no formal complaints were made under the bullying and harassment guidelines. During the year, we implemented a new Workplace Behaviour Policy that provides guidance on appropriate behaviours and supports, encourages and enforces respectful and courteous workplace behaviour.

Workplace diversity and disability

Our Diversity Framework is an important part of the Diversity Plan component of our People Strategy. The framework includes our reconciliation and disability action plans. We raise awareness of the importance of considering diversity issues through recruitment processes by improving internal communication including at staff meetings. At present

only a few employees identify as being from a diverse background, as defined by the Australian Public Service Commission.

Rewards and recognition

In 2017–18 three staff members were recognised for their contribution to the work of the agency. A further 13 staff were presented with long service awards. These employees were acknowledged and thanked for their contribution and dedication to the agency.

Chair's Annual Development Award

The Chair's Annual Development Award was awarded to Snezana Smiljanic for her excellent contribution to cross agency projects, her capacity to combine her interpersonal skills and technological knowledge to encourage organisational change through innovative solutions, a highly customer-centric manner and her ability to work with others.

Achievement Awards

In 2017–18 FSANZ combined the traditional Australia Day Award and Waitangi Day Award for the FSANZ Achievement Award as a cross agency initiative. This award acknowledges the contribution of an individual or team displaying innovation, outstanding performance, client service, corporate achievement or excellence while modelling the APS values in their core duties. The 2017–18 Achievement Awards were presented to two employees, Rosie Gooch and Janet Gorst.

Rosie received the Achievement Award for her exemplary organisational skills, commitment to the task, adherence to key APS values of accountability, ethics and respect, as well as her outstanding interpersonal and communication skills in managing the FSANZ Canberra relocation project.

Janet received the Achievement Award for consistently demonstrating excellent client service, her breadth of knowledge and helpfulness in dealing with GM enquiries and consistent building and maintaining of collegiate working relationships with colleagues and stakeholders, in particular facilitating and implementing the joint safety assessment review with Health Canada.



*Top: Board Chair Robyn Kruk presents Rosie Gooch with an Achievement Award
Bottom left: Board Chair Robyn Kruk presents Snezana Smiljanic with the Chair's Annual Development Award
Bottom right: Board Chair Robyn Kruk presents Janet Gorst with an Achievement Award*

Enabler 4: Communication—a broad communication capacity

Allergen Collaboration

Established by FSANZ in 2011, the Allergen Collaboration includes representatives from Australian and New Zealand government bodies; Australia and New Zealand allergy support associations and the food industry. It aims to improve how food allergen risks are managed with a view to helping consumers with a food allergy make safer choices.

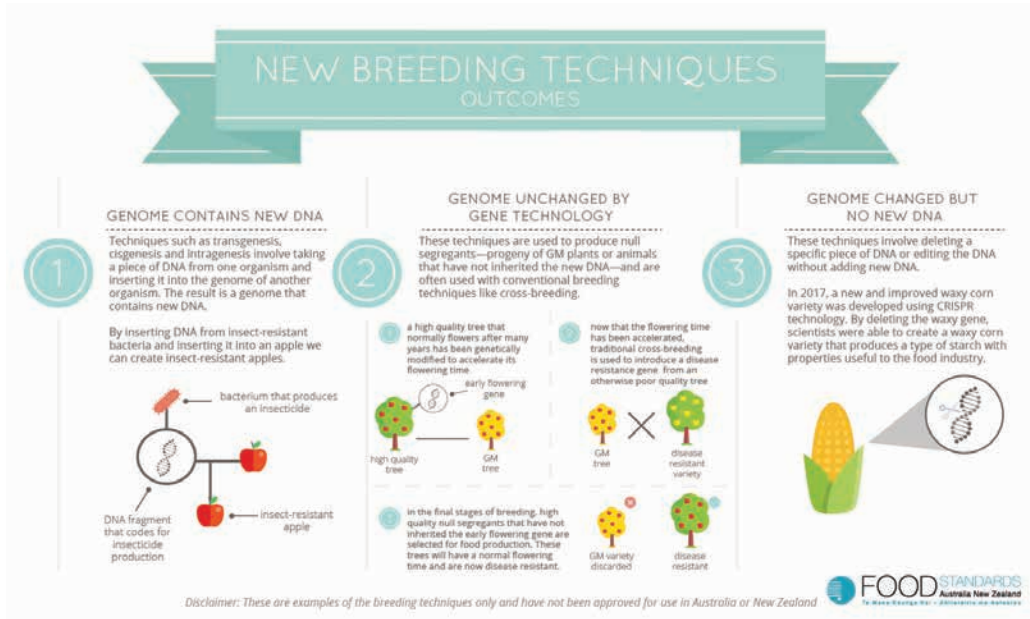
Members of the collaboration met twice during the past year, including at a face-to-face meeting in Sydney in September 2017. At this meeting the members agreed to:

- update the Allergen Collaboration communication strategy, including positioning the Food Allergen Portal as a source of best practice food allergen information, and as part of this, undertake a refresh of the portal, which is hosted on the FSANZ website
- greater alignment between the collaboration and the Australian National Allergy Strategy, and
- repeat the 2012 audit of available educational resources.

In November 2017, FSANZ reported back to the Australia and New Zealand Ministerial Forum on Food Regulation on progress by the Collaboration on promoting the uptake of voluntary allergen labelling initiatives. This report noted an online survey undertaken by the Allergen Collaboration to explore awareness and use of voluntary labelling initiatives for allergen management by food industry. The Allergen Collaboration intends using the survey results to consider further approaches to promote the uptake of voluntary labelling initiatives.



Case study



In February 2018 we released a consultation paper seeking feedback from the community on whether food derived from new breeding techniques (NBTs) should be captured for pre-market safety assessment approval. To support the consultation paper, FSANZ developed an infographic demonstrating the outcomes produced from these techniques which was published to the website and shared over social media and through our news subscription service.

Stakeholder engagement

Stakeholder engagement is a vital part of FSANZ's work and helps ensure our work continues to meet the needs of our stakeholders. Engagement takes many forms, informally—through daily interactions between staff and

stakeholders, our social media networks, and formally through our committees and forums.

FSANZ has several committees established to maintain engagement with all stakeholders. These committees include the Consumer and Public Health Dialogue and the Retailers and Manufacturers Liaison Committee. We are also involved in international networks and committees.

In 2017–18 we fielded more than 1350 enquiries through our code enquiries email box and more than 800 through our information email address. Staff from across the agency also logged responses to almost 200 complex enquiries.

We saw a slight decrease in the number of enquiries through these channels as a result of the publication of a new

frequently asked questions page on our website. The webpage provides easy access to 36 common questions and answers.

Mandatory allergen labelling

In 2017–18 we continued working on communication to highlight to industry the importance of allergen labelling. This work included pro-active media and social media to remind businesses that mandatory allergen labelling for lupin commenced in May 2018 and a revised allergen poster.

We also participated in a AusIndustry Entrepreneurs' Program webinar series on Allergens in the Food Industry. These webinars brought together industry experts to talk with small to medium businesses on the importance of getting product labelling right and food recalls.

Social media

FSANZ's social media channels continue to be a valuable way to communicate with our audience in real time about the work of our agency. In 2017–18 our Twitter audience grew by 30 percent to 6,500 followers and our Facebook page reached a record 26,000 followers. Food recall notifications continue to attract significant engagement and we use these as an opportunity to educate and inform

industry stakeholders and consumers about our role in the regulatory system and the importance of food safety.

In September we ran a week-long social media campaign #foodtechweek to raise awareness about the use of technology in food as well as addressing some common misconceptions.

The campaign explored a range of topics including the use of emerging technologies in food. The campaign had an audience reach and engagement of more than 61,000.

Publications

FSANZ has a number of ongoing publications including the email newsletter *Food Standards News* (with a reach of more than 8000). Other publications published this year included:

New chapter in Agents of Foodborne Illness

In November 2017 FSANZ published a new chapter in *Agents of Foodborne Illness*¹². The new chapter is on norovirus—the main cause of viral gastroenteritis in humans worldwide. It is highly contagious due to its very low infectious dose, stability in the environment and resistance to many common disinfectants.

12 <http://www.foodstandards.gov.au/publications/Pages/agentsoffoodborneill5155.aspx>



Stakeholder Survey

We published the results of a stakeholder survey undertaken in 2017. The results were overwhelmingly positive, however they also indicated there is work for us to do in some areas, including continuing our education campaign on who does what in the food regulation system.

Systematic review of the evidence for relationships between specified fatty acids and blood cholesterol

The systematic review included our consideration of three EU-authorised health claims:

- replacing saturated fats with unsaturated fats in the diet contributes to the maintenance of normal blood cholesterol levels
- α-linolenic acid contributes to the maintenance of normal blood cholesterol levels
- linoleic acid contributes to the maintenance of normal blood cholesterol level.

A Compendium of Microbiological Criteria

The Compendium of Microbiological Criteria for Food is a compilation of process hygiene criteria that have been established for specific food commodities and microbiological guideline criteria used for ready-to-eat foods. An update to the Compendium was published in 2018.

A guide for submitting MRL requests

This guide provides information on requests to FSANZ to consider harmonising maximum residue limits (MRLs) in Schedule 20 of the Australia New Zealand Food Standards Code with limits established by Codex or the country/region in which the food commodity was produced to import into Australia. It provides an overview of the information FSANZ requires to assess requests.

Literature review on consumer knowledge, attitudes and behaviours relating to sugars and food labelling

The literature review examined consumer knowledge, attitudes and behaviours relating to sugars in foods and as presented on food labelling. The literature sourced for this review is of varying quality and uses different methodological approaches.

Website

FSANZ's website is our key communication platform and continues to attract about 1 million visitors a year. Our analytics reveal our tools (nutrition panel calculator and NUTTAB) are amongst the most popular content along with information about food labelling and food safety.

Following user testing, stakeholder workshops and surveys we have identified key areas for improvement with our existing website. This includes search

functionality and accessibility of some content which will be addressed with the rollout of SharePoint 2016 in July 2018.

Our website infrastructure has undergone a substantial upgrade with improved capability and enhanced features. This will allow us to extend the functionality for a new redeveloped Nutrition Panel Calculator and NUTTAB.

Information and Communication Technology

Our website infrastructure has undergone a substantial upgrade with improved capability and enhanced features. This will allow us to add new functions in a redeveloped Nutrition Panel Calculator and NUTTAB.

We have also created a mobile workplace in the new office, allowing staff to work on their mobile devices anywhere in the Canberra and Wellington offices and at home.

All video conference systems were renewed and full compatibility now exists between the Canberra and Wellington offices. The new systems also allow staff to share the content of their mobile device to the larger screen and to a remote recipient. We also doubled the size of the communications link between Canberra and Wellington, which has improved our video conferencing and other communication capabilities between the two offices.

FSANZ took advantage of the office move to upgrade some of our server infrastructure and core communications hardware. We also installed new uninterrupted power supplies which will support business continuity in the case of a disaster.

Our external SharePoint infrastructure and most internal applications were upgraded and new environments were deployed for a food composition database (Silo) to meet development requirements. The development, test and production environments for Silo development were completed and will allow for an easy transition to production.

Information and records management

FSANZ showed continued improvement in the 2017 Check-Up Digital survey of digital information management capability. We continue to work towards the Digital Continuity 2020 deadline. Electronic forms for business processes are being developed and our paper record digitisation program is complete. FSANZ has also established an Information Governance Committee and has implemented an Information Governance Framework and Digital Strategy.

Our new data registry that stores our key scientific data is now in production and ensures that FSANZ data is accessible to all staff.



Enabler 5: Governance—good governance and effective processes

Governance and parliament

FSANZ has processes and practices in place to manage interaction with ministers and their officers, as well as other government departments. Most of our contact with the office of Senator the Hon Minister Bridget McKenzie relates to the preparation of briefing material for food-related matters.

Performance

Ministerial correspondence

FSANZ provides input to correspondence handled by the Minister's office. FSANZ also provides input into correspondence on a number of matters relating to FSANZ responsibilities for other Commonwealth, state and territory departments.

Issues raised in correspondence included nanoparticles in infant formula, food labelling, contaminants in food, food recalls and maximum residue limits.

Table 20: Ministerial Correspondence

	2017–18	2016–17	2015–16
Completed on time	39 (100%)	38 (100%)	28 (100%)
1–2 days late	0 (0%)	0 (0%)	0 (0%)
3–7 days late	0 (0%)	0 (0%)	0 (0%)
8–14 days late	0 (0%)	0 (0%)	0 (0%)
>14 days late	0 (0%)	0 (0%)	0 (0%)
TOTAL for action	39 (100%)	38 (100%)	28 (100%)
For info / no further action	18	20	27

Table 21: Ministerial submissions

	2017-18	2016-17	2015-16
Sent	2	4	14
Returned	1	2	14

Issues raised in the two ministerial submissions related to the Annual Report and cost recovery.

Table 22: Briefing note requests

	2017-18	2016-17	2015-16
Sent	17	21	16
Late	0	0	0

FSANZ responded to or generated briefing note requests on a number of matters relating to our responsibilities, as well as providing input into briefings which were the responsibility of the Department of Health or other departments. Issues included board meeting outcomes, new breeding techniques, nanoparticles and food incidents.

Table 23: Parliamentary questions on notice

	2017-18	2016-17	2015-16
Received	1	0	0
Sent	1	0	0
Late	0	0	0

Question time briefings

Ministers are asked questions without notice during Question Time in the Parliament and these must be responded to orally. Confidential briefings are prepared by FSANZ to assist the Minister to respond to any questions which fall within their responsibilities. FSANZ was required to prepare one QTB in 2017-18.

Senate estimates

Senior staff were required to appear before Senate Estimates on three occasions during 2017-18 (October 2017, February 2018 and May 2018).

Issues raised during the hearings related to nano-hydroxyapatite and glyphosate.

FSANZ answered 23 questions on notice.

Parliamentary enquiries

Nil

Notice of motion

Nil

FSANZ Board

We are governed by a 12-member Board, whose members are drawn from Australia and New Zealand. Members have a number of areas of expertise covering public health, food science,



medical science, consumer policy, primary industry, the food industry and government.

The nine Australian members are appointed by the Australian Minister for Health, in consultation with the Australia and New Zealand Ministerial Forum on Food Regulation, following consultation with the Australian, state, territory and New Zealand governments and consideration by the Cabinet. The three New Zealand members are nominated by the New Zealand Government and appointed by the Australian Minister for Health.

All members are part-time, except for the FSANZ Chief Executive Officer (CEO). Details of the qualifications of Board members and their attendance at meetings are summarised in Appendix 2.

In July 2017 Ms Teresa Ciprian and Professor Mark Lawrence were appointed to the Board and Emeritus Professor Mary Barton and Professor Martin Cole were reappointed for a further term. In October 2017 Ms Suzanne Chetwin, Ms Josephine Davey, and Mr John Hart were appointed to the Board.

The term of Dr Andrew McKenzie ceased on 30 June 2018. Dr McKenzie was a former Chief Executive of New Zealand's Food Safety Authority and provided useful insight from running a similar agency. His Codex and international trade perspectives, combined with his veterinary science foundation enabled

a highly effective and influential contribution to the Board's deliberations. Dr McKenzie chaired the Board's Finance and Risk Management Committee and was instrumental in bringing greater transparency to FSANZ's risk analysis considerations.

The Board recognises the importance of applying sound governance principles and practices. It has adopted a Board Charter to ensure that FSANZ meets its objectives. The Charter sets out the Board's objectives, authority, composition and tenure, reporting and administrative arrangements. The Charter also sets out the Board's roles and responsibilities, including:

- establishing and disclosing the respective roles and responsibilities of the Board and management
- exercising key Board functions efficiently and effectively, including ethical and responsible decision-making
- exercising sound Board governance processes to facilitate the achievement of FSANZ's objectives
- striving to continuously improve Board and FSANZ processes.

The Board meets at least four times per year and also convenes through teleconferences as required. Four Board meetings and three Board

teleconferences were held during 2017–18. Outcomes of FSANZ Board meetings are published on our website¹³.

Ethical standards

The Board Charter outlines Board members' responsibilities in dealing with directors' conflicts of interest and material personal interests. The Board also has an agreed process for managing conflicts of interest for FSANZ Board members as required by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014.

Board development and review

New Board members are provided with a formal induction which includes a meeting with the Board Chair, FSANZ CEO and Executive Management team. Board members are also provided with an Induction Manual (which includes the Board Charter, Corporate Plan, Business Plan and other relevant information).

Board members also attend an annual formal training session. This session covers issues such as the duties and responsibilities of directors; the unique perspective of a Board functioning under the PGPA Act; and the need for directors to have an independent view and governance.

Board performance

The Board Charter includes a requirement that a formal review of the performance of the Board be undertaken every two years. The review is conducted using a mix of external evaluation and facilitated self-assessment with appropriate input sought from all parties including the Board, the CEO, the internal and external auditors, management and any other relevant stakeholders, as determined by the Board.

Finance, Audit and Risk Management Committee (FARMC)

The Finance, Audit and Risk Management Committee (FARMC) consists of non-executive Board Directors, and supports the Board's oversight responsibilities relating to the financial and business affairs of FSANZ, the preparation and integrity of our financial accounts and statements, internal controls, policies and procedures used to identify and manage business risks, insurance activities, and compliance with legal and regulatory requirements and compliance policies.

During 2017–18, the FARMC continued to monitor the corporate governance and risk management activities of the organisation, advising the Board on FSANZ's appetite for risk in relation to strategic, operational and fraud control matters. During the year the committee reviewed the Risk Registers to ensure

¹³ <http://www.foodstandards.gov.au/about/board/outcomes/pages/default.aspx>



they are fit for purpose. The review resulted in documents that are easier to manage and maintain. The committee regularly 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 2017-18 related to work health and safety compliance and performance, and budget and financial reporting. An assurance mapping project was also undertaken to provide the FARMC, the CEO and senior management with a comprehensive overview of its key business processes, associated risks and the related assurance activities in place.

FARMC also continued to provide independent assurance and advice to the Board on FSANZ's risk, control, compliance, governance framework, and its financial statement responsibilities.

FARMC observers included representatives from the Australian National Audit Office and the FSANZ CEO.

Remuneration and Senior Staff Committee

The Remuneration and Senior Staff Committee of the Board meets infrequently to consider issues such as remuneration and performance standards for the CEO, as well as Board remuneration issues (which are determined by the Remuneration Tribunal).

The committee comprises three members (a chair, plus two). The General Manager, Food Safety and Corporate Branch provides secretariat support to the committee.

Directors' insurance

Under the Comcover Statement of Cover, FSANZ maintained professional indemnity insurance coverage for our directors (Board members) and officers of \$100 million.



Appendices

APPENDIX 1: OPERATING ENVIRONMENT,
STRUCTURE AND PROCESSES

APPENDIX 2: BOARD EXPERTISE AND
EXPERIENCE

APPENDIX 3: BOARD MEETING ATTENDANCE

APPENDIX 4: REPORT AGAINST THE FSANZ
ACT REQUIREMENTS

APPENDIX 5: FINANCIAL STATEMENTS

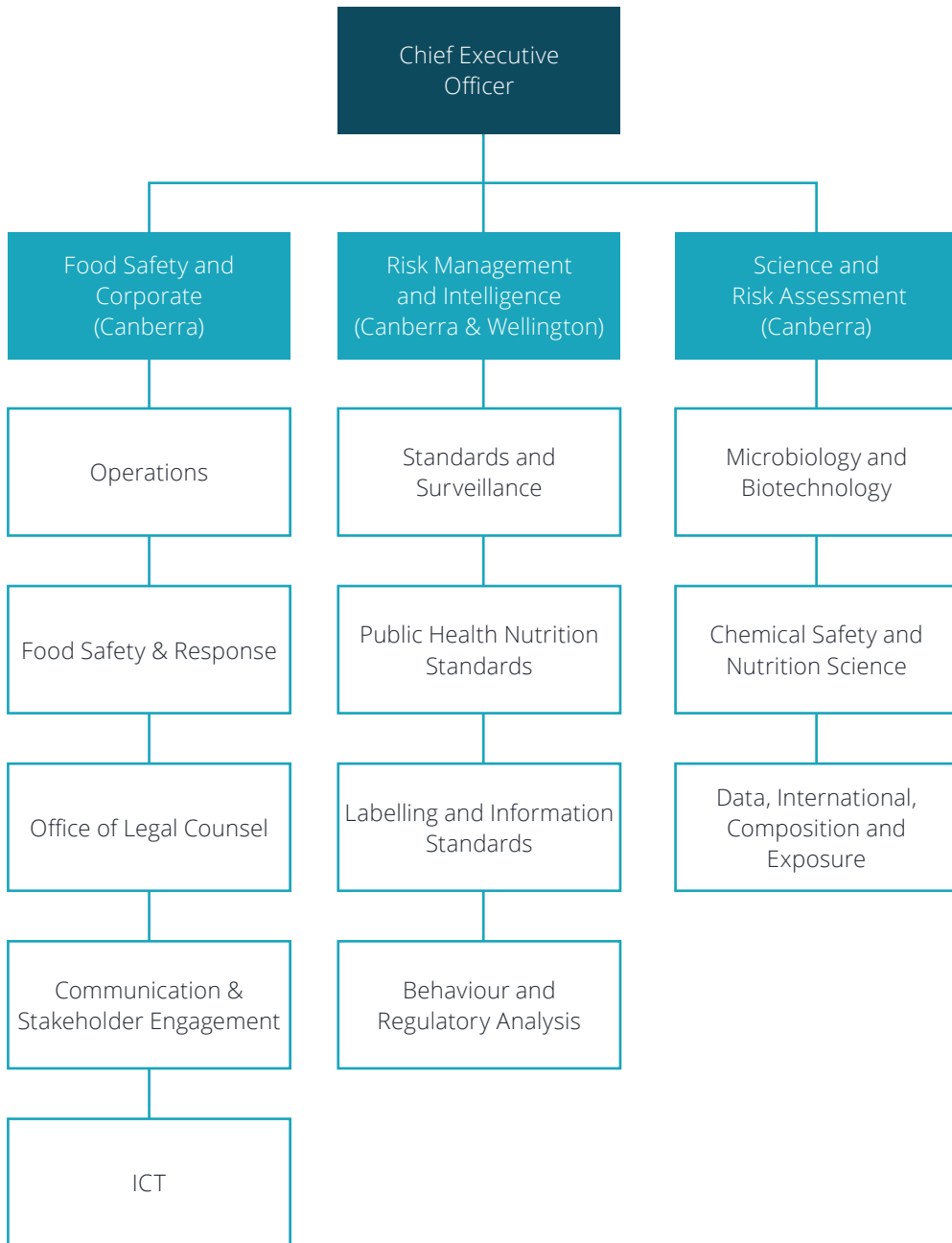
APPENDIX 6: LIST OF REQUIREMENTS

APPENDIX 7: CONSULTANTS

APPENDIX 8: EXTERNAL FSANZ COMMITTEES



Appendix 1: FSANZ's operating environment, structure and processes



Establishment	National Food Authority (Australia only) 1991 Australia New Zealand Food Authority 1996 Food Standards Australia New Zealand 2002
Government oversight	The Hon Bridget McKenzie MP Minister for Rural Health; Chair, Australia and New Zealand Ministerial Forum on Food Regulation (Ministerial Forum)
Chair, FSANZ Board	Ms Robyn Kruk AO
Chief Executive Officer	Mr Mark Booth
FSANZ staff (30 June 2018)	108 employees (ongoing and non-ongoing), located in Canberra and Wellington offices
Funding 2017–18 (Portfolio Budget Statement)	Australian Government appropriation—\$16.961m Other—\$2.169m
Food regulatory system	Policy development (Forum on Food Regulation) Standards development (FSANZ) Enforcement (states, territories, New Zealand Ministry for Primary Industries, Department of Agriculture and Water Resources, local government)

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"> • protection of public health and safety • provision of adequate information to consumers • prevention of misleading or deceptive conduct
Section 18 objectives ('have regard to' objectives applied to FSANZ's regulatory measures function)	<ul style="list-style-type: none"> • need for [food] standards to be based on risk analysis using the best available scientific evidence • promotion of consistency between domestic and international food standards • desirability of an efficient and internationally competitive food industry • promotion of fair trading in food



Treaty between Australia and New Zealand	Agreement between the Government of Australia and the Government of New Zealand concerning a joint food standards system
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Structure and processes

Organisational structure	See organisation chart on page 62
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Governance	<p>12-person Board (three members nominated by the New Zealand Government) (Appendix 11)</p> <p>Operates under the FSANZ Act and the <i>Public Governance and Performance Act 2013</i></p> <p>Finance, Audit and Risk Management Committee reports to the Board on financial, accountability, internal audit and compliance systems</p>
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Corporate planning	<p>Corporate Plan</p> <p>Business Plan</p> <p>Portfolio Budget Statement (Health portfolio)</p>
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FSANZ outcome (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
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Purpose	<ul style="list-style-type: none">• Develop food regulatory measures (standards) or contribute to other control measures using the risk analysis process• Coordinate national response, conduct surveillance and monitoring• Collect and provide food related information and provide food related advice
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Australia New Zealand Food Standards Code	Any individual or organisation can apply to amend the Food Standards Code. FSANZ can also initiate changes to the Food Standards Code, usually to protect public safety or assist in addressing issues of long-term public health importance. The latter are normally requested by the Australia and New Zealand Ministerial Forum on Food Regulation
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Application Handbook	Contains details on what FSANZ requires to assess applications
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Assessment of applications and proposals to amend the Code	<ul style="list-style-type: none"> • General procedures (nine months to complete assessment, one round of public consultation) • Minor procedure (three months to complete assessment, limited consultation) • Major procedure (12 months to complete assessment, two or more rounds of consultation) • High level health claims procedure (nine months to complete assessment, one round of publication consultation if applicant does not elect for confidential treatment)
Risk analysis process	<ul style="list-style-type: none"> • Risk assessment—determining the likelihood and severity of hazard • Risk management—weighting and selecting options of greatest net benefit to the community in a consultative decision-making process • Risk communication—ensuring stakeholders are aware of, and understand, the risk of being addressed and the control measures
Food recall processes	FSANZ coordinates a national food recall systems for Australia, in consultation with the states and territories and the food industry
National Food Incident Response Protocol	FSANZ coordinates an integrated, whole-of-government response for national incidents

Summary of financial performance 2017–18

Financial outcome	Operating revenue - \$19.873 million
	Operating expenses - \$19.712 million



Appendix 2: Food Standards Australia New Zealand Board expertise and experience (2017–18)

Sections of the FSANZ Act which apply to members' expertise and experience:

s. 116(1)(a) **Chair**

One or more of the following fields: public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology, veterinary science, food industry, food processing or retailing, primary food production, small business, international trade, government, or food regulation.

s. 116(1)(b) **CEO**

s. 116(1)(c) **2 members nominated by the New Zealand lead Minister**

One or more of the following fields: public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology, veterinary science, food industry, food processing or retailing, primary food production, small business, international trade, government or food regulation.

s. 116(1)(ca) **1 member nominated by the New Zealand lead Minister**

One or more of the following fields: public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology or veterinary science.

s. 116(1)(d) **1 member nominated by consumer organisations***

s.116(1)(e) **1 member nominated by the CEO of the National Health and Medical Research Council**

s. 116(1)(f) **3 members nominated by organisations, or public bodies, established for purposes relating to science or public health***

One or more of the following fields: public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology or veterinary science.

s. 116(1)(g) **2 members nominated by organisations, or public bodies, established for purposes relating to the food industry***

One or more of the following fields: the food industry, food processing or retailing, primary food production, small business, international trade, government or food regulation

* These organisations are prescribed in the FSANZ Regulations.

Robyn Kruk AO (term expires 30 September 2020)

Ms Robyn Kruk [s. 116 (1)(a)] was appointed Chair of the FSANZ Board on 2 November 2016.

Ms Kruk graduated from the University of New South Wales in 1979 with a Bachelor of Science in Psychology (Honours). She subsequently completed a Masters of Public Administration.

Ms Kruk began her career in the NSW public sector in 1980. In 1994 she was appointed Director-General of the NSW National Parks and Wildlife Service and in 2002 was appointed Director-General of the NSW Department of Health.

At the end of her NSW public sector career she was Director-General of the Department of Premier and Cabinet. She left the position in late 2008 and was appointed Secretary of the Commonwealth Department of the Environment, Water, Heritage and the Arts (later Sustainability, Environment, Water, Population and Communities) in early 2009. From September 2010, Ms Kruk was suffering from cancer, and had to take extended sick leave from the role.

On her return to work in 2011, following successful cancer treatment, Ms Kruk was appointed CEO and Commissioner and set up the newly created National Mental Health Commission.

Following her retirement from the Commission, she undertook program reviews and was appointed to a range of non-executive board and statutory positions. Ms Kruk was the Independent Assessor for the Defence Abuse Response Taskforce (DART) and led international taskforces assessing sustainable development in China. In 2015, she was appointed chair of the eHealth Implementation Steering Committee, to oversee delivery of an Australia-wide electronic medical record system.

She is a Chair Emerita of the US Milbank Memorial Fund (a philanthropic health research organisation) and has been a judge of the Dubai government's annual public sector excellence awards since 2013.

Ms Kruk is a member of the NSW Planning Assessment Commission, the Chair of the NSW Ambulance Advisory Council, the Deputy Chair of Mental Health Australia, the Chair of the Victorian Expert Advisory Committee on Perpetrator Interventions, the Chair of the WA Partnership Forum reporting to the Premier on improving community services and the Chair of Food Standards Australia New Zealand.



Emeritus Professor Mary Barton AO (term expires 6 July 2021)

Emeritus Professor Mary Barton [s. 116(1)(f)], worked for many years in veterinary diagnostic and research laboratories in New South Wales, Victoria and South Australia. Subsequently Professor Barton

worked at the University of South Australia teaching microbiology and with research interests in *Rhodococcus equi*, antibiotic resistance in livestock and food borne infections.

Mr Mark Booth (Chief Executive Officer) (term expires 5 March 2021)

Mr Mark Booth [s. 116(1)(b)] has worked extensively in health policy across most areas of the health sector in Australia, the UK and New Zealand and was a 2006–07 Commonwealth Fund Harkness Fellow in Health Care Policy at Brown University in the USA.

Mr Booth's original background is as a health economist and he has post graduate qualifications in health economics, public administration and public health.

Ms Sue Chetwin (term expires 16 October 2021)

Ms Suzanne Chetwin [s. 116(1B)] has been the CEO of Consumer NZ for 10 years. The organisation is a highly trusted, public-facing not-for-profit, which advocates on behalf of consumers. Research into public health, nutrition and food labelling form a significant part of Consumer NZ's work.

Ms Chetwin is a founding member of the Consumer and Public Health Dialogue which provides insights to FSANZ. She is an experienced and award-winning journalist, having been editor of two

national Sunday newspapers and the founding editor of the Herald on Sunday. She has been involved with monitoring media standards through the former Online Media Standards Authority. Ms Chetwin is a director of the NZ Banking Ombudsman scheme. She is currently studying part-time for a law degree at Victoria University, Wellington.

Ms Teresa Ciprian (term expires 30 June 2021)

Ms Teresa Ciprian [s. 116(1)(c)] has a background in the commercialisation, innovation, marketing and business development of branded consumer dairy and other foods.

She has significant international business experience, having held several senior roles with Danone in both the USA and France from where she worked in a number of international markets. Her primary focus was on identifying, developing and delivering global growth initiatives with central and locally based

teams. As Food Science graduate, her early career technical roles spanned quality control, analytical chemistry and product development.

Since returning to New Zealand, Ms Ciprian has advised a number of internationally focused businesses on their growth strategies and has developed a governance portfolio that also includes the boards of Zespri, Firstlight Foods Ltd, AgResearch, Aspeq and Phytomed Medicinal Herbs.

Professor Martin Cole (term expires 6 July 2021)

Professor Martin Cole [s. 116(1)(f)] is the Director of The Flagship of Food, Nutrition and Bioproducts at Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO). Prior to joining CSIRO, Professor Cole was the Director of the US National Centre for Food Safety and Technology (NCFST), one of the US Federal Drug Administration (FDA) Centres for Excellence and Research, Professor of Biology at Illinois Institute of Technology (IIT), Chicago, Illinois. With many years of experience in food policy and the development of international food safety standards, Professor Cole has frequently been called upon as an

expert by organisations such as the World Health Organization (WHO), the Food and Agriculture Organization (FAO) as well as the US House of Representatives. He has received numerous awards including election as a fellow of the International Academy of Food Science & Technology. Professor Cole currently chairs the International Commission on the Microbiological Specifications for Food and serves on the board of the Institute of Food Technology.



Associate Professor Stephen Corbett (term expires 30 June 2019)

Associate Professor Stephen Corbett [s. 116(1)(f)] has had more than 20 years of experience as a public and environmental health physician, with qualifications in public health and medicine. His interests include environmental health risk assessment and management, regulatory policy and practice, and chronic disease prevention. Associate Professor Corbett's

experience includes holding senior executive positions in NSW Health-Public Health; being Conjoint Associate Professor at the School of Public Health, University of Sydney and Western Clinical School, Westmead Hospital; and being Associate Editor on the journal *Evolution, Medicine and Public Health*.

Ms Josephine Davey (term expires 16 October 2021)

Ms Jo Davey [s. 116(1B)] is a company director and food industry consultant experienced in general management, food safety, innovation and product development in the dairy and food manufacturing sectors. She is a Director of Pirrama Consulting Pty Ltd, which provides management and technical consulting services to the food and beverage industries.

Ms Davey was the Managing Director of a start-up food company supporting people with specific dietary requirements and held senior commercial and technical roles in the Dairy Farmers Group.

Ms Davey is a Director of Dairy Food Safety Victoria and of the Subtropical Dairy Programme. She was a Director of Dairy Innovation Australia Ltd and its predecessor organisations and a member of the Industry Advisory Committee for CSIRO's Food Futures Flagship for 10 years. She has served as President of the Dairy Industry Association of Australia and President of the Australian Institute of Food Science and Technology.

Mr John Hart (term expires 16 October 2021)

Mr John Hart [s. 116(1B)] is Executive Director of Restaurant & Catering Australia, Executive Director of Business Group Australia, Executive Chair of Australian Chamber – Tourism and on the Board of the National Centre of Vocation Education Research, the Australian Business Register and Food Standards Australia and New Zealand.

He was appointed as Chief Executive Officer of Restaurant & Catering Australia in 1999. Restaurant & Catering Australia is the peak industry body representing restaurants, cafes and caterers across

Australia. Mr Hart came to the Association from Tourism Training NSW where he was Executive Officer for five years.

Mr Hart has spent over 30 years working in the hospitality industry in operational, HR and IR roles, trained in food and beverage management at the Ecole Hotelliere Lausanne, in Switzerland, and holds a Bachelor of Commerce majoring in Business Law.

Mr Hart also served as Chair of the Commonwealth Vocational Education and Training Advisory Board between 2013 and 2017 and was previously on the Prime Minister's Business Advisory Council.

Ms Jane Lancaster (term expires 30 June 2019)

Ms Jane Lancaster [s. 116(1)(ca)] has significant regulatory and food industry experience with a professional background in science and technology. She has experience in a broad range of governance roles over 15 years, from SOEs to the private sector and voluntary boards. Ms Lancaster's professional training is in biochemistry and biotechnology in plant and food science. She has been a professional member of the New Zealand Institute of Food Science & Technology since 1998. She has authored over 75 publications in refereed scientific journals, written two book chapters and has one biotechnology patent. This research background provides an evidence based framework for risk assessment and decision making.

In 2006, in recognition of Ms Lancaster's leading role in commercialising science and technology with a wide range of companies, she was made a Member of the New Zealand Order of Merit. In the not-for-profit voluntary sector Ms Lancaster is interested in advocacy and support for the well-being of children and vulnerable children in particular.



Professor Mark Lawrence (term expires 6 July 2021)

Professor Mark Lawrence [s. 116(1B)] is the Director of the Food Policy Unit at the Institute for Physical Activity and Nutrition at Deakin University. He has 33 years' experience working as a practitioner and academic in public health nutrition, as well as food policy and regulation, at local, state, national and international levels.

Professor Lawrence is an external resource person to the World Health Organization's Nutrition Guidance Expert Advisory Group Subgroup on Diet

and Health. He is Chair of the Advisory Board for the Cochrane Nutrition Field and a member of the joint Australian Department of Health's and New Zealand Ministry of Health's Advisory Committee for the review of the Nutrient Reference Values. Professor Lawrence is a member of the NHMRC's Synthesis and Translation of Research Evidence committee, a former member of the NHMRC's Dietary Guidelines Working Committee and was Acting Principal Nutritionist at the then National Food Authority 1993–97.

Dr Andrew McKenzie QSO (term expires 30 June 2018)

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 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.

Appendix 3: Board member attendance

Board attendance 2017-18

MEMBER	QUALIFICATIONS	MEETINGS	TELECONFERENCES
Ms Robyn Kruk AM (Chair)	Bachelor of Science in Psychology (Honours), UNSW Master of Public Administration	4/4	3/3
Emeritus Professor Mary Barton AO	BVSc University of Sydney PhD University of Melbourne Dip Bact, University of Manchester MBA Deakin University FANZCVS Fellow of the Australian and New Zealand College of Veterinary Scientists FASM Fellow of the Australian Society for Microbiology Hon DVSc University of Melbourne	4/4	3/3
Mr Mark Booth (Chief Executive Officer)	B.A. (Hons) Economics, City of London Polytechnic M.A. Economics, University of Manchester Postgraduate Diploma in Public Health, University of Otago Executive Master in Public Administration (EMPA, Australia and New Zealand School of Government – ANZSOG)	4/4	3/3
Ms Suzanne Chetwin	Ongoing part-time study at Victoria University of Wellington towards conjoint LLB (Bachelor of Law) and BCA (Bachelor of Commerce) Completed Stage One Maori Language Auckland University of Technology	3/3	1/1



Ms Teresa Ciprian	Diploma in Business (Marketing); University Of Auckland, 1995 (1993–1995) New Zealand Certificate in Science (Food Science); Auckland Institute of Technology, 1985 (1981–1985)	4/4	3/3
Professor Martin Cole	BSc, Biological Sciences, Manchester Metropolitan University PhD, Microbiology, Institute of Food Research, University of East Anglia Graduate of Australian Institute of Company Directors IFT Certified Food Scientist (CFS)	3/4	3/3
Associate Professor Stephen Corbett	MB BS (University of Queensland) MPH (University of Sydney) MRCGP FAFPHM FAICD Conjoint Associate Professor, School of Public Health and Western Clinical School, University of Sydney	4/4	2/3
Ms Josephine Davey	Bachelor of Science (Hons), School of Food Technology, University of NSW Master of Business Administration (Executive), Australian Graduate School of Management, University of NSW Fellow, Australian Institute of Company Directors Fellow, Australian Institute of Food Science and Technology	3/3	1/1
Mr John Hart	Bachelor of Commerce (Commercial Law Major), Curtin University Fellow of the Australian Institute of Company Directors	3/3	0/1
Ms Jane Lancaster MNZM	Graduated BSc Hons (1st Class) in Plant Biochemistry and Plant Physiology, University Of Canterbury University of Canterbury Senior Scholar	4/4	3/3

Professor Mark Lawrence	Bachelor of Science (Hons), University of Melbourne, 1982 Graduate Diploma (Nutrition & Dietetics), Flinders University, 1984 Master of Science, University of London, 1991 Graduate Diploma in Epidemiology & Biostatistics, University of Melbourne, 1998 Doctor of Philosophy, Deakin University, 2003	4/4	3/3
Dr Andrew McKenzie QSO	BVSc, Massey University DVPH, Massey University	4/4	3/3

Observer

Dr Eva Bennett, Chair, Implementation Subcommittee for Food Regulation (ISFR)	4/4	0/3
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Finance, Audit and Risk Management Committee attendance

MEMBER	MEETINGS
Dr Andrew McKenzie QSO (FARMC Chair)	4/4
Professor Martin Cole	3/4
Professor Mary Barton	4/4
Observers	
Mr Mark Booth (CEO)	3/4



Appendix 4: Report against the FSANZ Act requirements

Applications received and Proposals prepared before 1 October 2007

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

During 2017–2018, 4 applications received before 1 October 2007 remained on the Work Plan pending advice from applicants:

- (v) 0 withdrawn;
- (vi) 0 rejected by FSANZ;
- (vii) 0 finalised and notified to the Forum;
- (viii) 0 considered after a request for a review and notified to the Forum; and
- (ix) 4 were still being progressed as at 30 June 2018.

During 2017–2018, one proposal (prepared before 1 October 2007) remained on our Work Plan:

- (v) 0 withdrawn;
- (vi) 0 rejected by FSANZ;
- (vii) 0 finalised and notified to the Forum;
- (viii) 0 considered after a request for a review and notified to the Forum; and
- (ix) 1 was still being progressed as at 30 June 2018.

(e) Any occasion during 2017–2018 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 prior to 1 July 2007) within the period required under section 35 (as was in force prior to 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 2017–2018 and the reasons for those extensions:

Nil

(g) The number of applications made to the Administrative Appeals Tribunal during 2017–2018 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 2017–2018:

Nil

(i) The number of standards made under the FSANZ Act during 2017–2018:

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

(j) The number of draft standards and draft variations approved during 2017–2018 under:

Section 18 of the FSANZ Act; or (Final Assessment)

Nil

(k) The number of occasions during 2017–2018 when requests were made under section 21 of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a draft standard or draft variation:

Nil

(l) The number of occasions during 2017–2018 when requests were made under section 22 of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a draft standard or draft variation:

Nil

(m) The number of occasions during 2017–2018 when a draft standard or draft variation was rejected under section 23 of the FSANZ Act (as was in force prior to 1 July 2007):

Nil

(n) The number of occasions during 2017–2018 when requests were made under section 28A of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a standard or variation:

Nil

(p) The number of occasions during 2017–2018 when a standard or variation was revoked or amended under section 28C of the FSANZ Act (as was in force prior to 1 July 2007):

Nil

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 2017–2018:

[19]

(ab) The number of applications accepted under subsection 26(1) during 2017–2018:

[17]

(ac) The number of applications rejected under subsection 26(1) during 2017–2018 and the reasons for the rejections:

1

PA1152

Rejected at Admin Assessment 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.



(ad) The number of applications withdrawn in 2017–2018 under subsection 24(1) during the current year:

[1]

(ae) The number of applications accepted under subsection 26(1) during 2017–2018 that FSANZ had not begun to assess under section 29 during 2017–2018:

[7]

(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 2017–2018:

Nil

(a) The number of applications that were considered under Subdivision D of Division 1 of Part 3 during 2017–2018:

[18]

(b) The number of applications that were considered under Subdivision E of Division 1 of Part 3 during 2017–2018:

Nil

(c) The number of applications that were considered under Subdivision F of Division 1 of Part 3 during 2017–2018:

Nil

(d) The number of applications that were considered under Subdivision G of Division 1 of Part 3 during 2017–2018:

0

(e) For each of those Subdivisions, the number of applications considered under that Subdivision that were disposed of during 2017–2018 and the manner of their disposal:

Subdivision D:

14 Approved

1 Withdrawn

1 Rejected

Subdivision E:

0 Approved

0 Withdrawn

Subdivision F:

0 Approved

0 Withdrawn

Subdivision G:

0 Approved

0 Withdrawn

(f) For each of those Subdivisions, the average time taken to dispose of applications during 2017–2018 (for Approval only):

Subdivision D:

9 months

Subdivision E:

N/A

Subdivision F:

N/A

Subdivision G:

N/A

(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 of 2017–2018:

2

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

A1102 45 months

A1129 16 months

(g) The number of applications made during 2017–2018 in relation to which a charge fixed under section 146 was payable:

10

(h) The number of applications made during 2017–2018 in relation to which no charge fixed under section 146 was payable:

9

(i) The average number of days that elapsed between the acceptance or rejection under section 26 of an application made during 2017–2018 in relation to which no charge fixed

under section 146 was payable, and the commencement of the assessment of the application under section 29:

140

(j) Each occasion during 2017–2018 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:

0

(k) Each occasion during 2017–2018 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

2

A1102

A1129

(ka) The number of applications declared under section 95 to be urgent applications during 2017–2018:

0

(l) The number of proposals prepared by FSANZ under section 55 during 2017–2018:

2

(la) The number of proposals prepared under section 55 during 2017–2018 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 2017–2018:

0

(n) The number of proposals that were disposed of during 2017–2018 and the manner of their disposal:

2 Gazetted

(k) Each occasion during 2017–2018 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

1 Approved

0 Abandoned

(o) The average time taken to dispose of proposals under each of Subdivisions D, E, F, G and H of Division 2 of Part 3 during 2017–2018:

General

7.1 Months

Minor

N/A

Major

N/A

High level health claim variation

N/A

(p) The average number of days that have elapsed between the preparation of a proposal under section 55 to which Subdivision G of Division 1 of Part 3 does not apply and the commencement of the assessment of the proposal under section 59:

51 days

P1034 17 days

P1030 21 days

P1028 123 days

P1044 76 days

P1024 19 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 2017–2018, but that FSANZ had not disposed of before the end of 2017–2018:

3

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

P1046 330 days

P1047 94 days

P1048 58 days

[to 30 June 2018]

(pc) The number of proposals declared under section 95 to be urgent proposals during 2017–2018:

1

In relation to applications or proposals declared to be urgent under section 95, either in 2017–2018 or in previous financial years, the number which were disposed of under section 101 and the manner of their completion:

Nil

(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:

Nil

(q) The number of applications made to the Administrative Appeals Tribunal during 2017–2018 for review of decisions of FSANZ:

Nil

(r) The results of the applications made to the Administrative Appeals Tribunal that were determined during 2017–2018:

N/A

(s) The number of standards made during 2017–2018:

Gazettal and registration on the Federal Register of Legislation of amendments to the Australia New Zealand Food Standards Code occurs throughout the year after the Forum 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 Australia New Zealand Food Standards Code relating to [14] applications and [2] proposals.



Amendment No. 171 (13 July 2017)

A1123 – Isomalto-oligosaccharide as a Novel Food	To permit isomalto-oligosaccharide as a novel food for use as an alternative (lower calorie) sweetener and bulk filler in a range of general purpose and special purpose foods.
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Amendment No. 172 (7 September 2017)

A1125 – Endo β (1,4) Xylanase as a Processing Aid (Enzyme)	To permit the use of the enzyme endo β (1,4) xylanase, derived from <i>Pseudoalteromonas haloplanktis</i> , and produced by a genetically modified source of <i>Bacillus subtilis</i> , for use as a processing aid in the manufacture of cereal products.
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A1126 – Pectins & Carrageenan as Processing Aids in Wine (Fining Agent)	To permit pectins and carrageenan as processing aids to remove heat-unstable proteins from Australian produced wine.
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A1135 – Beta-galactosidase as a Processing Aid (Enzyme)	To permit the use of a new source of beta-galactosidase from a genetically modified strain of <i>Bacillus licheniformis</i> to be used as a processing aid during the production of reduced lactose or lactose free milk and dairy products.
---	--

P1045 – Code Revision (2017)	To make minor amendments including the correction of typographical errors and formatting issues and updating of references.
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Amendment No. 174 (26 October 2017)

A1127 – Processing Aids in Wine	To seek permission for the use of four processing aids, silver chloride, ammonium bisulphite, chitin-glucan and PVI/PVP as processing aids for wine.
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Amendment No. 175 (7 December 2017)

A1139 – Food derived from Potato Lines F10, J3, W8, X17 & Y9	To seek approval for food derived from genetically modified potato lines F10, J3, W8, X17 and Y9, which has late blight protection, low acrylamide potential, reduced browning (black spot) and lower reducing sugars.
--	--

A1140 – Food derived from Herbicide-tolerant Canola Line MS11	To seek approval for food derived from herbicide-tolerant, male-sterile canola line MS11, genetically modified to provide tolerance to the herbicide glufosinate-ammonium.
---	--

M1014 – Maximum Residue Limits (2016)	To consider varying certain maximum residue limits for residues of agricultural and veterinary chemicals that may occur in food.
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Amendment No. 176 (11 January 2018)

A1130 – Triacylglycerol Lipase as a Processing Aid (Enzyme)	To permit the use of triacylglycerol lipase from <i>Candida cylindracea</i> as a processing aid in baking, dairy foods processing and fats and oils processing.
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A1131 – Aqualysin 1 (Protease) as a Processing Aid (Enzyme)	To permit the use of aqualysin 1 sourced from <i>Bacillus subtilis</i> containing the aqualysin 1 gene from <i>Thermus aquaticus</i> for use as a processing aid in the manufacture of bakery products.
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Amendment No. 177 (22 February 2018)

A1138 – Food derived from Provitamin A Rice Line GR2E	To seek approval for food derived from rice line GR2E genetically modified to contain increased levels of provitamin A in the grain.
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A1143 – Food derived from DHA Canola Line NS-B50027-4	To seek approval for food derived from canola line NS-B50027-4, genetically modified to produce omega-3 long chain polyunsaturated fatty acids, particularly DHA, in the seed.
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Amendment No. 178 (3 May 2018)

A1136 – Protein Glutaminase as a Processing Aid (Enzyme)	To permit the use of protein-glutaminase from <i>Chryseobacterium proteolyticum</i> as a processing aid to improve protein functionality in baking, noodle, dairy, meat, fish and yeast products.
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Amendment No. 179 (24 May 2018)

A1142 – Addition of Prescribed Method of Analysis for Resistant Starch	To add a method of analysis for dietary fibre and other fibre content for specifically named fibre content of food (resistant starch).
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A1147 – Food derived from Herbicide-tolerant Cotton Line GHB811	To seek approval for food derived from cotton line GHB811, genetically modified to provide resistance to isoxaflutole and glyphosate.
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(t) The number of draft standards and draft variations approved during 2017–2018 under each of the following:

Section 33 and 63:

16

Section 41 and 69:

Nil

Section 52 and 78:

Nil

Section 97:

Nil

(ta) The number of variations given to the Authority under subsection 82(6) during 2017–2018:

The Australian Pesticides and Veterinary Medicines Authority gazetted and registered on the Federal Register of Legislation 11 amendments to Schedule 20:

APVMA 7, 2017, 11 July 2017

APVMA 8, 2017, 8 August 2017

APVMA 9, 2017, 5 September 2017

APVMA 10, 2017, 3 October 2017

APVMA 11, 2017, 31 October 2017

APVMA 12, 2017, 28 November 2017

APVMA 1, 2018, 16 January 2018

APVMA 2, 2018, 13 March 2018

APVMA 3, 2018, 24 April 2018

(u) The number of occasions during 2017–2018 when requests were made by the Council under Division 3 of Part 3 for a review of a draft standard or draft variation:

Nil

(v) The number of occasions during 2017–2018 when a draft standard or draft variation was rejected by the Council under Division 3 of Part 3:

Nil

(w) The number of occasions during 2017–2018 when requests were made by the Council under Division 4 of Part 3 for a review of a standard or variation:

Nil

(x) The number of occasions during 2017–2018 when a standard or variation was revoked or amended by the Council under Division 4 of Part 3:

Nil

(y) A summary of policy guidelines notified to FSANZ during 2017–2018:

No guidelines were notified.

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

N/A

Appendix 5: Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Sport

Opinion

In my opinion, the financial statements of Food Standards Australia New Zealand for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Food Standards Australia New Zealand as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of Food Standards Australia New Zealand, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising an overview, a summary of significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Food Standards Australia New Zealand in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of Food Standards Australia New Zealand the directors are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing Food Standards Australia New Zealand's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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



Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Rita Bhana
Senior Director
Delegate of the Auditor-General
Canberra
3 October 2018

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Food Standards Australia New Zealand (FSANZ)

STATEMENT BY THE ACCOUNTABLE AUTHORITY, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the corporate Commonwealth entity will be able to pay its debts as and when they fall due.

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

			
Robyn Kruk Chairperson FSANZ	Professor Martin Cole Director FSANZ	Mark Booth Chief Executive Officer FSANZ	Murray Lembit Chief Financial Officer FSANZ
2 October 2018	2 October 2018	2 October 2018	2 October 2018

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Food Standards Australia New Zealand

Statement of Comprehensive Income

for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000	AASB 1055
NET COST OF SERVICES					
Expenses					
Employee Benefits	1.1A	13,712	14,927	14,434	1
Suppliers	1.1B	4,859	4,564	3,591	2
Depreciation and amortisation	2.2A	1,102	776	1,105	
Other		39	19		
Total expenses		19,712	20,286	19,130	
Own-Source Income					
Own-source revenue					
Sale of Goods and Rendering of Services	1.2A	2,693	2,839	100	3
Interest	1.2B	204	252	320	4
Other Revenue		11	73	1,749	5
Total own-source revenue		2,908	3,164	2,169	
Total own-source income		2,908	3,164	2,169	
Net (cost of)/contribution by services		(16,804)	(17,122)	(16,961)	
Revenue from Government	1.2C	16,961	17,185	16,961	
Total comprehensive income attributable to the Australian Government		161	63	-	
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation surplus		-	-	-	
Total other comprehensive income after income tax		161	63	-	

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

FSANZ's original budgeted financial statements first presented to parliament in respect of the reporting period (i.e. from FSANZs 2017-18 Portfolio Budget Statements (PBS)).

Explanations of variances +/- 10% between the actual and original budgeted amounts for 2017-18 are provided further below (except for trivial amounts not considered significant to the performance of FSANZ).

AASB 1055 Explanations of major variances

1. Employee Benefits

Employee benefits were lower than budget due to the use of contractors to temporarily fill some roles and the time taken to fill a number of positions. There was also an adjustment made to the provision for long service leave which reduced employee benefits expenditure.

Affected line items (and schedule)

Employee Benefits

(Statement of Comprehensive Income)

2. Suppliers

Supplier expenses were higher than budget due to the need to recognise the lease incentives on the new Canberra premises and computer-related expenses. These costs were under estimated at budget.

Suppliers

(Statement of Comprehensive Income)

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Statement of Comprehensive Income continued

Explanations of major variances

3. Sale of goods and rendering of services

The actual income from the sale of goods and rendering of services includes the NZ Government's payment for developing joint food standards and applicants seeking variation of the Food Standards Code. The revenue received from the project work on the Food Standards Code is difficult to forecast for budget purposes as it is demand driven and was higher than anticipated. This note should be read in conjunction with Note 5.

4. Interest

The interest revenue was lower than expected due to rates being lower than anticipated compared to rates at budget.

5. Other revenue

The other revenue budget relates to the NZ Government's contribution to the running of FSANZ and should be read in conjunction with Note 3 on the sale of goods and rendering of services.

Affected line items (and schedule)

Sale of goods and rendering of services

(Statement of Comprehensive Income)

Interest

(Statement of Comprehensive Income)

Other revenue

(Statement of Comprehensive Income)

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Food Standards Australia New Zealand

Statement of Financial Position

as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000	AASB 1055
ASSETS					
Financial assets					
Cash and Cash Equivalents	2.1A	2,184	3,849	4,626	1
Trade and Other Receivables	2.1B	480	284	375	2
Investments - Term deposits	2.1C	8,000	7,647	7,000	1
Total financial assets		10,664	11,780	12,001	
Non-financial assets					
Buildings - Leasehold improvements	2.2A	3,045	650	591	
Plant and equipment	2.2A	1,046	325	269	
Intangibles	2.2A	1,881	2,168	1,233	
Prepayments		165	296	282	
Total non-financial assets		6,137	3,439	2,375	3
Total assets		16,801	15,219	14,376	
LIABILITIES					
Payables					
Suppliers	2.3A	728	873	211	4
Other Payables	2.3B	3,731	1,660	1,450	5
Total payables		4,459	2,533	1,661	
Provisions					
Employee Provisions	3.1A	4,174	4,527	4,625	
Provision for restoration	2.4A	201	351	345	6
Total provisions		4,375	4,878	4,970	
Total liabilities		8,834	7,411	6,631	
Net assets		7,969	7,808	7,745	
EQUITY					
Contributed equity		1,823	1,823	1,823	
Reserves		2,254	2,254	2,254	
Retained surplus		3,892	3,731	3,668	
Total equity		7,969	7,808	7,745	

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

FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from FSANZs 2017-18 Portfolio Budget Statements (PBS)).

Explanations of variances + or - 10% between the actual and original budgeted amounts for 2017-18 are provided further below.

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Explanations of major variances

Affected line items (and schedule)

1. Cash and cash equivalents

Cash and cash equivalents

The variance between actual and budget is explained by the move to the new Canberra premises which required FSANZ to contribute approximately \$600,000 to the fitout. There was also additional funds spent on upgrading ICT equipment and an amount added to the six month term deposit to maximise income from interest. In order to reconcile to the PBS cash and cash equivalents should be added to Investments – term deposits.

(Statement of Financial position)

2. Trade and Other Receivables

Trade and Other receivables

There were some items under accounts receivable mainly relating to staff on secondment.

(Statement of Financial position)

3. Non Financial Assets

The expenditure on non-financial assets, particularly leasehold improvements and plant and equipment, was higher than expected. In summary:

Land & Buildings, Plant & Equipment and Intangibles

- Building and leasehold improvements – the move to the new premises in Canberra required expenditure on a new fitout the cost of which was unknown at budget.
- Plant and equipment – the plant and equipment had become dated and required replacing particularly as a result of the move to the new Canberra premises.
- Intangibles – the original budget estimate was too low and will be revised at the next opportunity.

(Statement of Financial position)

4. Suppliers

Suppliers

Expenditure in June was higher than budgeted but less than 2016-17 and related to project timing.

(Statement of Financial position)

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Explanations of major variances

Affected line items (and schedule)

5. Other payables*Other payables*

The major difference between the actual and the budget is the lease incentive which had to be taken into account as a result of the move to the new Canberra premises - this was unknown at budget. There was also a relatively high balance in unearned income due mainly to the outstanding project work on possible amendments to the Food Standards Code.

(Statement of Financial position)

6. Provision for restoration*Provision for restoration*

The make good provision for both the Canberra and Wellington offices was redone as a result of new leases. The provision for the Canberra office was significantly less than the previous allowance. This is because the previous make good was for three floors of an older building compared to one floor in the new accommodation.

(Statement of Financial position)

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Food Standards Australia New Zealand

Statement of Changes in Equity

for the period ended 30 June 2018

Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
CONTRIBUTED EQUITY			
Opening balance	1,823	1,823	1,823
Adjusted opening balance	1,823	1,823	1,823
Comprehensive income			
Transfers between equity components	-	-	-
Closing balance as at 30 June	1,823	1,823	1,823
RETAINED EARNINGS			
Opening balance	3,731	3,668	3,668
Adjusted opening balance	3,731	3,668	3,668
Comprehensive income			
Surplus for the period	161	63	-
Total comprehensive income	161	63	-
Closing balance as at 30 June	3,892	3,731	3,668
ASSET REVALUATION RESERVE			
Opening balance	2,254	2,254	2,254
Adjusted opening balance	2,254	2,254	2,254
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Transfers between equity components	-	-	-
Closing balance as at 30 June	2,254	2,254	2,254
TOTAL EQUITY			
Opening balance	7,808	7,745	7,745
Adjusted opening balance	7,808	7,745	7,745
Comprehensive income			
Surplus for the period	161	63	-
Other comprehensive income	-	-	-
Total comprehensive income	161	63	-
Closing balance as at 30 June	7,969	7,808	7,745

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

Accounting Policy

Equity Injections

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

Budget Variances Commentary

FSANZ budgets for a breakeven position each year and does not budget for a surplus.

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Food Standards Australia New Zealand

Cash Flow Statement

for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000	AASB 1055
OPERATING ACTIVITIES					
Cash received					
Receipts from Australian Government		16,961	17,185	16,961	
Receipts from New Zealand Government		1,936	2,021	1,749	1
Sale of goods and rendering of services		1,133	448	100	2
Interest		325	150	320	
Net GST received		464	341	519	
Other		11	75	-	
Total cash received		20,832	20,220	19,649	
Cash used					
Employees		14,653	14,154	14,434	
Suppliers		3,195	4,479	3,591	
Net GST paid		-	-	519	
Total cash used		17,849	18,633	18,544	
Net cash from/(used by) operating activities		2,983	1,587	1,105	
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment		-	-	-	
Total cash received		-	-	-	
Cash used					
Purchase of property, plant and equipment		4,293	890	605	3
Investments		353	111	-	4
Total cash used		4,646	1,001	605	
Net cash from/(used by) investing activities		(4,646)	(1,001)	(605)	
Net increase/(decrease) in cash held		(1,663)	586	500	
Cash and cash equivalents at the beginning of the reporting period		3,849	3,266	11,126	
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		-	(3)	-	
Cash and cash equivalents at the end of the reporting period	2.1A	2,184	3,849	11,626	

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

Explanations of major variances

Affected line items (and schedule)

Cash received

1. The receipts from the New Zealand Government were included in Sale of Goods and Rendering of Services in the Statement of Comprehensive Income but are separated in the cash flow for more detailed disclosure. The budget was also prepared before the Partnership Agreement between The New Zealand Minister for Food Safety and Food Standards Australia New Zealand had been finalised.

*Receipts from New Zealand
Government and Other*

2. The increase is due to the higher than expected number of applications received for possible amendments to the Food Standards Code (this is a demand driven item).

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Cash Flow Statement continued

Explanations of major variances

Affected line items (and schedule)

Cash used

3. Cash used for the purchase of property, plant and equipment resulted from the relocation of the Canberra office to new premises necessitating a fitout and associated cabling and set up costs. The previous computer hardware had also reached the end of its useful life and required updating. The initial budget estimate for this was insufficient.

Purchase of property, plant and equipment

4. In order to maximise revenue from bank interest FSANZ added money to its term deposit.

Investments

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Food Standards Australia New Zealand

Overview

Objectives of the Entity

Food Standards Australia New Zealand (FSANZ) was established to implement an agreement with States and Territories to achieve the goals of a high degree of consumer confidence in the quality and safety of food that is available in Australia and New Zealand; an effective, transparent and accountable regulatory framework within which industry can work efficiently; the provision of adequate information about food to support informed food choices; and the harmonisation of food standards in Australia and New Zealand, and internationally.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2017; and
- b) Australian Accounting Standards and Interpretations - reduced disclosure requirements 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 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 rounded to the nearest thousand dollars (\$'000) unless otherwise specified.

New Accounting Standards

All new accounting standards, revised standards or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on FSANZ's financial statements. FSANZ will apply AASB 16 *Leases* from 2019-20. The standard will require the net present value of payments under most operating leases to be recognised as assets and liabilities. FSANZ has commenced the analysis to quantify the impact.

Taxation

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

Events After the Reporting Period

There has been no event since 30 June 2018 that had the potential to significantly affect the ongoing structure and financial activities of FSANZ.

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. The primary foreign currency transactions are with New Zealand.

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Financial Performance

This section analyses the financial performance of Food Standards Australia New Zealand for the year ended 2018.

1.1 Expenses

	2018	2017
	\$'000	\$'000
1.1A: Employee Benefits		
Wages and salaries	10,839	10,908
Superannuation		
Defined contribution plans	949	919
Defined benefit plans	1,027	1,146
Leave and other entitlements	885	1,585
Separation and redundancies	-	364
Other employee expenses	12	5
Total employee benefits	13,712	14,927

Accounting Policy

Accounting policies for employee related expenses is contained in Note 3.1: People and relationships.

1.1B: Suppliers

Goods and services supplied or rendered

Consultants and contractors	819	837
Travel	848	796
Computer expenses	580	467
Subscriptions	263	247
Training	189	235
Building running costs	133	111
ISFR Project Officer	140	144
Audit Fees	49	40
Other operating costs	601	674
Total goods and services supplied or rendered	3,622	3,551

Other suppliers

Operating lease rentals	1,214	980
Workers compensation premiums	23	33
Total other suppliers	1,237	1,013
Total suppliers	4,859	4,564

Leasing commitments

FSANZ in its capacity as lessee has leases for its offices in Canberra and Wellington. The Canberra lease expires in January 2028 and the Wellington lease in April 2024. The commitments shown below are to the end of the lease.

Commitments for minimum lease payments in relation to non-cancellable

operating leases are payable as follows:

Within 1 year	1,168	916
Between 1 to 5 years	5,279	-
More than 5 years	6,179	-
Total operating lease commitments	12,626	916

Accounting Policy

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 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.

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1.2 Own-Source Revenue and gains		
	2018	2017
	\$'000	\$'000
Own-Source Revenue		
1.2A: Sale of Goods and Rendering of Services		
New Zealand Government funding	1,936	2,021
Fee for service	378	305
Asia Pacific Economic Corporation (APEC)	222	172
Other	157	341
Total sale of goods and rendering of services	2,693	2,839

Accounting Policy

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 or 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 account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.2B: Interest

Deposits	27	38
Investments	177	214
Total interest	204	252

Accounting Policy

Interest revenue is recognised using the effective interest method. FSANZ only invests in term deposits or bank accounts with Authorised Deposit-taking Institutions (ADIs).

1.2C: Revenue from Government

Corporate Commonwealth entity payment	16,961	17,185
Total revenue from Government	16,961	17,185

Accounting Policy

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to FSANZ) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

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Financial Position

This section analyses FSANZ's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships

2.1 Financial Assets

	2018	2017
	\$'000	\$'000
2.1A: Cash and Cash Equivalents		
AUSTRALIA		
Cash on hand or on deposit	2,120	3,765
NEW ZEALAND		
Cash on hand or on deposit	64	84
Total cash and cash equivalents	2,184	3,849

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) 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.

2.1B: Trade and Other Receivables

Goods and services receivables	438	149
Other receivables		
Interest	12	133
GST receivable	-	2
Other receivables	30	-
Total other receivables	42	135
Total trade and other receivables (gross)	480	284
Less impairment allowance	-	-
Total trade and other receivables (net)	480	284

Accounting Policy

Trade receivables, loans and other receivables that have fixed or determinable payments and 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.

Accounting Judgements and Estimates

There are no material accounting judgements and estimates that impact on the above.

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2.1 Financial Assets

	2018	2017
	\$'000	\$'000
2.1C: Investments - Term deposits		
Deposits	<u>8,000</u>	<u>7,647</u>
Total other investments	<u>8,000</u>	<u>7,647</u>

Accounting Policy

FSANZ invests in only Authorised Deposit-Taking Institutions (ADIs). Deposits for period greater than 3 months are classified as investments.

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2.2 Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment for 2018

	Buildings - Leasehold Improvements	Plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	1,188	469	4,738	6,395
Accumulated depreciation, amortisation and impairment	(538)	(144)	(2,570)	(3,252)
Total as at 1 July 2017	650	325	2,168	3,143
Additions				
Purchase of internally developed Revaluations and impairments recognised in other comprehensive income	3,110	1,060	190	4,360
Depreciation and amortisation	(421)	(204)	(477)	(1,102)
Disposals	(295)	(134)	-	(429)
Total as at 30 June 2018	3,044	1,047	1,881	5,973
Total as at 30 June 2018 represented by				
Gross book value	3,283	1,311	4,928	9,523
Accumulated depreciation, amortisation and impairment	(239)	(265)	(3,047)	(3,550)
Total as at 30 June 2018	3,045	1,046	1,881	5,973

No indicators of impairment were found for property, plant and equipment or land and buildings and intangibles at 30 June 2018. No property, plant or equipment or land and buildings is held for sale, however, some assets may be sold as part of the normal refresh process within the next 12 months.

All revaluations were conducted in accordance with the revaluation policy stated below.

Contractual commitments for the acquisition of property, plant, equipment and intangibles
FSANZ had no material commitments to purchase assets as at 30 June 2018.

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2.2 Non-Financial Assets

Accounting Policy

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.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, 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

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 did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Leasehold improvement, property plant & equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different at reporting date from its fair value. An independent valuation of all asset categories was carried out by Pickles Valuation Services as at 30 June 2016 and further desk audits as at 30 June 2017 and 30 June 2018 resulted in no changes to asset values.

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 reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed 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:

	2018	2017
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-10 years	3-10 years

Impairment

All assets were assessed for impairment at 30 June 2018. 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 of disposal 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 the entity 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.

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 \$25,000 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).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are:

	2018	2017
Internally developed	10 years	10 years
Purchased	4 years	4 years

All software assets were assessed for indications of impairment as at 30 June 2018.

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2.3 Payables

	2018	2017
	\$'000	\$'000

2.3A: Suppliers

Trade creditors and accruals	728	873
Total suppliers	728	873

Suppliers include trade creditors and accruals. Suppliers expected to be settled in no more than 12 months. Settlement was usually made within 30 days.

2.3B: Other Payables

Salaries and wages	99	122
Redundancy payable	-	364
Leave payable	-	196
Performance pay	173	197
Unearned income	1,265	682
Lease incentive	2,075	68
Other	119	31
Total other payables	3,731	1,660

Accounting Policy

Unearned Income

Amounts received in advance for services not yet provided or work not yet undertaken are recorded as unearned income, unless the revenue is a non reciprocal contribution as defined in AASB1004 - *Contributions*.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the entity not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$24,240 (2017: \$79,573).

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2.4 Other Provisions		
	2018	2017
	\$'000	\$'000

2.4A: Provision for restoration

	Provision for restoration \$'000	Provision for restoration \$'000
As at 1 July	351	345
Additional provisions made	-	6
Make Good realised	(351)	-
New Make Good Provision	199	-
Unwinding of discount or change in discount rate	2	-
Total as at 30 June	201	351

FSANZ currently has 2 (2017: 2) agreements for the leasing of premises which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. FSANZ entered into two new leases during 2017-18 and the new make good provisions were calculated to reflect the present value of this obligation.

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People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

3.1 Employee Provisions

	2018	2017
	\$'000	\$'000
3.1A: Employee Provisions		
Leave	4,174	4,527
Total employee provisions	4,174	4,527

Accounting policy

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. 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 the provision for annual leave and long service 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 the entity'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 shorthand method as prescribed by the FRR. 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. FSANZ had no provision as at the 30 June 2018.

Superannuation

FSANZ staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or a complying superannuation fund. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other complying superannuation funds are a defined contribution scheme. 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's administered schedules and notes.

FSANZ makes employer contributions to the employees' defined benefit superannuation scheme 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 final pay of the year.

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3.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of FSANZ, directly or indirectly, including any director (whether executive or otherwise) of FSANZ. FSANZ has determined the key management personnel to be the Chief Executive Officer, Branch General Managers and Directors. Key management personnel remuneration is reported in the table below:

	2018 \$'000	2017 \$'000
Short-term employee benefits	1,467	1,707
Post-employment benefits	171	200
Other long-term employee benefits	101	101
Termination benefits	-	-
Total key management personnel remuneration expenses	1,739	2,008

The above table includes paid part time Directors of 11 (2017: 10) board positions. The total number of key management personnel that are included in the above table are 16 (2017:17). There were no termination benefits paid in 2017-18. It is important to note that not all officers served for the entire 12 months.

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

3.3 Related Party Disclosures**Related party relationships**

FSANZ is an Australian Government controlled entity. Related parties to FSANZ are directors and key management personnel.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- * the payments of grants or loans;
- * purchases of goods and services;
- * asset purchases, sales transfers or leases;
- * debt forgiven; and
- * guarantees.

Giving consideration to relations with related entities, and transactions entered into during the reporting period by FSANZ, it has been determined that there are no related party transactions to be separately disclosed.

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Managing uncertainties

This section analyses how Food Standards Australia New Zealand manages financial risks within its operating environment.

4.1 Contingent Assets and Liabilities

FSANZ did not have any contingent assets or liabilities to report as at 30 June 2018 (2017: Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability 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. FSANZ did not have any contingent assets or liabilities to report as at 30 June 2018 (2017: Nil).

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4.2 Financial Instruments

	2018	2017
	\$'000	\$'000

4.2A: Categories of Financial Instruments

Financial Assets

Receivables

Cash and cash equivalents	2,184	3,849
Trade and other receivables	480	282
Investments	8,000	7,647
Total receivables	10,664	11,778
Total financial assets	10,664	11,778

Financial Liabilities

Financial liabilities measured at amortised cost

Trade creditors	728	873
Total financial liabilities measured at amortised cost	728	873
Total financial liabilities	728	873

Accounting Policy

Financial Assets

FSANZ classifies its financial assets in the following categories as financial assets at fair value through profit or loss.

Financial assets are classified depending on the nature and purpose of the financial assets and determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'.

Impairment of Financial Assets

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

Financial assets held 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.

Financial Liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

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).

4.2B: Net Gains or Losses on Financial Assets

Receivables

Interest revenue	204	252
Exchange gains/(losses)	(3)	(3)
Net gains/(losses) on receivables	201	249
Net gains on financial assets	201	249

4.2C: Fair Value of Financial Instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2018	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Receivables	10,664	10,664	11,778	11,778
Total financial assets	10,664	10,664	11,778	11,778
Financial Liabilities				
Trade creditors	728	728	873	873
Total financial liabilities	728	728	873	873

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4.3 Fair Value Measurement

4.3A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2018 \$'000	2017 \$'000
Non-financial asset		
Leasehold improvements	3,045	560
Other property, plant and equipment	1,047	325
Total fair value measurements of assets in the statement of financial position	4,092	885

Accounting Policy

FSANZ procured valuation services from Pickles Valuation Services (PVS) in 2016 and 2017 and relied on valuation models provided by PVS. FSANZ's asset policy requires that a formal independent valuation process is conducted at least once every three to four years. In years when an independent valuation is not conducted, an assessment is performed by management to ensure that the fair value criterion is reasonable. This assessment normally focuses on 'indicators' to determine whether there has been a material movement in the carrying amount of the assets since the last reporting date. PVS provided written assurance to FSANZ that the model developed is in compliance with AASB 13.

No change in valuation technique occurred during the period. The highest and best use of all non-financial assets are the same as their current use.

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Appendix 6: List of requirements

The table below details where you can find the information that is required to be in this Annual Report under paragraph 17BE(u) of the Public Governance, Performance and Accountability Rule 2014.

PGPA RULE REQUIREMENT	LOCATION (PAGE)
(a) Details of legislation establishing the body	62, 63
(b) Both of the following	
(i) a summary of the objects and functions of the entity as set out in the legislation	63
(ii) the purposes of the entity as included in the entity's Corporate Plan for the period	64
(c) The names of the persons holding the position of responsible Minister or responsible Ministers during the period, and the titles of those responsible Ministers	63
(d) Any directions given to the entity by a Minister under an Act or instrument during the period	N/A
(e) Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	N/A
(f) If during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e)—particulars of non compliance	N/A
(g) The annual performance statements for the entity for the period in with paragraph 39(1)(b) of the Act and section 16F of this rule	6
(h) A statement of any significant issue reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non compliance with the finance law in relation to the entity	N/A
(i) If a statement is included under paragraph (h) of this section—an outline of the action that has been taken to remedy the non compliance	N/A



(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the period including:	
(i)	the name of the accountable authority or member; and	67
(ii)	the qualifications of the accountable authority or member; and	73
(iii)	the experience of the accountable authority or member; and	67
(iv)	for a member—the number of meetings of the accountable authority attended by the member during the period and;	73
(v)	for a member—whether the member is an executive member or non executive member	66
(k)	An outline of the organisational structure of the entity (including any subsidiaries of the entity)	62
(l)	An outline of the location (whether or not in Australia) of major activities or facilities of the entity	62
(m)	Information in relation to the main corporate governance practices used by the entity during the period	56
(n)	The decision making process undertaken by the accountable authority for making a decision if:	
(i)	the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and	87
(ii)	the entity, and the other Commonwealth entity or the company, are related entities; and	N/A
(iii)	the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10,000 (inclusive of GST)	87
(o)	If the annual report includes information under paragraph (n)	
(i)	if there is only one transaction—the value of the transaction; and	87
(ii)	if there is more than one transaction—the number of transactions and the aggregate of value of the transactions	87
(p)	Any significant activities and changes that affected the operations or structure of the entity during the period	44
(q)	Particulars of judicial decision or decisions of administrative tribunals made during the period that have had, or may have a significant effect on the operations of the entity	N/A

(r)	Particulars of any report on the entity given during the period by:	
(i)	the Auditor General, other than a report under section 43 of the Act (which deals with the Auditor General's audit of the annual financial statements for Commonwealth entities); or	N/A
(ii)	a Committee of either House, or both Houses, of the Parliament; or	N/A
(iii)	the Commonwealth Ombudsman; or	N/A
(iv)	the Office of the Australian Information Commissioner	N/A
(s)	If the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report—an explanation of the information that was not obtained and the effect of not having the information in the annual report	N/A
(t)	Details of any indemnity that applied during the period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid for insurance against the authority, member or officer's liability for legal costs)	60

Other requirements	Location (page)
Work health and safety (Schedule 2, part 4 of the <i>Work Health and Safety Act 2011</i>)	48
Advertising and Market Research (s. 311A of the <i>Commonwealth Electoral Act 1918</i>)	N/A
Ecologically sustainable development and environmental performance (s. 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	44
Annual Report requirements (s. 152 of the <i>Food Standards Australia New Zealand Act 1991</i>)	76



Appendix 7: Consultants

Consultancies worth \$10,000 or more carried out in FSNZ in 2017–18

Reason for use

A – skills currently unavailable within agency

B – need for specialised or professional skills

C – need for independent research or assessment

CONSULTANT	NATURE OF CONSULTANCY	AMOUNT EXCLUDING GST	REASON FOR USE	SELECTION PROCESS
AKC Consulting Pty Ltd	Report to facilitate trade through the harmonisation of maximum residue levels for pesticides in APEC member countries	25,773	A, B	Sole provider
Australian Government Solicitor	Legal services	39,349	B	Panel
Chandler Macleod	The provision of payroll services	22,277	B	Panel
Clarius Group Limited T/AS Ignite Services	Contractor services – temporary staff	36,154	B	Panel
Food Safety Principles	The development of an APEC framework on food safety modernisation to facilitate trade	38,250	B	Limited tender
Grant Dale Consulting	Plan, prepare and conduct an organisational culture survey within FSNZ	29,260	A	Sole provider
Hays Specialist Recruitment (Australia) Pty Ltd	Contractor services – temporary staff	76,190	B	Panel

CONSULTANT	NATURE OF CONSULTANCY	AMOUNT EXCLUDING GST	REASON FOR USE	SELECTION PROCESS
National Measurement Institute	Undertake nutrient analysis for the key foods analytical program	149,964	A, B	Panel
National Measurement Institute	The provision of sample collection, preparation and analytical testing services for the 26th Australian Total Diet Study	65,200	A, B	Panel
Quality Medication Care Pty Ltd	Conduct a course on pharmacokinetics for FSANZ staff	10,000	A, C	Sole provider
Randstad Services	Contractor services – temporary staff	36,617	B	Panel
Rubicor Gov Pty Ltd	Contractor services – temporary staff	67,774	B	Panel
University of Adelaide	Social science research on infant formula labelling to inform Proposal P1028	50,525	C	Selective tender
Wardy IT	Continue the redevelopment of FSANZ's food composition system's (Silo) capabilities	11,250	A, B	Pre-qualified tender



Appendix 8: FSANZ committee with external members

FSANZ maintains a number of committees with members selected for their skills and knowledge, drawn from a wide range of industry, academia, consumer interests and government bodies. We gratefully acknowledge the contribution of the committee members listed below.

COMMITTEES AND GROUPS

Advisory Committee on Novel Foods

Purpose: to consider and provide recommendations to FSANZ on whether particular foods are likely to meet the definition of novel food in Standard 1.5.1.

Allergen Collaboration

Purpose: to strengthen engagement and collaboration amongst a range of key stakeholders to enhance the effectiveness of risk management of food allergens, with the objective of supporting consumers to make safer food choices.

Australian BSE Food Safety Assessment Committee

Purpose: to oversee and guide the country BSE food safety assessments conducted by FSANZ.

Consumer and Public Health Dialogue

Purpose: to provide a forum for FSANZ to consult in-depth with peak consumer and public health bodies and key academics to improve our understanding of community food safety and public health issues and provide a more effective food regulatory response.

Food Allergy and Intolerance Scientific Advisory Group

Purpose: to provide expert clinical advice on a range of matters relating to food allergy and intolerance reactions, which are used to assess and manage risk to allergic consumers.

Health Claims Scientific Advisory Group

Purpose: to provide advice on the quality of evidence relating to food-health relationships for assessing health claims.

Jurisdictional Forum

Purpose: to provide an additional means for jurisdictions to participate in the FSANZ standard-setting process and engage in informed discussion around specific issues related to standards development.

COMMITTEES AND GROUPS

Packaging Advisory Group

Purpose: to provide advice and information on chemicals used in packaging and chemical migration from packaging into food, quality assurance and quality control systems, sourcing and use of packaging materials in the food sector and consumer concerns.

Retailers and Manufacturers Liaison Committee

Purpose: to provide an opportunity to maintain ongoing dialogue between FSANZ and industry through informed discussion on standards development and food safety emergencies.

Social Sciences and Economics Advisory Group

Purpose: to provide expert social sciences and economics advice to FSANZ to assist FSANZ in developing and reviewing the social sciences and economics evidence base underpinning its decisions.

Surveillance and Monitoring Working Group

Purpose: to achieve collective and strategic data generation through the coordination and integration of surveillance and monitoring activities to address ISFR priorities.

Tutin Steering Committee

Purpose: to facilitate the completion of the risk analysis for tutin in honey as part of a review of the maximum levels in the Code.

Expert Advisory Group on New Breeding Techniques

Purpose: to provide expert advice on a range of matters relating to new breeding techniques and the review of Standard 1.5.2 Food produced using gene technology.



Other information

Acronyms and abbreviations

ACCC	Australian Competition and Consumer Commission
ADI	Acceptable daily intake
AFGC	Australian Food and Grocery Council
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APS	Australian Public Service
APVMA	Australian Pesticides and Veterinary Medicines Authority
ATDS	Australian Total Diet Study
ATO	Australian Taxation Office
CCCF	Codex Committee on Contaminants in Food
CCFA	Codex Committee on Food Additives
CCFH	Codex Committee on Food Hygiene
CCFL	Codex Committee on Food Labelling
CCFICS	Codex Committee on Food Import and Export Inspection Certification Systems
CCNFSDU	Codex Committee on Nutrition and Foods for Special Dietary Uses
COAG	Council of Australian Governments
Codex	Codex Alimentarius Commission and its committees
DAWR	Australian Government Department of Agriculture and Water Resources
EEO	Equal Employment Opportunity
FARMC	Finance, Audit and Risk Management Committee
FAO	Food and Agriculture Organization

FDA	US Food and Drug Administration
FOI	Freedom of Information
Food Standards Code	Australia New Zealand Food Standards Code
FRSC	Food Regulation Standing Committee
FSANZ	Food Standards Australia New Zealand
FSANZ Act	<i>Food Standards Australia New Zealand Act 1991</i>
GM	Genetically modified
HACCP	Hazard analysis and critical control points
IGA	Inter-Government Agreement
ILSI	International Life Sciences Institute
INFOSAN	International Food Safety Authorities Network
ISFR	Implementation Subcommittee for Food Regulation
JECFA	Joint Expert Meeting on Food Additives
Ministerial Forum	Australia New Zealand Ministerial Forum on Food Regulation
MPI	Ministry for Primary Industries (New Zealand)
MoU	Memorandum of Understanding
MRL	Maximum residue limit
NESB1	Non-English speaking Background 1
NHMRC	National Health and Medical Research Council
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NUTTAB	Nutrient content of food in Australia (publication)
OBPR	Office of Best Practice Regulation
OECD	Organization for Economic Cooperation and Development
OGTR	Office of the Gene Technology Regulator

PFAS	Per- and poly-fluoroalkylated substances
PFOS	Perfluorooctane sulfonate
QUADS	Food Safety Quadrilateral meetings, involving Australia, New Zealand, Canada and the United States
Science Forum	Australia New Zealand Science Forum
SCSC	APEC Sub-Committee on Standards and Conformance
SES	Senior Executive Service
TDI	Tolerable daily intake
TGA	Therapeutic Goods Administration
WHO	World Health Organization
WTO	World Trade Organization
WHS	Work Health and Safety



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Additional information

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