







ANNUAL REPORT

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For more information email info@foodstandards.gov.au

### FSANZ Australia

PO Box 7186 Canberra BC ACT 2610 Australia Ph: +61 2 6271 2222 Fax: +61 2 6271 2278 **FSANZ New Zealand** PO Box 10559 The Terrace, Wellington 6143 New Zealand Ph: +64 4 473 5630 Fax: +64 4 473 9855

# Letter of transmittal

# Letter of transmittal

Senator the Hon Fiona Nash Minister for Rural Health Deputy Leader of The Nationals in the Senate Parliament House Canberra ACT 2600

# Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2015

I am pleased to present to you the Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2015.

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 Annual Report is made in accordance with a resolution of FSANZ Board Members (Directors). They are responsible for the preparation and content of the report in accordance with the above Acts.

Yours sincerely

HOZEA

Philippa Smith AM Food Standards Australia New Zealand October 2015

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FSANZ Board

Anticipation

Governance and parliament

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Business planning and management

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# Guide to the report

This report has been prepared following the requirements of Commonwealth Authorities (Annual Reporting) Orders 2011 and Section 152 of the *Food Standards Australia New Zealand Act 1991.* 

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

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

**Priorities and performance** summarises the year's activities against the key strategic imperatives and performance measures identified in the Portfolio Budget Statements for the health portfolio.

The main text of the report details outputs and outcomes in 2014–15 under the three strategic imperatives of our Corporate Plan—Food Standards and Practices, Regulation and Management of Food Risks, and Collecting and Providing Relevant Consumer Information— and five 'key enablers'.

**Food standards and practices** describes standards developed or varied and initiatives taken to improve standards development outcomes.

**Regulation and management of food risks** documents FSANZ's processes for obtaining the best available scientific evidence to support standard setting, monitor food hazards and manage failures of food safety.

**Collecting and providing relevant consumer information** reports on the agency's work to support broader government priorities in providing consumers with the information necessary to make informed purchasing decisions.

We also report on the key enablers in the Corporate Plan: Science, People, Communication, Governance and processes and Anticipation.

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

# Additional information

You can obtain information on the projects and activities described in this report from the Communication and Stakeholder Engagement Manager, Lorraine Haase, on +61 2 6271 2147 or lorraine.haase@foodstandards.gov.au. For information on the FSANZ *Annual Report 2014–15*, please contact the managing editor, Dr Michael Dack, on +61 2 6271 2239 or michael.dack@foodstandards.gov.au. An electronic version of this report and other FSANZ publications can be accessed from the FSANZ website at www.foodstandards.gov.au.

If you seek access to documents under the *Freedom of Information Act 1982* or access to personal information under the *Privacy Act 1988*, please contact the FSANZ FOI coordinator at FOI@foodstandards.gov.au or on +61 2 6271 2222.

# Chief Executive Officer's review



CEO Steve McCutcheon

## The year in review

FSANZ continues to be a central player in the food regulatory system in Australia and New Zealand, be it through our standards development work, national coordination role or technical and scientific expertise.

Our focus in 2014–15 has been on meeting the strategic imperatives of the 2012–15 Corporate Plan—developing fit-for-purpose food standards, contributing to the management of food risks and providing information to help consumers make decisions. All these activities contribute to a safe food supply that protects and supports the health of people in Australia and New Zealand.

Two events this year illustrate how we have effectively implemented the strategic imperatives in the Corporate Plan.

The first involves the completion of our revision of the Australia New Zealand Food Standards Code—the first significant revision since the inception of the Code in 2002. This important body of work followed a review of legal issues associated with the Code, particularly the failure of the former version to provide adequate links to offence provisions in the Food Acts. Governments in Australia and New Zealand, along with industry, participated in the revision process.

The revised Code, taking effect in March 2016, will improve the effectiveness of food standards to address the primary objective of protecting public health and safety while at the same time providing more clarity and certainty to government regulators and industry.

The second example concerns our contribution to the whole-of-government response to a foodborne illness event associated with consumption of imported ready-to-eat berries that emerged in early 2015.

FSANZ worked closely with the Department of Agriculture in providing risk assessment advice on hepatitis A virus in ready-to-eat berries to help the department implement appropriate interventions under the *Imported Food Control Act 1992*. While we were assessing the potential risk, we also successfully activated our food incident response role, working with importers, food retailers and national, state and territory government agencies to implement a coordinated food recall and communication strategy. The net result saw potentially contaminated product removed quickly from the market and significant media coverage to alert consumers to check their freezers and dispose of any implicated products.

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Of course, there were many other projects that FSANZ completed or progressed during the year that did not have the same high public profile as the two mentioned above. These include changes to the Code to facilitate consumer access to more raw milk cheese products in Australia, completion of the 24th Australian Total Diet Study and progression of a number projects to assist with transition to the new Nutrition and Health Claims Standard that will come into effect in January 2016. Further information on these will follow in this report.

It is also worth noting that some of our completed work did not result in changes to the Code. At first glance, it may seem strange that FSANZ should prepare a proposal to change the Code and then abandon it. This does not happen often, but it occurred twice during the year—minimum age labelling of food for infants (review of evidence showed no change to Code was necessary) and a review of food-type dietary supplements (industry formulation had changed since commencement of the review). Abandonment of these two proposals was consistent with the principle of not adding to industry's red tape burden without good reason.

# Forward planning

The Public Governance, Performance and Accountability Act 2013 (PGPA Act) came into effect on 1 July 2014. The PGPA Act tightens up the corporate reporting obligations of former CAC Act agencies, from Portfolio Budget Statement reporting and the annual report to corporate plans.

In 2014–15, the FSANZ Board paid particular attention to shaping the future direction of our agency within the new governance framework. The Board took the opportunity, during development of a new Corporate Plan for 2015–19, to articulate the strategic imperatives for FSANZ over the coming years. The new plan describes how we will meet challenges and continue to meet the requirements of the FSANZ Act and the PGPA Act. All Australian Public Service (APS) agencies and departments are required to publish a new corporate plan, with mandatory content, on websites by 31 August 2015.

Our Executive has also changed its planning process from a 'priority ladder' approach to the release of an annual work priority list of 'must do', 'should do' and 'could do'. We have published our priority list for 2015–16 under the governance and process section later in this report. It should be noted that applications to amend the Code also lie in the 'must do' category of projects, as required under the FSANZ Act. Projects identified as 'could do' are, in essence, on the back burner, pending the availability of resources.

I mention these planning initiatives to reinforce stakeholder confidence in the rigour of FSANZ's processes for determining where resources will be allocated. FSANZ will continue to respond to food incidents that threaten public health and safety. We will continue to play a leading role in international forums on food matters and we will continue to discharge our responsibilities in a transparent, open and consultative manner.

We are well set to live within our resources and meet our legislative responsibilities.

# Organisational structure

Mr Dean Stockwell, General Manager Food Standards, retired from FSANZ on 30 June 2015, after 11 years of service. As a member of the Executive team, Mr Stockwell brought a wealth of experience in food technology and the food industry to the table. As the most senior employee in our Wellington office, he also played a critical role in elevating the role of New Zealand in the bi-national culture and operations of FSANZ, as well as strengthening ties with our New Zealand stakeholders.

On behalf of FSANZ staff members and the Board, past and present, who have benefited from Mr Stockwell's considered advice, I thank him most sincerely for his contribution to the life of FSANZ. A replacement for Mr Stockwell will commence duties at FSANZ in August 2015.

Following Mr Stockwell's departure, and on the back of the FSANZ Board's work to set the future strategic direction for the agency, I have taken the opportunity to bolster the senior leadership team. A new SES officer was appointed in July 2015, primarily to lead the risk and regulatory assessment functions of the agency previously assigned to the Chief Scientist. This, in turn, will allow the Chief Scientist to focus on strategic science and building the evidence base that underpins FSANZ's assessment work and information and advisory functions.

I am grateful to the Board for its unwavering support, especially to current Board chair Ms Philippa Smith AM. I am also indebted to my staff, who have shown much resilience, loyalty and commitment during the year.

# Concluding remarks

In this, my final FSANZ Annual Report, I acknowledge the support and efforts of many people who, collectively, make FSANZ the effective agency it is today. Many of these people are in other government agencies, academia, non-government organisations and the community at large. Others are closer to home, within my staff and on the FSANZ Board.

Thank you to everyone who has made my tenure as CEO of FSANZ such a pleasure. I commend this Annual Report as a true record of FSANZ's activities and outcomes for 2014–15.

Steve McCutcheon Chief Executive Officer

# FSANZ's strategic map

The strategic map was developed during corporate planning activities in FSANZ in 2014–15.

	t food regulation by bu and safety of food sold		
Strategic Intent	<ul><li>regulation and policy</li><li>Build on our scientific</li></ul>	and technical expertise inks with trusted experts ar engagement	
Our core business	Develop food regulatory measures or contribute to other control measures using the risk analysis process	Coordinate recalls, manage food incidents and conduct surveillance and monitoring	Provide food related scientific and technical advice and information
Our five key enablers		proach to managing risk ement Framework	
Science	robust evidence and susta FSANZ Scie	ined, high quality scientific on <i>nce Strategy</i>	capability
People	: dedicated people with a bi The Peopl	road spread of specialist die le Strategy	sciplines
Tr	Communication: a broad	communication capability ceholder Engagement Strate	egy
	Governance: good governa <i>The Governan</i>	nce and effective processe ce Framework	S
Our values		usive; Proactive and respon Isparent; Innovative; Creativ	

# Highlights

Conducted surveys of: domestic and imported shelf-stable peach, pear and apricot (in cans, tubs or snack packs) for concentrations of arsenic, lead and tin; trans fatty acids in Australian food; and the impact of mandatory fortification with folic acid and iodine on the nutrient content of bread.

# 100,000

unique page views of the Nutrition Panel Calculator on FSANZ's website, making this interactive tool the most popular site page.

food recalls coordinated, mainly due to undeclared allergens and microbial contaminations.

5 applications 7 <sup>&</sup> proposals

56

finalised and amendments to the Australia New Zealand Food Standards Code gazetted.

Completed the second phase of the 24th Australian Total Diet Study—an analysis of food packaging chemicals in foods and beverages.



Developed costing tools that increase FSANZ's effectiveness in assessing the net benefits of changes to the Code, including a cost of illness model and a labelling costing model, and commenced work on a government cost model.



Commenced a review of *Safe Food Australia*, a guide for jurisdictions (and industry) on food safety standard requirements in the Code, after receiving strong support from food enforcement agencies for such a review.



Completed BSE safety assessments for Mexico, the United States and Argentina and assigned each country a category 1 status; conducted an in-country verification visit to Japan.

Completed the most significant revision of the Food Standards Code since 2002.

technical evaluations completed as part of the 21 *Labelling Logic* recommendations referred to FSANZ, meaning only 2 remain.

# Corporate overview

# FSANZ'S operating environment

Key information		
Establishment	National Food Authority (Australia only) 1991	
	Australia New Zealand Food Authority 1996	
	Food Standards Australia New Zealand 2002	
Government oversight	Senator the Hon Fiona Nash, Assistant Minister for Health; Chair, Australia and New Zealand Ministerial Forum on Food Regulation <sup>1</sup> (the Forum on Food Regulation or the Forum)	
Chair, FSANZ Board	Ms Philippa Smith AM	
Chief Executive Officer	Mr Steve McCutcheon	
FSANZ staff (30 June 2015)	108 employees (ongoing and non-ongoing), located in Canberra and Wellington offices	
Funding 2014–15 (Portfolio Budget Statement)	Australian Government appropriation – \$17.50m Other – \$2.17m	
Food regulatory system	<ul> <li>policy development (Forum on Food Regulation)</li> </ul>	
	<ul> <li>standards development (FSANZ)</li> </ul>	
	<ul> <li>enforcement (states, territories, New Zealand Ministry for Primary Industries, Department of Agriculture [imported food], local government)</li> </ul>	
Legislative responsibilities		
Enabling Act of Parliament	Food Standards Australia New Zealand Act 1991	
Section 18 objectives	<ul> <li>protection of public health and safety</li> </ul>	
('core' objectives applied to FSANZ's regulatory measures	<ul> <li>provision of adequate information to consumers</li> </ul>	
function)	<ul> <li>prevention of misleading or deceptive conduct</li> </ul>	

1 Called the Legislative and Governance Forum on Food Regulation in the previous reporting year.

### Key information

### Legislative responsibilities continued

Section 18 objectives ('have regard to' objectives	<ul> <li>need for [food] standards to be based on risk analysis using the best available scientific evidence</li> </ul>
applied to FSANZ's regulatory measures function)	<ul> <li>promotion of consistency between domestic and international food standards</li> </ul>
	<ul> <li>desirability of an efficient and internationally competitive food industry</li> </ul>
	<ul> <li>promotion of fair trading in food</li> </ul>
	<ul> <li>policy guidelines formulated by the Forum on Food Regulation</li> </ul>
Treaty between Australia and New Zealand	Agreement between the Government of Australia and the Government of New Zealand concerning a Joint Food Standards System
Structure and processes	
Organisational structure	See organisation chart on page XIX
Governance	<ul> <li>12-person Board (three members nominated by the New Zealand Government) (Appendix 11)</li> </ul>
	<ul> <li>operates under the FSANZ Act and the Commonwealth Authorities and Companies Act 1997</li> </ul>
	<ul> <li>Finance, Audit and Risk Management Committee reports to the Board on financial, accountability, internal audit and compliance systems</li> </ul>
Corporate planning	Corporate Plan 2012–15
	Business Plan 2014–15
	<ul> <li>Portfolio Budget Statement (Health portfolio)</li> </ul>
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
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 Code, usually to protect public safety or assist in addressing issues of long-term public health importance. The latter are normally requested by the Forum on Food Regulation.

Corporate overview

### Key information

Structure and processes continued				
Application Handbook	Contains details of information required by FSANZ for assessing applications to amend the Code			
Assessment of applications and proposals to amend the	<ul> <li>general procedure (nine months to complete assessment) – one round of public consultation</li> </ul>			
Food Standards Code	<ul> <li>minor procedure (three months to complete assessment)</li> <li>limited consultation with government agencies and any affected parties</li> </ul>			
	<ul> <li>major procedure (12 months to complete assessment) – two or more rounds of public consultation</li> </ul>			
	<ul> <li>high level health claims procedure (nine months to complete assessment) – one round of public consultation, if applicant does not elect for confidential treatment)</li> </ul>			
FSANZ risk analysis process	<ul> <li>risk assessment – determining the likelihood and severity of hazards</li> </ul>			
	<ul> <li>risk management – weighing and selecting management options of greatest net benefit to the community in a consultative and decision-making process</li> </ul>			
	<ul> <li>risk communication – ensuring stakeholders are aware of, and understand, the risk being addressed and the control measures</li> </ul>			
Food recall process	FSANZ coordinates a national food recall system for Australia, in association with the states and territories and the food industry			
National Food Incident Response Protocol	FSANZ coordinates an integrated, whole-of-government response for national incidents			
Summary of financial performance 2014–15				
Financial outcome	operating revenue \$20.64m operating expenses \$20.61m			
Certificate of Compliance	2014–15 Certificate of Compliance sent to the Department of Finance before 15 October, as required			

# Organisational structure 2014–15



# Priorities and performance 2014-15

### Outcomes

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

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

Through Program 1.1, the Australian Government aims to:

- ensure effective, evidence-based food standards
- deliver food regulation that protects public health and safety
- improve citizen and stakeholder engagement.

# Performance

### Deliverables

In 2014–15, FSANZ achieved the following performance against the qualitative and quantitative deliverables associated with Program 1.1:

Qualitative deliverables	2014–15 Reference point or target	Performance	Page
Food regulatory measures are considered in a timely manner	Applications are assessed within 12 months or less as required by the FSANZ Act	91% (10/11) of applications assessed within statutory timelines	8 Appendix 2
Manage the operation of the National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol	Deliver an efficient and effective incident management process through the National Food Safety Network and, as appropriate, the National Food Incident Response Protocol	12 incidents were managed and completed under the National Food Safety Network and one under the National Food Incident Response Protocol	32
Participate in the implementation of the whole-of-government response to the <i>Labelling Logic</i> report	Provide technical evaluation and advice to support the whole-of-government response	FSANZ provided technical evaluation and advice on seven of the <i>Labelling Logic</i> recommendations	41
Consumer and Public Health Dialogue meetings conducted annually	2	2	40

### Key performance indicators

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

Qualitative indicators	2014–15 Reference point or target	Performance	Page
Enhanced public confidence in food incident and recall	Industry satisfaction rating of 95% or above for FSANZ's recall coordination	Achieved, based on formal industry feedback	32
management	All FSANZ staff trained in incident response procedures	Progressive roll-out through 2014–2016	32
Quantitative indicators	Target for 2014–15	Performance	Page
Number of bovine spongiform encephalopathy risk assessments completed	2	3	17
Number of food recalls coordinated through the National Food Recall Protocol	~50	56	32
Stakeholder engagement, measured by number of:			
<ul> <li>stakeholders receiving information via website publications and social media</li> </ul>	5,500	117,000 (new method of calculation adopted)	58
unique visitors to     FSANZ website	800,000	949,208	58

# Food standards and practices



# 1 Food standards and practices

Introduction

Summary of food regulatory activity

Standards development

Public health and safety

Improving our risk management outcomes

# Strategic imperative

To build and sustain **food standards and practices** to support high standards of public health protection and a dynamic and sustainable food manufacturing sector.

# Highlights 2014–15

- Gazetted (published) five applications and seven proposals to amend the Australia New Zealand Food Standards Code, including a revised Code that will take effect on 1 March 2016.
- Completed a Ministerial review of FSANZ's decision to permit the sale of food derived from low THC hemp.
- Completed or progressed several projects in the lead-up to the commencement in full of the new health claims standard in January 2016.
- Abandoned a review of food-type dietary supplements because of changes in the marketplace that have occurred since the review started a decade ago.
- Completed BSE safety assessments for Mexico, the United States and Argentina and assigned each country a category 1 status; conducted an in-country verification visit to Japan.
- Commenced a review of *Safe Food Australia*, a guide for jurisdictions (and industry) on requirements in the Code, after receiving strong support from food enforcement agencies for such a review.
- Developed costing tools that increase FSANZ's effectiveness in assessing the net benefits of changes to the Code, including a Cost of Illness Model and a Labelling Costing Model, and began work on a Government Cost Model.
- Reviewed the risk advice on 'risk category' foods (as listed in the *Imported Food Control Order 2001*) that FSANZ provides to the Department of Agriculture to determine foods that pose a medium-to-high risk to public health.

2

01

# Introduction

FSANZ's main function under the FSANZ Act is to develop and maintain food standards that are incorporated into the Australia New Zealand Food Standards Code (the Code). Provisions in the Code are mandatory for businesses that produce, manufacture or handle food. Australian state and territory governments, and the New Zealand Government, give effect to the Code requirements in their Food Acts. These jurisdictions ensure that businesses comply with the provisions and enforce compliance, if necessary.

While we are mindful that public health and safety is our prime responsibility, the FSANZ Act also requires us to have regard to other factors, including the competitiveness of the food industry and the harmonisation of food standards with international standards. We are also required to ensure that the benefits of our decisions will outweigh the costs to the community (i.e. consumers, industry and government).

The food industry is very innovative and applies, each year, for changes to be made to the Code to accommodate new foods and food substances, and new production processes. FSANZ also initiates action to amend the Code, mainly for public health and safety reasons.

Any individual or organisation can apply to FSANZ to have the Code amended. Applicants must provide certain evidence to support their reasons for requesting an amendment. After an initial assessment, the application (if accepted) is added to the FSANZ Work Plan and is progressed within statutory timeframes, at no cost to the applicant (unless FSANZ determines that an applicant has an exclusive capturable commercial benefit (ECCB); or an applicant wants work to start on the assessment immediately, rather than according to the anticipated timeframes).

# Summary of food regulatory activity

### Applications and proposals gazetted in 2014-15

We gazetted five variations to food standards from applications (nine in 2013–14) and seven variations from proposals (two in 2013–14). Detailed information on applications and proposals processed in 2014–15 is contained in Appendix 2.

The Australian Government's Information Publication Scheme promotes transparency and pro-disclosure and means that all applications to change the Australia New Zealand Food Standards Code, as well as submissions on applications and proposals, are published on our website free of charge.

We do not provide any material that is confidential commercial information or where we have been asked to keep certain information confidential, such as personal information. Submissions are published on the website as soon as possible after the end of the public comment period.

Information on the processes used by FSANZ to assess applications or proposals to amend the Code can be found on the FSANZ website at www.foodstandards.gov.au/code/changes/ (general) and www.foodstandards.gov.au/applicationhandbook (detailed). A summary appears earlier in this report under FSANZ's Operating Environment.

### Amendments to the FSANZ Application Handbook

Under the FSANZ Act, FSANZ can make guidelines which set out mandatory information and format requirements that applications must include. FSANZ has compiled these mandatory requirements in Part three of the FSANZ *Application Handbook* (Handbook). Parts one and two of the Handbook are for information only. Part one provides an overview of the food standards system. Part two provides general information to assist on application procedures. It includes information on fees, assessment and food standard-setting processes.

Amendments to parts one and two were made on 1 June 2015 to include information relating to the cost recovery arrangements for high level health claim variations and to make a number of minor amendments to the text to update information and to clarify meaning.

01

### Standards Development Work Plan

FSANZ is required to develop and publish a three-year forward plan for applications and proposals on which it intends to develop standards or variations to standards, no later than 30 June each year. In developing the plan, FSANZ must consult interested parties and review and update the plan at least every three months.

We called for public submissions in May 2015 and received two submissions, which are being considered by FSANZ. The Standards Development Work Plan is available on our website at foodstandards.gov.au/code/changes/workplan.

Table 1 shows the number of applications and proposals received or prepared from 1 October 2007 onwards on the work plan as at 30 June 2015. Table 2 shows the number of applications, proposals and potential proposals on the work plan (received or prepared before 1 October 2007) as at 30 June 2015, in all work plan groups.

As at	30 June 2012	30 June 2013	30 June 2014	30 June 2015
General procedure	14	11	14	19
	(4 paid)	(3 paid)	(2 paid)	(7 paid)
Minor procedure	1	0	0	0
Major procedure	6	7	4	3
	(1 paid)			
High level health claims	N/A	0	0	0
Urgent applications or proposals	0	0	0	0
Under review	1	1	1	0
Total	22	19	19	22
With the Forum on Food Regulation or awaiting notification to the Forum	3	2	2	8
Estimated waiting time for unpaid applications	2 months approx.	2 months approx.	6 months approx.	9 months approx.

# Table 1: Applications and proposals on the work plan (received or prepared from 1 October 2007 onwards)\*

\* Table 1 does not include potential applications and proposals for which an administrative assessment has commenced, but has not yet been completed, as these have not yet been placed on the work plan, or where an application has been accepted and proposal prepared, but was not on the work plan as at 30 June.

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

As at	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Group 1	5	5	4	2
Group 2	4	4	4	4
Under review	1	0	0	0
Total	10	9	8	6
With the Forum on Food Regulation or awaiting notification to the Forum	0	0	0	0
Estimated waiting time Group 2	Unknown	Unknown	Unknown	Unknown

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

Group 2 is for unpaid applications or proposals scheduled for commencement in order of receipt.

Tables 3 and 4 summarise our performance in developing food standards. Of note, is the sharp increase in applications to amend the Code received in 2014–15.

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

	2011–12	2012–13	2013–14	2014–15
Applications	11 <sup>1</sup>	6	4 <sup>2</sup>	17
Proposals	9	7	6 <sup>3</sup>	6
Total	20	13	10	23

1 Includes any applications received in this year and accepted onto the work plan in the following year.

2 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.

3 Includes one proposal which was prepared and then abandoned within this financial year.

### Table 4: Applications and proposals finalised

	2011–12	2012–13	2013–14	2014–15
Approvals made by the FSANZ Board	19	18	11	18
Final assessments made by the FSANZ Board	1	0	0	1
Applications withdrawn or rejected* proposals abandoned	3	2	5	2
Total completed	23	20	16	21
Applications or proposals gazetted	22	19	11	12

\* This includes potential applications rejected at administrative assessment.

Further information on the above can be obtained from Appendix 2. There also may be some discrepancies between tables 4 and 7 where decisions have been made in one financial year and the notification of that decision was made in the next financial year.

Table 5 provides information about any significant variation from the timetable established in the work plan for considering applications and proposals during 2014–15, while Table 6 summarises the status of 'legacy projects' commenced before 1 October 2007.

Table 5: Reasons for significant delays in considering applications and proposals
in 2014–15

Application / Proposal	Step	Variation <sup>1</sup>	Reason
A576 – Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label	Draft assessment	6 years 5 months + (from date Final Assessment due)	Work has been deferred until mid-2016 at the request of the Applicant.
P1016 – Hydrocyanic Acid in Apricot Kernels & Other Foods	Assessment, preparation of draft food regulatory measure and call for submissions	23 months	Delayed due to the complexity of assessment issues. These issues included FSANZ consideration of the inclusion of other foods as this was considered to be more efficient, timely and beneficial to FSANZ, jurisdictions and consumers. FSANZ was also seeking an agreement from the New Zealand Ministry for Primary Industries to conduct further surveys on cyanogenic glycosides in apricot kernels and other foods and to address an issue with detections in apple juice.
	Approval	30 months	Approval delayed to allow Ministers to consider at a face-to-face meeting.
P1024 – Revision of the Regulation of Nutritive Substances & Novel Food	Assessment	26 months +	The complexity of issues has resulted in the need for additional preparatory work and delaying the release of the 1st call for submissions.
P1026 – Lupin as an Allergen	Preparation of draft food regulatory measure and call for submissions	25 months +	Completion of assessment delayed due to other work priorities and collection of cost benefit data. Approval will be delayed to allow Ministers to consider at a face-to-face meeting.

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Application / Proposal	Step	Variation <sup>1</sup>	Reason
P1027 – Managing Low-level Ag & Vet Chemicals without Maximum Residue Limits	Preparation of draft food regulatory measure and call for submissions	23 months +	Completion of assessment delayed due to other work priorities and requirement for further consultation with key stakeholders.
P1028 – Infant Formula Products	1st call for submissions (consultation paper)	17 months +	1st call for submissions delayed due to complexity of issues. Scope of project has been limited to infant formula due to resourcing issues. Timelines have therefore been changed and consultation opportunities reduced.
P1031 – Allergen Labelling Exemptions	Assessment, preparation of draft food regulatory measure and call for submissions	11 months +	Assessment delayed awaiting further technical information. Targeted consultation resulted in a decision to delay release whilst further information was sourced.
P290 – Food Safety Programs for Catering Operations to the General Public	Final Assessment	10 years 1 month + (from date Final Assessment due)	Delayed pending further implementation strategy work required by jurisdictions.
P298 – Benzoate & Sulphite Permissions in Food	Draft Assessment	9 years 11 months + (from date Final Assessment due)	Delayed due to the need to collect further data and evaluation of the data. Also, draft assessment delayed while revised Regulatory Impact Statement (RIS) prepared and considered by Office of Best Practice Regulation (OBPR).

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

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# 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 – see Table 5.
A613 – Definitions for Nutritive Substance & Nutritive Ingredient	Initial assessment	Received 11 August 2007 – awaiting 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 – see Table 5.
P298 – Benzoate & Sulphite Permissions in Food	Draft assessment	Prepared 21 July 2005 – see Table 5.

### Forum on Food Regulation reviews

A request for the review of a FSANZ decision to amend the Code must be sought by a majority of members of the Forum, that is, six out of 10. No requests for a review were received in 2014–15.

### Table 7: Notification outcomes

	2011–12*	2012–13*	2013–14*	2014–15*
Approval decisions notified	22	17	12	18
Final assessment decisions notified	1	0	0	1
Requests for review	1 (4%)	1 (6%)	0 (0%)	0
Review decisions notified	0	2	0	1

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

### Ministerial policy guidelines and statements

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

One updated guideline on the regulatory management of caffeine in the food supply was notified to FSANZ in 2014–15. We were also notified of a new guideline on the labelling of foods produced or processed using new technologies. A summary of the guideline is available in Appendix 2.

### Additional work requested by the Forum

No additional work was requested in 2014–15.

# Standards development

### Addition of substances to certain foods and use of new technologies

### Food additives, processing aids and irradiated fruit and vegetables

Regulatory milestone 2014–15 Number of applications gazetted: 4

During the year, gazettals included the approval of sodium hydrosulphite as a food additive, the irradiation of fruits and vegetables, xylanase (enzyme) as a processing aid, and enzyme nomenclature.

### Sulphites and benzoates in food

Regulatory milestone 2014–15 Regulatory impact statement for consultations revised

In 2013, the Office of Best Practice Regulation (OBPR) requested further work on the regulatory impact statement for permissions for benzoates and sulphites in food to clarify the risk associated with exceeding the Acceptable Daily Intake (ADI) for sulphites.

Since then, FSANZ has strengthened the evidence of the potential cost of adverse health effects in the population exceeding the ADI, commissioned a study on the possible cost of illness due to the health effects of excessive sulphite use, and consulted further with stakeholders on the proposed option and the impacts this may have on business.

### Genetically modified (GM) foods

Regulatory milestone 2014–15

Number of GM foods approved and gazetted: 1

We assessed and approved food derived from a genetically modified, herbicide-tolerant cotton line during the year. There are currently four applications (three for corn and one for soybean) under consideration. To date, GM corn lines make up the majority (33%) of GM food approvals listed in the Food Standards Code.

### Nutritive substances and novel food

Regulatory milestone 2014–15 Call for submissions to be released in early 2015–16

In 2012, FSANZ commenced a review of nutritive substances and novel foods. This large project addresses the current regulatory approach to whole foods and ingredients which are new to the food supply in Australia and New Zealand. FSANZ has continued to develop the 1st call for submissions, which highlights the current issues associated with the operation of the nutritive substance and novel food provisions in the Code.

We have focussed on developing a potential option where the level of regulatory oversight, and data required to establish safety are commensurate with the risk presented by different types of new foods and ingredients. We expect to release the 1st Call for Submissions in July 2015 and will conduct a series of workshops with stakeholders during an extended consultation period.

We are also reviewing the Code provision for exclusive use of approved novel foods.

### Low THC hemp as a food

Regulatory milestone 2014–15

Completed Ministerial review of FSANZ decision to permit the sale of food derived from hemp

Hemp foods are prohibited in the Code. FSANZ reviewed our previous decision to permit foods derived from hemp and submitted this review to the Forum in December 2014. However, the Ministers rejected the FSANZ review report due to concerns about the potential impact of hemp food consumption on oral fluid drug testing (particularly in a police roadside testing context), the marketing of hemp foods (and potential consumer acceptance of illicit marijuana), and levels of cannabidiol (and whether these levels could potentially produce therapeutic effects in hemp foods).

These issues are being investigated by working groups set up by the Food Regulation Standing Committee (FRSC).

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### Voluntary addition of vitamin D

Regulatory milestone 2014–15

Permission approved by the FSANZ Board in June 2015

FSANZ assessed and approved an application to permit the addition of vitamin D to breakfast cereals to a maximum claim amount of 2.5 micrograms per normal serve. The statutory timeframe was exceeded because the Forum requested consideration of the Approval Report at one of its biannual face-to-face meetings. In July 2015, the Forum requested a review of FSANZ's decision.

### Voluntary addition of vitamins and minerals

Regulatory milestone 2014–15 Assessment commenced on December 2014

FSANZ has commenced assessing an application to permit the voluntary addition of certain vitamins and minerals to nut-based and seed-based beverages, equivalent to the levels permitted for other dairy analogues of cows' milk.

### Labelling

### Food for infants (minimum age labelling)

**Regulatory milestone 2014–15** Proposal rejected by the FSANZ Board in September 2014

Currently, the Code permits infant foods to be labelled as suitable from the age of four months and requires a label statement warning not to feed the product before four months. The infant feeding guidelines of Australia and New Zealand each recommend the introduction of solid food at 'around six months'.

Following completion of a review of the Australian infant feeding guidelines by the National Health and Medical Research Council (NHMRC), we finalised the proposal by deciding that no change was necessary to current labelling requirements, based on an assessment of all relevant and available evidence across a range of health outcomes. We concluded that introducing solids from four months of age posed no difference in risk to infant health as introducing solids at 'around six months' of age, after consulting widely, including with the NHMRC.

### Labelling exemptions (allergens)

 Regulatory milestone 2014–15
 Call for submissions documentation prepared

FSANZ is working to remove the requirement for mandatory declaration of allergens for fully refined soy oils, tocopherols and phytosterols derived from soy; glucose syrup derived from wheat starch and for distilled alcohol from dairy or wheat components. Completion of this work will lead to considerable benefits for industry by reducing labelling requirements and achieving a greater harmonisation with international trade. Allergic consumers will also be provided with wider food choices.
### Nutrition and health claims

### Health claims

### Regulatory milestone 2014–15 Call for submissions released in August 2014

FSANZ is proposing to more closely align the regulation of health claims on electrolyte drinks and formulated supplementary sports foods with the new nutrition and health claims standard. A variation to the Code would permit these products to carry self-substantiated health claims, but only those related to the intended purpose of providing dietary support in relation to strenuous exercise. We received significant consumer and public health response to the call for submissions and plan to undertake more work to address submitter concerns.

#### **Dietary fibre claims**

### Regulatory milestone 2014–15

Approved by the FSANZ Board in June 2015

We assessed an application to delay the requirement to comply with the qualifying criteria for nutrition content claims about dietary fibre in the Code, from 18 January 2016 until 18 January 2017. We sought stakeholder views through two rounds of public consultation, which also elicited cost-benefit information to support the assessment. The FSANZ Board considered and approved the draft standard in June 2015 and the Forum has been informed. The new requirements will help reduce compliance costs for some food businesses.

### Gluten claims (food containing alcohol)

Regulatory milestone 2014–15 Approved by the FSANZ Board in June 2015

FSANZ considered amending the Code to permit nutrition content claims about gluten in relation to food containing more than 1.15% alcohol by volume to continue to be made when Standard 1.2.7 becomes mandatory on 18 January 2016. A call for submissions was released in December 2014 and 53 submissions were received. All submitters supported the proposed amendment.

### Vitamin and mineral claims (food containing alcohol)

Regulatory milestone 2014–15 Calls for submissions in June 2015

We are addressing an anomaly in the conditions for vitamin and mineral claims between Standards 1.2.7 and 1.3.2. We are also considering permitting nutrition content claims about salt and sodium in relation to foods (excluding beverages) containing more than 1.15% alcohol by volume.

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### Nutrition and health claims (amendments to existing Code provisions)

Regulatory milestone 2014–15 Calls for submissions in May 2015

We addressed some inconsistencies and lack of clarity that resulted from the gazettal of Standard 1.2.7 and associated amendments to other standards in the Code. This includes an exemption of the trademarked elements of the voluntary Health Star Rating (HSR) front-of-pack labelling system from claim requirements in the Code.

### Public health

### Infant formula products

Regulatory milestone 2014–15 Proposal in progress

FSANZ continues to review Code requirements for infant formula (suitable from birth to <12 months of age), including the regulation of composition, safety and labelling of infant formula **only** and not other types of infant formula products.

Our aim is to ensure that infant formula remains safe and suitable and also takes account of market developments and the international regulatory context. It will also have regard to the Ministerial Policy Guideline on the Regulation of Infant Formula Products (notified to FSANZ in 2011). Several opportunities will be available for stakeholders to provide comment throughout the life of this major proposal.

### Review of food-type dietary supplements (FTDS)

Regulatory milestone 2014–15 Abandonment of the proposal in March 2015

We abandoned this proposal because the market, product range and composition of FTDS have changed since we started work on the Proposal. Changes made to the regulations in the interim, such as for formulated beverages, have generally met the needs of the FTDS industry and consumers.

Of the remaining products, some have been discontinued or reformulated, while others continue to be manufactured under regulations introduced in New Zealand in 2013<sup>2</sup>, a small proportion of which are imported to Australia under the Trans-Tasman Mutual Recognition Arrangement. Current and future changes to the Code in relation to novel foods and sports foods are expected to address any outstanding issues related to addition of substances, except for the maximum limits on vitamins and minerals.

In relation to current products, the New Zealand Ministry for Primary Industries (MPI) is considering whether a review of the New Zealand Standard is warranted. We retain the option of preparing a new proposal on further trans-Tasman alignment in light of the findings of any New Zealand review.

2 New Zealand Food (Supplemented Food) Standard (2013).

### Lupin as an allergen

### Regulatory milestone 2014–15

Call for submissions and draft consultation RIS prepared

There is clinical evidence that lupin is an emerging allergen in Australia. Lupin is increasingly used as a food ingredient in Australian-produced foods, including unpackaged bakery products, as well as imported products. To date, allergic reactions to lupin are unreported in New Zealand. This is likely due to limited exposure to foods containing lupin. As more products containing lupin become available (from Australia or Europe), and awareness of its potential allergenicity increases, this situation is likely to change. FSANZ is considering adding lupin and lupin products to the list of substances subject to mandatory declaration in the Code. FSANZ is preparing a draft call for submissions report.

### Food safety

### Raw milk products

 Regulatory milestone 2014–15
 Gazetted amendments to the Code, in February 2015, which permit the sale of another category of raw milk products, under certain conditions

We completed our assessment of a category of raw milk products where properties and/or processing factors may allow the survival of pathogens that may have been present in raw milk, but do not support the growth of these pathogens.

### Cyanogenic glycosides in food

Regulatory milestone 2014–15

Call for submissions report completed

FSANZ has been considering ways to manage the acute dietary risk from consumption of raw apricot kernels. We prepared a Decision RIS and draft Approval Report following an extensive consultation with affected parties. These are expected to be tabled to food Ministers in November 2015, when they will consider FSANZ's recommendation to prohibit raw apricot kernels from sale.

### Tutin in honey

#### Regulatory milestone 2014–15

New maximum level for tutin in honey gazetted in January 2015

In January 2015, FSANZ gazetted an amendment to the maximum level (ML) permitted for tutin in honey in the Code. Tutin is a potent neurotoxin that sometimes appears in honey at levels high enough to cause serious health effects in humans (e.g. convulsions). The amendment to the Code sets a new permanent ML of 0.7 mg/kg of tutin for all honey (including comb honey). This has replaced the previous temporary MLs, which were introduced following a poisoning episode in New Zealand in 2008.

The new permanent ML is the culmination of collaborative work by FSANZ and the New Zealand Ministry for Primary Industries since 2008, to improve the scientific basis for setting a permanent level for tutin in honey. This included characterising the toxin in honey and its distribution and metabolism in humans.

### Bovine spongiform encephalopathy (BSE)

Regulatory milestone 2014–15

BSE risk status assigned to three countries, the status of one country upgraded and the status of eight countries reconfirmed

Under the Australia Government's revised policy on bovine spongiform encephalopathy (BSE) and importation of beef and beef products FSANZ is responsible for conducting food safety assessments to determine the BSE risk status of countries that seek to export beef and beef products to Australia. FSANZ's country BSE food safety assessment work is overseen by the Australian BSE Food Safety Assessment Committee, made up of experts on animal health, food safety and agricultural systems.

Countries which are assigned a Category 1 or Category 2 status by FSANZ are eligible to export beef or beef products to Australia and their beef products are considered to pose a negligible food safety risk. To date, FSANZ has received applications for country BSE food safety assessment from sixteen countries.

During the year, we completed BSE food safety assessments for Mexico, the United States and Argentina and assigned these countries a Category 1 BSE risk status. We also reconfirmed the BSE risk status previously assigned to Brazil, Croatia, Latvia, Lithuania, Mexico, the Netherlands, New Zealand and Vanuatu, and upgraded the status of Croatia from Category 2 to Category 1. In February 2015, FSANZ deemed the Republic of Turkey's application for country BSE food safety assessment withdrawn due to insufficient information provided.

We conducted an in-country verification visit to Japan in July 2014, and assessed the effectiveness of BSE controls and preventative systems across the beef production chain. Establishments inspected included slaughtering facilities, feedlots, feed mills, and rendering plants. Significant progress has been made on a country BSE food safety assessment for Japan.

### Case study: BSE stakeholder engagement

FSANZ responded to a number of enquiries related to the BSE food safety assessment processes from importers, food industry representatives, authorities of foreign governments and consumers. FSANZ has worked closely with the Department of Agriculture, Department of Foreign Affairs and Trade centrally and through country posts, and the Department of Health to prepare a government response to the inquiries on beef imports held by the Senate Standing Committee of Rural and Regional Affairs and Transport in 2010 and 2013.

FSANZ maintained a high level of engagement with key stakeholders and provided advanced notifications before the public release of every country BSE food safety assessment report.

### Improving our standards development outcomes

### Reform of the Australia New Zealand Food Standards Code

Regulatory milestone 2014–15Revised Food Standards Code gazetted in April 2015

FSANZ has revised the Food Standards Code, following a review of legal issues, particularly the failure of the former version to provide adequate links to offence provisions in the Food Acts. The revised Code will take effect on 1 March 2016. Further changes to the revised Code are being considered to take effect on that date to take into account variations to the Code occurring between January and March 2015 and to correct errors and inconsistencies.

We are currently consulting with jurisdictions and industry on a number of complex issues which were outside the scope of the original revised Code proposal. These include modernising the technical language, a review of the processing aids standard, traceability through-chain to expedite incident management, application of labelling requirements and a review of the additives standard and related schedules.

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### Case study: Code review

Our review of the Food Standards Code began in 2013 and was completed in December 2014. We undertook significant consultation with key stakeholders, particularly jurisdictions and industry during this review.



We developed a communication strategy

which included the preparation of web information, highlighting the progress of the review and proposed changes to the Code. As the work approached completion in mid-late 2014, FSANZ developed further materials, including questions and answers, a video webinar and comparison documents, so people could easily identify which parts of the Code had changed. These materials were promoted through our social media channels and in publications. We also placed articles in key legal and industry publications.

Further communication activities are planned as the implementation date for the revised Code (1 March 2016) approaches.

Image: General Manager of the Food Safety and Regulatory Affairs Branch, Peter May presenting the revised Food Standards Code via an online video. The video was published on the FSANZ website and YouTube channel.

### **Review of Safe Food Australia**

Safe Food Australia (SFA) is a guide to three food safety standards that were gazetted in August 2000, replacing existing state and territory food hygiene regulations. The standards introduced nationally consistent requirements for food safety practices, food premises and equipment for the first time.

The guidance was developed because of concern that the new outcomes-based standards may be interpreted differently across jurisdictions. Previous requirements were much more prescriptive.

Following consultation state and territory food enforcement agencies expressed support for a review of SFA and the scope of the review. The agencies indicated improvements could be made to SFA to address current food safety issues and trends, provide more guidance for mobile vendors and home-based vendors and update the scientific evidence referenced in the guide.

FSANZ is now developing a consultation paper, due for release in July 2015, to seek feedback from stakeholders on a review of SFA, particularly from local government and food businesses.

### **Regulatory impact statements**

To ensure a safe food supply and well-informed consumers in Australia and New Zealand, some level of regulation may be required. FSANZ aims to ensure that any regulation is effective and efficient in line with the Government's reducing red tape agenda.

In recent years, we have enhanced our social science capabilities to better understand the behaviour of individuals and groups, allowing us to deliver risk management options informed by behavioural evidence. During the year, we also focussed our attention on developing our economic capacities, to enhance our assessment of the impacts of various management options.

A key output of the renewed focus on regulatory practice has been the development of costing tools that increase the efficiency of how we do our work, while also enhancing the transparency of our work. These include the Cost of Illness Model, Labelling Costing Model, and recently we have commenced work on a Government Cost Model.

### Risk advice for imported food

Foods imported into Australia must comply with the Food Standards Code and meet Australian requirements for public health and safety. FSANZ provides risk assessment advice to the Department of Agriculture on food classed as medium-to-high risk when determining the appropriate risk management measures at the Australian border.

FSANZ is reviewing the risk advice on 'risk category' foods (as listed in the *Imported Food Control Order 2001*) to determine those foods that pose a medium-to-high risk to public health. The first stage of the review was completed in September 2014, comprising 19 risk statements for particular food/hazard combinations. These foods include cooked chicken meat, poultry pâté, cooked pig meat and several uncooked ready-to-eat meat products. The second stage of the review is expected to be published mid-2015 and involves 13 risk statements for specific cheese category/hazard combinations and a risk statement for hydrocyanic acid in ready-to-eat cassava chips.

The review process has identified that the food safety risks of certain food/hazard combinations have changed from the previous advice due to the availability of more recent scientific and import compliance data, as well as refinements being made to some food categories and hazards.

For example, the cheese types and the hazards examined have been broadened to include an expanded range of raw (unpasteurised) milk cheese, following recent changes to the Code. We expect to finalise the complete set of risk statements by April 2016. FSANZ will then move to a rolling review process.

# Regulating and managing food risks



# 2 Regulating and managing food risks

Introduction

Strengthening our evidence base

Monitoring food hazards

Food incidents

Food recalls

# Strategic imperative

To maintain a transparent and evidence-based approach to **regulating and managing food risks**.

# Highlights 2014–15

- Coordinated 56 food recalls, mainly due to undeclared allergens and microbial contamination (predominantly for *Listeria monocytogenes*).
- Eight assessments made under the Food Medicine Interface Protocol, with the majority of products assessed as being of a therapeutic nature.
- Coordinated a toxicological study of pyrrolizidine alkaloids—naturally occurring toxins that appear in a number of Australian and New Zealand plants and can find their way into honey.
- Reappointed six eminent scientists as FSANZ Fellows, a source of independent and expert advice for many of FSANZ's projects.
- Continued to lead Australian delegations, or participate in the work of, a number of important committees of the Codex Alimentarius Commission.
- Continued to co-chair (on behalf of Australia) the APEC Food Safety Cooperation Forum with the People's Republic of China (General Administration of Quality Supervision, Inspection and Quarantine).
- Completed the second phase of the 24th Australian Total Diet Study—an analysis of 81 Australian foods and beverages.
- Conducted surveys of: domestic and imported shelf-stable peach, pear and apricot (in cans, tubs or snack packs) for concentrations of arsenic, lead and tin; trans fatty acids in Australian food; and the impact of mandatory fortification with folic acid and iodine on the nutrient content of bread.

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# Introduction

FSANZ is committed to maintaining an in-house capability that can support regulatory decision making with the best available scientific evidence. Such a capability is essential not only to ensure evidence-based amendments to the Food Standards Code, but also to respond rapidly to food emergencies resulting from pathogens and other food risks.

We are fortunate to have high quality expertise across the natural, economic and social sciences within our staff. This is enhanced through our partnerships and informal contacts with our peers in academia, government and industry. Whether it be through a peer review process for our assessment reports or the secondment of staff to other organisations— in Australia, New Zealand or further afield—our goal is to maintain FSANZ's standing as a centre of excellence for regulatory food science.

The result is a body of knowledge in FSANZ—our evidence base—that supports our primary function of protecting public health and safety, and allows us to move quickly, in multidisciplinary teams, to provide authoritative advice to internal project managers and external stakeholders.

# Strengthening our evidence base

### Internal knowledge

### Dietary exposure assessments

Dietary Exposure Assessments are a key part of FSANZ's work contributing to evidence-based decision making. Our dietary exposure assessments describe and quantify population intake of nutrients and potential exposure to food chemicals which is essential information for standard setting.

In 2014–15, we provided dietary exposure assessment input for food standards applications (e.g. voluntary addition of vitamins and minerals to nut-based and seed-based beverages) and proposals (e.g. managing low-level agricultural and veterinary chemicals without maximum residue limits) and for other purposes, including surveillance activities (e.g. screening of chemicals migrating from packaging into food).

### The food-medicine interface

In Australia, products for oral consumption available in the marketplace are generally regulated as foods under the relevant Food Acts in each state and territory or as therapeutic goods (usually medicines) under the *Therapeutic Goods Act 1989*. It is not always clear whether some products fit under the food regulatory framework or the therapeutic goods regulatory framework. These products are said to sit in a grey area known as the food-medicine interface.

The *Food Medicine Interface Protocol* outlines the coordination, assessment and communication process to be followed when a product presents at the interface. FSANZ provides the coordination role under this ISFR-endorsed protocol, ensuring that issues are responded to in a timely, appropriate, consistent and coordinated manner. Since July 2014, eight assessments have been undertaken, with most products assessed as being therapeutic in nature.

### Review of microbiological criteria

FSANZ released a consultation paper, in January 2015, seeking input on the role of microbiological testing, the use of existing microbiological limits and the proposed development and application of microbiological criteria to support food safety management.

Submitters supported FSANZ's application of internationally recognised principles—such as those of the Codex Alimentarius—in the review of microbiological criteria and establishing criteria as either food safety or process hygiene. As this work progresses, we will be developing guidelines on applying microbiological criteria in the context of through-chain controls (i.e. food safety standards and primary production and processing standards already in the Code) to:

- support and verify effective application of controls
- provide information to food business operators on microbiological levels which should be achieved when applying best practices
- assist in identifying situations (products and processes) requiring investigative action and/or control action.

We will be undertaking further consultation as we refine our work program. The next step is consulting on proposed microbiological criteria for infant formula in September 2015.

### Traceability

Domestic and international food incidents have highlighted the importance of traceability. The complexity of supply chains makes the process of product tracking slow and inefficient in times of crisis.

Chapters three (Food Safety Standards) and four (Primary Production and Processing Standards) of the Code specify requirements for food businesses to ensure they can trace food received by the business and sold by the business. These requirements are consistent with international (Codex) standards that work on the principle of being able to trace food products 'one step back' and 'one step forward' in the food supply chain.

During the year, FSANZ increased its understanding of the strengths and weaknesses of industry through-chain product identification and traceability by collaborating with state food regulators and industry sectors. We intend to consult more widely on gaps or issues with current traceability systems, on options for any remedial action, and about the guidance available on establishing and operating a traceability system.

### Pyrrolizidine alkaloids

Pyrrolizidine alkaloids (PAs) are naturally occurring toxins that appear in a number of Australian and New Zealand plants.

We have successfully coordinated a toxicological study in partnership with the Australian Government's Rural Industries Research and Development Corporation, and New Zealand's Ministry for Primary Industries and Bee Products Standards Council. The study aimed to characterise the risk to public health and safety of PAs found at low levels in honey.

We completed the study and submitted the data to the Joint Food and Agricultural Organization (FAO) and World Health Organization (WHO) Expert Meeting on Food Additives (JECFA) for its evaluation. The new data appear reassuring with regard to the safety of a sentinel pyrrolizidine alkaloid found in Australian and New Zealand honeys. Nevertheless, we will be considering whether any further measures are necessary to protect public health and safety, and whether any further research should be undertaken.

### **External expertise**

### **FSANZ** Fellows

The FSANZ Fellows Program was established to create a network of experts in a range of disciplines to provide advice and contribute to the work of FSANZ. During 2014–15, six Fellows were re-appointed by the FSANZ Board for a further three-year term. The Fellows that have engaged with FSANZ are making valuable contributions to ongoing work and will continue to contribute to the future work of the agency.

FSANZ Fellows during 2014–15 are listed in Table 8.

### Table 8: FSANZ Fellows 2014–15

FSANZ Fellow	Background or expertise	Affiliated institution	
Professor David Fraser	Vitamin D	University of Sydney	
Associate Professor Winsome Parnell	Surveys and infant nutrition	University of Otago	
Associate Professor Peter Williams	Nutrition	University of Canberra	
Professor Ken Buckle	Food science, processing and microbiology	University of New South Wales	
Professor Nigel French	Molecular epidemiology and risk research	Massey University	
Professor Stephen Goodall	Health economist	University of Technology, Sydney	
Professor Seppo Salminen	Intestinal micro biota and health, probiotics and prebiotics, health claims	University of Turku	
Assistant Professor Jason Riis	Experimental psychology and behavioural economics	Harvard Business School	
Dr Laurence Eyres	Food technology	ECG Ltd	
Dr Heather Greenfield	Food composition	University of New South Wales	
Professor Peter Langridge	Genomics	University of Adelaide	
Professor Brian Priestly	Health risk assessment	Monash University	
Professor Murray Skeaff	Nutrition	University of Otago	
Professor Mark Tamplin	Microbiology and food safety	University of Tasmania	

### Engagement with academic institutions

The FSANZ student project program continues to be a successful pathway for FSANZ's engagement with academia. This program provides an opportunity for students to undertake food safety projects relevant to the FSANZ work program. In 2014–15, two students from the University of New South Wales and one from the Australian National University completed projects.

We also engaged with Australian academic institutions through the facilitation of student placements, which are held on-site at FSANZ, where the student attends FSANZ for a four to six week placement and undertakes a project or contributes to the work of FSANZ. We hosted two students from the University of Wollongong.

### **Regulatory Science Network**

FSANZ is currently the chair of the Regulatory Science Network, a network of Australian Government agencies responsible for regulating chemicals (including radioisotopes) and biological agents. The aim of the network is to forge closer links and promote common approaches to regulatory science between the agencies.

During the year, the network contributed to, and participated in, an AVPMA-convened Nanotechnology Symposium in Canberra; convened an inverted pyramid communication workshop in Canberra; assisted in the organisation of a workshop at the 7th Annual Scientific Meeting of the Australasian College of Toxicology and Risk Assessment in Sydney; and convened a major event for regulatory agencies on *Doing more with less: how science contributes to smart regulation* in Canberra.

### Australia New Zealand Science Forum

The Forum provides an opportunity for structured interactions between FSANZ and the New Zealand Ministry for Primary Industries to consider and collaborate on food regulatory scientific projects, particularly in relation to developing food standards. During the year, the Forum facilitated the sharing of information on key scientific activities and emerging food safety issues, established personal links between members of the agencies, assisted with prioritisation and resource allocation for current projects, and permitted strategic collaboration on work relevant to both agencies.

### International networks

### **Codex Alimentarius Commission**

The Codex Alimentarius Commission is the international food standards setting body established by the United Nations FAO/WHO. Codex develops international food standards, guidelines and codes of practice for an international food code that contributes to the safety, quality and fairness of food trade.

During the year, we participated in, and led, the Australian Delegation at a number of meetings of Codex committees, as summarised in Table 9.

Codex committee	FSANZ participation
37th Session of the Codex Alimentarius Commission	FSANZ attended as a member of the Australian delegation and contributed to the completion and approval of proposals for new work from the various committees.
Codex Committee on Food Labelling	FSANZ attended as a member of the Australian delegation to support the first time attendance of the delegation lead from the Department of Health. It co-chaired and coordinated the physical working group on date marking, and facilitated the harmonisation with Australia's legislation in this area.
36th Session of the Codex Committee on Nutrition and Foods for Special Dietary Uses	FSANZ led the Australian delegation to this meeting to represent the Australian Government's views on agenda items. It also presented the results of the electronic working group's (eWG) revision of the Codex nutrient reference values-requirement (NRVs-R) for labelling purposes (batch 2). The eWG was convened by Australia throughout 2014.
36th Session of the Codex Committee on Food Hygiene	FSANZ led the Australian delegation to this meeting. It ensured that Australian input and views on food hygiene matters were understood, and that the Committee's decisions aligned as much as possible with Australia's domestic food policy.
79th Meeting of the Joint FAO/WHO Expert Committee on Food Additives (JECFA)	FSANZ was represented by two staff members invited to be on the panel to complete the risk assessments for several new food flavours and food additives. One representative also acted as rapporteur for the WHO group of experts at the meeting and undertook peer review work on some additives and flavours ahead of the meeting.
9th Session of the Codex Committee on Contaminants in Food	FSANZ led the Australian delegation to this meeting. Our role involves liaising with Australian industry, considering exposure levels of the relevant contaminants in the Australian food supply and preparing and presenting the Australian position on the risk management measures appropriate for the control of contaminants.
47th Session of the Codex Committee on Food Additives	FSANZ led the Australian delegation to this meeting, which was attended in China by 51 countries and 32 international organisations. Australia chaired the Committee's work on the endorsement, and the alignment of food additive provisions in Codex Commodity Standards with the General Standard for Food Additives.

### Table 9: FSANZ participation in the work of the Codex Alimentarius Commission, 2014–15

### World Health Organization Collaborating Centre for Food Contamination Monitoring

FSANZ is a World Health Organization Collaborating Centre (WHO CC) for food contamination monitoring, and carries out several activities to support WHO programs.

For the 2014–15 reporting period, FSANZ submitted updates on all actions relevant to the three specified activity areas, including updates on the 24th and 25th Australian Total Diet Studies. Information was also provided on the Australia and New Zealand Coordinated Food Survey Plan under the Food Regulation Standing Committee's (FRSC) Implementation Subcommittee for Food Regulation (ISFR).

FSANZ has maintained its active partnership with Health Canada. A close working relationship has also been maintained with other WHO CC members such as the Canadian Food Inspection Agency, the Public Health Agency of Canada, the Hong Kong Centre for Food Safety and the UK Food Standards Agency.

### International food safety liaison groups

FSANZ continues to be an active member in the International Microbial Food Safety Liaison Group. The group meets via teleconference at least twice a year to share information on contemporary food safety issues and is an extremely useful forum to leverage international experiences and expertise.

Topics of discussion varied widely, including the risk of transmission of Ebola virus via food, anisakids (parasitic worms) in raw fish, *Campylobacter* in chicken meat and raw drinking milk. The utility of this group was evident most recently in providing information during the recent hepatitis A virus in frozen berries incident.

We also shared information with the International Food Chemicals Safety Liaison Group on the issue of 3-monochloro-1,2- propanediol (3-MCPD) esters and glycidyl esters (GEs) occurring in some foods from the refining process for oils and fats. The toxicology of these substances is uncertain and is the subject of a global research effort.

We have been monitoring the research through this collaboration and through bilateral contacts with other overseas regulatory agencies. We also visited an Australian manufacturing plant to investigate the management of 3-MCPD ester levels and have undertaken ongoing liaison with the infant formula industry on survey activities.

### International behavioural and regulatory analysis groups

FSANZ continued to draw on key domestic and international expertise in applying the economic and behavioural sciences to our regulatory practice.

The Social Sciences and Economics Advisory Group, comprising Australian and New Zealand academics, acted as the primary source of review and challenge to the academic rigour of our work.

The International Social Sciences Liaison Group and the Food Safety Regulatory Economics Working Group—both chaired by FSANZ—provided input from, and exchange among, agency-based economists and social scientists from international risk agencies. Both these groups include regulators from the United States of America, Canada, United Kingdom, New Zealand and Australia. In 2013–14, membership of the Food Safety Regulatory Economics Working Group was expanded to include regulators from South Korea and Ireland.

### Relationships in the Asia-Pacific region

The APEC Food Safety Cooperation Forum (FSCF) is a collaboration of food safety regulators, from the 21 APEC member economies. FSCF is co-Chaired by FSANZ (on behalf of Australia) and the People's Republic of China (General Administration of Quality Supervision, Inspection and Quarantine).

In September 2015, FSANZ actively participated in the APEC High-Level Regulator Industry Dialogue on Food Safety, where a range of senior industry and regulatory representatives agreed to a number of recommendations to enhance action between regulators and industry to address food safety challenges and build on good regulatory practices.

In 2014–15 FSANZ applied for and successfully obtained funding under the Department of Foreign Affairs and Trade's Economic Diplomacy Fund program. The funding is being used to advance the FSCF Regulatory Cooperation Roadmap in the areas of pesticide maximum residue limits (MRLs), which FSANZ leads. The aim of the project is to develop a guideline, through expert workshops, on the harmonisation of pesticide MRLs for imported foods in APEC member economies. The first expert workshop on pesticide MRLs was held in Sydney in April, involving delegates from 16 APEC member economies.

During the year, FSANZ (on behalf of Australia in the primary secretariat role) liaised with the Chilean Agency for Food Quality and Safety (ACHIPIA) to hand over the secretariat role for the Food Safety Incident Network (FSIN) for the next two years. This handover came into effect in March 2015.



From left: Ms Nicole Bailey (National Association of Testing Authorities), Mr Steve McCutcheon (CEO, FSANZ), Dr Marion Healy (Deputy CEO, FSANZ), Dr Geoffrey Annison (Australian Food and Grocery Council), Ms Carol Bate (Fonterra) and Dr Scott Crerar (General Manager, FSANZ).

# Monitoring food hazards

### Monitoring

# Implementation Subcommittee for Food Regulation Surveillance and Monitoring Working Group

FSANZ is chair of the ISFR Surveillance and Monitoring Working Group, a group that formally replaced the Food Surveillance Network in 2014. This working group is an effective forum for jurisdictions in Australia and New Zealand to discuss, plan and implement strategic food monitoring and surveillance activities. The working group proposes joint monitoring and surveillance work of national and bi-national significance on a yearly basis and implements these activities through its three-year, forward-looking Coordinated Food Survey Plan.

In 2015, three FSANZ activities of the Coordinated Food Survey Plan were completed:

- coordinated survey for trans-fatty acids in Australian foods
- two reports on the impact of mandatory fortification with folic acid and iodine on the nutrient content of bread.

### Surveys

### Australian Total Diet Study

Australia's most comprehensive assessment of consumers' dietary exposure (intake) to pesticide residues, contaminants and other substances is the Australian Total Diet Study (ATDS). Through this major study, conducted every two to three years, FSANZ monitors the national food supply to ensure that existing food regulatory measures adequately protect consumer health and safety.

The 24th ATDS involved the analysis of 81 Australian foods and beverages in two phases. The first phase (published early 2014) analysed acrylamide, aluminium and perchlorates. The second phase focused on food packaging chemicals, including: bisphenol A (BPA), epoxidised soy bean oil (ESBO), phthalates, perfluorinated compounds and printing inks. This phase is now complete and the final report is under review, with the expectation it will be published later in 2015.

The 25th ATDS, which is investigating the concentrations of metal contaminants, agricultural and veterinary chemicals and radionuclides in Australian foods, is ongoing. Analytical results have been received and are currently being reviewed.

### Heavy metals in shelf-stable fruit

In 2015, we conducted a survey of domestic and imported shelf-stable peach, pear and apricot (in cans, tubs or snack packs) for concentrations of arsenic, lead and tin. The survey analysed 37 supermarket products and eight catering products. A report is currently being prepared for publication.

# Food incidents

### Food incident response capability

The National Food Safety Network was established by ISFR in 2014 to routinely share and assess information and determine, as appropriate, subsequent actions. FSANZ provides a coordination role for the Network, which involves all members of the health, agriculture and food agencies in ISFR. In 2014–15, the Network was used 12 times. A recent example was the engagement with consumer protection regulators, including the Australian Competition and Consumer Commission (ACCC), about the sale of raw milk to consumers.

To enhance response arrangements, FSANZ and the NSW Food Authority hosted a National Food Safety Incident Response workshop in November 2014 for industry and government to discuss the management frameworks for food incidents. Food incidents can occur at any point in the supply chain and involve producers, processors, wholesalers and retailers. Having through-chain participation in the workshop ensured a rewarding outcome, including various options for improving the response process.

Internationally, FSANZ has maintained close contact with our international partners and has been an active participant in the FAO/WHO led, International Food Safety Authorities Network (INFOSAN).

# Food recalls

In the event that an unsafe food finds its way into the marketplace, the Australian jurisdictions, FSANZ and food businesses collaborate to withdraw that food from sale or, if already sold, to ask consumers to return the product to the place of purchase.

### Statistics for 2014-15

FSANZ coordinated 58 food recalls in 2014–15 (66 in 2013–14) (Figure 1). The recalls were mainly due to undeclared allergens (Figure 2) and microbial contamination, predominantly for *Listeria monocytogenes* (Figure 3).



Figure 1: Number of food recalls coordinated by FSANZ in 2014–15, by recall category





Allergens



### Figure 3: Reasons for microbial contamination recalls in 2014–15

FSANZ, with the assistance of a food industry consultant, has developed a guide for food businesses to develop a food recall plan. The guide has been designed to assist small-to-medium sized businesses (SMEs) by providing a ready-to-use recall shell indicating the steps to be taken by a business when a recall is necessary.

State and territory government officers are now trialling the document with SMEs in their jurisdictions. Once the trials have been completed and the final comments have been addressed, we will publically release this guide on our website in 2015–16.



We released two infographics about recalls, with both available online. One outlines the number of recalls in 2014 and why the food was being recalled. The other infographic explains how the food industry and government work together during a food recall.

# **FOOD RECALLS** *WHO DOES WHAT*?

Industry and government work together to ensure food that may pose a risk to public health and safety is recalled quickly. Below is a summary of who does what:

### THE FOOD BUSINESS

- Notifies government that a recall is needed.
- Notifies its business customers that the food needs to be recalled.
- Communicates the recall to the public.
- Provides Information to Food Standards Australia New Zealand about the food being recalled.



### **STATE & TERRITORY GOVERNMENT**

- · Confirms that a recall is needed.
- · Provides assistance to businesses recalling food.
- · Checks that the food business is effectively recalling the food.



### FOOD STANDARDS AUSTRALIA NEW ZEALAND

- · Coordinates recalls in consultation with the business & state/territory government.
- · Obtains information about the recall from business.
- Communicates the recall to government, industry and international government contacts.
- Publishes the recall on the FSANZ website and social media.

### Mandatory reporting and the potential repeal of legislation

Mandatory reporting requirements came into effect on 1 January 2011 under the *Competition and Consumer Act 2010*. Under the provisions in the Act, all participants in the supply chain of a consumer good, which has been associated with a death, serious injury or illness, are required to provide a written report to the ACCC within two days of becoming aware of the incident. FSANZ simultaneously receives copies of these mandatory reports for national monitoring and reporting purposes.

To date, FSANZ has received approximately 5,000 mandatory reports.

FSANZ receives monthly feedback from most state and territory food enforcement agencies on actions and outcomes they have taken on the mandatory reports referred to them from the ACCC. In most cases, the reports have been adequately investigated by the company without intervention by an enforcement agency. In only a very small number of cases has the enforcement agency determined that the company needed to take further action.

The Commonwealth Minister for Small Business introduced the Competition and Consumer Amendment (Deregulatory and Other Measures) Bill 2015 in the House of Representatives on 18 March 2015. This Bill included a recommendation to remove the requirement for businesses to report serious injuries, illnesses or deaths associated with food products under the ACL's product safety law.

If the Bill passes both houses of parliament, the mandatory reporting requirement will not apply to foods supplied on or after the day after the Competition and Consumer Amendment (Deregulatory and Other Measures) Bill 2015 receives royal assent.

03

Collecting and providing relevant consumer information



# 3 Collecting and providing relevant consumer information

Introduction

Stakeholder engagement

Food label information

Information for the community

### Strategic imperative

To support informed consumer decisions about food by **collecting and providing relevant information**.

# Highlights 2014–15

- Reviewed food-health relationships, based on health claims authorised for use in Europe, for possible inclusion in the Code.
- Reviewed the currency of existing food-health relationships underpinning high level health claims in the Code, completing work on the relationship between sodium and blood pressure.
- Completed technical evaluations and provided advice on a further seven of the 21 Labelling Logic recommendations referred to FSANZ; two remaining matters to be completed by mid-2016.
- Attracted more than 100,000 unique visitors to the Nutrition Panel Calculator on the FSANZ website making it the most popular site page.
- Processed two requests for information under the Freedom of Information Act 1982 (Cwth.)
- Maintained an extensive committee system for our stakeholders to contribute to FSANZ's work, involving membership from the community, the food industry, individual citizens, public health groups and other arms of government.

03

# Introduction

FSANZ is a data-centric organisation. Information in numerical or narrative form provides the evidence base that allows us to develop risk management options and make regulatory decisions. Some of the material is generated by FSANZ (e.g. through surveys, information services or analysis of externally generated data). Other material is obtained from a myriad of sources, including government departments or agencies, academia, stakeholder submissions, public health groups and the food industry.

Because we are a very transparent agency, we publish most of the information and some of the data that we hold on our website, using media releases, publications and social media as signposts to the website resource. We provide consumers and small businesses with information services, such as the Nutrition Panel Calculator and food composition data tables. We also operate emergency communication tools for food recalls and allergy alerts.

During the year, the FSANZ Board has been discussing the feasibility and merits of coordinating these digital resources under the management of an 'information and referral hub'. The aim would be to collect information and data, store and manage it for easy retrieval and build on our existing activities to make this material more accessible to the community. In addition, we would explore the interactive capabilities of digital technology to improve our ability to receive input to our work from individuals and organisations.



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# Stakeholder engagement

### Advisory groups

FSANZ is grateful to many people for providing us with feedback and advice not only during formal public consultation processes, but also through stakeholder committees, with membership coming from the community, the food industry, individual citizens, public health groups and other arms of government.

Appendix 3 contains the names of people serving on FSANZ committees in 2014–15.

### Case study: Improving food safety practices of SMEs

FSANZ collaborated with Safe Food Production Queensland and Dairy Australia to improve crisis management and build brand confidence for small to medium enterprise (SME) dairy businesses in south-east Queensland. Specifically, we provided input on the food recall process, leading a detailed session on the food recall resources available from FSANZ and the information required by FSANZ when a food recall is initiated.

Workshops provided the participating dairy businesses with access to resources and industry and regulatory expertise, in a bid to build trust between food businesses and government agencies and to improve food safety practices.

### Allergen Collaboration

The Allergen Collaboration aims to strengthen engagement and collaboration among a range of key stakeholders involved in managing food allergens. During the year, members identified three focus areas for current and future work:

- Targeted communication to the food service sector— ongoing work to assist the food service sector in developing its capability to implement non-regulatory risk management measures for food allergens, and to better communicate its regulatory obligations to food service staff. The Collaboration is currently finalising a free training video for food service staff that will be made publicly available in the second half of 2015.
- Targeted communication with stakeholders about 'action levels'— development of strategies to educate stakeholders (e.g. health professionals and consumers) about the concept of allergen thresholds and when food allergic consumers should avoid certain foods.
- Food importer education regulatory obligations relating to food allergen labelling—
  consideration of non-regulatory measures (e.g. targeted communication activities) to help
  importers understand their regulatory obligations in relation to food allergen labelling.

03

# Food label information

Manufacturers use food labels to convey important information to consumers and to enable consumers to make informed buying decisions. It is essential that this information is accurate and not misleading.

### Health claims substantiation

Health claims are claims on food labels, or in advertising, that state, suggest or imply that a food or a property of food has, or may have, a health effect. The Code sets out the requirements for making health claims. Health claims must be based on a food-health relationship that has been substantiated by a process of systematic scientific review.

In 2014–15, FSANZ reviewed food-health relationships based on health claims authorised for use in Europe. Reviews of food-health relationships about potassium and blood pressure, pectins and blood cholesterol, and walnuts and endothelial dysfunction have been completed. We are considering whether these relationships and two relationships about meal replacements can be included in standard 1.2.7.

We are also in the process of reviewing the currency of existing food-health relationships underpinning high level health claims in standard 1.2.7. We have completed work on the relationship between sodium and blood pressure.

Work is well advanced on relationships between several properties of food and blood cholesterol, and some food properties with various aspects of glucose metabolism. We are also considering the second part of EU-authorised health claims relating to blood cholesterol being a risk factor for coronary heart disease.

### Labelling Review

In 2012, the Legislative and Governance Forum on Food Regulation (the Forum) provided a response to recommendations of the report *Labelling Logic: Review on Food Labelling Law and Policy* (Labelling Review). FSANZ was given responsibility for responding to 21 recommendations relating to a variety of labelling issues. These included, for example, label presentation and format, the labelling of food safety elements, nutrition information, ingredient labelling and country of origin labelling.

We have completed work on nine of the assigned recommendations (Table seven in the current year). Nine other recommendations assigned to FSANZ relate to initiatives that are the responsibility of other agencies. We are providing assistance to these agencies as required.

### Table 10: Outcomes of completed Labelling Review projects assigned to FSANZ

Labellin	g Review recommendation	Outcome	
Rec.6	That the food safety elements on the food label be reviewed with the aim to maximise the effectiveness of food safety communication.	FSANZ completed its technical evaluation and advice, which is now under consideration by the Food Regulation Standing Committee (FRSC).	
Rec.13	The mandatory declaration in the Nutrition Information Panel of all trans fatty acids, if manufactured trans fatty acids have not been phased out of the food supply.	FSANZ completed its technical evaluation and advice. The Forum asked FSANZ to conduct another survey of TFAs, with a focus on imported oils, and report back in early 2017.	
Rec.14	The mandatory declaration of total and naturally occurring fibre in the Nutrition Information Panel.	FSANZ completed its technical evaluation and advice. The Forum determined that no further action is required.	
Rec.15	Voluntary declaration of potassium content in the Nutrition Information Panel.	Completed as part of Proposal P293 – Nutrition, Health & Related Claims.	
Rec.20	Introduce a standard for nutrition, health and related claims.	Standard 1.2.7– Nutrition, Health and Related Claims has been introduced.	
Rec.26	That the energy content of all alcoholic beverages be displayed on their labels.	FSANZ completed a cost-benefit analysis, which is now under consideration by FRSC.	
Rec.40	Australia's existing mandatory country of origin labelling requirements for food be extended to cover all primary food products for retail sale.	FSANZ completed its technical evaluation and advice. The Forum determined that FSANZ did not need to prepare a proposal.	
Rec.43	The Perceptible Information Principle be used as a guide for presenting label information.	FSANZ completed its technical evaluation and advice. The Forum determined that no further action is required.	
Rec.47	That warning and advisory statements be emboldened and allergens emboldened in the ingredients list.	FSANZ has completed its technical evaluation and advice, which is now under consideration by FRSC.	

Two recommendations that remain on the FSANZ work program will be addressed in 2015–16. These involve preparing a response to recommendations about the possible inclusion of added sugars, added fats and/or added vegetable oils in the ingredient list, and the need for mandatory irradiation labelling.

We continued to consult with an intergovernmental advisory group, with jurisdictional and regulatory partner representation, to inform and guide the progress of this work.

### **Nutrition Panel Calculator**

The Nutrition Panel Calculator 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 Code. In 2014–15, the calculator continued to be the most popular features of FSANZ's website. This year, on average, there were 14,000 hits on the NPC landing page each month, by approximately 9,000 unique users per month.



Above: FSANZ's labelling poster explains the Food Standards Code's requirements for product labelling including the Nutrition Information Panel.

# Information for the community

### Release of personal information and freedom of information requests

FSANZ processed two requests for information under the *Freedom of Information Act 1982* (Cwth.). One sought access to documents relating to the decision by FSANZ to exclude the health and safety risks arising from the use of nanomaterials from the scope of Proposal P1034. The other sought copies of all correspondence between FSANZ and the Forum on Food Regulation, from 1 December 2014 until 30 January 2015, inclusive, relating to the mandatory labelling of trans fatty acids.

In both cases, we granted partial access to documents and information on this access is available on our website.

	2010–11	2011–12	2012–13	2013–14	2014–15
Requests under FOI legislation	3	7	10	6	2

FSANZ has finalised one request for access to personal information under the *Privacy Act* 1988 (Cwth.).

Initial enquiries concerning access to documents under the Freedom of Information Act or access to personal information under the Privacy Act should be directed to the FOI coordinator at FOI@foodstandards.gov.au or on +61 2 6271 2222.



# 4 Key enablers

04

FSANZ's *Corporate Plan 2012–15* identifies five 'key enablers' (capabilities) that will operate across the agency to help staff deliver the strategic imperatives:

Science - sustained, leading edge scientific capability

People - dedicated people with a broad spread of specialist disciplines

Communication - a broad communication capacity

Governance and process - good governance and effective processes

Anticipation - an anticipative approach to emerging issues

# Highlights 2014–15

- Completed the redevelopment of our dietary modelling capabilities (Harvest) and decommissioned our legacy database, DIAMOND.
- Further developed FSANZ's strategy for establishing a framework for the way data should be collected, managed, maintained and shared in the agency, including discussions with the FSANZ Board on creating a FSANZ 'information and referral hub'.
- Incorporated the 2012–13 National Aboriginal and Torres Strait Islander Nutrition and Physical Activity Survey component of the Australian Health Survey into AUSNUT, the national nutrient intakes database.
- Analysed 62 foods to further improve the quality and robustness of our food composition data holdings.
- Complied with National Archives of Australia requirements and the Australian Government's Digital Transition Policy and Digital Continuity Plan by adopting an electronic document and records management system.
- Invested almost \$300,000 on staff development during the year—about \$3,000 for each staff member.
- Achieved a social media following of more than 20,000 Facebook (~15,000) and Twitter (~5,000).
- Reviewed the strategic environment, identified strategic themes for future FSANZ operations and developed a four-year corporate plan that will be updated annually.
- Reviewed the current hourly charges applied for the cost recovery of application assessments, before a public consultation on a draft Cost Recovery Implementation Statement in the second half of 2015.

- Continued to consider requests to harmonise maximum residue limits (MRLs) with international MRLs established by Codex or those established in another country.
- Conducted risk profiling of packaging chemicals to identify any potentially unmanaged risks from chemicals which may migrate from packaging into food.

### Science

### Strategies and tools

### FSANZ Science Strategy 2015–19

FSANZ is developing a new science strategy to identify a range of strategies to develop and enhance our scientific capabilities, tools and partnerships to meet the current and future regulatory needs and challenges of the agency.

To provide a focus for our scientific activities, we have identified three key strategic areas: Scientific Capability; Evidence; and Collaboration. Under each of these areas, we designed initiatives that support continuous improvement and excellence in our food risk analysis capabilities.

### Data management strategy

We continued to develop a data management strategy to increase the value of our scientific data, both structured and unstructured. The strategy sets a framework for the way data should be collected, managed, maintained and shared, thereby optimising our capacity for evidence-based decision making.

Under the strategy, to be implemented next year, we will register and describe all scientific data in a single place to make it easy to discover; implement a data governance framework to keep data secure; establish data management roles and responsibilities; and set out business rules for managing scientific data to increase efficiency and accessibility.

### Harvest database and modelling tool

We completed redevelopment of FSANZ's dietary modelling platform in 2014–15, allowing us to decommission our legacy dietary modelling database (DIAMOND). The new platform (Harvest) has a range of new features that enhance the efficiency of our work.

Harvest provides us with enhanced and extended dietary modelling capabilities for the Australian and New Zealand populations. We increased the power of Harvest with a major new data set during the year—the New Zealand 2008–09 Adult Nutrition Survey, with associated nutrient, pesticide and contaminant and additive dietary modelling capabilities for this survey. We are currently preparing data from the 2011–12 National Nutrition and Physical Activity Survey (NNPAS) component of the 2011–13 Australian Health Survey (AHS) for incorporation into the Harvest database.

### Food composition data

### Australian Health Survey

AUSNUT 2011–13, the survey-specific databases developed for estimating nutrient intakes from the 2011–12 NNPAS component of the AHS, was updated in September 2014 to incorporate the 2012–13 National Aboriginal and Torres Strait Islander Nutrition and Physical Activity Survey component of the AHS. This involved validating the survey coding, developing nutrient profiles for foods (including wild caught foods) and dietary supplements, and developing food measures not in the database developed for the NNPAS and associated documentation.

The updated database was used by the Australian Bureau of Statistics (ABS) to report, in 2015, on food and nutrient intakes for the National Aboriginal and Torres Strait Islander population.

### Usual nutrient intakes 2011-12

'Usual intakes' are an estimate of what people 'usually' eat, as opposed to what they reported eating on the particular days they were surveyed. This new analysis of the AHS allows us to better quantify if Australians are consuming the required amount of a variety of nutrients, including vitamins, minerals, protein, fat, and carbohydrates, as well as caffeine and alcohol. Such information will be used to inform food, nutrition and health policies, and food regulatory matters including food fortification.

In partnership with the ABS, we prepared a joint publication on *Usual Nutrient Intakes from the 2011–12 National Nutrition and Physical Activity Survey (NNPAS).* Our contribution helped the ABS validate the new methodology developed by the US National Cancer Institute for Australian use. We also helped with validating the results and provided input into, and interpretation of, comparisons of usual nutrient intakes with Australian and New Zealand nutrient reference values.

This was the first time that the ABS has prepared and released a joint publication from one of their surveys. The report and results were released in March 2015 on the ABS website.

### 2014–15 Food Analytical Program

FSANZ analysed 62 foods to further improve the quality and robustness of our food composition data holdings. The program collected nutrient data on some commonly consumed foods that contribute significantly to the intake of one or more nutrients in the Australian population. We selected foods for analysis based on current data holdings and frequency of consumption in the 2011–13 Australian Health Survey.

We analysed 41 foods to assess levels of naturally occurring vitamin D in a range of animal-based foods. A new method for analysing low levels of vitamin D in unfortified foods has only recently been validated. The new method allowed us to report concentrations of vitamin D in highly consumed foods which would have been below the limit of detection previously.

# People

### Organisational capability

### Organisational reforms

As reported last year, FSANZ undertook major organisational reforms in 2013–14, resulting in voluntary redundancies, a restructuring of the agency and a reassessment of our processes and practices to reduce red tape and improve efficiencies. A change management team established to monitor and communicate the changes was disbanded in September 2014, by which time the staffing arrangements had been fully implemented and the projects dealing with work practices had been incorporated into our core business.

### Information and communication technology

FSANZ tested and improved several key collaboration technologies in 2014–15. Our new Unified Communications system is performing above expectations, enabling full video phone interface between staff, regardless of whether they are in the Canberra or Wellington offices. Our SharePoint environment was enhanced to improve the ability to co-author documents and improve desktop sharing. This capability is especially important due to the multiple locations of staff.

Upgrades to our off-site disaster recovery infrastructure have increased the security and capability of the hardware. We added redundancy into our external internet connectivity to allow for outages and strengthened our network firewall, as well as enhancing security at our disaster recovery site.

FSANZ staff are now fully utilising our electronic document and records management system (EDRMS), which was implemented to comply with the Government's Digital Transition Policy and Digital Continuity Plan. The EDRMS utilises our existing SharePoint infrastructure and is able to be fully compliant with National Archives of Australia requirements by utilising the additional functionality of RecordPoint. All records have now been migrated and all new records are being created using this new digital capability.

The system aligns with the National Archives of Australia's administrative functions disposal authority, for the deletion and disposal of records. The EDRMS also allows for staff to create records and documents, while maintaining file security and sharing files both internally and externally. FSANZ's data management strategy was incorporated into the EDRMS to enable easier accessing of information and data. The aim is to have more control over the type and format of new data that we receive and already hold.
#### Innovation

FSANZ maintained its participation in the Public Sector Innovation Network, supporting the 2014 Innovation Summit and APS Innovation Month. Within the agency, FSANZ's main initiatives were an Executive show-and-tell event for staff to coincide with the International Day for Failure in October—learning from failure being an important facet of innovation—and our 2015 innovation awards.

This year's innovation awards took the form of a problem and ideas challenge for staff, rather than the traditional recognition of achievement which formed the basis of our 2013 awards. Staff members were invited to propose the most pressing problems facing FSANZ at the moment. The Executive selected three of the problems to be put to staff members, who were asked to nominate innovative solutions.

After presentations to staff, the top ideas will be selected by a people's choice vote by staff. The winning individual or team will receive \$10,000 towards the implementation of their idea.

#### Staff Forum

FSANZ's Staff Forum comprises representatives from each section of the agency which meets monthly to discuss issues of importance and concern to staff. The chair of the Forum attends an Executive meeting each month to provide feedback on current issues.

In 2014–15, the Forum took part in distributing information and feedback on the Enterprise Agreement, organisational reforms, Work Level Standards, the introduction of EDRMS and revision of Chief Executive's Instructions and guidance documents.

The Forum proposed a means of staff recognition by the CEO that has been implemented, and successfully advocated for additional stand-up workstations in the Canberra office. The Forum continues to advocate the electronic tracking of Study Leave. The Forum also coordinated communication between staff and Executive on an audit of payroll and on refurbishment options for the Canberra office.

#### Workplace Consultative Committee

FSANZ's Workplace Consultative Committee ensures effective consultation with employees and their representatives on key workplace issues. By mutual agreement, the committee did not meet in 2014–15 as there were no significant issues that required the intervention of the committee. Other consultative arrangements were used to ensure staff were kept informed of, and participated in, major workplace changes during the year.

#### Sustainable development

As part of the operations of our 'green' lease, FSANZ monitors building temperatures and works closely with the building owners to ensure the efficiency of the Australian and New Zealand office air conditioning. This limits the overuse of energy during working hours and ensures any issues are identified early and addressed quickly. The building housing the Canberra office is rated 4.5 stars on the National Australian Built Environment Rating System. Some 10% of the energy supplied to the Canberra office is sourced through renewable sources.

#### Training

As an agency that depends on the skills and knowledge of its people to achieve its objectives, we are committed to maintaining or improving our capabilities in all facets of operation. During the year, we supported staff in a range of professional development activities.

For example, most of the agency's scientific and regulatory staff attended a customised training course delivered by the Crawford School of Public Policy at the Australian National University that conveyed new insights into government policy making and enhanced an understanding of the prevailing food regulatory policy context. Policy skills are particularly germane to our risk management work and to our stakeholder engagement and communication.

Supervisors and managers were also provided with training in managing employees with mental health issues, while all staff were encouraged to participate in online training in mental health first aid.

We spent almost \$300,000 on staff development during the year—about \$3,000 for each staff member.

#### FSANZ employment profile

Tables 11–16 summarise FSANZ's employment profile for the year, compared with 2013–14 and with the Australian Public Service (APS). APS statistics were obtained from the *APS Statistical Bulletin 2013–14*. Data for FSANZ and the APS are at 30 June for the year in question.

#### Table 11: Total employees

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
Total employees	112	159,126	108
Total employees (ongoing)	107	145,891	103
Total employees (non-ongoing)	5	13,325	5
New Zealand-based employees (ongoing)	11	n/a	11
New Zealand-based employees (non-ongoing)	0	n/a	2

After a significant reduction in the number of employees during 2013–14, the numbers stabilised a little in 2014–15. Continuing APS interim recruitment arrangements resulted in the slowing down of recruitment and fewer employees left the agency. The agency also managed with fewer non-ongoing employees than usual.

#### Table 12: Stability and mobility

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
New starters (% employees ongoing)	0.9% (1 person)	3.2%	8.7% (9 people)
New starters (% employees non-ongoing)	5.4% (6 people)	n/a	4.6% (5 people)
Separations (% employees ongoing)	15.9% (17 people)	7.5%	5.9% (6 people)
Retention rate (% ongoing employees)	87.0% (100 people)	92.5%	90.3% (93 people)
Staff promoted (ongoing)	1.8% (2 people)	3.5%	4.9% (5 people)

Following the process of restructuring at the end of 2013–14, FSANZ recruited a number of staff in 2014–15 to meet key skill needs. Our retention rate increased again, with most separations occurring because of employees retiring. Despite the recruitment restrictions, FSANZ was able to promote some staff to vacancies that arose over the year.

64 Key enablers

#### Table 13: Workforce diversity

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
Indigenous Australian employees	0.0%	2.3%	0.0%
Employees with disability	3.6% (4 people)	3.3%	2.8% (3 people)
NESB1 (employees in Australia)	6.3% (7 people)	5.5%	5.6% (6 people)
Women	67.9% (76 people)	57.5%	66.7% (72 people)
Non-ongoing employees	4.5% (5 people)	8.4%	4.6% (5 people)
Part-time employees (ongoing)	20.5% (23 people)	15.2%	23.1% (25 people)
Part-time employees (non-ongoing)	1.8% (2 people)	63.9%	2.8% (3 people)
Part-time female employees	20.5% (23 people)	27.0%	22.2% (24 people)
Part-time male employees	1.8% (2 people)	8.3%	3.7% (4 people)

FSANZ has a specialised workforce and targets specific diversity groups in its recruitment practices. Where employees elect to disclose their diversity status, FSANZ ensures that appropriate support is put in place. We have a slightly higher representation of people from non-English speaking backgrounds in our workforce than the APS average. We will continue, in 2015–16, to encourage employees to report their diversity status, as a large proportion of employees have not already done so.

We continue to employ a higher proportion of women than the broader APS—almost 67%. We continue to support flexible working arrangements for staff, with part-time employment numbers (23.1%) being significantly higher than the rest of the APS.

#### Table 14: Workforce experience

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
New starters (% all employees)	6.3% (7 people)	6.7%	8.3% (9 people)
Average length of service in APS (ongoing)	12.2 years	9.4 years	12.1 years
Average length of service in APS (non-ongoing)	2.7 years	n/a	3.7 years

The percentage of new starters increased to 8% in 2014–15 from 6% in 2013–14. Many of these new starters brought significant APS and workplace experience to FSANZ. Despite a number of our more experienced employees departing over the last 18 months, FSANZ has a workforce with relatively more experience than the average for the APS overall.

#### Table 15: Ageing workforce

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
Employees >55yo (% employees)	26.8% (30 people)	16.6%	25.0% (27 people)
Separations of ongoing >55yo (% employees)	7.0% (9 people)	2.9%	3.7% (4 people)
Separations of non-ongoing >55yo (% employees)	0.0% (0 people)	n/a	0.0% (0 people)
Re-engagement of non-ongoing >55yo (% of age group)	0.0%	n/a	3.7% (1 person)

The average age of our workforce has not changed significantly over the past 12 months, as two-thirds of ongoing employees leaving the agency were over 55. However, we have a much larger proportion of staff in the over-55 group than in the wider APS. The mean age of FSANZ employees is 46.7, compared with the mean APS age of 43 years.

#### Table 16: Classification structure

	FSANZ 2013–14	APS 2013–14	FSANZ 2014–15
Classification structure (% employees)			
APS levels	37.5% (42 people)	71.2%	34.3% (37 people)
EL levels	58.0% (65 people)	27.0%	62.0% (67 people)
SES	4.5% (5 people)	1.8%	3.7% (4 people)

Due to the nature of FSANZ's work, involving large numbers of Executive Level employees with specialist scientific and technical skills, the proportion of APS-level employees (34.3%) is significantly less than the APS average of 71.2%.

#### **Employment environment**

#### **Enterprise Agreement**

FSANZ is in the process of negotiating a new Enterprise Agreement, consistent with the Australian Government's Public Sector Workplace Bargaining Policy. The 2011–2014 FSANZ Enterprise Agreement will remain in operation until it is replaced by a new agreement.

#### Work health and safety

FSANZ's Health and Safety Committee comprises representatives of management, the facilities team, work health and safety monitors, first aid officers and workplace harassment contact officers. During the year, the committee considered a range of issues impacting on the health and safety of staff, in particular follow-up activities emanating from an audit of work health and safety—for example, building maintenance, storage and amenity issues.

In the 2014 APS employee census, 82% of our staff members agreed that 'FSANZ genuinely cares about employees being healthy and safe at work', a measure 16% above the average for the APS.

#### Workplace wellness

FSANZ supports a range of activities designed to contribute to the wellness of staff, including subsidising lunchtime yoga sessions and providing access to standing workstations, which are now spread throughout the agency. We also continued our practice of providing a free on-site influenza vaccination program and hearing tests for employees.

We facilitated teleworking by a number of our people and generally supported flexible working arrangements. As a result, we have a relatively high proportion of staff who are part-time and who purchase additional leave each year in order to maintain a healthy work-life balance.

#### Workplace bullying and harassment

Trained harassment contact officers continued to assist employees who feel they may have been bullied or harassed. In 2014–15, no formal complaints were made under the bullying and harassment guidelines, despite about 16% of employees indicating they had been subject to bullying and harassment in the 2014 APS employee census. This percentage is marginally lower than the APS average.

#### Workplace diversity and disability

During the year, we finalised the Workplace Diversity Plan of our People Strategy. Because we are a small agency, with a need for specialist skills, we have historically had some difficulty in adequately establishing diversity in our workforce. The 2014 APS employee census indicated only 50% of staff believed that FSANZ is committed to creating a diverse workforce. Implementation of the diversity plan over the coming months will address the issue.

FSANZ currently has only a few employees who identify as being from a diverse background, as defined by the APSC.

Our Deputy CEO is also the agency's Disability Champion, thereby signalling the importance of disability issues to senior management. We focussed our initiatives on providing workplace adjustments for people with disability. We also became a Bronze Member of the Australian Network on Disability and have already benefited from advice and training from this organisation.

#### Rewards and recognition

Recognition of achievement provides an incentive for high performance in FSANZ. During the year, we honoured three staff members for their contribution to the work of the agency:

Chair's Annual Development Award – awarded to Ms Hazel Fowler for delivering work
of consistently high standard, and displaying a keen eye for detail and a thoroughness
that is demanded by a scientific organisation. Her recent achievements include
the nationally representative study of consumers' attitudes and behaviours to both
voluntary and mandatory fortification and undertaking key reviews of the literature for
projects in dispute over consumer behaviour, including age labelling for infant foods,
nutrition content claims and behavioural aspects of infant formula.

- Australia Day Medallion awarded to Dr Dorothy Mackerras for helping to change the FSANZ culture and approach to nutritional science, bringing a strong data-driven focus, an inquiring and questioning mind and introducing a new set of skills and methodologies, including the use of epidemiological techniques. She has also made significant contributions to developing the nutrient profiling scoring criterion, which underpins our health claims system, and to the substantiation of the food-health relationships, as part of the health claims framework.
- Pikorua Bone Pendant (symbolising Waitangi Day) awarded to Dr Diane Bourn for significant contributions to the completion of a new food standard for nutrition, health and related claims—a lengthy, complex project. Dr Bourn also played an instrumental role in developing FSANZ responses to the recommendations of the Labelling Logic report on food labelling.

#### Senior management

In 2014–15, FSANZ's four-member executive team comprised the Chief Executive Officer, Deputy Chief Executive Officer and Chief Scientist, General Manager Food Standards, and General Manager Food Safety and Regulatory Affairs.

FSANZ risk assessment and risk management functions were conducted in different branches to separate these activities. In addition, a Chief Public Health and Nutrition Advisor provided strategic advice to FSANZ on public health and nutrition matters.

Working under strategic directions set by the Board; the CEO, in close consultation with other members of the Executive, leads and effectively manages agency operations. The management group, comprising section managers and the Executive, meets weekly. Section managers, and their respective Branch managers, are responsible for supervising staff to ensure they meet milestones, appropriately use budgets and staffing resources and contribute effectively to our goals and outcomes.

During the year, six senior executive service staff (which includes two staff members who separated from FSANZ in June 2014) received performance bonuses totalling \$121,598 and 20 employees received performance payments totalling \$148,783.

In 2014–15, FSANZ's executive team comprised:

#### Steve McCutcheon—Chief Executive Officer (CEO)

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

#### Dr Marion Healy—Deputy CEO and Chief Scientist

Dr Healy has executive responsibility for the agency's risk assessment activities involving chemical, microbiological and nutritional analyses. She is also responsible for the agency's innovation and reform function, strategic science, food surveillance and monitoring, food composition and consumption studies, dietary modelling, and information and communication technology.

#### Dean Stockwell—General Manager Food Standards

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

#### Peter May—General Manager Food Safety and Regulatory Affairs

Mr May is responsible for corporate governance, oversight of the Office of General Counsel (an independent provider of internal legal advice), maintaining the Food Standards Code, food safety and primary production and processing standards, food recall and response coordination and parliamentary and ministerial liaison. He also has executive oversight of communication and stakeholder engagement, parliamentary and ministerial liaison, and operations, including human resource management.

### Communication

In 2014–15, FSANZ's social media audience grew to more than 20,000, with more than 15,000 people liking our Facebook page and more than 5,000 following us on Twitter. These social media channels are proving increasingly important and provide valuable opportunities to inform and educate. Comments and questions from followers provide FSANZ with an opportunity to provide science-based information and to correct misinformation.

Our website also continues to evolve, attracting about one million visitors each year. About half of these visitors are people who have visited the website previously. Our web analytics indicate the repeat visitors are predominantly industry representatives, using online tools such as NUTTAB (food composition data tables) and the Nutrition Panel Calculator.

We continued to operate a strong program of interacting with our international scientific colleagues at conferences and expert meetings, as well as supporting professional associations and universities in Australia and New Zealand through speaking engagements (Appendix 8).

04

#### Case study: Raw bath milk

In December 2014, the media reported on the death of a toddler as a result of drinking unpasteurised milk marketed as bath milk.

FSANZ collaborated with enforcement agencies in the food regulatory system to develop materials stressing the risks of drinking unpasteurised milk. Fortunately, FSANZ had previously conducted a risk assessment as part of a proposal looking at raw milk products (cheeses). The risk assessment concluded that the risks from raw milk were too great to consider changing or removing processing requirements in the Food Standards Code that require that milk is pasteurised (or equivalently processed) to eliminate disease-causing bacteria that may be present. Our communication focused on this risk assessment, but linked to more general warnings for consumers by the NSW Food Authority.

The benefits of social media were demonstrated in this incident, with opportunities for FSANZ to provide scientific advice and, in one case, a history lesson on the development of pasteurisation as a process for mitigating the risks from raw milk.

#### Stakeholder publications

Our hard copy and online publications remain popular. The publications page on our website attracted more than 80,000 unique views in 2014–15. Our most popular publications (based on online statistics) are a mix of consumer and industry publications. The *Safe Food Australia* publication is consistently the most popular publication for industry, while the *Listeria and food* brochure remains popular among consumers. We also distributed more than 13,000 hard copies of the *Listeria and food* brochure during the year.

One of our key industry publications is the *Food Industry Recall Protocol*. We revised and republished this publication and distributed more than 5,000 copies during the year.

FSANZ regularly publishes risk assessments and other scientific publications. For example, this year we published a number of technical documents associated with our work on recommendations relating to an independent review of food labelling. These included a *Systematic Review of the Evidence for a Relationship between Trans-fatty Acids and Blood Cholesterol* and a *Narrative Review – The Relationship between Dietary Trans-fatty acids and Adverse Health Outcomes.* 

#### Industry and consumer advice

FSANZ plays a key role in the food regulatory system in coordinating food recalls and food incidents. We also play a role in food surveillance, working with other jurisdictions to undertake surveillance activities like the Australian Total Diet Study. Our advice to stakeholders also often relates to our standards development work, and risk assessments can lead us to develop advice for either consumers or industry.

In early 2015, FSANZ, and other food regulatory bodies in Australia, was faced with a significant communication challenge following a national recall involving frozen berries. In a rapidly evolving situation, our social media tools and web presence proved invaluable. At the height of the recall FSANZ's recall posts on social media had an estimated reach of more than 350,000.

We also published our risk assessment advice to the Australian Department of Agriculture.

#### Governance and process

#### Role and priorities

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

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

As described in the *Corporate Plan 2012–15*, FSANZ operates under three strategic imperatives:

- Build and sustain food standards and practices to support high standards of public health protection and a dynamic and sustainable food manufacturing sector.
- Maintain a transparent and evidence-based approach to regulation and the management of food risks.
- Support informed consumer decisions about food by collecting and providing relevant information.

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

FSANZ's priorities for 2015–16, in addition to applications and proposals on the FSANZ work plan (see website), are listed in Table 17.

Table 17: High	n priority	projects	for	2015-16
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FSANZ work area	Projects	Strategic imperative (2013–15 Corporate Plan)
Food labelling	<ul> <li>Labelling Review projects</li> <li>Health claims transition</li> </ul>	Support informed consumer decisions about food by collecting and providing
Public health	<ul> <li>Allergen labelling exemptions</li> <li>Lupins as an allergen</li> <li>Review of imported foods risk list</li> <li>Review of infant formula regulation</li> </ul>	relevant information.
Regulatory burden reduction	<ul> <li>Code revision (transition to implementation on 1 March 2016)</li> <li>Reform initiatives</li> </ul>	Build and sustain food standards and practices to support high standards of public health protection and
Chemical food safety	<ul> <li>Cyanogenic glycosides</li> <li>Nutritive substances and novel foods</li> <li>Sulphites and benzoates</li> </ul>	a dynamic and sustainable food manufacturing sector.
Microbiological food safety	<ul><li> Review of microbiological limits</li><li> BSE country assessments</li></ul>	
Food incidents and recalls	<ul><li>Incident response</li><li>Food recalls</li></ul>	Maintain a transparent and evidence-based approach to regulation and the
Strategic science	<ul><li>Science strategy development</li><li>Data management as part of an information hub</li></ul>	management of food risks.
Evidence-base development	<ul><li>Nutrient chemical projects</li><li>Food packaging</li><li>Tools for economic analysis</li></ul>	

#### **Regulatory partners**

FSANZ is one of three elements of the food regulatory system. The Australia and New Zealand Ministerial Forum on Food Regulation (known as the Legislative and Governance Forum on Food Regulation in 2013–14), supported by the Food Regulation Standing Committee (FRSC), develops and provides policy on food regulation. The states, territories and New Zealand ensure compliance and enforcement of provisions of the Food Standards Code, increasingly through the coordination activities of FRSC's Implementation Subcommittee for Food Regulation, of which FSANZ is a member.

#### Australian states and territories

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

#### New Zealand

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

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

We work collaboratively with the Ministry for Primary Industries, which has carriage of food standards matters in New Zealand. We are currently involved in a New Zealand intergovernmental group, comprising representatives of agencies involved in regulating genetically modified organisms in New Zealand, which is providing advice on the review of the Hazardous Substances and New Organisms (Organisms Not Genetically Modified) Regulations 1998.

## THE FOOD REGULATORY SYSTEM

roles and responsibilities in:



#### Governance and parliament

Contact with ministers and their offices throughout the year related to information, parliamentary-related functions and providing public affairs support.

#### FSANZ performance

#### Ministerial correspondence

	Completed on time	1–2 days late	3–7 days late	8–14 days late		Total for action	For info / no further action
2014–15	25	0	0	0	0	25	5
	100%	0%	0%	0%	0%	100%	
2013–14	21	0	0	0	0	21	5
	100%	0%	0%	0%	0%	100%	
2012–13	55	0	0	0	0	55	60
	100%	0%	0%	0%	0%	100%	

FSANZ also provided input into correspondence on a number of matters relating to FSANZ responsibilities, but which were the responsibility of the Department of Health or other departments in the Australian Government or state and territory governments.

Issues raised in the correspondence included general food safety issues, food additives including aspartame, food recalls, labelling issues including use-by dates and country of origin, chemical maximum residue limits, imported food issues, camel milk, bisphenol A and genetically modified food.

#### Ministerial submissions

	Sent	Returned
2014–15	22	17
2013–14	22	19
2012–13	26	26

Issues raised in submissions included FSANZ Board outcomes, BSE risk assessments, release of surveys, food recall issues, staff and Board travel to New Zealand, staff travel overseas and cost recovery.

#### Briefing note requests

	Received	Sent	Late
2014–15	5	5	0
2013–14	3	3	0
2012–13	4	4	0

FSANZ responded to briefing note requests on a number of matters relating to our responsibilities and provided input into briefings which were the responsibility of the Department of Health or other departments. Issues included additives, labelling, fortification, food-borne outbreaks, maximum residue limits, surveys, meetings with peak organisations and genetically modified food.

#### Parliamentary Questions on Notice

	Received	Sent	Late
2014–15	2	0	0
2013–14	0	0	0
2012–13	0	0	0

FSANZ also provided input into a very small number of answers to questions on notice (outside of the Estimates process) being managed by the Department of Health.

#### Senate Estimates

Senior staff members were required to appear before Senate Estimates on three occasions during the year (October 2014, February 2015 and June 2015). Issues raised during the hearings and in subsequent questions on notice included FSANZ's technical input into the responses to the Blewett labelling review recommendations, nanotechnology, health claims on formulated supplementary sports foods and electrolyte drinks (Proposal P1030), food irradiation, zoonotic diseases in and testing of kangaroo meat, hepatitis A in frozen imported berries, FSANZ's assessment processes, maximum residue limits and testing of imported food.

We also provided input into nine answers to questions on notice being managed by the Department of Health.

#### Question Time briefings

Question without notice are asked of ministers in Question Time in the Parliament and must be responded to orally. Briefings are prepared by FSANZ to help the Minister respond to any questions that fall within his or her responsibilities, known as Question Time Briefings (QTBs). These briefings are also kept current between Parliamentary Sittings to provide advance assistance to the Minister in dealing with urgent or controversial issues.

FSANZ prepared six QTBs. We also provided input to numerous QTBs prepared by other areas in the portfolio or other departments, where the issues crossed portfolio or agency responsibilities. Issues included imported food, raw milk products, food packaging, genetically modified food safety, MRLs and country of origin labelling.

#### Parliamentary inquiries

FSANZ made a submission to the Senate Economics Legislation Committee's Inquiry into the provisions of the Competition and Consumer Amendments (Deregulatory and Other Measures) Bill 2015.

FSANZ appeared before the New Zealand Parliamentary Select Committee on Primary Production inquiry into a petition calling for labels on all foods containing ingredients derived from genetic engineering techniques, and a freeze on all GM approvals by FSANZ, and that the House pass legislation to implement these requests. Officials from the New Zealand Ministry for Primary Industries and Ministry for Foreign Affairs and Trade were also present.

#### **FSANZ Board**

FSANZ is governed by a twelve-member Board drawn from Australia and New Zealand, who have a wide range of expertise and experience in food matters. Nine Australian members are appointed by the Australian Assistant Minister for Health, in consultation with the Australia and New Zealand Ministerial Forum on Food Regulation (Forum), following consultation with the Australian, state, territory and New Zealand governments and consideration by the Cabinet. Three New Zealand members are nominated by the New Zealand Government and appointed by the Australian Assistant Minister for Health.

Members of the Board may be drawn from a number of areas of expertise covering public health, food science, medical science, consumer policy, primary industry, the National Health and Medical Research Council, the food industry and government. All members are part-time, except for the FSANZ Chief Executive Officer. Details of the qualifications of Board members and their attendance at meetings are summarised in Appendix 1.

The CEO, Mr Steve McCutcheon, is an *ex-officio* member of the Board. Mr McCutcheon's current period of appointment expires on 28 October 2015.

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

The Board meets at least four times per year and also convenes through teleconferences, as required. Four Board meetings and four Board teleconferences were held in 2014–15, with the outcomes published on FSANZ's website.

#### Ethical standards

The Board Charter includes guidelines for dealing with directors' conflicts of interest and material personal interests as required by the *Public Governance, Performance and Accountability Act 2013* and the Public Governance, Performance and Accountability Rule 2014.

#### Board performance

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

Along with the biennial review, two Board members undertake an evaluation at alternate meetings. The Chair discusses the evaluation with the CEO and other Board members, as appropriate.

#### Finance, Audit and Risk Management Committee

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 FSANZ's 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.

In 2014–15, FARMC, under the chairmanship of Dr Dave Roberts, continued to monitor the corporate governance and risk management activities of the agency, advising the Board on FSANZ's appetite for risk in relation to strategic, operational and fraud control matters. The committee monitors the identification and management of risks to FSANZ, providing assurance that reasonable steps have been taken to address the risks by reducing the likelihood they (and their consequences) will occur.

FARMC also oversees our corporate risk assessment processes, and these risk assessments inform both FARMC's risk monitoring activities and the Strategic Internal Audit Plan. Internal audits considered by FARMC in 2014–15 related to the management of the transition to the *Public Governance, Performance and Accountability Act 2013*, review of workplace diversity and disability and review of ICT procurement.

#### **Remuneration and Senior Staff Committee**

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

FSANZ commenced a recruitment search for a Chief Executive Officer and a General Manager Food Standards (Wellington). The second term of office of Mr Steve McCutcheon, our current CEO, finishes at the end of October 2015 and Mr Dean Stockwell, our current General Manager in New Zealand, retired on 30 June 2015.

#### Directors' insurance

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

#### Business planning and management

#### Consultants, competitive tendering and contractors

We spent \$2.085m on consultants and contractors during the year on services and products costing more than \$10,000 (see Appendix 7 for details).

#### Corporate planning

Before the enactment of the *Public Governance, Performance and Accountability Act 2013*, there was no statutory requirement for agencies to prepare a corporate plan. FSANZ's current *Corporate Plan 2012–15* was prepared as a matter of good corporate practice and followed a guideline established by the Australian National Audit Office.

In 2014–15, the FSANZ Board conducted a review of the strategic environment and identified strategic themes for future FSANZ operations. This work has led to the development of *Corporate Plan 2015–19*, which will be published on the FSANZ website.

FSANZ's Risk Management Framework and Governance Framework were revised to form a suite of documents aligned with the Corporate Plan and the Portfolio Budget Statement.

The Board's strategic intent for 2015–19 is:

- reposition FSANZ as a trusted source of expert advice for food regulation and policy development
- build on our scientific and technical expertise
- build on established links with trusted experts and counterparts
- enhance stakeholder engagement
- focus on efficiency and effectiveness.

FSANZ will focus on three main areas of core business:

- develop food regulatory measures or contribute to other control measures using the risk analysis process
- coordinate recalls, manage food incidents and conduct surveillance and monitoring
- provide food-related scientific and technical advice and information.

#### Fraud control plan

The FSANZ fraud control plan is in its last year of operation and will be renewed in 2015–16. The plan outlines the process and procedures FSANZ undertakes to limit fraud risk in the agency. Reports on fraud risk mitigation are regularly provided to FARMC to ensure that the current risk management activities, such as separation of duties and the credit card purchasing guidelines, are effective in addressing fraud risk.

#### Cost recovery arrangements

Fees are payable for assessing applications, where the development or variation of a standard would confer an exclusive capturable commercial benefit on an applicant. An applicant may also elect to pay a fee to expedite the start of the consideration of an application.

Following amendments to the FSANZ Regulations, current hourly charges for the general procedure were applied to applications to vary high level health claims from 1 June 2015.

We are reviewing the current hourly charges applied for cost recovery and intend to hold a public consultation on a draft Cost Recovery Implementation Statement in the second half of 2015.

### Anticipation

#### Maximum residue limits

FSANZ continues to consider requests to harmonise maximum residue limits (MRLs) with international MRLs established by Codex or those established in another country. Requests from stakeholders for the 2014 MRL proposal are now gazetted. This year, FSANZ developed and published a guide for MRL proposals to help requesters and to streamline the MRL harmonisation proposal process.

Work has commenced on requests received for the 2015 MRL proposal. The value of the guide was demonstrated by the quality and completeness of the requests received for the proposal. The anticipated timelines for the 2015 MRL proposal are on the FSANZ website and have been communicated widely to stakeholders.

#### Nanotechnology

FSANZ is progressing work on reviewing the application of nanotechnologies to existing food additives which are relatively insoluble for which permissions exist in the Code. The review will also cover nanotechnology and food packaging. FSANZ continues to monitor nanotechnology issues, international regulatory activities and participates in the national inter-governmental health, safety and environment working group.

#### Chemical migration from packaging into food

A proposal has been raised to address potential health risks resulting from the migration of chemicals from packaging into food (CMPF) and to establish whether current management measures used by industry are adequate or if there is a demonstrated need for FSANZ to amend requirements in the Code.

FSANZ released its first public consultation paper on CMPF in late 2014. The paper presented an overview of the packaging supply chain, potential public health issues associated with CMPF, and the range of control measures which address chemical migration. Questions were posed to gather information about the size and range of the food packaging market, what packaging is used and what standards and practices packaging manufacturers and food manufacturers are using to manage any risks relating to this issue.

Risk profiling of packaging chemicals is underway to identify any potentially unmanaged risks from chemicals which may migrate from packaging into food. This will provide a focus for future risk assessment activities. This work, together with an analysis of market intelligence data and knowledge on the uptake of control measures, will provide a sound basis for the future direction of Proposal P1034 and any subsequent risk management activities.





# Appendix 1: FSANZ Board members, attendance, qualifications and experience

### Attendance and qualifications

Member	Qualifications	Meetings	Teleconferences
Ms Philippa Smith AM (Chair)	BEc (University of Sydney)	4/4	2/3
Professor Mary Barton AO	BVSc (University of Sydney)	4/4	2/3
	PhD University of Melbourne		
	Dip Bact (University of Manchester)		
	MBA (Deakin University)		
	FANZCVS FASM		
	Hon DVSc (University of Melbourne)		
Ms Lyn Bentley	Chef and successful small business owner	3/4	3/3
Professor Martin Cole	BSc, Biological Sciences (Manchester Metropolitan University)	3/4	3/3
	PhD, Microbiology (Institute of Food Research, University of East Anglia)		
	Graduate of Australian Institute of Company Directors		
	IFT Certified Food Scientist (CFS)		

Member	Qualifications	Meetings	Teleconferences
Associate Professor Stephen Corbett	MB BS (University of Queensland)	3/4 (attended four items for one meeting via teleconference)	3/3
	MPH (University of Sydney)		
	MRCGP FAFPHM FAICD		
	Conjoint Associate Professor, School of Public Health and Western Clinical School, University of Sydney		
Professor Lynne Daniels	MSc Grad Dip Nutrition Dietetics (Flinders University)	4/4	3/3
	PhD (Flinders University)		
Ms Jenni Mack	BA (Journalism) (University of Queensland)	4/4	3/3
	MALP (University of Sydney)		
	Graduate Certificate International Food Laws and Regulation (Michigan State University)		
Mr Steve McCutcheon (CEO)	BEc	4/4	3/3
	GradDipPubLaw		
Dr Andrew McKenzie QSO	BVSc (Massey University)	4/4	3/3
	DVPH (Massey University)		
Mr Tony Nowell CNZM	BBS part-time and extramurally (Auckland University, University of Otago and Massey University – not completed)	4/4	1/3
Dr Dave Roberts	BSc (Hons) (University of Liverpool)	4/4	3/3
	PhD (Australian National University)		
Mr Neil Walker JP	JP BSc (Victoria University of Wellington)	4/4	2/3
	BBS (Massey University)		
	FNZIFST FNZIC DIGTP		
Observer			
Dr Anne Astin		3/4	1/3

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## Experience

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.	

 $^{\ast}$  These organisations are prescribed in the FSANZ Regulations.

#### Ms Philippa Smith AM (term expires 30 June 2016)

Ms Philippa Smith AM [s. 116(1)(a)] was appointed Chair of the FSANZ Board in July 2008. Ms Smith is a former Commonwealth Ombudsman, CEO of the Association of Superannuation Funds of Australia and the inaugural Chair of the Consumer's Health Forum. She has developed strong strategic skills and extensive experience in ensuring effective accountability and governance structures across a number of portfolios.

#### Emeritus Professor Mary Barton AO (term expires 30 June 2017)

Emeritus Professor Mary Barton [s. 116(1)(f)], worked for many years in veterinary diagnostic and research laboratories in NSW, 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.

#### Ms Lyn Bentley (term expires 30 June 2017)

Ms Bentley's [s. 116(1)(g)] passion for food began with a chef apprenticeship in London and although sidetracked by studies in the fields of business and accountancy, she returned to her first love of food. She started Western Australian based Sticky Fingers Gourmet Foods as a home based business 15 years ago and has been instrumental in its continued growth within Australian and international markets. Ms Bentley has been an active participant in the Food Industry Association of Western Australia as well as the CCIWA Food Industry Advisory Group, and was a member of the team chosen to provide evidence to the Senate Committee for the Australian Food Processing Review. As a member of the FSANZ Board, Ms Bentley's experience brings a fresh perspective as to how Board level decisions may be perceived and effectively implemented by the food service industry and small business.

#### Professor Martin Cole (term expires 30 June 2017)

Professor Martin Cole [s. 116(1)(f)] is the Director of Commonwealth Scientific and Industrial Research Organisation (CSIRO) Flagship of Food, Nutrition and Bioproducts at Australia's CSIRO. Prior to joining CSIRO, Professor Cole was the Director of the United States National Centre for Food Safety and Technology (NCFST) one of the US Federal Drug Administration (FDA) Centre's 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 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 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 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*.

#### Professor Lynne Daniels (term expires 30 June 2017)

Professor Daniels [s. 116(1)(e)] is an academic dietitian with over 35 years of experience. She is currently Head of the School of Exercise and Nutrition Sciences at Queensland University of Technology (QUT). From 2006–11 Professor Daniels held a research capacity building chair in the QUT Institute Health and Biomedical Innovation. Professor Daniels spent the first 10 years of her career as a clinical paediatric dietitian and during this time completed a research MSc. In 1988 she was appointed to an academic post in the School of Medicine at Flinders University and in 1995 completed her PhD examining the selenium status of preterm infants. At Flinders University her primary role was co-ordinator of the nutrition and dietetic education programs. Professor Daniels' research interests include feeding practices in early childhood and the prevention and treatment of childhood obesity. She currently leads the NH&MRC-funded NOURISH project that is evaluating an early feeding intervention to prevent childhood obesity and the TRIM Kids project that will deliver PEACH <sup>™</sup>, a weight management program for moderately obese primary school aged children and their families across Queensland.

#### Ms Jenni Mack (term expires 30 June 2017)

Ms Jenni Mack [s. 116(1)(d)] has worked in consumer affairs since 1992 when she was Executive Director of the Australian Federation of Consumer Organisations. Her work has spanned food, chemicals, telecommunications, energy and financial services policy incorporating areas such as industry self-regulatory and co-regulatory practices, professional standards and codes of practice. Ms Mack has worked closely with regulators and government agencies on good regulatory science, community education, licensing, best practice enforcement and compliance schemes, and community and social research projects.

#### Mr Steve McCutcheon (Chief Executive Officer) (term expires 28 October 2015)

Mr McCutcheon [s. 116(1)(b)] holds a Bachelor of Economics degree and has undertaken further studies in public law and public policy. He was appointed CEO of FSANZ in October 2007. Prior to his appointment, Mr McCutcheon held a number of senior executive positions in the Commonwealth Department of Agriculture, Fisheries and Forestry. During that time, he led the team that developed the new food regulatory framework for Australia and New Zealand under the auspices of the Council of Australian Governments. Mr McCutcheon also led the Australian delegation to annual sessions of the Codex Alimentarius Commission.

#### 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.

#### Mr Tony Nowell CNZM (term expires 30 June 2017)

Mr Tony Nowell [s. 116(1)(c)] has had extensive senior executive experience across various industries (including food) both internationally and within New Zealand. This has included holding positions such as CEO of Zespri International; Managing Director of Griffin's Foods; Regional Vice President of Sara Lee Asia; Zone Manager for Sara Lee Indonesia, Philippines and Thailand; Managing Director of Sara Lee Indonesia; Managing Director of L'Oreal Indonesia; and Operations Manager of L'Oreal New Zealand. Mr Nowell's other roles and responsibilities have included being the former Chair of the New Zealand Packaging Accord Governing Board and the New Zealand Government Food and Beverage Taskforce; and include Chairmanship of the New Zealand Forest Research Institute and Wellington Drive Technologies, as well as directorships at New Zealand Food Innovation Auckland and the Export Advisory Board of Business New Zealand. Mr Nowell has represented New Zealand as a member of the APEC Business Advisory Council since 2007.

#### Dr David Roberts (term expires 30 June 2017)

Dr David Roberts [s. 116(1)(g)] is a food and nutrition consultant with extensive experience in health and science. He has expertise in public health, food science, food allergy, human nutrition, food safety, food industry, food processing/retail, government and regulation. Dr Roberts was the Deputy CEO and Scientific and Technical Director of the Australian Food and Grocery Council for five years until October 2007. Prior to that, he had held the Foundation Chair in Nutrition and Dietetics (established 1991) at the University of Newcastle for 10 years. Dr Roberts was at Sydney University for 12 years teaching and researching in nutritional biochemistry. He is a former Chair of the Federation of Australasian Nutrition Organisations, former President of the Nutrition Society of Australia (three years), former Chair of the NSW Branch of AIFST (one year), former Chair of the inaugural Complementary Medicines Evaluation Committee of the Therapeutic Goods Administration (four years) and former member of the editorial board of the British Nutrition Foundation (10 years+).

#### Mr Neil Walker JP (term expires 30 June 2016)

Mr Neil Walker [s. 116(1)(ca)] is a food scientist with 35 years of experience in the dairy industry in New Zealand. He is a fellow of both the Institute of Chemistry and the New Zealand Institute of Food Science and Technology (NZIFST); and was the Dairy Chair of the NZIFST. He has had experience as chair, Director, trustee and committee member in relation to public councils and authorities; private trusts; companies and organisations; and national, community, charitable and family entities.

## Appendix 2: Report against 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 before 1 July 2007) requires FSANZ to report on its processing of applications and proposals in the following way:

During 2014–15, FSANZ progressed 4 Applications received before 1 October 2007:

- (v) **0** were withdrawn;
- (vi) **0** were rejected by FSANZ;
- (vii) **0** were finalised and notified to the Forum;
- (viii) **0** were considered after a request for a review and notified to the Forum; and
- (ix) **4** were still being progressed as at 30 June 2015.

During 2014–15, FSANZ progressed 4 Proposals prepared before 1 October 2007:

- (v) **1** was abandoned by FSANZ;
- (vi) **1** was finalised and notified to the Forum;
- (vii) **0** were considered after a request for a review and notified to the Forum; and
- (viii) 2 were still being progressed as at 30 June 2015.
- (e) Any occasion during 2014–15 that FSANZ, after preparing a draft standard or a draft variation of a standard, failed to make a decision under section 18 of the FSANZ Act (as was in force before 1 July 2007) within the period required under section 35 (as was in force before 1 July 2007) and a statement of the reasons for that failure:

Nil

(f) Extensions of time FSANZ granted under subsection 35(2) of the FSANZ Act during 2014–15 and the reasons for those extensions:

Nil

(g) The number of applications made to the Administrative Appeals Tribunal during 2014–15 for a review of a decision made by FSANZ:

(h) The results of the applications made to the Administrative Appeals Tribunal that were determined during 2014–15:

N/A

(i) The number of standards made under the FSANZ Act during 2014–15:

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

- (j) The number of draft standards and draft variations approved during 2014–15 under:
  - (i) section 18 of the FSANZ Act
  - 0
- (k) The number of occasions during 2014–15 when requests were made under section 21 of the FSANZ Act (as was in force before 1 July 2007) for a review of a draft standard or draft variation:

0

(I) The number of occasions during 2014–15 when requests were made under section 22 of the FSANZ Act (as was in force before 1 July 2007) for a review of a draft standard or draft variation:

0

(m) The number of occasions during 2014–15 when a draft standard or draft variation was rejected under section 23 of the FSANZ Act (as was in force before 1 July 2007):

0

- (n) The number of occasions during 2014–15 when requests were made under section 28A of the FSANZ Act (as was in force before 1 July 2007) for a review of a standard or variation:
  - 0
- (p) The number of occasions during 2014–15 when a standard or variation was revoked or amended under section 28C of the FSANZ Act (as was in force before 1 July 2007):

## 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 2014–15:
- (ab) The number of applications accepted under subsection 26(1) during 2014–15:
   17
- (ac) The number of applications rejected under subsection 26(1) during 2014–15 and the reasons for the rejections:

0

(ad) The number of applications withdrawn in 2014–15 under subsection 24(1) during the current year:

1

(ae) The number of applications accepted under subsection 26(1) during 2014–15 that FSANZ had not begun to assess under section 29 during 2014–15:

3

(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 2014–15:

0

 the number of applications that were considered under Subdivision D of Division 1 of Part 3 during 2014–15:

19

(b) the number of applications that were considered under Subdivision E of Division 1 of Part 3 during 2014–15:

0

(c) the number of applications that were considered under Subdivision F of Division 1 of Part 3 during 2014–15:

 (d) the number of applications that were considered under Subdivision G of Division 1 of Part 3 during 2014–15:

0

(e) for each of those Subdivisions, the number of applications considered under that Subdivision that were disposed of during 2014–15 and the manner of their disposal:

#### Subdivision D:

- 11 Approved
- 0 Withdrawn
- 0 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 2014–15 (for Approval only):

#### Subdivision D:

8.7 months

- A1088 8.5 months
- A1090 15 months
- A1091 6.5 months
- A1092 7 months
- A1094 8 months
- A1096 7.5 months
- A1097 9 months
- A1098 8.5 months
- A1099 8.5 months
- A1101 9 months
- A1103 8 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 2014–15:

1

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

16 months

(g) the number of applications made during 2014–15 in relation to which a charge fixed under section 146 was payable:

11

(h) the number of applications made during 2014–15 in relation to which no charge fixed under section 146 was payable:

5

(i) the average number of days that elapsed between the acceptance or rejection under section 26 of an application made during 2014–15 in relation to which no charge fixed under section 146 was payable, and the commencement of the assessment of the application under section 29:

104 days

- A1100 accepted 28 August 2014, clock start 1 April 2015 (216 days)
- A1101 accepted 5 September 2014, clock start 30 September (25 days)
- A1104 accepted 8 October 2014, clock start 17 December 2014 (70 days)
- (j) each occasion during 2014–15 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:

1

A1090 Due 12 February 2015, completed 20 May 2015

 (k) each occasion during 2014–15 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

0

(ka) The number of applications declared under section 95 to be urgent applications during 2014–15:

0

(I) the number of proposals prepared by FSANZ under section 55 during 2014–15:

6

(la) The number of proposals prepared under section 55 during 2014–15 that FSANZ had not begun to assess under section 59 during that year:

0

(Ib) 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 2014–15

0

- (n) the number of proposals that were disposed of during 2014–15 and the manner of their disposal:
  - 7 Approved
  - 0 Abandoned
- 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 2014–15:

#### General

7.4 months
P1029 8.5 months
P1033 2.5 months
P1035 8 months
M1010 10.5 months
Minor

1.5 months P1036 1.5 months

#### Major

25.3 months P1022 26.5 months P1025 24 months 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

23 days P1034 3 days P1035 3 days P1036 81 days P1037 16 days P1038 34 days M1011 18 days M1012 4 days

- (pa) The number of proposals prepared under section 55 during a previous financial year that the FSANZ had begun to assess under section 59 before the end 2014–15, but that the FSANZ had not disposed of before the end of 2014–15:
  - 8
- (pb) For a proposal covered by paragraph (pa), the period that has elapsed since the proposal was prepared under section 55:
  - P1016 41 months (prepared 2/2/12)
  - P1024 30.5 months (prepared 13/12/12)
  - P1026 28 months (prepared 1/3/13)
  - P1027 26.5 months (prepared 18/4/13)
  - P1028 23.5 months (prepared 17/7/13)
  - P1030 17 months (prepared 1/2/14)
  - P1031 15 months (prepared 8/4/14)
  - P1034 14 months (prepared 30/4/14)
- (pc) The number of proposals declared under section 95 to be urgent proposals during 2014–15:
In relation to applications or proposals declared to be urgent under section 95, either in 2014–15 or in previous financial years, the number which were disposed of under section 101 and the manner of their completion:

0

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

0

(q) the number of applications made to the Administrative Appeals Tribunal during 2014–15 for review of decisions of FSANZ:

0

 the results of the applications made to the Administrative Appeals Tribunal that were determined during 2014–15:

N/A

### (s) the number of standards made during 2014–15:

Gazettal and registration on the Federal Register of Legislative Instruments of amendments to the *Australia New Zealand Food Standards Code* occurs throughout the year after the Forum 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 12 applications and proposals.

Amendment No. 149 (31 July 2014)	
P1014 – Primary Production & Processing Standard for Meat & Meat Products	To develop a national food safety standard covering meat and meat products from the major and minor meat species e.g. cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu.
P1017 – Criteria for <i>Listeria monocytogenes</i> – Microbiological Limits for Foods	To update Standard 1.6.1 with regards to criteria for <i>Listeria</i> <i>monocytogenes</i> limits in ready-to-eat foods; aligning with international (Codex) standards, Food Safety and Primary Production and Processing Standards and associated FSANZ guidance material.

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Amenument No. 150 (50 Octobe		
A1094 – Food derived from Herbicide-tolerant Cotton Line DAS-81910-7	To seek permission for food derived from herbicide-tolerant cotton genetically modified to provide resistance to 2,4-D and glufosinate-ammonium.	
P1033 – Code Maintenance XII	To make minor amendments including the correction of typographical errors, inconsistencies and formatting issues and updating of references.	
Amendment No. 151 (4 December 2014)		
A1088 – Sodium Hydrosulphite as a Food Additive	To include sodium hydrosulphite (sodium dithionite) as a food additive to be used in the processing of canned abalone.	
A1091 – Enzyme Nomenclature Change – Carboxyl Proteinase to Aspergillopepsin I & II	To seek amendments to the processing aid Standard to update the current entry for the enzyme carboxyl proteinase.	
Amendment No. 152 (15 January	y 2015)	
P1029 – Maximum Level for Tutin in Honey	To develop a permanent maximum level for tutin in honey.	
Amendment No. 153 (26 Februar	ry 2015)	
A1092 – Irradiation of Specific Fruits & Vegetables	To seek permission to irradiate 12 specific fruits and vegetables (apple, apricot, cherry, nectarine, peach, plum, honeydew, rockmelon, strawberry, table grape, zucchini and scallopini (squash) for phytosanitary purposes.	
A1096 – Xylanase from <i>Bacillus licheniformis</i> as a Processing Aid (Enzyme)	To approve a genetically modified strain of <i>Bacillus licheniformis</i> as a source for the enzyme xylanase for use in the bread-making industry.	
P1022 – Primary Production & Processing Requirements for Raw Milk Products	To consider further permissions for the production and sale of raw milk products.	
Amendment No. 154 (10 April 2015)		
P1025 – Code Revision	To revise the Australia New Zealand Food Standards Code to improve legal efficacy and for related purposes.	
Amendment No. 155 (30 April 2015)		
M1010 – Maximum Residue Limits (2014)	To consider varying certain maximum residue limits for residues of agricultural or veterinary chemicals that may occur in food.	

### Amendment No. 150 (30 October 2014)

- the number of draft standards and draft variations approved during 2014–15 under each of the following:
  - (i) section 33 and 63: 17
     (ii) section 41 and 69: 1 *P1036* (iii) section 52 and 78:

0 **section 97** 0

(ta) the number of variations given to the Authority under subsection 82(6) during 2014–15:

The Australian Pesticides and Veterinary Medicines Authority gazetted and registered on the Federal Register of Legislative Instruments 8 amendments to Schedule 1 of Standard 1.4.2:

APVMA 7, 2014	29 July 2014
APVMA 8, 2014	26 August 2014
APVMA 9, 2014	21 October 2014
APVMA 10, 2014	16 December 2014
APVMA 1, 2015	27 January 2015
APVMA 2, 2015	24 February 2015
APVMA 3, 2015	5 May 2015
APVMA 4, 2015	2 June 2015

- the number of occasions during 2014–15 when requests were made by the Council under Division 3 of Part 3 for a review of a draft standard or draft variation:
  - 0
- (v) the number of occasions during 2014–15 when a draft standard or draft variation was rejected by the Council under Division 3 of Part 3:

1

- (w) the number of occasions during 2014–15 when requests were made by the Council under Division 4 of Part 3 for a review of a standard or variation:
- (x) the number of occasions during 2014–15 when a standard or variation was revoked or amended by the Council under Division 4 of Part 3:

0

0

### (y) a summary of policy guidelines notified to FSANZ during 2014–15:

Updated Policy Guideline on the *Regulatory Management of Caffeine in the Food Supply* (notified to FSANZ on 21 July 2014) provides guidance on the expectations for the regulatory management of caffeine in the food supply.

New Policy Guideline on the Labelling of foods produced or processed using new technologies (notified to FSANZ on 21 July 2014) provides guidance on the expectations for the case-by-case consideration of labelling of foods produced or processed using a new technology following a pre-market safety assessment. The guidance applies when developing or reviewing a food regulatory measure that regulates all foods produced or processed using a new technology. The guidance recognises that labelling on foods produced or processed using a new technology can be an issue of consumer interest, but acknowledges that labelling of foods produced or processed using a new technology following a pre-market safety assessment is not a public health and safety issue.

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

N/A

### Appendix 3: External FSANZ committee members

Appendixes

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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	Number of meetings and teleconferences	Number of informal consultations*
Advisory Committee on Novel Foods	5	0
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	3	0
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	2	1
Purpose: to oversee and guide the country BSE food safety assessments conducted by FSANZ.		
Consumer and Public Health Dialogue	3	0
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	2	0
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.		

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Committees and Groups	Number of meetings and teleconferences	Number of informal consultations*
Health Claims Scientific Advisory Group	2	1
Purpose: to provide advice on the quality of evidence relating to food-health relationships for assessing health claims.		
Jurisdictional Forum	5	0
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.		
Packaging Advisory Group	3	1
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	2	1
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	2	5
Purpose: to provide expert social sciences and economics advice to FSANZ to help FSANZ develop and review the social sciences and economics evidence base underpinning its decisions.		
Surveillance and Monitoring Working Group	4	0
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	1	0
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.		

\* May include workshops, request for advice on issues outside of meetings. General email contact not included.

Advisory Committee on Novel Foods		
Mr Andrew Davies	New South Wales Food Authority	
Ms Julia Edmonds	Ministry for Primary Industries, NZ	
Ms Enita Ostojic	Department of Health, WA	
Mr John van den Beuken	Ministry for Primary Industries, NZ	
Mr John Ward	Department of Health and Human Services, Vic	

Allergen Collaboration	
Ms Geraldine Batty	Allergy and Anaphylaxis Australia
Mr Tony Beaver	Food and Beverage Importers Association
Mr Mark Bell	Progressive Enterprises Ltd (NZ)
Ms Vidya Bhadarkar	Woolworths Australia
Ms Marisa Bidois	Restaurant Association of New Zealand
Ms Heather Carnegie	Restaurant Brands (NZ)
Ms Samantha Cunninghame	ALDI Australia
Ms Andrea Currie	ALDI Australia
Ms Linda Derrett	Metcash
Mr Mark Dixon	Allergy New Zealand
Ms Rebecca Dobbs	Hospitality New Zealand
Ms Simona Eltobaji	Metcash
Mr Stephen Ferguson	Australian Hotels Association
Ms Fiona Fleming	Australian Food & Grocery Council, Allergen Forum
Ms Lidia Fogo	Metcash
Ms Kirsten Grinter	Allergen Bureau
Ms Vanessa Hattersley	Coles Australia
Ms Carole Inkster	New Zealand Food and Grocery Council
Ms Sally Johnston	Ministry for Primary Industries, NZ
Ms Penny Jorgensen	Allergy New Zealand
Dr Leanne Laajoki	Implementation Subcommittee for Food Regulation
Ms Janet Lymburn	Ministry for Primary Industries, NZ

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### Allergen Collaboration

Ms Gabrielle Martinovich	New South Wales Food Authority
Ms Julie Newlands	Allergen Bureau
Ms Angela O'Shea	ALDI Australia
Mr George Passas	Metcash
Mr Bruce Robertson	Hospitality New Zealand
Ms Maria Said	Allergy and Anaphylaxis Australia
Ms Robin Sherlock	Allergen Bureau
Ms Carlita Warren	Restaurant and Catering Australia
Mr Brad Watts	Australian Hotels Association

### Australian BSE Food Safety Assessment Committee

Dr Bill Matthews	Department of Agriculture, Cwth
Dr Helen Scott-Orr	University of Sydney

Consumer and Public Health Dialogue	
Ms Sue Chetwin	Consumer NZ
Ms Michelle Clewett	Department of Health, Cwth (observer)
Ms Katinka Day	CHOICE
Ms Annaleise Goble	Agencies for Nutrition Action (NZ)
Ms Delvina Gorton	Agencies for Nutrition Action (NZ)
Ms Clare Hughes	Australian Chronic Disease Prevention Alliance
Prof Mark Lawrence	Deakin University
Prof Amanda Lee	Queensland University of Technology
Ms Christel Leemhuis	Department of Health, Cwth (observer)
Mrs Noela MacLeod	Country Women's Association of Australia
Ms Christina McKerchar	University of Otago
Ms Barbara Radcliffe	Dietitians Association of Australia
Dr Rosemary Stanton	Public Health Association of Australia
Ms Nicole Turner	University of Newcastle

Food Allergy and Intolerance Scientific Advisory Group	
Professor Katrina Allen	Royal Children's Hospital, Melbourne
Dr Robert Loblay	Royal Prince Alfred Hospital, Sydney
Dr Jane Peake	Lady Cilento Children's Hospital, Brisbane
Dr Jan Sinclair	Starship Children's Hospital, Auckland
Dr William Smith	Royal Adelaide Hospital

Health Claims Scientific Advisory Group		
Assoc Prof Leigh Blizzard	Menzies Research Institute, University of Tasmania	
Prof Richard Head	University of South Australia	
Prof Manny Noakes	CSIRO	
Prof Robert Scragg	University of Auckland	
Prof Murray Skeaff	University of Otago	
Prof Wayne Smith	University of Sydney	
Prof Elizabeth Waters	University of Melbourne	
Prof Peter Williams	University of Wollongong, University of Canberra	

Jurisdictional Forum	
Mrs Tracie Brady	Department of Agriculture, Cwth
Ms Nola Caffin	Queensland Health
Ms Joanne Cammans	Department of Health, SA
Ms Milena Canil	Department of Health and Human Services, Vic
Ms Clare Chandler	Ministry for Primary Industries, NZ
Dr Kerry Chant	NSW Health
Ms Erica Clifford	Department of Health and Human Services, Vic
Mrs Candy D'Menzie-Bunshaw	Department of Health and Human Services, Vic
Ms Margaret Darton	Department of Economic Development, Jobs, Transport and Resources, Vic
Mrs Yvette Dethridge	Department of Agriculture, Cwth

Jurisdictional Forum	
Ms Tenille Fort	Queensland Health
Mr Gary Fan	Department of Agriculture, Cwth
Ms Julia Edmonds	Ministry for Primary Industries, NZ
Mr Paul Goldsmith	Department of Health and Human Services, Vic
Mr Jayanti Gupta	Department of Agriculture, Cwth
Ms Katerina Gurney	Department of Agriculture, Cwth
Dr Heather Haines	Department of Health and Human Services, Vic
Mr Stuart Heggie	Department of Health and Human Services, Tas
Mr Edward Jansson	New South Wales Food Authority
Dr Fay Jenkins	Department of Health, SA
Mr David Larkings	Queensland Health
Ms Jenny Hazelton	Department of Health, Cwth
Mr Dean McCullum	Department of Health, SA
Mr Scott McKenzie	Department of Agriculture, Cwth
Ms Fiona Murray	Department of Agriculture, Cwth
Mr Stewart Quinn	Department of Health and Human Services, Tas
Mrs Monique Reardon	Department of Health and Human Services, Tas
Ms Jenny Reid	Ministry for Primary Industries, NZ
Ms Judy Seal	Department of Health and Human Services, Tas
Dr Robert Solomon	Department of Agriculture, Cwth
Mrs Patricia Spire	Department of Agriculture, Cwth
Mr Vojkan Stefanovic	ACT Health
Ms Lee-Ann Swift	Department of Agriculture, Cwth
Mr John Van Den Beuken	Ministry for Primary Industries, NZ
Mr John Ward	Department of Health and Human Services, Vic
Ms Tracy Ward	Department of Health, NT
Ms Sophe Williamson	Department of Health, WA

Packaging Advisory Group	
Mr Damien Alexander	Australian National Retailers Association
Dr Geoffrey Annison	Australian Food and Grocery Council
Mrs Elaine Attwood	Consumer Federation of Australia
Mr John van den Beuken	Ministry for Primary Industries, NZ
Mr Colin Felder	Australian Chamber of Commerce and Industry
Mrs Silvia Estrada-Flores	Food South Australia Inc
Ms Sharon Humphreys	Packaging Council New Zealand
Ms Carole Inkster	New Zealand Food and Grocery Council
Mr Edward Janssoen	New South Wales Food Authority
Mr Glen Martin	Department of Health, SA
Mrs Seema Narayan	Spotless
Mr Gavin Williams	Packaging Council of Australia

Retailers and Manufacturers Liaison Committee		
Dr Geoffery Annison	Australian Food and Grocery Council	
Ms Carol Bate	Fonterra Australia Pty Ltd	
Mr Tony Beaver	Food and Beverage Importers' Association	
Dr Roger Bektash	Mars Food Australia	
Mr Mark Bell	Progressive Enterprises Ltd	
Mrs Tracie Brady	Department of Agriculture, Cwth	
Mr Stewart Davey	Dairy Australia	
Ms Helen Dornom	Dairy Australia	
Mr Gary Fan	Department of Agriculture, Cwth	
Mr Colin Felder	Australian Beverages Council Ltd	
Ms Fiona Fleming	Australian Food and Grocery Council	
Ms Kirsten Grinter	Nestlé Australia	
Ms Kira Goodall	Dairy Australia	
Ms Kirsten Hall	Department of Health, Cwth	
Mr Greg Harfod	Retail NZ	
Ms Jackie Healing	Coles Supermarkets Australia Pty Ltd	

Retailers and Manufacturers Liaison Committee		
Mr Barry Hellberg	New Zealand Retailers Association	
Ms Melissa Hodd	Foodstuffs (NZ) Ltd	
Ms Carole Inkster	New Zealand Food and Grocery Council	
Mr Colin Inkster	International Nutritional Products NZ	
Ms Julie Iommi	Dairy Australia	
Ms Sally Johnston	Ministry for Primary Industries, NZ	
Ms Jenny Hazleton	Department of Health, Cwth	
Ms Helen Mair	Dairy Australia	
Mr Scott McKenzie	Department of Agriculture, Cwth	
Mr Anthony Morgan	Woolworths Ltd	
Mr Fiona Mulder	Retail NZ	
Ms Julie Newlands	Unilever Australasia	
Ms Angela O'Shea	ALDI Stores	
Ms Bree-Anne Pagonis	Lion Australia Pty Ltd	
Mr Geoff Parker	Australian Beverages Council Ltd	
Mr George Passas	Metcash Trading Ltd	
Mr Mark Phythian	Department of Agriculture, Cwth	
Mr John Power	Department of Agriculture, Cwth	
Mr Nur Rahman	Gloria Jeans Coffees	
Ms Stephanie Rajczyk	Nestlé Australia	
Ms Katherine Rich	New Zealand Food and Grocery Council	
Ms Nadene Smith	Woolworths Ltd	
Dr Robert Solomon	Department of Agriculture, Cwth	
Ms Kim Staples	Parmalat (Aust) Ltd	
Ms Lee-Ann Swift	Department of Agriculture, Cwth	
Ms Jennifer Thompson	The Australian Industry Group	
Mr Kerry Tyack	New Zealand Juice and Beverage Association	
Ms Janine Waller	Lion Australia Pty Ltd	
Mr John Ward	Department of Health and Human Services, Vic	
Mr James Whittaker	Coles Supermarkets Australia Pty Ltd	

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Social Sciences and Economics Advisory Group		
Prof Jeff Bennett	Australian National University	
Prof Michael Burton	University of Western Australia	
Prof John Cary	Victoria University, Vic	
Prof John Coveney	Flinders University	
Prof Janet Hoek	University of Otago	
Assoc Prof Emily Lancsar	Monash University	
Prof Phil Mohr	University of Adelaide	
Assoc Prof Cliona Ni Mhurchu	University of Auckland	
Prof Carlene Wilson	Flinders University, Cancer Council of South Australia	

Surveillance and	Manufaction of	Marilina	
Surveillance and			

Ministry for Primary Industries, NZ
Queensland Health
Department of Health, Vic
Department of Health, WA
New South Wales Food Authority
ACT Health
Department of Health, SA
Department of Agriculture, Cwth
Department of Economic Development, Jobs, Transport and Resources, Vic
Primary Industries and Regions SA
Department of Health, WA
Department of Health and Community Services, NT
Department of Health and Human Services, Tas
Safe Food Production Queensland

Tutin Steering Committee	
Ms Natasha Abram	Ministry for Primary Industries, NZ
Mr Andrew Pavitt	Ministry for Primary Industries, NZ
Dr John Reeve	Ministry for Primary Industries, NZ
Ms Antonia Reid	Ministry for Primary Industries, NZ
Ms Jenny Reid	Ministry for Primary Industries, NZ
Mr Jim Sim	Ministry for Primary Industries, NZ

### Appendix 4: Financial statements







### INDEPENDENT AUDITOR'S REPORT

### To the Assistant Minister for Health

I have audited the accompanying annual financial statements of Food Standards Australia New Zealand for the year ended 30 June 2015, which comprise:

- · Statement by the Accountable Authorities, Chief Executive and Chief Finance Officer;
- · Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

### Director's Responsibility for the Financial Statements

The directors of Food Standards Australia New Zealand 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 and the rules made under that Act. The directors are also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

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

### Independence

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

### Opinion

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

- (a) comply with Australian Accounting Standards 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 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Peter Kerr Executive Director Delegate of the Auditor-General Canberra 17 September 2015



### FOOD STANDARDS AUSTRALIA NEW ZEALAND STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2015

		2015	2014
	Notes	\$	
NET COST OF SERVICES			
EXPENSES			
Employee benefits	ЗA	13,497,530	15,404,919
Suppliers	3B	5,757,871	4,488,184
Depreciation and amortisation	7A,7B	1,174,224	1,031,312
Finance costs	9B	16,505	12,188
Write-down and impairment of assets	7B	163,659	17,030
Foreign exchange losses		2,671	
Loss from asset sales	3C	1,761	
Total expenses	-	20,614,221	20,953,633
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	2,612,361	2,685,000
Interest for bank and term deposits	4B	335,854	380,165
Other revenue for miscellaneous projects	-	82,588	16,165
Total own-source revenue	-	3,030,803	3,081,330
Gains			
Gains from sale of assets	4C	-	3,434
Foreign exchange gains	-		2,367
Total gains	-		5,801
Total own-source income	-	3,030,803	3,087,131
Net cost of services	-	17,583,418	17,866,502
Revenue from Government		17,613,989	18,689,271
Surplus attributable to the Australian Government	-	30,571	822,769
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	-		4,547
Total other comprehensive income		-	4,547
Total comprehensive income attributable to the Australian Government	-	30,571	827,316

### FOOD STANDARDS AUSTRALIA NEW ZEALAND

STATEMENT OF FINANCIAL POSITION

		2015	2014
	Notes	\$	5
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	4,417,071	3,294,526
Trade and other receivables	6B	439,977	338,274
Investments - Term Deposit		7,324,919	7,065,611
Total financial assets	_	12,181,967	10,698,411
Non-Financial Assets			
Land and buildings	7A	682,624	999,539
Property, plant and equipment	7A	508,603	575,864
Intangibles	7B	2,353,731	2,813,555
Prepayments		123,438	213,050
Total non-financial assets	-	3,668,396	4,602,008
Total assets		15,850,363	15,300,419
LIABILITIES			
Payables			
Suppliers	8A	856,911	837,304
Other payables	8B	2,708,092	2,266,872
Total payables	_	3,565,003	3,104,176
Provisions			
Employee provisions	9A	4,368,695	4,324,707
Provision for restoration	9B	326,477	311,919
Total provisions	_	4,695,172	4,636,626
Total liabilities	_	8,260,174	7,740,802
Net assets	-	7,590,188	7,559,617
EQUITY			
Contributed equity		1,823,000	1,823,000
Reserves		2,101,953	2,101,953
Retained surplus	_	3,665,235	3,634,664
Total equity	_	7,590,188	7,559,617

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> FOOD STANDARDS AUSTRALIA NEW ZEALAND STATEMENT OF CHANGES IN EQUITY

51A1EMENT OF CHANGES IN EQUI for the period ended 30 June 2015

			Asset revaluation	aluation	Contributed	outed		
	Retained	Retained earnings	surplus	olus	equity	ty	Total equity	quity
	2015 S	2014 \$	2015 \$	2014 \$	2015 S	2014 \$	2015 \$	2014 \$
Opening balance	•	÷	÷	÷	•	÷	÷	÷
Balance carried forward from previous period	3,634,664	<b>3,634,664</b> 2,811,895 <b>2,101,953</b> 2,097,406 <b>1,823,000</b> 1,823,000 7, <b>559,617</b>	,101,953	2,097,406	1,823,000	1,823,000	7,559,617	6,732,301
Adjusted opening balance	3,634,664	<b>3,634,664</b> 2,811,895 <b>2,101,953</b> 2,097,406 <b>1,823,000</b> 1,823,000 7, <b>559,617</b>	,101,953	2,097,406	1,823,000	1,823,000	7,559,617	6,732,301
Comprehensive income								
Surplus for the period	30,571	<b>30,571</b> 822,769	'		'	'	30,571	822,769
Other comprehensive income	•		'	4,547	'	'		4,547
Total comprehensive income	30,571	822,769	•	4,547	•	•	30,571	827,316
Transactions with owners			'		,			'
Closing balance as at 30 June	3.665.235	<b>3.665.235</b> 3.634.664 <b>2.101.953</b> 2.101.953 <b>1.823.000</b> 1.823.000 7.590.188	.101.953	2.101.953	1.823.000	1.823.000	7.590.188	7.559.617

### FOOD STANDARDS AUSTRALIA NEW ZEALAND CASH FLOW STATEMENT

for the period ended 30 June 2015

		2015	2014
	Notes	\$	5
OPERATING ACTIVITIES			
Cash received			
Receipts from Government		17,479,000	19,306,000
Sales of goods and rendering of services		1,434,503	888,143
Funding from New Zealand Government		1,952,751	1,890,393
Receipts from States & Territories		-	34,304
Interest		343,312	385,994
Net GST received		427,936	377,070
Other		82,588	10,829
Total cash received	_	21,720,090	22,892,733
Cash used			
Employees		(13,576,077)	(15,990,945)
Suppliers		(6,261,897)	(4,655,656)
Other		-	(2,122,839)
Total cash used	_	(19,837,974)	(22,769,440)
Net cash from operating activities	10	1,882,116	123,293
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		800	5,425
Total cash received	_	800	5,425
Cash used			
Purchase of property, plant and equipment		(496,445)	(974,834)
Investments		(259,308)	(278,281)
Total cash used	-	(755,753)	(1,253,115)
Net cash used by investing activities	_	(754,953)	(1,247,690)
Net increase (decrease) in cash held	-	1,127,163	(1,124,397)
Cash and cash equivalents at the beginning of the reporting period	-	3,294,526	4,412,554
Effect of exchange rate movements on cash and cash equivalents at the		(4,618)	6,369
beginning of the reporting period Cash and cash equivalents at the end of the reporting period	6A -	4,417,071	3,294,526
cash and cash equivalents at the end of the reporting period	04	1,0/1	3,294,320

### FOOD STANDARDS AUSTRALIA NEW ZEALAND SCHEDULE OF COMMITMENTS

as at 30 June 2015

	2015	2014
BY TYPE	\$	\$
Commitments receivable		
Sublease rental income <sup>1</sup>	691,533	800,800
Contracts receivable 2	4,654,514	4,514,130
Net GST recoverable on commitments	699,734	796,040
Total commitments receivable	6,045,781	6,110,970
Commitments payable		
Operating leases 3	(9,263,166)	(10,498,441)
Other commitments 4	(370,001)	(573,906)
Total commitments payable	(9,633,168)	(11,072,347)
Net commitments by type	(3,587,386)	(4,961,377)
BY MATURITY		
Commitments receivable		
Within one year	2,640,469	2.579.656
Between one to five years	2,910,618	2,879,709
More than five years	494,694	651,605
Total commitments receivable	6,045,781	6,110,970
Commitments payable		
Operating lease commitments		
Within one year	(1,350,646)	(1,308,065)
Between one to five years	(4,876,214)	(5,015,455)
More than five years	(3,036,306)	(4,174,921)
Total operating lease commitments	(9,263,166)	(10,498,441)
Other Commitments		
Within one year	(361,287)	(494,132)
Between one to five years	(8,715)	(79,774)
Total other commitments	(370,001)	(573,906)
Total commitments payable	(9,633,168)	(11,072,347)
Net commitments by maturity	(3,587,386)	(4,961,377)

Note: Commitments are GST inclusive where relevant.

1. Sublease rental income relates to car parking spaces sub leased to staff.

2. Contracts receivable includes future receivables from contracts for the New Zealand Government partnership agreement and the Australian Bureau of Statistics for work on the Australian health Survey and term deposit interest.

Operating leases are in relation to office accommodation, car leases and equipment.
 Other commitments comprise mainly future payments to contractors and consultants under formally agreed contracts mainly for IT services.

Operating leases included are effectively non-cancellable and comprise:

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

### Table of Contents - Notes

Note 1: Summary of Significant Accounting Policies Note 2: Events after the Reporting Period Note 3: Expenses Note 4: Own Sourced Income Note 5: Fair Value Measurement Note 6: Financial Assets Note 7: Non-Financial Assets Note 8: Payables Note 9: Provisions Note 10: Cash Flow Reconciliation Note 11: Senior Management Personnel Remuneration Note 12: Related Party Disclosures Note 13: Financial Instruments

Note 14: Financial Assets Reconciliation

Note 15: Reporting of Outcomes

Note 16: Budgetary Reports and Explanations of Major Variances

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### Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Food Standards Australia New Zealand (FSANZ)

Food Standards Australian New Zealand (FSANZ) is an Australian Government comporate Commonwealth entity. It is an of for profit entity. The objective of FSANZ is to improve the health of all Australians. FSANZ is structured to meet one outcome - A safe food supply and well informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent improvementation of cond recall activities and the monitoring of consumer and industry food practices.

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

### 1.2 Basis of Preparation of the Financial Statements

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) Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and

(b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

### 1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

### Adoption of New Australian Accounting Standard Requirements

FSANZ has adopted AASB 2015-7 earlier than the application date as stated in the standard. This standard exempts not-for-profit public sector entities from disclosing the fair value measurement of property, plant and equipment assets which are primarily held for internal or policy use, rather than to generate future net cash flows.

During the 2014-15 financial year several accounting standards and interpretations that were issued prior to the signing of the financial statements by the Accountable Authority and Chief ncial Officer and are applicable to the current reporting period.

The accounting standards that had a material effect on FSANZ's financial statements for 2014-15 are summarised below.

Accounting Jandard: AASB1055- Budgetary Reporting Main changes: Requires reporting of budgetary information by not-for-profit entities within the General Government Sector

In particular:

original budget presented to Parliament
 variance of actual from budget; and

· explanations of significant variances AASB 1055 does not require prior-year budget comparative to be disclosed.

Impact on the FSANZ's 2014-15 financial statement

The FSANZ has disclosed budgetary information in the notes forming part of the financial statements (Note 16).

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

### Future Australian Accounting Standard Requirements

New standards, reissued standards, amendments to standards or interpretations ("the new requirements") applicable to future reporting periods have been issued by the Australian Accounting Standards Board during the year. It is anticipated that the new requirements will have no material financial impact on future reporting periods.

### 1.5 Revenue

### Revenue from the sale of goods is recognised when

· the risks and rewards of ownership have been transferred to the buyer

- · FSANZ retains no managerial involvement 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. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

### Interest revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. FSANZ only invests in term deposits or bank accounts with Authorised Deposit-taking Institutions (ADIs).

### Resources Received Free of Charge

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

### **Revenue from Government**

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 unless they are in the nature of an equity injection or a loan.

### 1.6 Gains

### Sale of Asset:

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

### 1.7 Transactions with the Government as Owner

### Equity injections

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

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### 1.8 Employee Benefits

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

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

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

### Leave

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

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

The liability for long service leave has been determined by reference to the 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. FSANZ 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 termination

### 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 ation fund

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

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 administered schedules and notes.

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

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

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

### 1.10 Fair Value Measurement

FSANZ deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

### 1 11 Financial Assets

<u>Cash and Cash Equivalents</u> Cash is recognised at its nominal amount. Cash and cash equivalents inclu

### (a) cash on hand: and

(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

### 1.12 Receivables

The 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 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.

### 1.13 Investments

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

### 1 14 Financial Liabilitie

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 iced)

### 1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote. FSANZ did not have any contingent assets or liabilities to report as at 30 June 2015. (2014:Nil)

### 1.15 Acquisition of As

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

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 2015.

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

Asset class	Fair value measurement
Leasehold improvements	Depreciated replacement cost
Property, plant & equipment	Market selling price

Following initial recognition at cost, property, plant and equipment is carried at fair value. Valuations were 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 depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation surplus except to the extent that it reverses 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 surplus/deficit except to the extent that they reverse and 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:

	2015	2014
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-10 years	3-15 years

### Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

### Derecognition

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

### 1.18 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 their anticipated useful lives. The useful lives of FSANZ's software are:

	2014	2013	
Internally developed software	10 Years	10 years	
Purchased	4 Years	4 years	

All software assets were assessed for indications of impairment as at 30 June 2015.

### 1.19 Taxation

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

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

· where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

### · for receivables and payables.

### 1.20 Foreign Currency

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

### 1.21 Comparative Figures

Comparative figures have been adjusted, where required, to conform with any presentation changes made in these financial statements and publishing errors. The accounting policies are consistent with the previous year except where otherwise disclosed.

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### Note 2: Events After the Reporting Period

There has been no event since 30 June 2015 that had the potential to significantly affect the ongoing structure and financial activities of FSANZ.

	2015 \$	201
Note 3A: Employee Benefits	3	
Wages and salaries	10,384,171	11,495,47
Superannuation		
Defined contribution plans	754,874	787,46
Defined benefit plans	1,152,856	1,193,89
Leave and other entitlements	1,165,290	1,152,91
Separation and redundancies	-	700,19
Other employee expenses	40,339	74,98
Total employee benefits	13,497,530	15,404,91
Note 3B: Suppliers		
Goods and services supplied or rendered		
Consultants	1,333,626	466,24
Contractors	429,730	345,0
Travel	862,512	725,1
Computer expenses	565,961	582,82
Subscriptions	167,444	184,60
Legal fees	51,414	243,8
Training	306,275	167,48
ISFR Project Officer	132,893	
Building running costs	114,682	132,9
Photocopying Printing & Stationery	69,851	98,8
Payroll processing costs	56,077	61,22
Audit Fees - ANAO	39,000	36,50
Venue Hire and working lunches	97,438	55,1
Actuarial and Interanl Audit Fees	60,848	60,09
Other	403,364	291,72
Total goods and services supplied or rendered	4,691,115	3,451,7
Goods and Services supplied or rendered		
Related parties	665,499	576,40
External parties	4,025,616	2,875,30
Total goods supplied	4,691,115	3,451,77
Other supplier expenses	`	
Operating lease rentals - Minimum lease payments	1,002,911	1,011,92
Workers compensation expenses	63,845	24,49
Total other suppliers	1,066,756	1,036,41
Total suppliers	5,757,871	4,488,18
Note 3C: Loss from asset sales		
Property, plant and equipment		
Proceeds from sale	(800)	
Carrying value of assets sold	2,561	
Total loss from asset sales	1,761	

05 Appendixes

	2015	2014
OWN-SOURCE REVENUE	\$	§
Note 4A: Sale of Goods and Rendering of Services		
New Zealand Government funding	1,952,751	1,890,393
Fee for service	211,485	138,460
CIS Revenue States & Territories	-	34,304
Nanotechnology	-	30,000
Surveys	81,818	210,500
APEC	67,215	
Labelling	147,526	319,805
ISFR Project Officer	151,566	26,315
GS1 Development	-	35,223
Total sale of goods and rendering of services	2,612,361	2,685,000
Sale of goods and rendering of services in connection with:		
Rendering of services - related parties	448,125	621,842
Rendering of services - external parties	2,164,236	2,063,158
Total sale of goods and rendering of services	2,612,361	2,685,000
Note 4B: Interest		10115
Deposits at call	82,999	104,454
Investments	252,855	275,711
	335,854	380,165
Total interest		
Total interest GAINS		
GAINS		
GAINS Note 4C: Gains from Sale of Assets	_	5,420
GAINS <u>Note 4C: Gains from Sale of Assets</u> Property, plant and equipment	-	5,420 (1,992
GAINS <u>Note 4C: Gains from Sale of Assets</u> Property, plant and equipment Proceeds from sale	- 	-

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date. Level 2: Tipous other than quoted prices induction in that are observable for the asset or liability, ether direcity or indirecity, level 3: Undowned inputs (or the asset or liability).

# Note 5A: Fair Value Measurements, Valuation Techniques and Inputs used

	the end of the reporting period		or 3)	
	2015 S	2014 S		
Non-financial assets				
Leasehold improvements				Cost Approach
	704,522	965,300	Level 3	- DRC
Other property, plant and equipment	5 08,60 3	575,864	Level 2	Market Approach
Total fair value measurements of assets in the statement of financial position	1,213,125	1,541,164		

FSNZ preund valuation services from Pickle Vulurien Services (PVS) and relied on valuation models provided by PVS FSNZ's asset policy requires that a formal independent valuation process is conducted at least once orey three to four yans. In years when an independent valuation is not conducted an assessment affectuard by management to accounde. This assessment normally focuses on 'indiances' to determine whelen there has been a material provement in the arrying amount of the assess since the last reporting data. The Sprovided varian searance to FSNZ that the model determine whele the has been a material provement in the arrying amount of the assessment area.

# Note 5B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements

Recurring and non-recurring Level 3 fair value measurements - valuation processes

There were no transfers between level 1 and level 2 during 2014-15.

FSANZ's policy for determining when transfers between levels are deemed to have occurred can be found in Note 11.11

## Note 5C: Reconciliation for Recurring Level 3 Fair Value Measurements

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	Land & Buildings	Land & Buildings	Total	Total
	2015	2014	2015	2014
	S	s	s	s
Opening balance	965,300	1,145,208	965,300	1,145,208
T otal gains/(losses) recognised in other comprehensive		39,157		39,157
income				
Purchases		40,049		40,049
Depreciation	(260,778)	(259,114)	(260,778)	(259,114)
Closing balance	704,522	965.3.00	704,522	965,300

These gains(tosses) are presented in the Shatement of Comprehensive Income under: Changes in asset revaluations surplus FSANZS polycit of determining when transfers between levels are deemed to have occurred can be found in N ete 1.1.11

FSAVE has chosen to early adopt AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Nov-for-Peff Public Storet Entritis at 30 June 2015. The future economic benefits of the FSAVE's non-financial assets are not primarily dependent on their ability to generate earl flows. FSAVE has not declosed qualitative information adoscrable inputs or a narrative description of the securitivities of the fair value measurements to changes in the undoscrable inputs.

Note 6: Financial Assets		
	2015	2014
Note 6A: Cash and Cash Equivalents	\$	9
AUSTRALIA		
Cash on hand or on deposit	4,345,558	3,179,403
NEW ZEALAND	.,	5,175,10
Cash on hand or on deposit	71,513	115,12
Total cash and cash equivalents	4,417,071	3,294,520
Note 6B: Trade and Other Receivables		
Goods and services receivables in connection with		
Related parties	148,632	53,814
External parties	94,263	51,63
Total goods and services receivables	242,895	105,449
Other receivables:		
Interest - Bank Accounts	6,248	7,253
Interest - Term Deposit	26,049	32,502
GST receivable	95,659	123,799
Other receivables	69,126	69,271
Total other receivables	197,082	232,825
Total trade and other receivables (gross)	439,977	338,274
Less impairment allowance	<u> </u>	
Total trade and other receivables (net)	439,977	338,274
Trade and Other receivables are expected to be recovered in no 1	more than 12 Months.	
Trade and other receivables (gross) are aged as follows:		
Not overdue	411,330	304,740
Overdue by:		
0 to 30 days	-	14,874
31 to 60 days	28,647	18,654
Total trade and other receivables (gross)	439,977	338,274

Goods and services receivable was with entities external to the Australian Government. Credit terms are net 30 days (2014: 30 days)

### Note 7: Non-Financial Assets

### Note 7A: - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

	Buildings -	Buildings -		
	Leasehold	Property, Plant		
	Improvements	& Equipment	Total	
	\$	\$	\$	
As at 1 July 2014				
Gross book value	1,247,377	575,864	1,823,241	
Accumulated depreciation and impairment	(247,838)	-	(247,838)	
Total as at 1 July 2014	999,539	575,864	1,575,403	
Additions:				
By purchase	-	167,477	167,477	
Revaluations and impairments recognised in other comprehensive income	-	-	-	
Depreciation	(316,915)	(232,177)	(549,092)	
Disposals:				
Other disposals		(2,561)	(2,561)	
Total as at 30 June 2015	682,624	508,603	1,191,227	
Total as of 30 June 2015 represented by:				
Gross book value	986,599	508,603	1,495,202	
Accumulated depreciation and impairment	(303,975)	-	(303,975)	
Total as at 30 June 2015	682,624	508,603	1,191,227	

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Buildings -			
	Leasehold Property, Plant			
	Improvements	& Equipment	Total	
	\$	\$	\$	
As at 1 July 2013				
Gross book value	1,427,285	718,671	2,145,956	
Accumulated depreciation/amortisation and impairment	(191,467)	(221,941)	(413,408)	
Total as at 1 July 2013	1,235,818	496,730	1,732,548	
Additions:				
By purchase	40,049	421,554	461,603	
Revaluations and impairments recognised in other comprehensive income	39,157	(34,610)	4,547	
Depreciation	(315,485)	(288,789)	(604,274)	
Disposals:				
Other disposals	-	(19,021)	(19,021)	
Total as at 30 June 2014	999,539	575,864	1,575,403	
Total as of 30 June 2014 represented by:				
Gross book value	1,247,377	575,864	1,823,241	
Accumulated depreciation and impairment	(247,838)	-	(247,838)	
Total as at 30 June 2014	999,539	575,864	1,575,403	

All revaluations were conducted in accordance with the revaluation policy stated at note 5. On 30th June 2015 an independent valuer Pickles No indicators of impairment were found for property, plant and equipment at 30 June.

No property, plant or equipment is held for sale, however, some assets may be sold as part of the normal refresh process within the next 12

### Note 7: Non-Financial Assets

### Note 7B: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the opening and closing balances of intangibles for 2015

	Computer		
	software	Computer software purchased \$	
	internally		Total S
	developed		
	\$		
As at 1 July 2014			
Gross book value	2,252,636	1,553,852	3,806,488
Accumulated amortisation and impairment	(52,664)	(940,269)	(992,933
Total as at 1 July 2014	2,199,972	613,583	2,813,555
Additions:			
By purchase or internally developed	116,067	212,900	328,96
Amortisation	(228,700)	(396,432)	(625,132
Write-down	(163,659)	-	(163,659)
Total as at 30 June 2015	1,923,680	430,051	2,353,731
Total as at 30 June 2015 represented by:			
Gross book value	2,205,044	1,766,752	3,971,79
Accumulated amortisation and impairment	(281,364)	(1,336,701)	(1,618,065
Total as at 30 June 2015 represented by:	1,923,680	430,051	2,353,73
Reconciliation of the opening and closing balances of intangibles for 2014			
	Computer		
	software	Computer	
	internally		
		software	
	developed	purchased	Total
			Total \$
	developed \$	purchased \$	\$
Gross book value	developed	purchased \$ 1,396,201	\$
Gross book value Accumulated amortisation and impairment	developed \$ 1,897,056	purchased \$ 1,396,201 (565,895)	\$ 3,293,25' (565,895
Gross book value Accumulated amortisation and impairment Total as at 1 July 2013	developed \$	purchased \$ 1,396,201	
Gross book value Accumulated amortisation and impairment Total as at 1 July 2013 Additions:	developed \$ 1,897,056 - 1,897,056	purchased \$ 1,396,201 (565,895) 830,306	\$ 3,293,25 (565,895 2,727,36
As at 1 July 2013 Gross book value Accumulated amortisation and impairment Total as at 1 July 2013 Additions: By purchase or internally developed	developed \$ 1,897,056 - 1,897,056 355,580	purchased \$ 1,396,201 (565,895) 830,306 157,651	\$ 3,293,25 (565,895 2,727,36 513,23
Gross book value Accumulated amortisation and impairment <b>Total as at 1 July 2013</b> Additions: By purchase or internally developed Amortisation	developed \$ 1,897,056 - - 1,897,056 355,580 (52,664)	purchased \$ 1,396,201 (565,895) 830,306 157,651 (374,374)	\$ 3,293,25 (565,895 2,727,36
Gross book value Accumulated amortisation and impairment <b>Total as at 1 July 2013</b> Additions: By purchase or internally developed Amortisation	developed \$ 1,897,056 - 1,897,056 355,580	purchased \$ 1,396,201 (565,895) 830,306 157,651	\$ 3,293,25 (565,895 2,727,36 513,23 (427,038
Gross book value Accumulated amortisation and impairment Total as at 1 July 2013 Additions:	developed \$ 1,897,056 - - 1,897,056 355,580 (52,664)	purchased \$ 1,396,201 (565,895) 830,306 157,651 (374,374)	\$ 3,293,25 (565,895 2,727,36 513,23 (427,038
Gross book value Accumulated amortisation and impairment Total as at 1 July 2013 Additions: By purchase or internally developed Amortisation Total as at 30 June 2014	developed \$ 1,897,056 - - 1,897,056 355,580 (52,664)	purchased \$ 1,396,201 (565,895) 830,306 157,651 (374,374)	\$ 3,293,25 (565,895 2,727,36 513,23 (427,038 2,813,55
Gross book value Accumulated amortisation and impairment Total as at 1 July 2013 Additions: By purchase or internally developed Amortisation Total as at 30 June 2014 Total as at 30 June 2014 represented by:	developed \$ 1,897,056 	purchased \$ 1,396,201 (565,895) 830,306 157,651 (374,374) 613,583	\$ 3,293,25 (565,895 2,727,36 513,23

No indicators of impairment were found for intangible assets at 30 June. No intangibles are expected to be sold or disposed of within the next 12 months.

Note 8:	Payables

	2015	2014
Note 8A: Suppliers	\$	\$
Suppliers in connection with		
Related parties	153,536	174,808
External parties	703,375	662,496
Total	856,911	837,304
Total suppliers payables	856,911	837,304

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

Note 8B: Other Payables		
Wages and salaries	312,469	453,564
Superannuation	60,729	59,167
Performance based pay	280,000	263,000
Unearned income	1,588,196	1,016,979
Lease incentives	327,413	404,891
Other	139,285	69,271
Total other payables	2,708,092	2,266,872
Other payables are expected to be settled in:		
No more than 12 months	2,541,482	2,000,019
More than 12 months	166,610	266,853
Total other payables	2,708,092	2,266,872

Note 9: Provisions		
	2015	2014
	\$	:
Note 9A: Employee Provisions		
Employee provisions are expected to be settled in:		
No more than 12 months	1,233,132	1,285,50
No more than 12 months		
More than 12 months	3,135,563	3,039,199

### Note 9B: Provisions for restoration

	Provision for restoration \$
As at 1 July 2014	311,919
Unwinding of discount or change in discount rate	16,505
Restatement of NZ Balance	(1,947)
Closing balance 2015	326,477

FSANZ currently has two agreements (2014: Two) for the leasing of premises which have provisions requiring FSANZ to restore the premises to their original condition at the conclusion of the lease. FSANZ has made a provision to reflect the present value of this obligation.

Note 10: Cash Flow Reconciliation		
	2015	2014
	\$	
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per:		
Cash flow statement	4,417,071	3,294,52
Statement of financial position	4,417,071	3,294,520
Discrepancy		
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(17,583,418)	(17,866,502
Revenue from Government	17,613,989	18,689,271
Adjustments for non-cash items		
Depreciation / amortisation	1,174,224	1,031,312
Net write-off of non-financial assets	163,659	17,030
Foreign Exchange loss/(gain)	2,671	(2,367
Loss (Gain) on sale of assets	1,761	(3,434
Unwinding of discount	16,505	12,18
Movements in assets and liabilities		
Assets		
(Increase) / decrease in net receivables	(101,703)	305,400
Decrease / (Increase) in prepayments	89,612	(47,436
Liabilities		
Increase / (decrease) in other payable	441,221	(1,589,950
		(774 612
Increase / (decrease) in employee provisions Increase in supplier payables	43,988 19,607	(724,613 302,394
### Note 11: Senior Management Personnel Remuneration

	2015	2015	2014	2014
	\$	\$	\$	\$
	Substantive	Part- time	Substantive	Part- time
	Managers	directors	Managers	directors
Short-term employee benefits:				
Salary	755,653	410,610	1,210,379	371,566
Performance bonuses	117,203	· -	122,543	-
Other	132,446	-	208,424	-
Total short-term employee benefits	1,005,301	410,610	1,541,346	371,566
Post-employment benefits:				
Superannuation	140,144	38,699	203,589	34,370
Total post-employment benefits	140,144	38,699	203,589	
rotar post-employment benefits	140,144	38,099	205,589	34,370
Other long-term benefits:				
Annual leave accrued	63,658	-	79,357	-
Long-service leave	25,888	-	27,865	-
Total other long-term benefits	89,545		107,222	-
Termination benefits				
Voluntary redundancy payments	-		147,707	-
Total termination benefits		-	147,707	-
Total	1,234,990	449,309	1,999,864	405,936
The total number of senior management personnel included in the table	4	11	6	11

### Note 12: Related Party Disclosures

FSANZ had no related party transactions during the year. (2014: Nil)

### Note 13: Financial Instruments

	2015	2014
	\$	\$
13A: Categories of Financial Instruments		
Financial Assets		
Receivables:		
Cash and cash equivalents	4,417,071	3,294,526
Trade and other receivables	344,318	214,475
Investments	7,324,919	7,065,611
Total receivables	12,086,308	10,574,612
Total financial assets	12,086,308	10,574,612
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	856,911	837,304
Total financial liabilities measured at amortised cost	856,911	837,304
Total liabilities	856,911	837,304
13B: Net Gain or Losses on Financial Assets		
Receivables		
Interest revenue	335,854	380,165
Foreign exchange (loss)/gain	(2,671)	2,367
Net gains on receivables	333,183	382,532
Net gains on financial assets	333,183	382,532

### 13C: Fair Value of Financial Instruments

	Carrying	Fair	Carrying	Fair value 2014
	amount	value	value amount 2015 2014	
	2015	2015		
	\$	\$	\$	\$
Financial Assets				
Receivables	12,086,308	12,086,308	10,574,612	10,574,612
Total	12,086,308	12,086,308	10,574,612	10,574,612
Financial Liabilities				
Trade creditors	856,911	856,911	837,304	837,304
Total	856,911	856,911	837,304	837,304

### Note 13: Financial Instruments (Cont'd)

### 13D: Credit risk

FSANZ was exposed to minimal credit risk as loans and receivables were cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. This amount was equal to the total amount of trade receivables (2015: \$344,318 and 2014: \$214,475). FSANZ has assessed the risk of the default on payment as minimal and no allowance for impairment has been made

FSANZ holds no collateral to mitigate against credit risk.

	Not Past Due	Not Past Due	Past due or	Past due or	
	Nor Impaired 2015	Nor Impaired 2014	impaired 2015	impaired 2014	
	\$	\$	\$	\$	
Receivables					
Cash and cash equivalents	4,417,071	3,294,526	-	-	
Trade and other receivables	315,671	180,948	28,647	33,528	
Investments	7,324,919	7,065,611	-	-	
Total	12,057,661	10,541,085	28,647	33,528	
Ageing of financial assets that are past due b	out not impaired for 2015		,		
Ageing of financial assets that are past due b	0 to 30	31 to 60	61 to 90	90+ dava	Tota
Ageing of financial assets that are past due b	0 to 30 days	days	days	days	Tota
	0 to 30				Tota
	0 to 30 days	days	days	days	
Receivables Trade and other receivables	0 to 30 days	days S	days \$	days \$	28,64
Receivables	0 to 30 days \$	days \$ 28,647	days S	days \$	

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	s s	s s	s s	s s	\$
Receivables					
Receivables for goods and services	14,874	18,654	-	-	33,528
Total	14,874	18,654	-	-	33,528

### 13E: Liquidity risk

FSANZ's financial liabilities were trade creditors and other payables. The exposure to liquidity risk is based on the notion that FSANZ will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to government funding and other mechanisms available to FSANZ and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

FSANZ has no past experience of default.

All non-derivative financial liabilities are expected to mature within 1 year (2014: 1 year)

FSANZ had no derivative financial liabilities in either 2015 or 2014.

13F Market risk FSANZ held basic financial instruments that did not expose FSANZ to certain market risks. FSANZ holds assets and liabilities in New Zealand dollars and is exposed to normal currency fluctuations in the Australian/New Zealand dollar exchange rate, however no other material exposures existed at year end.

### Note 14: Financial Assets Reconciliation

	2015	2014
	\$	5
Financial assets		
Total financial assets as per statement of financial position	12,181,967	10,698,41
Less: Non-financial instrument components		
Other receivables	95,659	123,799
Total financial assets as per financial instruments note	12,086,308	10,574,612

### Note 15: Reporting of Outcomes

FSANZ operates primarily in a single industry and has operations in both Canberra, Australia and Wellington, New Zealand.

FSANZ objectives, in developing or reviewing food standards as set down in legislation, are to: protect public health and safety; ensure the provision of adequate information relating to food to enable informed consumer choice; and prevent misleading and deceptive conduct.

Outcome 1: A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.

### Note 17A: Net Cost of Outcome Delivery

	Outco	ome 1
	2015	2014
	\$	\$
Expenses	20,614,221	20,953,633
Income from non-government sector		
Activities subject to cost recovery	211,485	138,460
Other	2,371,193	2,322,670
Total	2,582,678	2,461,130
Other	448,125	626,002
Net cost of outcome delivery	17,583,418	17,866,501

Outcome 1 is described in Note 1.1 as FSNAZ has one outcome the major classes of Departmental expense, income, assets and liability are shown in the Statement of Comprehensive Income and Statement of Financial Position.

The following tables provide a comparison between the 2014-15 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2014-15 financial statements. The Budget is not audited and does not reflect additional budget estimates provided

in the 2014–15 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2015–16 Portfolio Budget Statements (PBS). However major changes in budget have been explained as part of the variance analysis where

relevant

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- The variance between budget and actual is greater than 2% of the relevant category (Income, Expenses and Equity totals); or an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment .
- of the discharge of accountability and to an analysis of performance of an entity.

### Note 16A: Departmental Budgetary Reports

Statement of Comprehensive Income for the period ended 30 June 2015

	Actual	Budget e	stimate
		Original <sup>1</sup>	Variance
	2015	2015	201
	\$	\$	
NET COST OF SERVICES			
Expenses			
Employee benefits	13,497,530	15,798,000	(2,300,470
Suppliers	5,757,871	3,261,000	2,496,87
Depreciation and amortisation	1,174,224	605,000	569,22
Finance costs	16,505	0	16,50
Write-down and impairment of assets	163,659	0	163,65
Other expenses	4,432	0	4,43
Fotal expenses	20,614,221	19,664,000	950,22
Own-Source Income			
Own-source revenue			
Rendering of services	2,612,361	1,849,000	763,36
Interest	335,854	320,000	15,85
Other revenue	82,588	0	82,58
Fotal own-source revenue	3,030,802	2,169,000	861,80
Gains			
Other gains	0	0	
Total Gains	0	0	
Fotal gains	0	0	
Total own-source revenue	3,030,802	2,169,000	861,80
Net cost of services	17,583,419	17,495,000	88,41
Revenue from Government	17,613,989	17,495,000	118,98
Surplus attributable to the Australian Government	30,570	0	30,57
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves	0	0	
Total other comprehensive income	0	0	
Fotal comprehensive income attributable to the Australian Government	30.570		30.57

1. FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period

(i.e. from FSANZs 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

### Explanations of major variances Affected line items (and schedule) Employee benefits / Suppliers Employee benefits Employee benefits were below budget following the reduction in staff as a result of the voluntary redundancy programme and the active management of recruitment to ensure an affordable staffing level in future years. The impact of the voluntary redundancy programme was unknown at the time the budget was prepared. (Statement of Comprehensive Income) Suppliers Suppliers The increase in suppliers expense was due to hiring additional contractors and (Statement of Comprehensive Income) consultants to ensure projects were completed. This offset the underspend in employee expenses Depreciation and amortisation Depreciation and amortisation Depreciation budget had not been adjusted in prior year for significant software development and purchases. This was amended in the final budget published in the 2015-16 PBS Statements. (Statement of Comprehensive Income) Write-down and impairment of assets Write-down and impairment of assets (Statement of Comprehensive Income)

Rendering of Services (Statement of Comprehensive Income)

The budget is not known for this category so is not set.

### Rendering of Services

It is not possible to budget for all project work as it is not constant and depends on demand.

Appendixes

### Note 16: Budgetary Reports and Explanations of Major Variances

Note 16B: Departmental Budgetary Reports Statement of Financial Position

as at 30 June 2015

	Actual	Budget estimate		
		Original <sup>1</sup>	Variance	
	2015	2015	201	
	\$	\$		
ASSETS				
Financial assets				
Cash and cash equivalents	4,417,071	3,715,000	702,07	
Trade and other receivables	439,977	644,000	(204,023	
Investments	7,324,919	7,325,000	-8	
Fotal financial assets	12,181,967	11,684,000	497,96	
Non-financial assets				
Land and buildings	682,624	836,000	(153,376	
Plant and equipment	508,603	596,000	(87,397	
Intangibles	2,353,731	2,918,000	(564,269	
Prepayments	123,438	166,000	(42,562	
Fotal non-financial assets	3,668,396	4,516,000	-847,60	
Fotal assets	15,850,363	16,200,000	-349,63	
Payables				
Suppliers	856.911	317,000	539.91	
Other payables	2,708,092	3.252.000		
			(543,908	
Total payables	3,565,003	3,569,000		
	3,565,003			
Provisions		3,569,000	-3,99	
Provisions Employee provisions	4,368,695		-3,99 (1,504,305	
Provisions Employee provisions Other provisions		3,569,000	-3,99 (1,504,305 30,47	
Provisions Employee provisions Other provisions fotal provisions	4,368,695 326,477	3,569,000 5,873,000 296,000	-3,99 (1,504,305 30,47 -1,473,82	
Provisions Employee provisions Other provisions Total provisions Total liabilities	4,368,695 326,477 4,695,172	3,569,000 5,873,000 296,000 6,169,000	-3,99 (1,504,305 30,47 -1,473,82 -1,477,82	
Provisions Employee provisions Other provisions Total provisions Total liabilities Net assets	4,368,695 326,477 4,695,172 8,260,174	3,569,000 5,873,000 296,000 6,169,000 9,738,000	-3,99 (1,504,305 30,47 -1,473,82 -1,477,82	
Provisions Employee provisions Other provisions Total provisions Total liabilities Net assets	4,368,695 326,477 4,695,172 8,260,174	3,569,000 5,873,000 296,000 6,169,000 9,738,000	-3,99 (1,504,305 30,47 -1,473,82 -1,477,82 1,128,18	
Provisions Employee provisions Other provisions Total provisions Fotal liabilities Net assets EQUITY	4,368,695 326,477 4,695,172 8,260,174 7,590,188	3,569,000 5,873,000 285,000 6,169,000 9,738,000 6,462,000	-3,99 (1,504,305 30,47 -1,473,82 -1,477,82 1,128,18	
Other provisions Total provisions Total liabilities Net assets EQUITY Asset revaluation reserve	4,368,695 326,477 4,695,172 8,260,174 7,590,188 1,823,000	3,569,000 5,873,000 296,000 6,169,000 9,738,000 6,462,000 1,823,000	(543,908 -3,99 (1,504,305 30,47 -1,473,82 -1,477,82 1,128,18 1,128,18 ( 4,955 1,123,23	

1. FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period

(i.e. from FSANZs 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

### Explanations of major variances

Cash and cash equivalents

Undertook significant amount of project work that was unbudgeted and had higher than budgeted non cash expenses.

Trade and Other Receivables Budget is based on historical trends whereas actual is driven by timing of both the raising of invoices and the receipt of payments from debtors.

Non Financial Assets

Depreciation was higher than budgeted and some planned refurbishment and asset replacement did not happen as anticipated.

### Non Financial Assets

Budget is based on historical trends whereas actual is driven by timing of payments of invoices for the next financial year

### Suppliers

Significant expenditure and travel incurred in June that had not been paid. Other Payables

Significantly higher amounts of unearned revenue were taken to revenue (so less owing) than budgeted and the Code Interpretation Services (CIS) funding has ceased.

### Employee Provisions

Employee provisions were below budget following the reduction in staff as a result of the voluntary redundancy programme and the active management of recruitment to ensure an affordable staffing level infuture years. The impact of the voluntary redundancy programme was unknown at the time the budget was prepared.

Affected line items (and schedule)

Cash and cash equivalents

(Statement of Financial position)

Trade and Other receivables

(Statement of Financial position)

Land & Buildings , Plant & Equipment and Intangibles

(Statement of Financial position)

### Prepayments

(Statement of Financial position)

Suppliers (Statement of Financial position) Other Payables

(Statement of Financial position)

Employee Provisions

(Statement of Financial position)

### Note 16: Budgetary Reports and Explanations of Major Variances

### Note 16C: Departmental Budgetary Reports

	Actual	Budget estima	te
		Original	Variance <sup>2</sup>
	2015	2015	2015
—	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	17.479.000	17.495.000	(16.000)
Sale of goods and rendering of services	3,387,254	1,849,000	1,538,254
Interest	343,312	320,000	23.312
Net GST received from ATO	427,936	519,000	(91,064)
Other	82,588	0	82,588
Total cash received	21,720,090	20,183,000	1,537,090
Cash used			.,
Employees	(13,576,077)	(15,734,000)	2,157,923
Suppliers	(6,261,897)	(3,325,000)	(2,936,897)
Net GST paid from ATO	-	(519,000)	519,000
Total cash used	(19.837.974)	(19.578.000)	(259,974)
Net cash from/(used by) operating activities	1,882,116	605,000	1,277,116
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of non-financial assets	800	0	800
Total cash received	800	0	800
Cash used			
Purchase of land and buildings	0	150,000	(150,000)
Purchase of plant and equipment	167,477	200,000	(32,523)
Purchase of intangibles	328,967	200,000	128,967
Total cash used	496,444	550,000	(53,556)
Net cash from/(used by) investing activities	(495,644)	(550,000)	(53,556)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - departmental capital budget	0	0	C
Contributed equity - equity injections	0	0	C
Total cash received	0	0	0
Net cash from/(used by) financing activities	0	0	0
Net increase/(decrease) in cash held	1,386,472	55,000	1,331,472
Cash at the beginning of the reporting period	3,294,526	3,919,000	(624,474)
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	(4,618)	0	(4,618)

1. FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from FSANZs 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

4.676.380

3,974,000

### Explanations of major variances

Cash at the end of the reporting period

### Affected line items (and schedule)

702.380

The net change in cash held during 2014-15 was \$1.3 million higher than the original budget. The change was predominantly driven by the receipt of significant higher than budgeted receipts for services rendered. This included projects for DoH on Labelling the ABS on the Australian Health Survey , DFAT for APEC and significantly higher fees for application to amend the Food Standards Code. The remainder of the net change in cash has been explained in the variance analysis for the Statement of Comprehensive Income and the Statement of Financial Position

Net increase/ (decrease) in cash held

# Appendix 5: Functions and powers

Food Standards Australia New Zealand is a statutory authority established by the *Food Standards Australia New Zealand Act 1991.* The Act came into effect on 19 August 1991. FSANZ is part of the Health portfolio of the Australian Government and, on day-to-day matters, is accountable to the Assistant Minister for Health:

### Functions

- (1) The functions of the Authority are:
  - (a) in accordance with this Act, to develop standards and variations of standards, and to review standards and variations of standards; and
  - (b) in accordance with this Act, to develop codes of practice and variations of codes of practice for industry and to review codes of practice; and
  - (c) to develop guidelines to assist the interpretation of the Australia New Zealand Food Standards Code on its own initiative or in consultation with the States, the Territories and any other body or person that the Authority considers appropriate; and
  - (d) to promote consistency between standards in Australia and New Zealand with those used internationally, based on the best available scientific evidence; and
  - (e) in consultation with the States and Territories, or on its own initiative, to facilitate the harmonisation of State and Territory laws relating to food; and
  - (f) in consultation with the States and Territories, or on its own initiative, to co-ordinate the development of procedures required to implement requirements set out in standards; and
  - (g) in consultation with the States and Territories, to co-ordinate the monitoring, surveillance and enforcement of activities relating to food available in Australia; and
  - (h) in consultation with the States and Territories, or on its own initiative, to conduct research and surveys in relation to any of the matters that may be included in a standard; and

- (i) in co-operation with the States and Territories, to develop food education initiatives, including the publication of information to increase public awareness of food standards and food labels; and
- (j) in co-operation with the Department administering Division 1A of Part V of the *Trade Practices Act 1974*, to co-ordinate the recall of food under that Division; and
- (k) at the request of the States and Territories, to co-ordinate action by the States and Territories to recall food under State and Territory laws; and
- (I) to develop assessment policies in relation to food imported into Australia; and
- (m) to provide advice to the Minister on matters relating to food; and
- (n) to participate in international, regional and bilateral negotiations on matters that may be included in standards; and
- (o) to make the Authority's knowledge, expertise, equipment, facilities and intellectual property available to other persons on a commercial basis; and
- (p) at the request of New Zealand, to perform functions for New Zealand similar to the functions that the Authority may perform in relation to the States and Territories; and
- (q) at the request of New Zealand, to perform functions for New Zealand similar to the other functions that the Authority may perform; and
- (qa) such other functions as are conferred on the Authority by this Act; and
- (r) any functions incidental to any of the foregoing functions.
- (2) The function conferred by paragraph (1)(o):
  - (a) can only be exercised:
    - (i) for a purpose for which the Parliament has power to make laws; or
    - (ii) to utilise the Authority's spare capacity; and
  - (b) does not authorise the Authority to do something that would impede the Authority's capacity to perform its other functions.

### Powers

- (1) The Authority has power to do all things necessary or convenient to be done in connection with the performance of its functions and, in particular, may:
  - (a) enter into contracts; and
  - (b) acquire, hold and dispose of real or personal property; and
  - (c) occupy, use and control any land or building owned, or held under lease, by the Commonwealth and made available for the purposes of the Authority; and
  - (d) engage persons to perform services for the Authority; and
  - (e) provide assistance to bodies or persons to prepare submissions:
    - (i) relating to the development or consideration of draft food regulatory measures or draft variations of food regulatory measures; or
    - (ii) relating to the performance of any other function of the Authority;

if the Authority determines that such assistance will advance the development or consideration of that draft or the performance of that other function; and

- (f) accept gifts, grants, bequests and advances made to the Authority (whether on trust or otherwise) and act as trustee of money or other property vested in the Authority on trust; and
- (fa) form, or participate in the formation of, companies; and
- (fb) subscribe for or purchase shares in, or debentures and other securities of, companies; and
- (fc) participate in partnerships, trusts and unincorporated joint ventures; and
- (g) do anything incidental to any of its powers.
- (2) The powers of the Authority may be exercised within or outside Australia.

# Appendix 6: General and scientific publications (published in 2014–15)

## General publications

All general publications are available from www.foodstandards.gov.au. Limited hard copies of certain publications are available by emailing info@foodstandards.gov.au.

Please note the hard copy of the Australia New Zealand Food Standards Code and User Guides are available from SAI Global at

www.saiglobal.com/information/legislation/services/food or on +61 2 8206 6010.

Title	Description
Annual Report 2013–14	A report to the Australian Parliament on FSANZ's activities for the year.
Sports Foods Consumption in Australia and New Zealand	A general population survey of Australians and New Zealanders aged 15 years and older to understand the socio-demographic characteristics and consumption behaviours of sports-related food products.
Strengthening our evidence base – Food analytical program for the development of a nutrient database for estimating food consumption and nutrient intakes	This publication presents the main findings of FSANZ's food analytical program and provides information on the samples selected for analysis.
Imported food risk assessment – ready-to-eat berries and hepatitis A virus	FSANZ completed a risk statement on hepatitis A virus and imported ready-to-eat berries. The statement was given to the Department of Agriculture which is the enforcement agency for imported food.
Systematic Review of the evidence for a relationship between trans-fatty acids and blood cholesterol	This review sought to identify recently published literature relating to the consumption of trans fatty acids (TFAs) in the diet and associated changes in blood lipids, compare the outcomes of recent literature to the existing body of research, and evaluate the implications of these findings in an Australian and New Zealand context.
Survey of trans fatty acid (TFA) content of Australian and New Zealand foods	FSANZ completed a survey of TFAs in 2013 which shows TFA levels in food remain low.
Guidance for submitting requests for MRL proposals	Information about how FSANZ considers harmonisation requests for MRL proposals.
Promoting International Harmonisation of Food Standards	This publication outlines FSANZ's international activities and engagement.

Title	Description
Getting your claims right	This document, developed by the Implementation Subcommittee for Food Regulation (ISFR), provides guidance on how to comply with the Nutrition, Health and Related Claims Standard (Standard 1.2.7) in the Australia New Zealand Food Standards Code.
FSANZ Governance Framework	This document provides information about the governance of Food Standards Australia New Zealand.
Guidance on the application of microbiological criteria for <i>Listeria monocytogenes</i> in RTE food	This publication provides an overview to authorities and producers of ready-to-eat food of microbiological criteria for <i>Listeria monocytogenes</i> in RTE foods as specified in Standard 1.6.1.

# Scientific publications

FSANZ staff regularly author or co-author articles for scientific publications. Papers published in 2014–15 are listed below:

Berven L, Atkins L, Castles D, Mackerras D (2014), Origin of the Recommended Intake of L-Histidine by Infants, *European Journal of Nutrition & Food Safety, Vol 4 (4).* Pg 404–407

Fields BA, Reeve R, Bartholomaeus A\*, Mueller U. (2014) Human pharmacokinetic study of tutin in honey; a plant-derived neurotoxin. Food and Chemical Toxicology. 72: 234–241

Hambridge T, Baines J 2014. Use of the NCI method in risk assessments for food regulation, Proceedings of the Nutrition Society of Australia conference, Volume 38, Poster 102, 26–28 November 2014, Hobart.

Mackerras D, Larter C\* 2014. Does 24-hour recall data yield the proportion who meet recommendations for consuming particular foods? Proceedings of the Nutrition Society of Australia conference, Volume 38, Poster 33, 26–28 November 2014, Hobart.

Mackerras D, Larter C 2014. Updating an existing review, Proceedings of the Nutrition Society of Australia conference, Volume 38, Presentation, 26–28 November 2014, Hobart.

Sobolewski R, Cunningham J\*, Tompsett S, Pouliquin P\* (2014). Development of the new Australian survey specific database AUSNUT 2011–13, Proceedings of the Nutrition Society of Australia conference, Volume 38, Poster 103, 26–28 November 2014, Hobart.

# 6 Appendixes

Healy M and Butow B (2015). Chemical migration from packaging into food. *Food Australia* April/May, pp24–25.

Jin H, Berven L, Conlan J, Dalefield R, Healy M and Crerar S (2015). An Australian process that assesses country BSE food safety risk, (extended abstract). *European Journal of Nutrition and Food Safety*, pp121–125.

Dalefield R, Gosse M, Mueller U (2015) Acute toxicity of echimidine in male Wistar rats. Accepted for publication, J of Toxi Res.

Graf L, Hayder H\*, Mueller U (2014) Endogenous allergens in the regulatory assessment of genetically engineered crops. Food Chem Toxicol. 73:17–20.

Tonkin E., Wilson A.M., Coveney J.D., Webb T. and Meyer S. (2015), Trust in and through labelling – a systematic review and critique. *British Food Journal*, 117(1) pp. 318–338.

Wilson A., Henderson J.A., Coveney J., Meyer S., Webb T., Calnan M. et al. (2014), Media actors' perceptions of their roles in reporting food incidents. *BMC Public Health*, 14 pp. 1305.

\* Former FSANZ staff member.

# Appendix 7: Consultants

Consultant	Nature of consultancy	Amount excl. GST	Reason for use	Selection process
Acuity Research and Insights Pty Ltd	2015 Stakeholder Survey	34,181.81	A/B/C	Limited tender
Australian Bureau of Statistics (ABS)	Purchase of imported food statistics	11,127.28	С	Limited tender
Australian Government Solicitor (AGS)	Review of procurement templates	22,727.27	В	Pre qualified tender
Australian Government Solicitor (AGS)	Legal advice/training	23,813.19	В	Panel
Australian Government Solicitor (AGS)	Legislative drafting services for revision of the Australia New Zealand Food Standards Code & Legal advice	33,810.90	В	Pre qualified tender
Beyond Services Ltd	Temporary staff – Wellington office reception	19,422.59	A/B	Pre qualified tender
Clayton Utz	Temporary staff – Legal	22,714.00	A/B	Pre qualified tender
Dairy Food Safety Victoria	Development of raw milk cheese decision support tool	13,636.36	A/B	Limited tender
Deakin University	Purchase of infant formula data	38,100.00	С	Limited tender
Ernst & Young	Collection of data on the financial cost to the Australian and New Zealand jurisdictions of food regulatory activities	29,545.45	A/B	Panel
Estendart Ltd	Sulphites in food study	52,871.31	В	Limited tender
Face2Face Recruitment	Temporary staff ICT/dietary modelling/ consumer research	434,371.53	A/B	Pre qualified tender

Consultancies worth \$10,000 or more carried out in FSANZ in 2014–15

Consultant	Nature of consultancy	Amount excl. GST	Reason for use	Selection process
Global Foresight Network	Input to Board Strategic Workshop	23,863.64	В	Limited tender
Infofocus Australia Pty Ltd	Software project data programming	32,294.00	В	Panel
JOPAR Consulting	Review of ICT	11,900.00	A/B	Limited tender
Lawson Williams Consulting Ltd	Specialist recruitment services Senior Food Technologist	18,904.99	A/B	Limited tender
Linda R Scott & Associates Pty Ltd	Workshop facilitation	11,821.66	А	Pre qualified tender
Lynne Clapham	Consultancy work on standards development	17,190.17	A/B	Panel
Marsden Jacob Associates	Review of labelling cost model	40,382.72	A/B/C	Open tender
National Measurement Institute (NMI)	Analytical survey of heavy metals in shelf stable fruit	13,890.00	С	Limited tender
National Measurement Institute (NMI)	Analytical survey of mineral oils hydrocarbons	38,310.00	С	Limited tender
National Measurement Institute (NMI)	Key Foods Survey	224,799.00	В	Panel
Nelson-Tyers Consulting Pty Ltd	Occupational workplace assessments for new staff	13,336.82	А	Panel
NGS Global	Specialist recruitment services – Chief Executive Officer	51,066.02	В	Pre qualified tender
NZIER	Cost benefit analysis of energy labelling of alcoholic drinks	11,132.97	С	Open tender
Oakton Services Pty Ltd	Software project data programming	57,656.25	В	Panel
Paul Brent	APEC MRL project	11,000.00	В	Limited tender
Protiviti	Provision of internal audit services	37,124.50	В	Part of an existing contract

Consultant	Nature of consultancy	Amount excl. GST	Reason for use	Selection process
Ranstad Pyt Ltd	Temporary staff	65,376.64	А	Panel
	Canberra office reception			
Roy Morgan Research Ltd	Consumer labelling study	37,673.65	A/B	Open tender
Sapere Research Group Ltd	Review of project management procedures	47,920.00	A/B	Open tender
Sensory7 Pty Ltd	Temporary staff	34,021.93	В	Panel
	ICT			
Sensory7 Pty Ltd	Development of an electronic data records management system (EDRMS)	212,900.00	В	Open tender
Therapeutic Goods Administration (TGA)	Analytical survey of weight loss products	11,909.09	В	Limited tender
ToxConsult Pty Ltd	Nanotechnology research	39,999.98	В	Pre qualified tender
University of Otago	Systematic review of chromium	13,099.28	С	Limited tender
University of Technology Sydney (UTS)	Consumer and economic research	36,981.82	A	Limited tender
Verizon Australia Pty Ltd	ICT security risk assessment audit	20,000.00	С	Limited tender
Wardy IT Solutions	Software project data programming	75,185.75	В	Pre qualified tender
Wardy IT Solutions	Redevelopment of FSANZ's existing dietary modelling capabilities (Harvest)	91,147.50	В	Part of an existing contract
Wizard People	Temporary staff	48,018.18	A/B	Pre qualified
Pty Ltd	Scribes			tender
	Total	2,085,228.25		

### Reason for use

A - skills currently unavailable within agency

B - need for specialised or professional skills

C – need for independent research or assessmentAppendix 8: FSANZ representation

# Appendix 8: FSANZ representation

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# International forums attended

Date	International committee meeting or conference	Who attended	Country
12–18 July 2014	Codex Alimentarius Commission	Steve McCutcheon	Switzerland
29 July 2014	Food Standards Agency of the United Kingdom (UK FSA)	Steve McCutcheon	United Kingdom
31 July–1 August	Australia New Zealand	Marion Healy	New Zealand
	Science Forum (ANZSF)	Scott Crerar	
		Numerous FSANZ staff members for specific items	
17–26 August 2014	Global Coalition on Regulatory Science Research and Associated Events	Marion Healy	Canada
10–13 September 2014	APEC Food Safety Cooperation Forum	Steve McCutcheon Marion Healy	China
	(FSCF) events	Scott Crerar	
8–9 October 2014	Food Packaging Forum: Hazardous chemicals in food contact material	Barbara Butow	Switzerland
13–14 October 2014	WTO workshop on risk analysis	Peter May	Switzerland
20–24 October 2014	Codex Committee on Food Labelling (CCFL)	Jane Allen	Italy
14 November 2014	International Plant Toxin Forum	Leigh Henderson	Austria
14 November 2014	Chilean Food Safety Authority (ACHIPIA)	Amanda Hill	Chile
17–21 November 2014	Codex Committee on Food Hygiene	Amanda Hill	Peru
24–28 November 2014	36th session, Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU)	Janine Lewis	Indonesia

Date	International committee meeting or conference	Who attended	Country
2–5 December 2014	EFSA/WHO Expert Workshop on Threshold of Toxicological Concern	Utz Mueller	Belgium
4 December 2014	Seminar on New Plant Breeding Techniques (Biotechnology Coalition of the Philippines)	Janet Gorst	Philippines
18–18 March 2015	4th Beneficial Microbes Conference	Dorothy Mackerras	The Netherlands
19–20 March 2015	Society for Benefit-Cost Analysis Annual Conference	Jason March	United States
16–20 March 2015	9th session of the Codex Committee on Contaminants in Food (CCCF)	Leigh Henderson	India
20–27 March 2015	47th session of the Codex Committee on Food Additives (CCFA)	Steve Crossley	China
22–26 March 2015	54th Annual Meeting of the Society of Toxicology	Barry Fields	United States
14 April 2015	ILSI workshop on the molecular and genetic basis for potential unintended effects in modified plants	Lisa Kelly	France
15–17 April 2015	22nd Meeting of the OECD Task Force for the Safety of Novel Foods and Feeds	Lisa Kelly	France
20–22 April 2015	International Association of Food Protection European Symposium	Duncan Craig	United Kingdom

Date	International committee meeting or conference	Who attended	Country
22–23 April 2015	International Microbial Food Safety Liaison Committee	Duncan Craig	United Kingdom
11 May 2015	ILSI SEA Region Seminar on Understanding Consumer Science and Behaviour	Hazel Fowler	Indonesia
12–14 May 2015	5th International Workshop on Total Diet Studies	Nick Fletcher	Korea
8–12 June 2015	APEC High Level Policy Dialogue Agricultural Biotechnology Workshop: Fostering the Benefits of Innovation in Plant Breeding and Science Communication	Lisa Kelly	Philippines
16–25 June 2015	80th FAO/WHO Joint Expert Committee on Food Additives	Utz Mueller	Italy
	Committee on Food Additives	Tracy Hambridge	
16–18 June 2015	Joint Institute for Food Safety and Applied Nutrition Workshop: Evaluation of Risk Factors for Foodborne Listeriosis	Duncan Craig	United States
18–19 June 2015	3rd Workshop of Paris Risk Group of Social Scientists	Trevor Webb	The Netherlands

# Speaking engagements

Date	Event	Presenter(s)	Title
7 July 2014	Australian Society for Microbiology Annual Scientific Meeting (Melbourne)	Duncan Craig	The use of bacteriophages to control specific pathogens in food
18 August 2014	University of Otago, PGDipDiet course (Wellington)	Kim Crawley Gillian Duffy	FSANZ and the food regulatory system in Australia and New Zealand
22 August 2014	Australian Institute of Food Science and Technology Workshop (Perth)	Steve McCutcheon	Current policy and regulatory changes within the Australian food industry
26 August 2014	University of Canberra Nutrition and Dietetics course (Canberra)	Tracy Hambridge	Food and nutrition monitoring and surveillance systems in Australia
1 September 2014	University of Wollongong	Trevor Webb	The role of social sciences in food regulation
15 September 2014	University of Auckland	Diane Bourn	Food labelling
15 October 2014	Nutrition Society of Australia, ACT Branch	Kate Astridge	Careers in nutrition – epidemiology
24 November 2014	Nutrition Society	Janis Baines	Introduction to the AHS
	of Australia 38th National Conference	Tracy Hambridge	Methodology for
	- Pre-conference	Dorothy Mackerras	assessing and reporting usual intakes
	Workshop: Analysing Food and Nutrition Data from the Australian Health Survey (AHS)	Shari Tompsett	Alternative classifications of foods and reporting of food and nutrient intakes
	(Hobart)		for different purposes
4 December 2014	GS1 Australia Recallnet Seminar	Amber Gallagher	FSANZ's role coordinating recalls
5 December 2014	Standards Australia Food Safety Forum	Jenny Hazelton	FSANZ overview and focus (and a wee bit of labelling)

Date	Event	Presenter(s)	Title
9 December 2014	ACSPRI Social Science Methodology Conference 2014	Michelle Gosse	Social sciences research supporting food regulation in Australia and New Zealand
			Merging data from multiple official, other government, and non- government sources into a microsimulation
17 April 2015	Protein in Paediatrics	Leise Berven	How evidence feeds into
	Symposium (Melbourne)	Gillian Duffy	regulation of infant formula
23–24 April 2015	Department of Food Science	Diane Bourn	Lectures and seminar on food labelling, including
	University of Otago (Dunedin)		'Nutrition and health claims – moving with the times'
30 April 2015	FoodLegal Symposium on the revised Code	Cathie Humphries	FSANZ's role, revision outcomes, outstanding issues and future work by FSANZ
7 May 2015	Nutrition Society of	Tracy Hambridge	Australian Health Survey
	Australia, ACT Branch	(joint presentation with Leanne Luong from Australian Bureau of Statistics)	usual nutrient intakes 2011–12
11 May 2015	ILSI SEA Region Seminar on Understanding Consumer Science and Behaviour, (Jakarta)	Hazel Fowler	Nutrition claims and fortification – Impacts on consumer behaviour
14 May 2015	Infant Nutrition Council Labelling Master Class (Auckland)	Lisa Katzer	Labelling requirements in the Food Standards Code for infant formula products

Date	Event	Presenter(s)	Title
15 May 2015	Dietitians' Association of Australia – 32nd National Conference (Perth)	Tracy Hambridge	Usual nutrient intakes in Australia – key results from the 2011–12 National Nutrition and Physical Activity Survey
11 June 2015	Wellington R Users Group	Michelle Gosse	Applied Ggplot and introduction to ReporteRs
15–19 June 2015	SPI FDCPMC 12th Biennial International Symposium on Worldwide Regulation of Food Packaging	Glenn Stanley	Regulation of chemical migration from packaging into food



# Other information



# 6 Other information

# Acronyms and abbreviations

ACCC	Australian Competition and Consumer Commission
ADI	Acceptable daily intake
AFGC	Australian Food and Grocery Council
AHS	Australian Health Survey
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
AusAID	Australian Agency for International Development
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 and Certification Systems
(the) Code	Australia New Zealand Food Standards Code
Codex	Codex Alimentarius Commission and its committees
EEO	Equal Employment Opportunity
FAO	Food and Agriculture Organization
FDA	United States Food and Drug Administration
FOI	Freedom of Information

Australia and New Zealand Ministerial Forum on Food Regulation
Food Regulation Standing Committee
Food Standards Australia New Zealand
Food Standards Australia New Zealand Act 1991
Genetically modified
FSANZ dietary modelling and food composition data system
Inter-Government Agreement
Implementation Subcommittee for Food Regulation
Ministry for Primary Industries (New Zealand)
Memorandum of Understanding
Maximum residue limit
National Health and Medical Research Council
National Industrial Chemicals Notification and Assessment Scheme
Nutrient content of food in Australia (publication)
Nutrition Panel Calculator
Office of Best Practice Regulation
Organization for Economic Cooperation and Development
Office of the Gene Technology Regulator
Public Governance, Performance and Accountability Act 2013
FSANZ performance management and development system
Food Safety Quadrilateral meetings, involving Australia, New Zealand, Canada and the United States
Senior Executive Service

Therapeutic Goods Administration

World Health Organization

Work Health and Safety

(the) Forum

FRSC

FSANZ

GM

IGA

ISFR MPI

MoU

MRL

NHMRC

NICNAS

NPC

OBPR OECD

OGTR PGPA

PMD

SES

TGA

WHO

WHS

QUADS

Harvest

FSANZ Act

# Compliance index

FSANZ is a corporate Commonwealth entity (previously known as Commonwealth authorities and companies under the *Commonwealth Authorities and Companies Act 1997*). Under the Public Governance Performance and Accountability (Consequential and Transitional Provisions) Rule, application of the Commonwealth Authorities (Annual Reporting) Orders 2011 continues to apply to annual reports for these entities for the 2014–15 reporting period.

The checklist below summarises FSANZ's compliance with essential reporting requirements in this annual report.

Requirement	Yes/No	Comment	Page
CAC ACT 1997			
Timeframe for tabling in Parliament	Yes	Report tabled by 31 October 2015	iii
CAC ACT 1997, Schedule 1 – repo	rting requirements		
Report of operations	Yes		11 – 70
Financial statements	Yes	Appendix 4	101
Auditor-General's report	Yes	Appendix 4	101
Financial statements certification signed by directors	Yes	Appendix 4	101
Commonwealth authorities (Annua	I Reporting) order	s 2011	
Approval by directors [Letter of transmittal]	Yes	Letter of transmittal	iii
Exemptions	Nil		
Standards of presentation and content	Yes	Compliant with relevant requirements	
Parliamentary standards of presentation (including printing standards)	Yes	Report is B5, perfect bound with a full colour cover and internals. Internal colours do not bleed to the edge.	

Requirement	Yes/No	Comment	Page
Plain English and clear design	Yes	Report has been redesigned to aid navigability (e.g. improved compliance index) and improve coherence	
		Contents	iv
		Compliance index	124
		General index	128
Enabling legislation and responsibl	e Minister		
The authority's enabling legislation, including a summary of its	Yes	FSANZ's operating environment	xvi
objectives and functions	s and functions Roles and priorities Appendix 6	Roles and priorities	60
		Appendix 6	106
Ministerial responsibility	Yes	FSANZ's operating environment: the Senator Hon Fiona Nash, Assistant Minister for Health	xvi
Ministerial directions and other sta	tutory requirement	s	
Directions issued by the responsible or other Minister	Yes		n/a
Australian Government policies notified under the CAC Act before 1 July 2008 and still applicable	n/a		
General Policy Orders applicable under the CAC Act (s.48A)	n/a		
Directors			
Directors' details	Yes	Members of the FSANZ Board are directors of the agency	74
Directors' details	Yes	Board are directors of the	74
Directors' details Board meeting attendance	Yes	Board are directors of the agency	74

Requirement	Yes/No	Comment	Page
Organisational structure			
Organisational structure of the	Yes	Organisational chart	xix
authority (including subsidiaries)		Organisational structure	57
Location of major activities	Yes	Organisation chart	xix
and facilities		Organisation structure	57
		FSANZ employment profile	51
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		Other advisory committees	68
Education and performance review processes for directors	Yes	Business planning and management	67, 68
		Appendix 1	72
Ethics and risk management policies	Yes	Finance Audit and Risk Management Committee	67
Related entity transactions			
Disclosure of decision-making process by the Board when approval is given to purchase of goods/services from another entity	n/a		
Disclosure of decision-making process by the Board when a director is also a director of an entity providing goods/services	n/a		
Disclosure of decision-making process by the Board when aggregate value of transactions exceeds \$10,000	Yes	Appendix 7 contains details of consultancies over \$10,000, reasons for use and selection process	112
Key activities and changes affecting	ng the authority		
Significant events under the CAC Act (s.15)	Nil		
Operational and financial results	Yes	Appendix 4 – Financial statements	101
Key changes to authority's state of affairs or principal activities	Nil		

Requirement	Yes/No	Comment	Page
Amendments to the authority's legislation and to any other legislation relevant to its operations	Nil		
Judicial decisions and reviews by c	outside bodies		
Judicial decisions and administrative tribunal decisions	Nil		
Reports about the authority by the Auditor-General, a Parliamentary committee, Commonwealth Ombudsman or Office of the Australian Information Commissioner	Nil		
Subsidiaries			
Explanation on missing information on subsidiaries (if applicable)	n/a		
Indemnities			
ndemnity for officers, including oremiums paid or agreed to be paid	Yes	Insurance	68
Disclosure requirements for Government Business Enterprises	n/a		
ndex			
ndex of annual report requirements	Yes	Compliance index	124
Other statutory requirements			
<i>Commonwealth Electoral Act 1918</i> (s.331A): advertising, market research organisations and advertising campaigns	n/a		
Environmental Protection and Biodiversity Conservation Act 1999 (s.516A): ecologically sustainable development	Yes		55
<i>Occupational Health and Safety</i> Act 1991 (s.74): health and safety matters	Yes	Employment environment	55
<i>Work Health and Safety Act 2011</i> (Schedule 2, Part 4): health and safety matters	Yes	Employment environment	55

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### AUSTRALIA

Boeing House, 55 Blackall Street BARTON ACT 2600

PO Box 7186 Canberra BC ACT 2610 Australia

P +61 2 6271 2222

F +61 2 6271 2278

E info@foodstandards.gov.au

### **NEW ZEALAND**

Level 3, 154 Featherston Street WELLINGTON 6011

PO Box 10559 The Terrace, Wellington 6143 New Zealand

P +64 4 978 5630

F +64 4 473 9855

E info@foodstandards.govt.nz