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

Annual Report of the Australia New Zealand Food Authority
for the year ended 30 June 2002

I am pleased to present to you the Annual Report of the Australia New Zealand Food Authority. This report fulfills the reporting requirements of The Commonwealth Authorities and Companies Act 1997, including the Commonwealth Authorities and Companies orders for report of operations.

The report also fulfills the reporting requirements of Section 69 of the Australia New Zealand Food Authority Act 1991.

The Annual Report is made in accordance with separate resolutions of the former ANZFA Board Members (Directors) and Food Standards Australia New Zealand (FSANZ) Board Members (Directors). They are responsible for the preparation and content of the report of operations in accordance with the Finance Minister’s Orders.

Yours sincerely

IAN LINDENMAYER
MANAGING DIRECTOR

4th September 2002
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PREFACE

Guide to the report

This report follows, as far as possible, the requirements laid down in the Commonwealth Authorities and Companies Orders for Report of Operations, August 1998 under Clause 1 of Schedule 1 of the CAC Act.

The Chairman’s and Managing Director’s Forewords give their perspectives on the past year.

The Corporate Overview gives a snapshot of how ANZFA is organised, the processes involved in our decision-making and our relationship with other food regulatory bodies. It describes the new arrangements which came into force in July 2002, when Food Standards Australia New Zealand (FSANZ) replaced ANZFA as the food regulatory body.

The main text of the report is based on our three year Corporate Plan. It details activities and outputs in each of our Output Groups. Major outputs are listed at the end of each section.

Appendixes to the report contain detailed information on standards applications and proposals processed, in line with reporting requirements of the Australia New Zealand Food Authority Act 1991 (Appendix 1); our audited financial statements (Appendix 2); a statistical overview of our staffing (Appendix 3); the Authority’s functions and powers (Appendix 4); current publications (Appendix 5); categories of documents held by the Authority (Appendix 6); a list of the consultants used this year (Appendix 7); ANZFA representation, including a list of contributions to international forums, speaking engagements and articles by ANZFA staff members (Appendix 8); and a record of ANZFA Board members’ qualifications, experience and attendance at Board meetings and Audit Committee meetings (Appendix 9). A new appendix (10) has been included this year to include a number of new reporting requirements under the Commonwealth Disability Strategy, Fraud Control Guidelines and Ecologically Sustainable Development reporting guidelines.

Additional information

Additional information can be obtained by contacting Lydia Buchtmann, Program Manager, Public Affairs by telephone on 61 2 62712720 or by fax on 61 2 6271 2278.

Information on this Annual Report can be obtained from the Writer/Editor, Tania Bradley, on 61 2 6254 4896.

All publications can be viewed on the FSANZ website at www.foodstandards.gov.au
CHAIRMAN’S FOREWORD

This Annual Report for 2001–2002 is the final Annual Report for the Australia New Zealand Food Authority (ANZFA) as, from the 1 July 2002, ANZFA re-emerged as a new organisation: Food Standards Australia New Zealand. A major focus for the ANZFA Board in 2001–2002 has been to ensure a smooth transition to the new arrangement, while ensuring continuation of the important work of ANZFA in protecting public health and safety.

The new organisation will build on the work of ANZFA which has seen an immense amount of effort and progress through its total review of the regulations covering food standards in Australia and New Zealand. This work, which was not uncontroversial, will result in the new Food Standards Code coming fully into effect in our two countries in December 2002. Additionally, ANZFA has been at the scientific forefront in devising and implementing safety assessment procedures for genetically modified products and in playing a leading role in the Australian response to the mad cow disease (BSE) outbreak in Europe.

An objective measure of the organisation’s scientific and professional standing is provided by the increasing number of international requests for ANZFA staff to participate in committees and working groups, as well as to provide advice and assistance to overseas policy makers and kindred organisations.

Board membership

As a result of the change to Food Standards Australia New Zealand, the terms of all the ANZFA non-executive Board members expired and a new Food Standards Australia New Zealand Board was appointed. The new Board has been drawn from an expanded list of specialist areas — public health, food science, human nutrition, consumer affairs, food allergy, medical science, microbiology, food safety, biotechnology, veterinary science, primary food production, the food industry, food processing or retailing, small business, international trade, food regulation, consumer rights and consumer affairs policy, the National Health and Medical Research Council (NHMRC) and government.

I am pleased that a number of former ANZFA Board members are also on the new Food Standards Australia New Zealand Board. These include the Hon. Rob Knowles whom I am delighted to congratulate on his appointment as Chairman, three New Zealand members: Ms Hiki Pihema, Mr Owen Symmans and Professor Ray Winger as well as Dr Heather Yeatman and Professor Chris Hudson.
Adding to this expertise will be the new appointments of Mrs Elaine Attwood, Professor Ken Buckle, Dr John Craven, Mr Peter Milne and Professor Kerin O’Dea. It is a strong Board and I wish the new Board of Food Standards Australia New Zealand well in the future.

In January 2002 Professor John Catford resigned from the Board of which he had been a member since May 1998 representing State and Territory public health authorities. He had been Director of Public Health and Chief Health Officer in Victoria and resigned to take up a position in the Faculty of Health and Behavioural Sciences at Deakin University. The Board valued highly Professor Catford’s contribution as a member.

I would also like to make special mention of the contribution of Professor Mark Wahlqvist, President of the International Union of Nutrition Sciences, who served the ANZFA Board with great distinction.

Finance and Audit Committee

The Finance and Audit Committee of the Board oversees ANZFA’s financial management and internal audit and establishes an annual internal audit program based on risk analysis of our financial arrangements. This task was particularly complex this year due to the need to address the negative equity position which was built up over a number of years due to a significant increase in staff leave liability. This was mainly due to the high work load on a large proportion of staff during the years of the review of the Food Standards Code. This leave liability was of particular significance this year due to the Commonwealth Finance Minister’s Order which required that when staff transfer to another government agency the losing agency, in this case ANZFA, must also transfer funds to cover outstanding leave with the employee.

1.5% of ANZFA’s total budget for 2001–2002 was put aside to cover outstanding leave and staff were encouraged to take leave at a time convenient to them. The Board and ANZFA staff went through a strict prioritisation of our budget to make allowance for this amount to be put aside while also ensuring that essential public health and safety work would continue. However there were a number of things we would like to have done this year, and in the coming financial year, which will have to be curtailed.

Governance

The Board continued to provide guidance and strategic direction for the organisation, continuing to use environmental scanning and scenario planning
processes established last financial year. At its Board planning day, scenario planning was used as a management tool to focus on issues which could affect the work of ANZFA. The strategic issues identified by the Board are medium to long term and will be used by ANZFA/FSANZ in setting its objectives and strategies as part of its ongoing corporate planning cycle.

**ANZFA Scientific Fellows**

One of the disappointments this year was that restricted funds did not allow us to hold formal forums or seminars with the ANZFA Scientific Fellows who were appointed by the Board last year. Nevertheless, the Fellows have contributed significantly to our activities. In particular, they played an important role on project reference groups including one working on *Listeria monocytogenes* and have participated in forums on specialised topics including work relating to allergies (including the effects of MSG), use of energy drinks and efficacy of methodologies to detect aflatoxins. Two of the Fellows also provided input into the development of the equivalence determination framework and one provided expert advice on the evidence underpinning assessment of harmonised fortification requirements. Fellows also participated in the steering/advisory groups for evaluation work and have accepted invitations to participate in ANZFA’s seminar program and review our work.

**Stakeholders consultation**

The Board continues to value the face-to-face consultation process of the community forums which are held in conjunction with Board meetings. This financial year they were held in Adelaide in August and Wellington in February. The Board and ANZFA staff also conducted consultations with Aboriginal communities during July in Alice Springs and Darwin. All members of the ANZFA Board met with the Maori Reference Group in February 2002 in conjunction with a Board meeting held in Wellington.

Finally, I would like to thank the outgoing ANZFA Board for their hard work and dedication and again wish the incoming Board of Food Standards Australia New Zealand well. I also would like to thank ANZFA staff for their achievements and thank them for their assistance since I became Chairman in 1998 and also to wish them well now they are part of Food Standards Australia New Zealand.

Michael MacKellar
Chairman
MANAGING DIRECTOR’S FOREWORD

This year was ANZFA’s tenth birthday, having begun as the National Food Authority in August 1991. It has been a year of many changes: the changes to the new Food Standards Code began to take effect; we changed the way we do our planning; we changed the way we do our processing and we changed the way we work with our stakeholders. We also managed our metamorphosis into a new organisation — Food Standards Australia New Zealand which took effect on 1 July 2002.

Change to the new Food Standards Code

On 20 December 2002, the change to the new joint Food Standards Code as the sole code for Australia and New Zealand will be completed. It is an example of regulation at its best: minimum regulation for the purpose, outcome-based and containing benefits for industry and consumers.

Nevertheless, we recognised that during the transitional period it would involve significant adjustments for the food industry. ANZFA has, therefore, provided very extensive assistance to industry to help them comply with the new Code. We have maintained an industry help desk. In addition, we have issued a set of user guides for industry and have made our nutrition panel calculator available on our website to enable businesses to produce nutrition information panels from the recipes of their food. We have also prepared checklists and advice for environmental health officers and other enforcers of the Code to help them with their task.

The new Code harmonises Australian food standards and New Zealand food regulations, condensing 103 standards in the old Australian Food Standards Code and about 270 standards in the New Zealand Food Regulations, into 29 broader standards.

I have been concerned, throughout this year, that, while many food businesses have acted quickly during the two-year transition period to make any necessary modifications to products to ensure compliance with the new requirements, some others have not been so responsive. We are continuing to issue reminders of the need to act quickly and are expanding our capacity to provide advice to those who are still unsure about their obligations.

The new Code has many benefits for industry and consumers. It will enable industry to become more innovative in the foods it produces and technologies it employs. It will also provide consumers with much more information than in the past to make healthier and better-informed food choices.
Labelling

Changes to labelling requirements will make it easier for people to identify possible hazards to their health, by giving more information about substances in the foods to which they are allergic or which could raise their risk of food related illness such as heart disease.

I believe, however, that there is little point in requiring labelling reforms if people are unable to understand what food labels mean. As a result, we have focused on preparing simple material in partnership with businesses and health professionals and organisations to help consumers understand how to use food label information to make healthy choices.

The most recent major study by the Australian Institute of Health and Welfare in 1999, on the burden of disease and injury in Australia, demonstrated the important role nutrition plays in the health of the community. Using the Disability-Adjusted Life Year approach — equivalent to a lost year of healthy life — to assess the burden of disease, the study found that cardiovascular diseases were the leading cause of the overall disease burden, followed by type 2 diabetes and colorectal cancer. The risks of diseases such as these can be significantly reduced by dietary changes.

Our food labelling poster has been widely distributed to supermarkets, health professionals and family doctors. We also launched a video for schools on food labelling. We hope that these will help the population in general to make more effective choices between foods, in the interests of their health.

Outstanding matters from joint Food Standards Code

Later in 2002–2003, we will be continuing our work to finalise reviews of a number of old standards which were not reviewed on time for inclusion in the version of the joint Code adopted in late 2000. These include the review of health claims and country of origin labelling both of which are awaiting the provision of policy guidelines by the Ministerial Council.

Infant formula

ANZFA has spent a long time finalising its review of the infant formula standard to bring it up to date with the latest scientific knowledge on infants’ nutrition needs. We believe that the new standard, which has been approved by the Ministerial Council, is a major step in the right direction. It is a considerable improvement on the previous outdated standard. We also recognise that this is a constantly evolving area of food science and technology and that the new infant formula standard may also have to evolve with emerging scientific knowledge in the future.
Evaluation

With such comprehensive changes to food regulation, it is important to ANZFA that we not only institute reform but also evaluate its success to assist us to identify any adjustments which experience shows to be needed. Our recently established small evaluation section is carrying out this function.

Safe food handling

In January 2002, we released the results of our first stage of the first evaluation project which was on the safety of food handling. The research, intended to be a benchmark to evaluate the progress of the first three food safety standards, has shown that the majority of the food businesses surveyed, such as food manufacturers, food retailers, child care centres, schools hospitals, cafes and restaurants, know about and are implementing safe food handling practices. Most significantly, food businesses with a food safety program in place scored better on food safety than those without.

It was disappointing, however, that a small but significant proportion of businesses were not aware of even the basics of food safety, such as the need to keep high risk food at the right temperature, to protect food from contamination, to clean and sanitise food preparation equipment properly, and to follow personal hygiene and illness management procedures. It makes good business sense for food business to fully implement the new standards as soon as possible — not only to ensure they comply with their legal obligations, but also to protect their own reputation and their customers’ health.

Evidence continues to mount that mandatory Food Safety Programs (currently they are only available in a model standard for voluntary adoption by States and Territories) can greatly reduce the threat of food-borne illness to the Australian population. Our estimates in 1999 put the incidence of food poisoning in Australia at 11,500 cases a day, mostly unreported. Recently released figures show that, in fact, it is far above this level.

Food labelling

Early research results for a second evaluation project were released in March 2002. This involved qualitative research on food labelling which showed that consumers both appreciate and use the wide range of information on food labels. However, the research also indicated that consumers want to learn more about exactly what labels mean.
International food safety issues

There were changes in the wider environment in which we operate. The year saw an international food scare about a known carcinogen, chloropropanols, found in soy and oyster sauces, and concerns about levels of a probable cancer-causing agent, acrylamide, that may be found in baked and fried carbohydrate foods. These added to the existing concerns internationally about the safety of the food supply caused by outbreaks of bovine spongiform encephalopathy (BSE or mad cow disease) and the unease felt by consumers about the introduction of new foods and new technologies for producing them.

BSE

In July 2001, a certification system was introduced to support the new food standard that requires that beef and beef products sold in Australia come from cattle that are free from BSE. These measures replace the provisional suspension of beef and beef products from 30 countries which was introduced in January 2001. The certification system uses a risk-management method to strengthen our ability to protect the health and safety of Australians by keeping the BSE agent out of our food supply. This innovative approach was essential as there is no scientific test which can detect the presence of this disease in processed beef products.

Other food emergencies

In Australia, there were food emergencies from risks of which we were already aware. In April 2002, for instance, more than 250 people had to seek hospital treatment in Melbourne after an outbreak of food-borne disease at a community festival and there was also the tragic case of a thirteen year old boy from NSW who died from an allergic reaction to peanut butter during a school trip. These food emergencies remind us of the importance of ANZFA’s work on reducing the incidence of food poisoning through the food safety standards and our labelling work on allergens.

New foods and technologies

Food irradiation

Food Standards Ministers agreed in September 2001 to permit the limited use of food irradiation for the decontamination of herbs, spices and herbal infusions. This is the first permission under the umbrella food irradiation standard adopted by food ministers in 1999. They also agreed, for health and safety reasons, to phase out the use of ethylene oxide over the next two years. It has been used historically as a means of decontaminating many foods but has been shown to be a carcinogen.
GM foods

Five genetically modified (GM) foods were approved this year by the Ministerial Council following our recommendation. This brings the number of applications for GM foods that have been approved to 17 with four more still being assessed. All of these applications have been confined to genetically modified plants.

Industrial hemp

No novel food or food technology is permitted on the market in Australia and New Zealand unless it has passed a stringent scientific safety assessment by ANZFA and has been found to be at least as safe as conventional food or technologies.

An application for the use of industrial hemp as a novel food was rejected by the Ministerial Council. It has very low levels of THC and so has no hallucinogenic properties. It is also a good source of unsaturated fats. However, Ministers decided to retain the total prohibition on the use of industrial hemp as a novel food because they believe that the use of hemp in food may send a confused message to consumers about the acceptability and safety of the high THC cannabis. There were also concerns about law enforcement issues, particularly from a policing perspective as there would be difficulties in visually distinguishing between high THC cannabis and low THC industrial hemp products.

ANZFA’s international involvement

The global nature of our food supply has yet again become apparent through food emergencies such as BSE and chloropropanols. The days are long gone when a country can regulate its food supply in isolation. This is why ANZFA places such a high importance on its international links and cooperative initiatives with other countries. Appendix 8 to this Annual Report gives a list of the very extensive international involvement of our staff.

Canadian visit

In particular this year, ANZFA hosted a delegation from Health Canada and the Canadian Food Inspection Agency. The delegation participated in a workshop with us examining our consultative mechanisms to ensure transparency, particularly in the context of regulatory requirements for GM foods.

Australia and Canada have very high levels of common interests and shared objectives. The work of the Food Directorate of Health Canada and ANZFA have very similar responsibilities, though it is interesting to note that Canada has around
three times the number of staff to undertake this work. Australia and Canada signed a Memorandum Of Understanding (MOU) in April 2001, to exchange information on applications submitted by industry for approval of genetically modified foods. As a result of the delegation visit, it was agreed to extend the MOU to cover an expanded range of issues of common interest and to investigate the possibility of undertaking projects together to save resources and get better outcomes through peer review.

Regional projects

Our Regional Projects Program continued its success in winning bids for funding to conduct technical assistance and capacity building projects in the Asia Pacific region. ANZFA’s regional work provides win–win outcomes for Australia and New Zealand and neighbouring countries. It enhances the capacity of developing countries in the region and enhances the capacity of Australia and New Zealand and their neighbours to trade food. At the same time it provides professional development for ANZFA staff. Through the work of the Regional Projects Program, ANZFA also contributes to meeting national objectives of providing technical assistance to developing countries in food standards related areas.

Of particular interest during 2001–2002 was the winning and delivery of two projects which were completely cost recovered — training in risk assessment for developing member economies of APEC; and technical assistance to APEC and ASEAN member economies through the development and implementation of the Directory of Food Trade Contacts. All of this work is made possible by funding from AusAid, APEC (TILF Fund), New Zealand’s Official Development Assistance Program and the World Health Organization.

The Regional Projects program has a number of new regional assistance proposals to carry into 2002–2003.

Streamlined and improved processes

The year saw the implementation of new internal systems to improve both the efficiency and the quality of our standards work. We had previously consulted with our stakeholders to identify where we need to improve.

During the year, staff were given additional training in risk management and in our new standards development systems and assessment report formats. Through this we are aiming at making our reports and regulatory decisions more readable. We are streamlining the reports to remove duplication and to provide better structure. This should save staff and readers time. We have also considerably boosted our efforts in the early scoping stage of applications and proposals to assist in ensuring a comprehensive consideration of the risks that are being managed.
In addition to this work, we continually seek out new ways of delivering our services to increase our productivity and efficiency. Some of these improvements are internal, such as improved computer systems and administrative arrangements. Others, such as our electronic mail-out facility, are very obvious to our stakeholders. Together these improvements help maximise the amount of funds available for our core work.

The year ahead

The next financial year will be another one of change for us as Food Standards Australia New Zealand.

The changes we have made this year to improve our environmental scanning, strategic planning and our risk management processes have positioned us well to take on the new challenges. The improvements we have made to our consultative and information arrangements will allow us to take the best advantage of community knowledge and interest in food regulation as we manage the changes.

Under the new legislation, the Board will set food standards which must be consistent with policy guidelines set by the Australia and New Zealand Food Regulation Ministerial Council which will also have the authority to ask Food Standards Australia New Zealand to review standards which do not meet such guidelines. Food Standards Australia New Zealand will be required to retain key features of the ANZFA standards development processes, such as public consultation, openness and reliance on robust evidence and rigorous science.

Food Standards Australia New Zealand will also be taking on a wider whole-of-food-chain approach in Australia through bringing together, for the first time, standards for primary production and processing with standards for the other links in the food chain. These new arrangements are also currently being finalised.

Thank you ANZFA staff

As this is the last Annual Report for the Australia New Zealand Food Authority, I would like to give a special thanks to the staff for their sustained hard work and dedication over the last few years. They have coped admirably with a steady diet of change and unusually high work-loads. I know they will continue to do so as staff of Food Standards Australia New Zealand and will continue their work of protecting the safety of food for people in Australia and New Zealand with professionalism, scientific integrity and transparency.
I would also like to thank the ANZFA Board members for their hard work and integrity. They have provided robust leadership and direction to our work. A wide variety of other individuals and organisations have also made significant contributions to the work of ANZFA. They include our ANZFA Scientific Fellows, other scientific collaborators who have worked with us to contribute their expertise on specific projects, representatives of industry and the consumer movement and public health and scientific bodies. They all deserve a significant share of the credit for the further progress made in improving our food standards.

Ian Lindenmayer
Managing Director
CORPORATE OVERVIEW

The change from Australian New Zealand Food Authority (ANZFA) to Food Standards Australia New Zealand (FSANZ)

The Australia New Zealand Food Authority (ANZFA) is a Commonwealth statutory authority established under the *Australia New Zealand Food Authority Act 1991* (ANZFA Act).

ANZFA changed in mid 2002. Under the *Food Standards Australia New Zealand Act 1991*, its name changed to Food Standards Australia New Zealand (FSANZ), the Board membership changed and so did its roles and responsibilities in developing standards. These changes are part of a broader package of reforms to the food regulatory system in Australia. This has been brought about by the signing of a new intergovernmental Food Regulation Agreement, changes to the *Australia New Zealand Joint Food Standards Treaty* and amendments to the *Australia New Zealand Food Authority Act 1991*.

These reforms are a result of a Council of Australian Governments (COAG) decision in November 2000 following consideration of the Food Regulation Review (Blair Report) that was presented to Government in August 1998.

The Commonwealth Department of Health and Ageing has managed the implementation of these new regulatory arrangements.

New structures for the regulatory partnership

The *Food Standards Australia New Zealand structure*

From 1 July 2002, when the new system commenced, the new Australia and New Zealand Food Regulation Ministerial Council (Ministerial Council) decided on policy guidelines based on advice from a new Food Regulation Standing Committee comprising senior government officials from the Commonwealth, New Zealand, the States and the Territories.

FSANZ must regard the Ministerial Policy Guidelines when it develops or reviews food standards.

The new arrangements are also intended to bring together, for the first time, standards for the food manufacturing industry and standards for primary producers.
Unlike ANZFA, FSANZ has responsibility for approving standards, and variations to standards, then notifying the Ministerial Council of any approval. In the first instance Ministers will be able to ask FSANZ to review a standard. The Ministerial Council may then, after a maximum of two reviews, revoke or amend any standard notified to it by FSANZ.

**Board of Food Standards Australia New Zealand**

The Board of FSANZ increased from eight to twelve (the current membership of eight is augmented by two special purpose members to assist in the implementation of the joint Food Standards Code for a limited term). Members of the Board are drawn from an expanded list of specialist areas — public health, food science, human nutrition, consumer affairs, food allergy, medical science, microbiology, food safety, biotechnology, veterinary science, primary food production, the food industry, food processing or retailing, small business, international trade, food regulation, consumer rights and consumer affairs policy, the National Health and Medical Research Council (NHMRC) and government.

**Partnership with States and Territories**

Under a 1991 agreement between the Commonwealth of Australia and the States and Territories, the States and Territories adopt, without variation, food standards ANZFA has recommended and which a ministerial council representing all jurisdictions, including the Commonwealth, has approved. The purpose of the 1991 agreement was to consolidate responsibility for developing food standards in one specialist agency and to ensure the uniformity of food standards across all States and Territories, which continue to have primary responsibility for enforcing food laws. In general, these arrangements continue to apply.

On 3 November 2000, the Council of Australian Governments (COAG) signed an Inter-Government Agreement (IGA) agreeing to a new food regulatory system. The Commonwealth of Australia and all the Australian States and Territories are signatories to the Agreement. The new arrangements required a renegotiation of the Treaty with New Zealand prior to full implementation.

The Australian Parliament has passed an amendment Act setting up these new arrangements. The Act then came into force on 1 July 2002, following the finalisation of the Treaty amendments.
Partnership with New Zealand

On 1 July 1996, an Agreement to establish one joint food standard setting system between Australia and New Zealand came into force. The joint arrangement is to harmonise food standards between the two countries, reduce compliance costs for industry and help remove regulatory barriers to trade in food.

The Agreement does not cover some areas, such as maximum residue limits, food hygiene provisions and export requirements relating to third country trade. It also contains provisions which allow New Zealand to opt out of a joint standard for exceptional reasons relating to health, safety, environmental concerns or cultural issues. In such cases, ANZFA/FSANZ may be asked to prepare a variation to a standard to apply only in New Zealand.

The Agreement between Australia and New Zealand to develop joint food standards requires that ANZFA/FSANZ and the New Zealand Minister of Health conclude a funding and performance agreement annually. This agreement details the services ANZFA/FSANZ is to provide and includes quarterly performance reporting, details of New Zealand’s contribution and the payment schedule.

Ministerial Responsibility

The Minister for Health and Ageing, Senator the Hon. Kay Patterson, has delegated most responsibilities for ANZFA/FSANZ to her Parliamentary Secretary, The Hon. Trish Worth, MP.

Australia New Zealand Food Authority (ANZFA)

ANZFA Board 2001/2002

The ANZFA Board met six times in face-to-face meetings and seven times by teleconference during the year. Board members were:

- Professor John Catford
- Professor Chris Hudson
- The Hon. Rob Knowles
- Mr Ian Lindenmayer (Managing Director)
- The Hon. Michael MacKellar (Chairman)
- Ms Hikihiki Pihema
• Mr Owen Symmans
• Professor Mark Wahlqvist
• Professor Ray Winger
• Dr Heather Yeatman
• Professor John Catford resigned on 4 January 2002.

(For Board membership details see Appendix 9).

Functions
ANZFA, in cooperation with the Commonwealth, State and Territory Governments and the New Zealand Government, develops food standards and other food regulatory measures for Australia and New Zealand. Once the Ministerial Council approves food standards, they are published in the Commonwealth Gazette and the joint Food Standards Code and are automatically adopted by reference in State and Territory law. They are separately gazetted in New Zealand by the New Zealand Ministry of Health.

In Australia, ANZFA also:

• coordinates food product recalls in cooperation with the States and Territories;
• conducts research on matters that may be included in a food standard;
• undertakes food safety education initiatives in cooperation with the States and Territories;
• develops codes of practice for industry on any matter that may be included in a standard;
• develops risk assessment policies for foods imported into Australia; and
• coordinates the surveillance of food available in Australia.

Structure
The Managing Director is the Chief Executive Officer of the organisation and works closely with the other members of the Executive who are the General Manager (Strategy and Operations), the General Manager (Standards), the General Manager (Food Safety, Legal and Evaluation), the General Manager (New Zealand), and the Chief Scientist.
In 2001–2002, there were nine programs, each headed by a program manager who reported directly to one of the general managers.

- Corporate
- Food Safety
- Monitoring & Evaluation
- Nutrition & Labelling
- Office of Legal Counsel
- Product Standards
- Public Affairs
- Regional Projects
- Strategic Development

ANZFA Organisational Structure
The Chief Scientist oversees ANZFA’s scientific and technical competence, develops scientific collaborative relations with other institutions and coordinates ANZFA’s relations with international food regulatory bodies. To help maintain the scientific rigour and currency of our work, there is a Senior Science Group chaired by the Chief Scientist. In addition, for each scientific group on the ANZFA staff, there are specialised discipline groups which are headed and mentored by senior staff from the related disciplines. These bring together staff in related disciplines across programs and cover specific professional groups such as food technologists, nutritionists, toxicologists and microbiologists. These groups are intended to maintain excellence within the respective professional streams and to provide support and mentoring by professional colleagues. The Office of the Chief Scientist undertakes specific scientific project work to assist ANZFA in its work.

Members of the Executive each oversee a number of cross-program specialist teams to ensure coordination and communication in a matrix fashion across the organisation.

Consultative activities and public contact

ANZFA follows the procedures set out in Part Three of the ANZFA Act when we develop or vary standards in the Food Standards Code. While the ANZFA Act makes a distinction between applications made to us and proposals which we initiate, the public consultation procedures for both types of variation are similar. A description of our procedures for dealing with applications and proposals is below.

These procedures ensure full and open public consultation and opportunity for comment at each stage of assessing a proposed change to the Food Standards Code.

Public Register

Our assessment reports, submissions and other information relating to an application or proposal to vary the Food Standards Code are placed on our public register files unless we have agreed they are commercial-in-confidence. Public register files can be inspected at our Canberra or Wellington offices for a nominal charge. The charge is waived for community and non-profit organisations. These are also available from our website.

In the past year, 44 formal requests to examine public register files were made (compared with 40 in 2000–2001), dealing with 23 applications and proposals (compared with 18 in 2000–2001). The requests were made by 8 industry representatives, 1 government agency, 3 consumer organisations/private individuals and 5 private consultants.
The public register is an integral part of our commitment to openness and transparency. Clients have expressed appreciation of the service and acknowledged its value.

**Freedom of Information (FOI) Requests**

Requests for access to documents under Section 15 of the Freedom of Information Act

- Received during 2001–2002 5
- Dealt with during 2001–2002 5

**Corporate governance**

**ANZFA Board**

The Board determines our strategic directions and priorities, approves the allocation of resources and is ultimately responsible for ensuring that we meet our statutory functions and achieve our objectives. The Board also considers progress against milestones and/or budgets in the production of outputs and takes action to ensure management addresses them. The Board has developed a Board Charter, in line with best practice guidelines.

**Senior management**

Our management and policy coordination mechanisms are undertaken through the Executive and the Management Group.

The Executive meets weekly. The Executives role is to provide leadership, and manage the implementation of the statutory functions of the organisation consistent with the strategic priorities set by the Board.

The Management Group meets weekly and consists of the Executive as well as program managers. The group provides for a two-way information flow between the program managers and the Executive on our progress against strategic directions, day-to-day management and the coordination of program activities. It also promotes information flow between programs and the coordination of cross-program functions.

**Program managers**

Program managers manage the activities of the program staff to ensure milestones are met, budgets and staffing resources are appropriately utilised and the program outputs contribute effectively to our goals and outcomes.
**Project managers**

Each application and proposal for varying the *Food Standards Code* is managed by a multidisciplinary team. The teams are headed by project managers who, because of their particular expertise and experience, are able to take this leading role. The multidisciplinary teams typically come with scientific expertise from a variety of disciplines, and policy and legal skills.

Other non-standards work is progressed collaboratively through the formation of cross-program teams.

Project managers meet with the Project Review Panel (PRP) from time to time. The PRP consists of senior staff and is chaired by the General Manager, Standards. It provides high-level advice and a form of peer review on issues that may arise in the course of projects.

**Risk management**

We employ two levels of risk assessment and management practices in our decision-making processes. First, we conduct risk assessment of all projects in terms of our statutory objectives. There are two aspects to risk assessment. There is the scientific risk assessment which is central to ensuring public health and safety. This risk is determined using various scientific studies such as toxicological, nutritional, food technology and dietary modelling studies to assess the safety and/or public health impact of a product or ingredient.

We also undertake an assessment of non-scientific risk which includes consideration of social issues such as people’s concerns over food produced using new technology, or economic issues such as the cost of implementing new regulatory arrangements.

Second, following the identification and assessment of risks, we identify appropriate risk management strategies (or regulatory options). These strategies are evaluated to ensure that the Section 10 objectives in the ANZFA Act, such as the protection of public health and safety are met.

Other considerations include ensuring that the regulatory option is the least restrictive in meeting such objectives.

**Quality assurance**

All projects must maintain an audit trail which shows that the content and quality of reports or documents have been checked as meeting appropriate standards. The Chief Scientist oversees the scientific and technical component of our standards development activities and the scientific risk assessments to maintain the integrity and high standard of our regulatory work. The general managers ensure that policy input and risk management decisions adequately address the identified scientific risks. The Office of Legal Counsel ensures the lawfulness and appropriateness of legal aspects of reports and draft standards.
Financial management

We prepare accrual accounting financial statements in accordance with the Department of Finance and Administration’s Guidelines for Commonwealth Authorities and Companies. The Australian National Audit Office performs an annual audit of these statements.

Program managers are responsible to the general managers for ensuring appropriate use of resources. Financial reporting and management is coordinated by the Corporate Program.

The Corporate Program and the General Manager, Strategies and Operations are responsible for ensuring appropriate corporate risk management procedures and internal audit functions are undertaken.

Finance & Audit Committee

The Board’s Finance and Audit Committee comprises three Board members. The General Manager (Strategy and Operations) is the Secretary and the Managing Director and Financial Controller attend meetings. The Finance and Audit Committee has principal responsibility for overseeing ANZFA’s financial management and internal audit and establishes an annual internal audit program based on a risk analysis of our corporate arrangements.

Professor Chris Hudson chaired the Committee during 2001–2002. The other members were the Hon Michael MacKellar and Professor Ray Winger. Other members may sit in if they wish.

The Committee met four times during the year. Members’ attendance was as follows:

Professor Chris Hudson (Board Member) 4/4
The Hon. Michael MacKellar (Board Chairman) 4/4
Professor Ray Winger (Board Member) 2/4
Mr Owen Symmans (Board Member) 2/4
Dr Heathier Yeatman (Board Member) 4/4
Ms Hikihiki Pihema 1/4

In 2001–2002, ANZFA contracted Deloitte Touche Tohmatsu to provide internal audit services.
Service Charter

ANZFA’s Service Charter sets out our roles and responsibilities and those of other food agencies and industry bodies. The Service Charter also provides details on the nature of services we provide, our statutory obligations with regard to food standards setting and our commitment to perform our functions in an open and transparent manner. The Charter is also a way of assisting people to participate in the food standards system.

Our Service Charter was reviewed last year. As part of that review, a complaints handling mechanism was developed and adopted. Information on our Service Charter and complaints handling mechanism may be found on our web site. No complaints were referred for action during the year.

Internal and external scrutiny

An applicant seeking to develop or vary a food standard may, under the ANZFA Act, ask the Administrative Appeals Tribunal (AAT) to review an Authority decision to reject the application. One such appeal, which had been lodged earlier, was withdrawn during the year. A request may also be made to the AAT to review an Authority decision, under section 36 of the ANZFA Act, to omit a step or steps in the assessment process prescribed by the ANZFA Act. No such appeals were made this year.

ANZFA’s process for assessing applications

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

Our work is open for public scrutiny. When developing or changing a food standard, there are generally two rounds of public consultation.

Anyone can make an application to us to change a current standard or develop a new food standard or code of practice. We can also initiate the development or review of a standard by raising a proposal. Both follow the same steps (as set out below). Guidelines on how to make an application are available from our Standards Liaison Officer or from the ANZFA website. Any external application made to ANZFA must be processed within 12 months from the date of commencement.
Over the past year, ANZFA has made a number of changes to its assessment processes. These include the following.

- Changing the terminology — the names of stages of the assessment process have been changed to better reflect progress. The changes are:
  
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<th>New</th>
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<tr>
<td>Initial Assessment</td>
<td>Preliminary Assessment</td>
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<tr>
<td>Draft Assessment</td>
<td>Full Assessment</td>
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- A new report format which better outlines the issue being addressed, the key findings from the scientific and non-scientific risk assessment process, regulatory options, feedback from consultations and conclusions.

- Greater emphasis on impact or cost/benefit assessment of regulatory options.

The steps are as follows.

1. **Lodging the application**

One of the new features of the revised arrangements is the increased level of consideration given to applications and proposals at the early stage in order to inform interested stakeholders of the issues involved and to provide an opportunity for input into the assessment process prior to the Authority reaching a preferred outcome.

When we first receive an application, preliminary scoping is carried out to determine the complexity or degree of contention of the application and to determine whether the application falls within our area of responsibility. We check the application is not duplicating any other and determine whether or not we have enough information to proceed.

2. **Initial Assessment**

The Initial Assessment stage (formerly Preliminary Assessment) involves the development of an Initial Assessment Report which, while providing some information to stakeholders, will be used primarily to stimulate useful input from stakeholders by raising issues and asking questions.

Public submissions are invited through notices in newspapers, *Food Standards News*, circulars to interested stakeholders and on our website. The newspaper notices appear nationally in *The Australian* on Wednesdays and in New Zealand, *The Dominion*, *The Press* and *The New Zealand Herald*.

The consultation process is undertaken in line with the Community Involvement Protocol and varied according to the nature of the application.
3. Draft assessment

After considering any submissions, we make a draft assessment (formerly known as Full assessment). To do this, we must take into account our statutory objectives under Section 10 of the ANZFA Act and consider any relevant New Zealand standards and any other matters pertinent to the particular standard.

At this stage of the process, ANZFA undertakes most of its analytical work. A comprehensive scientific risk assessment is undertaken, together with a regulatory impact analysis (incorporating a cost or risk benefit analysis).

The Board considers the Draft Assessment Report and, if endorsed, it is released as a public document. The report is posted on the web and stakeholders advised of its availability.

The report includes a draft proposed standard when the Board concludes that a new standard or an amendment to a standard is warranted.

**Section 10 Objectives**

a) The protection of public health and safety.

b) The provision of adequate information relating to food to enable consumers to make informed choices.

c) The prevention of misleading or deceptive conduct.

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

a) The need for standards to be based on risk analysis using the best scientific evidence.

b) The promotion of consistency between domestic and international food standards.

c) The desirability of an efficient and internationally competitive food industry.

d) The promotion of fair trading in food.

e) Any written policy guidelines formulated by the Council and notified to the Authority.

Note e) ‘any written policy guidelines formulated by the Council’ was added on the change to FSANZ on 1 July 2002.
4. More public consultation

After a standards amendment is drafted, a second round of public consultation usually follows. The proposed amendment is intended to become law, so any problems with the drafting should be notified to us without delay. After considering any further public submissions, we then fine-tune our recommendation as necessary and produce and publish a Final Assessment Report.

5. Ministers decide on food standards

The final stage in this process is when the Board makes a recommendation to the Ministerial Council which is responsible for deciding whether an amendment should become law.

If the Council adopts the amendment, we gazette the amendment and it becomes part of the Food Standards Code, then automatically becomes law in the States, Territories and is gazetted in New Zealand.

Once the amendment becomes law, it is up to the State and Territory governments and the New Zealand Ministry of Health to enforce the standards. The Australian Quarantine and Inspection Agency (AQIS) is responsible for enforcing standards relating to imports.

Copies of public documents are available at our Australian and New Zealand offices and on our website.

We also regularly send out an Information Circular which updates progress on food standards matters. For more information about the detailed matters to do with food standards contact ANZFA’s Standards Liaison Officer in Canberra on (02) 6271 2258.

In 2000–2001, ANZFA took over responsibility from the Commonwealth Department of Finance, for publishing the Food Standards Gazette. This will be published on our website and provided electronically to any interested parties. The New Zealand Gazette will continue to be published by the New Zealand Government.

**Decision making by FSANZ**

Under FSANZ, the same consultative structure for developing food standards exists. The prime function of FSANZ will continue to be the development of domestic food standards for Australia and New Zealand.

These standards will be developed in accordance with the objectives set out in Section 10 of the Act and in line with any ministerial policy guidelines.
The standards will be approved by the Food Standards Australia New Zealand Board and notified to the Ministerial Council. Within 60 days of this notification, any jurisdiction on the Council may ask the Authority to conduct a first review of the standards.

Alternatively, the Council may inform the Authority that it does not intend to request a review. In the latter case, the standards become law at the date specified in a public gazettal notice. If the Council requests a review, the Authority must conduct the review within three months and either re-affirm the decision, with or without amendments to the standard, or withdraw its approval of the standard to the Council.

If the Authority re-affirms its decision, it must again notify the Council. The Council, by a majority decision, must then, within 60 days, either request a second review or decide a second review is not required. After a second review, the Council may approve, amend or reject the standard. The Council will also be able to direct the Authority to review any standard.

**ANZFA’s partners and stakeholders**

- **Australian Commonwealth, State & Territory and New Zealand Governments**
  ANZFA works in partnership with these Governments to provide the food management framework.

- **Applicants and submitters**
  ANZFA receives applications to vary food standards or submissions or comments on proposed changes to food standards for anyone.

- **Community and Industry**
  ANZFA consults and encourages involvement in the food management framework.

- **International agencies and organisation**
  ANZFA participates in developing international food standards and policies.
PORTFOLIO OUTCOME

The Portfolio outcome of the Commonwealth Department of Health and Ageing is as follows:

Population Health and Safety: Promotion and protection of the health of all Australians and minimising the incidence of preventable mortality, illness, injury and disability.

ANZFA seeks to advance this for both Australians and New Zealanders through its work.

PROGRAM REPORTS

The following program reports are divided into the 10 Key Result Areas identified in the ANZFA three-year Corporate Plan. The Key Result Areas are as follows.

Key Result Area 1  Delivering our statutory objectives by implementing, managing and monitoring the Food Standards Code and other regulatory measures.

Key Result Area 2  Managing the changing nature of our role as we move to implement the new approach to the management of food regulation.

Key Result Area 3  Effectively managing and enhancing the standards development process.

Key Result Area 4  Establishing and implementing a common regulatory approach and evaluation strategies with other agencies.

Key Result Area 5  Supporting public health measures.

Key Result Area 6  Providing greater opportunities for community involvement in our processes.

Key Result Area 7  Assessing the impact of our priorities from a jurisdictional perspective, in particular New Zealand.

Key Result Area 8  Strengthening and enhancing our international relationships.

Key Result Area 9  Proactively managing emerging issues.

Key Result Area 10 Developing and maintaining the effectiveness and efficiency of our organisation.
KEY RESULT AREA 1 — DELIVERING OUR STATUTORY OBJECTIVES BY IMPLEMENTING, MANAGING AND MONITORING THE FOOD STANDARDS CODE AND OTHER REGULATORY MEASURES

**Performance Indicator**
Applications and proposals to amend/vary the Food Standards Code assessed.

**Our Performance**

**New processes for assessing applications and proposals**

Throughout 2001–2002, ANZFA has been implementing new and improved systems for its standards development work. This major project was commenced in response to a survey of stakeholders which identified a number of deficiencies in the way we did our work.

The new systems improve our early information gathering and public comment period by seeking targeted public input at an early stage before we have developed our preferred options. It seeks to clarify the format and presentation of our analyses to support our regulatory decisions. We have considerably strengthened and enhanced our regulatory impact assessment through improved cost and risk benefit analyses. We expect that these improved systems will lead to increased staff productivity, as well as better serving the needs of our stakeholders.

To support the introduction of these new processes, we have provided on going support and training to staff in risk management and cost benefit analysis.

**The change to Food Standards Australia New Zealand (FSANZ)**

This year, we have been preparing for the transition to FSANZ, including transitional arrangements for those standards under development but not completed when the change to FSANZ took place. The new Act makes provision for work in progress to account for the changes in process.

**Transition to the new joint Code**

We have also been working on outstanding food standard issues relating to the commencement of the *Australia New Zealand Food Standards Code* as the sole Code for Australia and New Zealand. Both of these areas have involved complex legal consideration.
Proposals covered by the Transition Standard

Work has proceeded on the following proposals which we were not finalised at the end of last year.

Dietary supplements — An Initial Assessment Report was issued in June 2002. We are working closely with New Zealand and the Joint Therapeutic Products Agency to integrate all the regulatory changes that will be needed to put this into effect.

Infant formula — We made a recommendation to the Australia New Zealand Food Standards Council (ANZFSC) in March 2002 for a new Infant Formula Standard which the Council agreed to in May 2002. The Council asked ANZFA to do further work on soy-based infant formula products and report back to Ministers on any new evidence pertaining to the health and nutrition of infants in relation to soy-based formula.

Medical foods — We issued an Initial Assessment Report on this issue in September 2001 and are finalising the Draft Assessment Report.

Country of origin labelling — We have issued an Initial Assessment Report. We have now asked ANZFSC to give us policy advice on this issue. At its meeting in May 2002, the Council delayed consideration of this issue pending a review of the Trade Descriptions Act 1905. The issue will return to the Council in November 2002.

Sports foods — An Initial Assessment report was issued in mid 2001, and we are now working towards a Draft Assessment Report. This proposal is closely related to the consideration of dietary supplements.

Advisory statement on milk — Following two stages of public consultation on this issue, we have recommended that we require an advisory statement on reduced fat milks to the effect that they are unsuitable to feed to children under the age of two years. The ANZFA Board considered this at their meeting in June 2002 and has now made a recommendation to the Ministerial Council.

Fortification issues (vitamin D and thiamin) — Current regulations require the mandatory addition of these particular vitamins to some foods in Australia but not in New Zealand. We have commissioned two scientific reports to look at the status of these nutrients in Australia and have circulated these to New Zealand.

Health claims — ANZFSC considered ANZFA’s recommended approach to regulating these claims at its May 2002 meeting. A broader policy framework, developed by the Food Regulation Standing Committee for health and nutrition claims was considered by the Council at the same time. Ministers agreed to
overarching principles for health and related claims in food labelling and advertising. Ministers asked the Food Regulation Standing Committee for further advice on implementing a risk management approach including investigation into the creation of a ‘watchdog’ to monitor the use of health and related claims. Ministers asked that this advice be presented as a draft policy guideline at their meeting in November 2002.

**Nutrient content and other related claims** — A Draft Assessment Report on nutrient content claims, with a proposal to add these to Standard 1.2.8 in the Code, has been completed. A component of this Report is that these claims be managed by a co-regulatory mechanism along with Health Claims. This will fall within the scope of the policy framework which is being developed (see ‘Health claims’ above).

**Bee products** — A Final Assessment Report on labelling of foods comprising or containing royal jelly went to the ANZFA Board in June 2002.

**Kava** — There is still a harmonisation issue with New Zealand relating to kava. A Standard controls its use in Australia but not in New Zealand. Work is continuing on this issue especially in the light of recent information from Europe linking the use of kava in dietary supplements to possible liver disease.

**Intergovernment Taskforce**

We reported last year that an intergovernment taskforce had been set up by ANZFSC to look at certain aspects of the new *Food Standards Code* including exemptions for very small businesses from percentage and nutrition labelling requirements, the commodity standards relating to cream, ice cream, chocolate, jam, fruit drinks, fruit juice and peanut butter and the possibility of adding other components into the Nutrition Information Panel. ANZFA raised a proposal to deal with the specific issues of compositional standards and icon foods. The report went to ANZFSC at its meeting in July 2001. ANZFSC accepted the recommendations and there is now a commodity standard for jam, fat levels have been set for cream and ice-cream and two new provisions have been made relating to sugar content of juice and fruit juice content of fruit drinks. The minimum protein level for milk was also amended.

The Taskforce recommended to ministers that exemptions for small businesses from percentage and nutrition labelling requirements should not proceed and that further expansion of the Nutrition Information Panel should not be made at this time.
Genetically Modified Food Applications

Five genetically modified (GM) foods were approved this year by ANZFSC following our recommendations.

- **Canola oil**: oil derived from a canola that is tolerant to a herbicide.
- **Corn**: food derived from glufosinate-ammonium tolerant corn.
- **Corn**: food derived from glyphosate-tolerant corn.
- **Sugarbeet**: food derived from glyphosate-tolerant sugarbeet.
- **Cotton**: oils and linters derived from bromoxynil-tolerant cotton.

This brings the number of applications for GM foods that have been approved to 17 with four more still being assessed.

Under Standard 1.5.2 of the Food Standards Code, no genetically modified food is permitted on the market in Australia and New Zealand unless it has passed a stringent scientific safety assessment by ANZFA and been found to be at least as safe as its conventional equivalent food.

Labelling of GM foods

New labelling rules for GM foods came into effect on 7 December 2001. From that date, GM food products packaged for retail sale in Australia and New Zealand — either as a whole food or as an ingredient — must have their GM status identified if modified genetic material or protein is present in the final food. Highly refined sugars and oils do not need to be labelled if there is no novel genetic material or protein present in the final food. There are minor exemptions to this requirement, such as some GM additives and processing aids.

In July 2001, ANZFSC agreed that foods containing approved GM ingredients produced prior to 7 December 2001, that were not labelled, would be permitted to remain on the shelves until sold. These foods must not remain on the shelves after December 2002. However, it was estimated that, because of rapid stock turnover, most of these products clear shelves before that date.

Irradiation Applications

*Herbs and spices*

In September 2001 ANZFSC approved the sale of herbal infusions and herbs and spices that have been subjected to irradiation. These treatments ensure the ongoing safety of herbal infusions and herbs and spices that are added to a broad
range of foods, prepared both commercially and in the home. Irradiation will ensure that these products remain free of pathogens that can cause food-borne illness and will protect Australia’s biosecurity against unwanted quarantine pests and weeds.

Herbs and spices are obtained from a wide variety of plants and can become contaminated with potentially pathogenic micro-organisms because of the conditions under which the plants are grown and handled.

There is a potential health risk if herbs and spices are added to foods that do not undergo further processing or are consumed without a high heat treatment, such as in salad dressings or dips.

Our risk assessment concluded that irradiation of herbs and spices is an effective and safe means of controlling microbial contamination. Irradiated herbs and spices are toxicologically safe and an analysis of the nutritional impact demonstrates that herbs and spices are insignificant sources of vitamins that are sensitive to irradiation. Nutrient intake will not, therefore, be adversely affected. The assessment also showed that irradiation does not increase pathogen resistance to irradiation or change pathogenicity or virulence.

All treated products or ingredients will be fully labelled to state that they have been irradiated. ANZFSC also agreed that the Food Regulation Standing Committee should consider consumer education on irradiation as a priority.

**New application**

We received a new application in 2001–2002 for the irradiation of tropical fruits for quarantine purposes. We are currently considering the health and safety impact of this proposed treatment.

**Novel Foods Applications**

In May 2002, ANZFSC agreed to ANZFA’s recommendation to approve the second type of food ingredient to be considered under the novel food standard (Standards A19 and 1.5.1), a dried marine micro algae and its extracted oil. The micro algal species, *Schizochytrium* and the oil extracted from it are rich in the omega-3 long chain polyunsaturated fatty acid, docosahexaenoic acid (DHA).

DHA, together with other omega-3 long chain fatty acids, has been identified as an important dietary nutrient with a specific role in the developing foetus and pre-term infants. Recent reports also indicate that DHA, with other omega-3 fatty acids, may play an important role in cardiovascular health and have beneficial effects on the immune system. It is proposed to use the dried marine algae or DHA rich oil in a wide range of foods.
We evaluated a range of toxicological studies conducted on the dried microalgae, as well as numerous studies examining the safety of DHA derived from this microalgae source, none of which indicated any toxicity associated with DHA at the proposed levels of exposure. We also conducted a dietary modelling analysis, which showed the potential exposure to the additional sources of DHA was well within safe levels. We, therefore, proposed not to restrict the use of the microalgae and its oil as novel foods. We have proposed, however, that both the microalgae as well as the DHA oil derived from the microalgae comply with compositional and microbiological specifications, and that DHA be listed as an ingredient on the food label.

**Tall oils**

This is an application for the use of phytosterols derived from tall oils extracted from trees. At its meeting in May 2002, ANZFSC agreed to approve the use of tall oil phytosterols as novel food ingredients.

**Use of industrial hemp as a novel food**

This is an application for the use in food of industrial hemp as a novel food. It was considered by ANZFSC in May 2002. Ministers decided to retain the total prohibition on the use of industrial hemp as a novel food.

**New applications**

*Trehalose*

We have received an application for the use of Trehalose, a less sweet type of sugar which could be used in products such as jam to allow a fuller flavour of the fruit to come through.

*Caffeine*

A further application has been received for the addition of caffeine to soft (non-kola) drinks after an earlier application in similar terms was withdrawn.

**Maximum Residue Limits (MRLs) applications**

The inclusion of maximum residue limits in the *Food Standards Code* has the effect of allowing treated produce to be legally sold, provided that the residues in the treated produce do not exceed the MRL.
During the year, we received eight applications for MRLs from the National Registration Authority, two applications were received from industry and ANZFA developed one proposal for MRLs. We made a total of 14 recommendations to ANZFSC, 13 for applications and one for a proposal.

Other major applications & proposals

*Pasteurisation of orange juice and labelling of unpasteurised juice*

In early 1999, a food poisoning outbreak in South Australia affected over 500 people. The implicated food was unpasteurised orange juice, which had been contaminated with *Salmonella typhimurium* phage type 135a.

This outbreak prompted the South Australian Department of Human Services to submit an application to require all unpasteurised orange juice, other than freshly squeezed orange juice for immediate consumption, to be labelled to ensure consumers are informed of the risks associated with the consumption of unpasteurised orange juice.

ANZFA recommended to the Australia and New Zealand Food Regulation Ministerial Council (Ministerial Council) that all packaged ‘untreated fruit and vegetable juices’ be labelled with a statement to the effect that the product has not been pasteurised or treated to achieve the equivalent result. ‘Untreated fruit and vegetable juices’ are juices that have not been pasteurised or otherwise treated with a process equivalent to pasteurisation. The Council considered the recommendation in May 2002 and referred the issue back to ANZFA to discuss with jurisdictions.

*Exemption from the notification requirement of the food safety standards for fundraising events*

The NSW Department of Health made an application to ANZFA in June 2001 requesting that the notification requirement in Standard 3.2.2 be varied to exempt fundraising events. This was the first application we received requesting an amendment to the food safety standards. ANZFA rejected the application on public health and safety grounds for the following reasons.

- Fundraising events have been implicated in outbreaks of food-borne illness and pose no less a food safety risk than commercial operations.
- The notification requirement did not pose a significant burden on community and charitable organisations.
- Notification of fundraising events should not significantly increase any administrative burden on enforcement agencies.
The notification requirement can be an important mechanism whereby food safety and hygiene information can be communicated to not-for-profit organisations.

The notification requirement can provide enforcement agencies with important knowledge on the nature of food businesses in their jurisdiction and assist in enforcing the requirements of the Food Safety Standards.

**Application to amend the requirements relating to pests and animals in the food safety standards**

The NSW Department of Health made an application to ANZFA in March 2002 to amend the requirements of Standard 3.2.2 *Food safety practices and general requirements* and Standard 3.2.3 *Food premises and equipment* relating to pests in food premises. The application seeks to make it a direct offence for pests to be present on food premises. This will replace the current requirements for food businesses to take practical measures to eradicate and prevent pests in food premises. The application has been accepted and placed on the work plan.

**Proposal to review processing requirements for uncooked comminuted fermented meat (UCFM) products**

This proposal was initiated in September 2001 and is now at the stage of Draft Assessment. The Proposal addresses the appropriateness of the *E. coli* 3-log reduction requirement to industry, enforcement practicalities and whether the associated microbiological limits in UCFM products are protecting public health and safety. The Draft Assessment Report will be submitted to the Board meeting in September 2002.

**Timeliness**

We received 27 applications this year and had 55 still on hand at the start of the year. There were three applications that ran over their statutory time frame this year. The reasons are as follows.

**A411 — Orange juice**

As part of the finalisation of the recommendations, complex issues arose that needed to be further considered in consultation with the applicant and the juice industry.

**A418 — Duty free labelling**

The Distilled Spirits Industry Council of Australia applied for an exemption from labelling requirements for duty free spirits and liqueurs. A significant amount of time was spent exploring all options, including alternative solutions, and consulting with stakeholders. ANZFSC decided to accept ANZFA’s recommendation and rejected the draft variations requested.
A416 — Genetically modified corn
The final assessment for this application was delayed due to submission by the applicant of a significant quantity of additional, complex information. The application was also sent to an external reviewer for expert comment.

**Performance Indicator**

Hazards in food are monitored and evaluated to support the development of food regulatory measures.

**Our performance**

ANZFA undertakes significant monitoring and surveillance of food safety hazards in the food supply. We can conduct research and surveys in relation to any of the matters that may be included in a standard and coordinate, in consultation with the States, Territories and New Zealand, the monitoring, surveillance and enforcement of activities relating to food available in Australia and New Zealand.

Monitoring and surveillance activities and intelligence-gathering relating to the food supply can provide information for a number of other ANZFA functions, including risk assessments that may lead to recommendations on the need for new or amended food standards and the evaluation of the effectiveness of food regulatory measures.

**The Bi-national Food Surveillance and Enforcement Strategy**

ANZFA coordinates the Bi-national Food Surveillance and Enforcement Strategy Working Group. The Working Group has developed and progressed a strategy to better plan and coordinate the food surveillance and monitoring activities undertaken by government health agencies in Australia and New Zealand. These activities have historically varied considerably throughout States, Territories and New Zealand.

The aims of the strategy are to:

- discuss and share information relating to monitoring and surveillance within Australia and New Zealand;
- coordinate and analyse existing food surveillance data;
- use monitoring and surveillance data within a broader risk assessment framework to develop and review food regulatory policy;
establish consistent methodologies for conducting and reporting national (or bi-national) food surveys; and

- build communication networks throughout State, Territory, Commonwealth and New Zealand agencies.

The Working Group met regularly during 2001–2002. It has broad representation and is composed of representatives from State and Territory health agencies, the New Zealand Ministry of Health, AQIS, the Australian Government Analytical Laboratory (AGAL), the New Zealand Institute of Environmental Science and Research Ltd (ESR), the Commonwealth Department of Health and Ageing (DoHA) and Agriculture, Fisheries and Forestry — Australia (AFFA). The Working Group is coordinated and chaired by ANZFA.

The Working Group has progressed a number of projects including the development of a food surveillance database, a prioritisation mechanism for surveillance activities and the publication of a quarterly on-line newsletter, Food Surveillance Australia New Zealand. Other projects include a study estimating the dietary exposure of Australians and New Zealanders to sulphites in foods, the commissioning of a survey of chloropropanols (potentially carcinogenic contaminants) in soy sauce products and a survey to obtain representative data on the levels of chloropropanols in a wide range of foods in the Australian diet.

**Pesticide residues and contaminants — Australian Total Diet Survey (ATDS)**

Interpretation and assessment of the test data from the 20th ATDS was completed and a report will be published early in the next financial year.

The ATDS, which was previously named the Australian Market Basket Survey, has been undertaken in Australia since 1970.

Sixty-nine types of foods representative of the Australian diet, including meat, seafood, milk, fruit and vegetables and processed foods such as bread, were tested for a broad range of pesticide residues and contaminants by the Australian Government Analytical Laboratory.

The foods are tested at a ready-to-eat stage which provides the most accurate assessment of the levels of pesticides and contaminants that we are
actually exposed to, because processing and cooking can change the levels of some chemicals.

The ATDS is in two parts: one part measures the levels of pesticides and contaminants present in foods, the other part uses this information, along with dietary modelling to estimate our exposure to pesticides and contaminants from the total diet.

The survey results found that the Australian food supply is very low in pesticides and heavy metal contaminants and well within the safety standards set by Australian and international health authorities.

**Emerging food issues**

We are increasingly using international information through a wide range of sources, including internet searches and internet publications, along with our strong linkages with other regulatory agencies and experts, to alert us to emerging food issues world-wide.

**Chloropropanols**

In July 2001, the UK released information about concentrations of the chemicals in some foods, particularly soy sauces. They took 100 samples of soy and oyster sauces and found that 22% of these had very large concentrations of two particular chemicals, 3-MCPD and 1,3-DCP.

After reviewing the UK data, we took several courses of action.

- We advised AQIS to increase controls on the import of soy and oyster sauces and to look for these chemicals in imported foods.
- We initiated our own survey to assess the levels of these chemicals in products on sale in Australia. We took samples from supermarket shelves, contracted a laboratory to analyse these samples and placed the results on our website.
- We worked with the States and Territories to identify certain brands with high levels and initiated a recall on them.
- We then established a standard, setting maximum levels for these chemicals in soy and oyster sauce.
- We commenced a further survey to assess the level of the chemicals in foods other than soy sauces as they may be present in a wider range of foods.
The recall of the soy sauces was complicated by the number of brands and importers involved in importing the sauces. During the recall we used a media campaign to alert consumers about the recall and the risks involved. The process was also hampered by the fact that many retailers were non-English speaking, small business people in small Asian food stores and restaurants. We used the Asian press in Australia to ensure the messages reached these traders.

**Bovine spongiform encephalopathy (BSE)**

Another major issue where close attention to international information was essential is the potential exposure to the BSE agent through beef and beef products. Variant Creutzfeldt-Jakob disease (CJD) is a fatal human disease that can develop as a result of consumption of food containing the BSE agent.

We established a BSE Expert Advisory Group to advise us on our assessment of the risk to public health resulting from exposure to the BSE agent through food consumption. This committee is made up of international and domestic experts. Eminent scientists, food technologists and food regulation experts from several prestigious organisations overseas accepted ANZFA’s invitation to participate in its work — including members from the United States, the United Kingdom and Canada, as well as Australia and New Zealand.

The committee, which meets by teleconference, ensures that we have the best expert advice that is available internationally on BSE to feed back into our processes.

An amendment to the *Food Standards Code* came into effect on 18 July 2001 which requires beef and beef products sold in Australia to be derived from cattle that are free from BSE. To give effect to the new Standard, we introduced a certification system that determines the conditions under which beef and beef products may enter Australia. Under this system, which was fully implemented on 16 November 2001, categorisation of each country is based on the outcome of an assessment determining the level of risk that BSE is present in the cattle population and may have affected food for human consumption.

At the end of last financial year, we established the Australian BSE Country Categorisation Committee for Human Food Products to undertake these assessments.

Countries are assigned to one of the following categories:

- **Category A** (certification required) — Beef and beef products from these countries are regarded as posing a negligible risk to human health.
Category B (certification required) — These countries, while not reporting cases of BSE may have been exposed to high risk factors, such as the importation of high-risk meat and bone meal.

Category C (certification required) — Countries in this category are known to have considerable exposure to BSE risk materials, but have not reported indigenous cases of BSE.

Category D — Beef and beef products from countries in this category pose the highest level of risk and will be refused entry to Australia. These countries will have reported cases of indigenous BSE in their herds.

Products from category B and C countries can only be imported if the national authority can certify that the product is derived from animals not exposed to BSE risk and if specific risk materials have been excluded from the food chain.

We received applications for country classifications from 33 countries and have completed assessments of 20.

Listeria monocytogenes
We became aware of two foetal deaths in different parts of Australia from Listeria. Listeria is always present in our environment and its instance can be reduced, but not eliminated. Pregnant women need to know about it and its effects so they can reduce their risk of being infected. We re-issued a widely publicised warning to pregnant women about the risks of Listeria including a brochure and a fact sheet giving information on how to avoid eating food contaminated with Listeria. These were distributed to general practitioners and obstetricians just before we released the warning through the press. This enabled the health professionals to have material ready to give to any woman contacting them as a result of the publicity on the subject. (See also Key Result Area 3 re. A risk-based management strategy on Listeria).

Performance indicator
National food recalls are coordinated and monitored across all States and Territories.

Our performance

Recall Guide
We released a new guide to the food industry on the steps to be taken when a food recall becomes necessary. The new Food Industry Recall Protocol sets out
procedures for stopping the distribution and sale of unsafe food products, notifying relevant authorities and removing food products from shelves.

The *Food industry Recall Protocol* has two levels of product recall — trade recalls and consumer recalls — in place of the three previous levels (wholesale, retail and consumer).

Trade recalls involve the recovery of food products from retailers and other distribution centres, wholesalers and catering establishments such as hospitals, restaurants and other food outlets before they reach consumers. Consumer recalls involve recovery of the product from all points in the production and distribution chain, including consumers.

Food businesses engaged in the wholesale supply, manufacture or importation of food must now have a written recall plan as set out in Standard 3.2.2 of the Code. This should minimise delays in taking remedial action in the event of a food safety problem arising.

**Food Recalls 2001-2002**

<table>
<thead>
<tr>
<th>Number of recalls</th>
<th>Reason for recall</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>Microbiological health risks, eg <em>Listeria monocytogenes</em>, <em>Salmonella</em> etc.</td>
</tr>
<tr>
<td>13</td>
<td>Chemical contamination</td>
</tr>
<tr>
<td>13</td>
<td>Inclusion of foreign matter, eg glass, metal etc.</td>
</tr>
<tr>
<td>4</td>
<td>Processing malfunctions</td>
</tr>
<tr>
<td>7</td>
<td>Labelling errors, ie product includes ingredients not listed on the label and could cause an allergic reaction.</td>
</tr>
<tr>
<td>4</td>
<td>Biotoxin contamination</td>
</tr>
<tr>
<td>2</td>
<td>Products did not meet <em>Food Standards Code</em> requirements, eg excessive colour or lead levels</td>
</tr>
<tr>
<td>1</td>
<td>Choking hazard (see below)</td>
</tr>
<tr>
<td>1</td>
<td>Prohibited botanical</td>
</tr>
</tbody>
</table>
There were a total of 73 recalls during the year, of which 33 were due to imported products (45%). This figure is slightly higher than recent years due largely to the 12 soy sauce products recalled as a result of excessive levels of chloropropanols.

This number of recalls sets a new record. Many of the recalls were precautionary and almost all were initiated by food companies as part of a national food-safety strategy. The increasing number of recalls shows that there is greater awareness of the Recall Protocol and the obligations of industry to act where there is any doubt about the safety of a product.

**Mini-cup jelly lollies**

In November 2001, following consultation with State and Territory health authorities, ANZFA recommended an Australia-wide recall of mini-cup jelly lollies containing the food additive konjac, which are commonly sucked out of an individually sealed cup.

The recall was because fifteen deaths around the world had been linked to choking episodes caused by this type of jelly cup, including eight in Japan, five in the US and one in New South Wales.

Konjac is not approved as a food additive or as a food in Australia and is, therefore, an illegal food. Under these circumstances, it was decided that the product should be removed from the marketplace.

The jelly lollies containing konjac have been imported from Asia. There are some brands of jelly cups on the market which are manufactured in Australia which do not contain konjac and so were not recalled.

**Retailers and Manufacturers Liaison Committee**

ANZFA set up this committee to maintain an ongoing dialogue with and between retailers and manufacturers to improve information sharing on issues of common concern and to develop, evaluate and as necessary revise a protocol for use in the event of an industry based food safety emergency.

The committee, which meets about every three months, has proved to be very useful this year as a mechanism for discussing issues such as chloropropanols and jelly cups (see above).
Performance Indicator

Stakeholders supported in the implementation of the Food Standards Code by strategies such as public forums, user guides and practical strategies for supporting small business.

Our performance

The new joint Food Standards Code and accompanying user guides were launched in September 2001 by our Chair, The Hon. Michael MacKellar, at Old Parliament House in Canberra. The launch was attended by many of our stakeholders. The final version of the Code became available in hard copy for subscribers at the same time. It had been available on ANZFA’s website since January 2001.

Food Standards Code Communication Strategy

At the commencement of the year, ANZFA developed a communications strategy to support the transition to the new Code. This involved communications to stakeholders, establishment of the joint Code Advice Line as a free service to industry, presentations and preparation of training resources.

This communication strategy entered phase two in the second half of the financial year. As we approached the end of the transition period, we increased our communications to the food industry by direct contact to local councils in Australia and public health units in New Zealand, seeking their assistance to reach local food businesses.

We developed and launched a new ‘Assistance for Industry’ page on our website with links to information needed by industry. We wrote to all food businesses and food industry associations in our databases and made an effort to expand this coverage. We worked directly with AQIS and the food and Beverage Importers Association to communicate with importers. We also contacted embassies in Australia and New Zealand and our posts overseas to ensure that there was adequate appreciation of our changing food standards. We used our networks to expand our new on-line contacts database so that we could make direct contact with affected food businesses. We also enlisted the assistance of the State, Territory and New Zealand health departments to increase food industry, environmental health officers and public health officers awareness of the new arrangements.
Training resources and presentations

Our Standards Information Unit developed training packages on the joint Code for jurisdictions and industry. The training package consists of a Power Point presentation and accompanying workshop and manual tailored for training environmental health officers. A Power-Point slide demonstration has been developed for industry use.

The training package was circulated to all jurisdictions in September 2001 and was delivered in:

- Victoria (Melbourne only) in June
- Queensland (State wide) in July and August
- New Zealand (country wide) in August
- Western Australia (Perth only) in September

Participants’ responses on an evaluation questionnaire show that both the environmental health officer and industry presentations receive a ‘good’ rating. Comments on evaluation forms show that much of the anxiety and misunderstanding regarding new requirements in the joint Code (especially labelling changes) is relieved or corrected as a consequence of the presentations. Industry participants in particular have commended ANZFA for developing ancillary resources — the user guides and Nutrition Panel Calculator — to facilitate compliance with the joint Code.

During the year, the Standards Information Unit and Standards Branch personnel also presented to a number of industry associations etc. on the Code.

Joint Code Advice Line

This service was set up early in 2001, and operated throughout the year to help businesses implement the requirements of the new Code. During this year, the help desk answered around 100 enquiries per day mainly from small businesses, but calls also come in from State and Territory departments and consultants. Demand for these advisory services are likely to significantly increase toward the end of the transition period.

In addition, a large volume of general enquiries have been coming through the ANZFA switchboard, mainly from consumers. About a third of the enquiries have been from the food industry.
Nutrition Panel Calculator

We put a major effort this year into the development and release of a new on-line Nutrition Panel Calculator to help food business, particularly small businesses, to calculate nutrition information panels for their food labels. The calculator was released in October 2001.

By December 2002, almost all packaged foods must have a nutrition panel on the label, listing energy (kilojoules), protein, total fat, saturated fat, carbohydrate, sugars and sodium in order to comply with the new Food Standards Code.

The calculator is a free service for food businesses. Businesses can enter their recipe and related information and a nutrition information panel is automatically calculated for inclusion on the product label or packaging.

The calculator uses Australian nutrient data (AUSNUT Special Edition) containing over 4,000 commonly used foods and food ingredients. It can be accessed from ANZFA's website.

The calculator went onto the website in October 2001 and, despite some teething problems, feedback suggests that it has been well received.

User guides

A final version of a user guide on nutrition labelling was produced in October 2001. The draft version had been available for some time before this. The Intergovernment taskforce, of which ANZFA was a member, prepared a GM Labelling User Guide. The nutrition labelling user guide and the GM labelling user guide have now joined the 12 user guides which were produced by ANZFA to help food businesses to interpret and apply the new standards. They are available on our website. The user guides are also available in hard copy as a companion document to the Food Standards Code.

We have also released a new consumer pamphlet, ‘Genetically Modified Foods’ explaining the new labelling rules for GM foods. This pamphlet is available in Australia from Coles, Woolworths and some independent supermarkets, from the Gene Technology Information Service and from ANZFA offices. It was produced with funding from Biotechnology Australia which is a collaboration of five Commonwealth Government Departments, and was created to assist in coordinating the Government's approach to biotechnology.
Food safety guides commenced during the year

Tourist operator project

We are working with the Northern Territory Health Service to develop a guidance document that can be used to assist tour operators to develop their own food safety programs. This will be completed early in the 2002-2003 financial year.

Food safety guides completed during the year

Guide to the temperature control requirements in Standard 3.2.2 — Food Safety Practices and General Requirements

The guide for food businesses to the requirements in the Food Safety Standards for controlling the temperature of food, *Temperature control requirements for potentially hazardous food*, was completed and available on the website in April.

Fact sheets for charities and community groups

There was a major food poisoning incident in Victoria in March 2002 which hospitalised a large number of people. It resulted from food served at a non-profit making event. In May we completed, and placed on our website, a series of fact sheets on food safety which are aimed at charities and non-profit organisations. A limited number of fact sheets were printed and provided to State and Territory health and human services departments. We are aware that these charities and community groups do a lot of good work and that events which include food are an important method of fund-raising and socialising for them. However, the Victorian food poisoning outbreak shows the potential hazards of food being prepared by people who have insufficient knowledge and are inexperienced in catering for large numbers of people. A major study of food poisoning in the UK released last year showed that this is one of the most common causes of food poisoning in that country. The fact sheets for such organisations aim to reduce the risks.

Guides to the skills and knowledge requirement of Standard 3.2.2 — Food Safety Practices and General Requirements

Two guides were completed during the year. *Food Safety: Guidance on skills and knowledge for food businesses* was available on the website from the beginning of April. Also in April, a guide on enforcing the requirement by local government enforcement officers *Food Safety: Guidance for Enforcement Officers* was circulated to State and Territory health and human services departments.
Handbook for auditors

A guide, Food Safety: Guidance for food safety auditors was made available on the website in October 2001. This provides information for food safety auditors on compliance assessment of food safety programs and the food safety standards.

Other material completed

To assist food business people with languages other than English as the primary language, we produced fact sheets on the new requirements in the Food Safety Standards in fifteen languages. The translated fact sheets were provided electronically on the website and on CD ROM to State and Territory health and human services departments for distribution to local councils. This was partly funded by the Commonwealth Department of Health and Ageing (DoHA).

Support for States and Territories on implementation of Food Safety Standards

For the first time, during the year the Standards 3.1.1 Interpretation and application, 3.2.2 Food Safety Practices and General Requirements and 3.2.3 Food Premises and Equipment came into effect in Queensland (July 2001), Tasmania (September 2001), Victoria (January 2002) and the ACT (March 2002). The standards are expected to come into effect in South Australia, Northern Territory and Western Australia later in 2002. They came into effect in NSW last year (May 2001).

Standard 3.2.1 Food Safety Programs had been included in the Food Standards Code in December 2000 as a voluntary measure. Before making a decision as to whether this standard should be mandatory, States and Territories agreed to await the outcomes of studies, funded by the DoHA, into the costs and benefits of food safety programs. These studies are assessing the costs and benefits of food safety programs and the incidence of food borne illness. We expect that DoHA will report to the Ministerial Council later in 2002.

Food Safety Standards Implementation Working Group

ANZFA’s Implementation Working Group comprises Senior Food Officers at Commonwealth, State and Territory level and representatives of the DoHA, AFFA, AQIS and SafeFood NSW. The group shares information and facilitates national co-ordination of the implementation of the food safety standards. Four meetings have been held this year. Key achievements have been on-going coordination on issues related to the implementation of the food safety standards and the finalising of materials to support the implementation of the standards. ANZFA used the guidance
materials for food businesses and environmental health officers on the skills and knowledge obligations, temperature control requirements for potentially hazardous foods and food safety information to also help charities and community groups.

A guidance handbook for auditors of food safety programs and Standard 3.2.1 has also been completed.

**Key Result Area 1 outputs for 2001-2002**

- Recommendations made to ANZFSC on 7 Applications and 18 Proposals.
- Standard setting maximum levels for 3-MCPD and 1,3-DCP chloropropanols established.
- Assessments of 20 country classifications for BSE risk completed.
- Brochure and fact sheet on the risk of Listeria monocytogenes for pregnant women distributed.
- New Food Industry Recall Protocol issued.
- Retailers and Manufacturers Liaison Committee established.
- 73 food recalls coordinated.
- Training package for jurisdictions and industry on new Food Standards Code developed.
- Help desk answered around 100 enquiries each day.
- Nutrition Panel Calculator released.
- User guides on GM labelling and Nutrition labelling released.
- Consumer pamphlet on GM foods released.
- Guide to temperature control requirements in Standard 3.2.2 completed.
- Fact sheets for charities and community groups issued.
- Two guides on Skills and Knowledge Requirements of Standard 3.2.2 completed.
- Handbook for auditors of food safety issued.
- Fact sheets on food safety released in 15 languages.
KEY RESULT AREA 2 — MANAGING THE CHANGING NATURE OF OUR ROLE AS WE MOVE TO IMPLEMENT THE NEW APPROACH TO THE MANAGEMENT OF FOOD REGULATION

Performance Indicator
The new responsibilities of the FSANZ Board are supported.

Our performance
In 2001–2002 considerable work has been done to support the introduction of the new FSANZ Board and the new FSANZ legislation from July 2002.

We have worked closely with DoHA in preparing for the transition. This has involved providing input to comment on the new work of the Food Regulation Standing Committee (FRSC) and its sub-committees.

We have undertaken a specific communications strategy around the change to FSANZ so that our stakeholders are kept informed of, and understand the implications of, the new arrangements.

We have undertaken a significant planning and implementation program to prepare administratively for the new arrangements, including new signage, websites, domain names, email addresses, stationery, letterheads and logos and other matters associated with a name change.

We have also prepared for the transition of standards work in progress by ANZFA that were picked up by FSANZ.

In preparation for a new Board, we developed a background briefing package and identified and prepared for all of the matters that needed to be addressed by the new Board on its first day of operation on 1 July 2002.

Performance Indicator
Participation in the new food regulatory mechanisms.

Our performance
In anticipation of the introduction of a new food regulatory system on 1 July 2002, three official committees were established to provide support to the new
regulatory system. FSANZ has significant involvement in the new regulatory arrangements through its involvement with these committees.

The Food Regulation Standing Committee (FRSC) comprises heads of Departments for which the respective members of the Ministerial Council have responsibility. The FRSC provides advice to the Ministerial Council on policy guidelines. FSANZ has observer status on the committee.

The Development and Implementation Sub-Committee (DISC) on which FSANZ has observer status, comprises the heads of the Commonwealth, State/Territory and New Zealand inspection and enforcement agencies. DISC assists the FRSC with the development of policy guidelines and has responsibility for coordinating a consistent approach by jurisdictions for the interpretation and enforcement of standards.

The Technical Advisory Group (TAG) comprises senior food enforcement officers and has been established to ensure appropriate technical consideration is given to a range of food regulation issues. The committee is chaired and supported by FSANZ.

**Performance Indicator**

We worked with our new partners to implement arrangements for primary production standards.

**Our Performance**

Under the new regulatory arrangements, the development of all domestic food standards became the responsibility of Food Standards Australia New Zealand (FSANZ) in mid 2002.

These primary production and processing standards, will focus on food safety and be consistent with the standards in Chapters two and three of the *Food Standards Code*. They will form a new Chapter four of the Code.

We have worked closely with the Working Group on Primary Products, chaired by AFFA, to develop a model protocol for the development of the primary production and processing standards. The model protocol outlines the processes that will be undertaken for the development of the standards. Ministerial policy guidelines and specific commodity guidelines, as necessary, will also be developed to guide development of the primary production and processing standards.
Developing these standards will require extensive consultation with primary industry sectors and other stakeholders. We are developing links with government agencies, industry associations and other groups with interest in the primary industries sector to gain knowledge and experience of the food safety issues affecting the primary production and processing sectors.

We assisted SafeFood NSW with comments on the NSW Food Production (Seafood Safety Scheme) Regulation 2001 and the associated Regulatory Impact Statement.

We also worked closely with key seafood industry groups in anticipation that seafood will be one of the first primary production standards included in the Food Standards Code. We worked with one of the industry groups, Seafood Services Australia, to develop an industry view of what needs to be included in a future primary production and processing standard covering seafood.

In March, we took part in a forum conducted by Meat and Livestock Australia (MLA), where their Red Meat Research & Development Group gave a presentation on the meat industry, research being conducted and the main issues for the industry.

We assisted MLA to develop their guidelines for the safe manufacture of smallgoods. We also assisted the Agriculture and Resource Management Council of Australia and the New Zealand Meat Standards Committee to develop an Australian Standard for the Hygienic Production and Transportation of Meat and Meat products for Human Consumption.

We assisted B-Qual Australia Pty Ltd, a company established by the Australian Honey Bee Industry Council for quality assurance training and accreditation in the honeybee industry, to develop quality standards relating to food safety. The guidance provided aimed to ensure consistency between the food safety program developed by B-Qual and the food safety standards in Chapter three of the Food Standards Code.

ANZFA is represented on the SafeFood NSW Plant Food Products Food Safety Scheme Reference Group. This group is developing food safety schemes for plant food products such as seed sprouts, vegetables in oil and unpasteurised fruit juice that have been identified as high risk products.

ANZFA is a member of a panel of technical experts, established at the initiative of the Grain Research and Development Corporation, which is examining food safety issues in the grain industry.
Fermented meat products

The Uncooked Comminuted Fermented Meat (UCFM) Expert Panel held four meetings during the year and assessed more than 100 production protocols. It provided feedback to State controlling authorities on the capability of the production process to meet the *E. coli* 3-log reduction requirement.

A two-day technical forum (ANZFA Expert Advisory Panel on UCFM Products and MLA Expert Panel on Smallgoods) was held in February 2002. Through close consultation with industry representatives, State health departments and scientists, the forum established criteria and procedures to assess the UCFM production protocols.

Performance indicator

Links with the Commonwealth Department of Health and Ageing (DoHA) are enhanced.

Our performance

Under the new arrangements, the DoHA has taken over responsibility for policy development in relation to food regulation. We have been working very closely with the Department to work out how we interact and what contribution they need from us ensure high quality and timely policy development.

We have taken an active role as a representative on the DoHA National Food Safety Projects Steering Committee and with members on the project teams for twelve projects. These projects are developing material that will assist the food industry with implementation of the mandatory food safety standards and food safety programs.

Several of these projects involve developing tools to assist food businesses in specific industry sectors to develop food safety programs. The industry sectors are the children’s services sector, commercial food services sector and nursing homes and small hospitals sector of the food industry.

Other projects coordinated by DoHA with ANZFA representation are developing a food safety video for community stores in remote locations, a food safety video for school canteens and a project to evaluate and make recommendations on food safety management for organisations, such as Meals on Wheels, that deliver meals. There is also a project to develop and distribute a food safety information kit to schools nationally. The material in the kit is based on Food Safety Matters: a food safety information kit for schools developed by Queensland Department of Health and the Home Economics Institute of Australia Inc. These projects are due for completion in 2002.
We have also assisted with a project to develop training material on the food safety standards for environmental health officers. This project is completed.

We are represented on the steering committee of projects examining the costs and benefits of food safety programs and a risk validation project for food businesses. We are also represented on the OzFoodNet project examining the incidence of food-borne illness in Australia. These projects will form part of the evidence base upon which the Ministerial Council will reconsider the issue of mandatory food safety programs.

**Performance Indicator**

Effective working relationships with the Office of the Gene Technology Regulator (re the assessment of genetically modified foods) developed.

**Our performance**

We are in the process of developing a Memorandum of Understanding with the Office of the Gene Technology Regulator detailing how we will interact with each other in terms of responsiveness etc.

**Links with other agencies**

We had considerable input this year to assist DFAT and AFFA to explain our safety assessment processes for GM foods to other countries.

We work closely with the Therapeutic Goods Administration and the Office of Complementary Medicine. We have had considerable input this year to a taskforce which is looking at integrating the regulation of therapeutic goods in Australia and New Zealand.

We have worked closely with DFAT on a Free Trade Agreement with Singapore and other bilateral initiatives.

We worked closely with the Department of Industry, Tourism and Resources on APEC and ASEAN issues related to food.

**Key Result Area 2 Outputs for 2001–2002**

- Model Protocol for development of primary production standards developed.
- Two day technical forum on uncooked comminuted meat products held
KEY RESULT AREA 3 — EFFECTIVELY MANAGING AND ENHANCING THE STANDARDS DEVELOPMENT PROCESS

Performance Indicator
Evidence base for scientific risk assessments improved.

Our Performance

Food Safety Research Needs in Australia: A Supply-Chain Perspective

While it is widely recognised both nationally and internationally that Australian food is safe, ANZFA had estimated there are up to 4.2 million cases of food-borne illness costing up to $2.6 billion annually. In addition, the changing environment of food production and consumption trends is presenting new challenges to the food supply. These challenges include new and emerging microbial hazards, eating/lifestyle changes, new foods and combination/replacement meals, and new production and business models for providing foods.

It is against this background that ANZFA, together with the Commonwealth agencies of AFFA and DoHA, initiated a review of food safety research needs from a supply-chain perspective. The key objective of this review was to define research needs not currently being addressed by existing processes across the food supply-chain through wide consultations with stakeholders.

The main themes arising from the review include the need to develop an integrated through-chain approach to risk assessment, the need to conduct microbial risk assessments utilising Australian data, to move from qualitative to quantitative risk assessments and to focus research on new and emerging risks. The outcomes of this report will inform ANZFA's approach to assessing the risk of food-borne microbial hazards and discussions with research providers.

ANZFA Scientific Fellows

ANZFA must have access to advice of the highest calibre on a wide range of scientific issues in order to operate effectively as a food regulator. To this end we made a strong commitment to fostering linkages with experts in a wide range of scientific, regulatory and legislative areas. One mechanism that has been put in place to facilitate greater access to expertise is the ANZFA Fellows Program. Ten experts
were appointed as ANZFA Fellows in September 2000 for a term of three years. The ANZFA Scientific Fellows Program, now in its second year, provides access to the expertise of these distinguished scientists and specialists.

Over the past year, the ANZFA Fellows have contributed significantly to our activities. In particular, they have played an important role on project reference groups and have participated in forums on specialised topics. The Fellows have also accepted invitations to participate in ANZFA’s seminar program and review our work.

**Performance indicator**

Suitable assessment processes, tools and techniques including risk analysis are established.

**Our Performance**

**BSE/vCJD**

We have comprehensively developed our risk analysis capability in the area of vCJD and BSE and also drew very heavily on the risk analysis work and framework that are used elsewhere, particularly in Europe, in developing our country categorisation process for BSE risk (See Key Result Area 1). This methodology was particularly important to manage the risk of BSE as there is no scientific test which can detect the presence of this disease in food products. Other methods of ensuring that infected meat or meat products did not enter our food chain were, therefore, essential.

**Microbial risk assessment for Listeria monocytogenes**

We consider that microbiological criteria should meet a public health need, with risk assessment being a key tool for evaluating this need. The move to quantitative risk modelling for microbial hazards as an additional assessment tool will facilitate this approach. However, the methodologies for undertaking quantitative risk assessment are still evolving as is the use of this tool in regulatory decision making.

ANZFA is undertaking a project to develop appropriate tools and techniques to quantify the risks from microbes. We are examining the risk of listeriosis from the consumption of two seafood products contaminated with *Listeria monocytogenes*. In undertaking this project we have drawn together the available information on the extent of Listeria contamination of these food products in Australia and New Zealand, the public health impact of contamination of these...
foods and the comparable information available from other countries. We are also using quantitative modelling techniques to identify the most effective regulatory response to the identified risks. A draft risk assessment was released for targeted consultation in May 2002 and stakeholder forums held to discuss the assessment process and its outcomes.

This project is part of a broader activity to develop a strategy to manage the risks of Listeria in foods. It is recognised that Listeria has been linked with a variety of foods and that there are a variety of strategies that may be applied by regulators and industry to reduce its incidence in food.

We are developing a Listeria management strategy which aims to provide regulators, industry and consumers with a comprehensive and transparent strategy by identifying the general principles being adopted to minimise risk to Australian and New Zealand consumers of a food-borne Listeria infection.

**Equivalence determination of food safety outcomes**

The principle of equivalence in food safety is based on the recognition that the same level of food safety can be achieved by using alternative measures. The objective of assessing the equivalence of food safety measures is to determine if these measures, when applied to a specified food, achieve the same level of food safety as that achieved when the same type of food is produced using the standard/traditional measures. As food regulations become less prescriptive, equivalence determination becomes a useful tool to ensure the health and safety of consumers without hindering innovation in the food industry. The concept of equivalence is embedded in the international regulatory framework.

We are developing guidelines for determining the equivalence of food safety measures particularly in relation to microbial hazards. The guidelines help us to reach consistent determinations in a transparent and consistent manner.

The determination of equivalence of food safety outcomes is applied within the risk analysis framework, which places a strong emphasis on risk and evidence-based decision making. Determinations will, therefore, consider information about the food safety hazard, the proposed hazard control measures and the effectiveness of the measures. The food safety outcome of the proposed measures will be compared with the food safety outcome of conventional measures.

The infrastructure which underpins the implementation of control measures will also be evaluated. Infrastructure may include mandatory requirements, industry agreed standards, compliance and enforcement activities, audit systems and hazard monitoring and surveillance systems.
DIAMOND development projects

DIAMOND (Dietary Modelling of Nutritional Data) is the software program ANZFA uses to estimate dietary exposure of Australians and New Zealanders to food chemicals, including nutrients, additives, contaminants and pesticides, and to estimate consumption of particular foods and food ingredients.

DIAMOND uses food intakes measured in the 1995 Australian and 1997 New Zealand National Nutrition Surveys (NNS). Both these surveys use a 24-hour dietary recall methodology where survey participants record all food and drink consumed over the past 24 hours. This tends to overestimate long-term high food consumption and exposure levels and, therefore, can lead to adoption of overly conservative risk management strategies. ANZFA has commissioned two studies aimed at developing more realistic estimates of long-term food and nutrient intakes, based on additional data sets collected during the 1995 Australian NNS.

The first study aims to develop adjustment factors that can be applied to nutrient exposures estimated on a one-day basis through DIAMOND. The adjustment factors will be specific for particular nutrients and particular fortification scenarios. The second study aims to develop adjustment factors that can be applied to estimates of the amount of foods consumed to better represent food intake for use in estimates of chronic exposure to food chemicals.

Work commenced reviewing the findings of a small study conducted in 1997 by the Australian Bureau of Statistics on dietary supplement consumption. This project will help us estimate total exposure to nutrients from both foods and medicines.

Performance indicator

Organisational capacity for economic/social/cultural analysis is enhanced.

Our performance

An important aspect of our risk analysis work is ensuring that regulatory decisions are informed by non-scientific risk assessment. During this year, we provided training and specialised support to staff to further develop the necessary skills to analyse economic and social issues impacting on food standards setting.
Performance indicator

Effective risk management practices incorporated into our standards work, Regulatory Impact Statement (RIS) process improved and integrated with assessment reports

Our performance

There are three distinct steps in ANZFA’s risk analysis processes.

- Risk assessment — There are two aspects to risk assessment. There is the scientific risk assessment which is central to ensuring public health and safety. This risk is determined using various scientific studies such as toxicological, nutritional, food technology and dietary modelling studies to assess the safety and public health impact of a product or ingredient.

  We also undertake an assessment of non-scientific risk which includes consideration of people’s concerns over food produced using new technology, protecting icon food such as meat pies etc.

- Risk management — Is about how to best manage those scientific and non-scientific risks that have been identified. Recommendations on appropriate risk management strategies are required to achieve our Section 10 objectives in the ANZFA Act, the first of which is the protection of public health and safety.

- Risk communication — A two-way risk communication process — to inform the public of our decisions and the reasons for them and inform ourselves of the views of the community.

We have always been proud of the high quality of our scientific risk assessment. We are now making a major effort to involve the community more in the standards setting process (See Key Result Area 6) and give the community more access to information at an earlier stage. This will improve our understanding and knowledge of the other non-scientific risks, such as economic and social risks.

ANZFA is required to meet guidelines developed by the Council of Australian Governments (COAG) which aim to ensure that regulations are the minimum necessary to achieve the regulatory objective. As part of this, under our Act, we are required to produce a Regulatory Impact Statement (RIS) which outlines the costs and benefits of regulatory options.

An innovation this year has been to merge the standard assessment reports with the Regulatory Impact Statement (RIS). Previously we prepared a separate report
for each of the three assessment stages including a separate RIS. The new approach will result in a single final report based on a RIS format. This approach ensures a much more comprehensive assessment process with the report itself forming the RIS. The RIS format will help ensure the community better understands the processes followed and the rationale for recommendations. There is also greater emphasis on cost-benefit analysis.

In seeking to improve our cost and risk benefit analysis, we have also sought to rationalise the process. While comprehensive cost and risk benefit analyses will be undertaken for new framework or umbrella standards, this process has been simplified for less complex standards such as pre-market approvals and specific permissions under the *Food Standards Code*. This is being done in close cooperation and consultation with the Office of Regulation Review. It also seeks to address the requirements of the New Zealand Costs of Business Compliance process.

The RIS report format in the assessment process strengthens the focus on key scientific issues and places greater emphasis on the need to collect and analyse non-scientific, socio-economic information. This enables the development of better risk management solutions as well as enhancing stakeholders’ understanding of the key issues relating to that particular application or proposal. The format of Initial Assessment reports has also been changed so that they now provide more background information to help stakeholders understand the nature of the application or proposal and, in addition, pose questions which will enable the comments received from submitters to be of greater relevance in the assessment process.

To enhance effective risk management practices, our new processing system involves the preparation of a comprehensive risk management plan for each application and proposal. Detailed guidelines have been developed for staff, explaining the concepts of risk assessment, risk management and risk communication and setting out the necessary steps in developing a risk management plan. These guidelines are also available to the public on our website. (See also Key Result Area 1 for more information).

**Non-scientific Risk Assessment Workshop**

In improving the assessment process and introducing a new report format, all staff involved in the assessment process undertook a two-day workshop. The workshop was designed to provide an understanding of the new processes as well as a common approach to risk analysis.
Key Result Area 3 Outputs for 2001-2002

- Methodology to assess and categorise countries according to risk of BSE developed.
- Pilot study conducted on quantification of microbiological risk assessment.
- Guidelines developed to determine the equivalence of food safety outcomes.
- Our capability to estimate long-term food and nutrient intakes enhanced.
- Training and specialised support provided to staff to analyse economic and social issues impacting on food standards setting.
KEY RESULT AREA 4 — ESTABLISHING AND IMPLEMENTING A COMMON REGULATORY APPROACH AND EVALUATION STRATEGIES WITH OTHER AGENCIES

Performance indicator

An evaluation strategy to assess the effectiveness and appropriateness of new food standards and other regulatory measures developed and implemented.

Our performance

The major changes to the Food Standards Code can be expected to have an impact on all of our stakeholders, whether they are working in branches of the food industry or are consumers. Our Evaluation Strategy will provide a scientific and technical evaluation of the impact of new food regulatory measures on key stakeholders with the document identifying six specific evaluation activities. The strategy was developed in consultation with the ANZFA Data and Evaluation Steering Committee with advice from the stakeholder, ANZFA Advisory Group on Evaluation.

The draft strategy was made available for public comment from 12 December 2001. The limited number of comments received were incorporated into the final version of the strategy which was placed on our website in July 2002.

The activities associated with the Evaluation Strategy have now been given a high budget priority, and all activities will be started on time to allow benchmark data to be collected during the time remaining in the transition period (July–December 2002).

• A food safety survey to assess current food handling practices was completed and published on our website in January 2002. A media release to let the public and industry know the results of this survey generated considerable media coverage.

• Qualitative research with consumers on labelling issues was completed and published on our website in March 2002.

• Qualitative research with other stakeholder groups on labelling was completed and the final report was placed on our website in July 2002.

• A quantitative benchmark survey for consumers on labelling was advertised for tender in March 2002. Fieldwork will commence in July 2002.
• A label monitoring survey was advertised for tender on 30 March 2002, with fieldwork commencing in July 2002.

• An intense sweetener survey was advertised for tender on 13 April 2002. Fieldwork will commence in September 2002.

• An allergen labelling survey was advertised in April 2002. Fieldwork will commence in September 2001.

**Performance indicator**

In consultation with other agencies, an optimal Australian MRL setting process identified.

**Our performance**

An interagency group has been established to work on this issue. The group has now met four times. The MRL setting process involves a number of agencies including the National Registration Authority for Agricultural and Veterinary Chemicals (NRA) and DoHA as well as ANZFA. There are some differences between the processes used by ANZFA and the NRA to establish maximum permitted levels of chemical residues. Legislative changes will be needed to implement necessary changes and a working group has been looking at the detail.

**Performance indicator**

A procedure developed, in consultation with other agencies, for the processing of extraneous residue limits (ERLs) and import MRLs.

**Our performance**

Extraneous residue levels (ERLs) are levels for residues present in the food supply for pesticides, such as DDT, which are no longer used, but traces remain in the soil. At present there is no real procedure to allow levels to be set for ERLs or for Maximum Residue Levels for uses overseas (import MRLs). We are now seeking to establish and publish a procedure on how we would go about incorporating safe levels for ERLs and import MRLs into the *Food Standards Code*.

A working group has now finalised its report which will be presented to the interagency group which is looking at MRLs (see above).
Performance indicator

Effective procedures with AQIS developed on imported food controls including a protocol for food control emergency situations.

Our performance

A protocol has been agreed, in consultation with AQIS and the Retailers and Manufacturers Liaison Committee (See Key Result Area 1), which is designed to improve communication with industry in the event of a food control emergency.

We have undertaken a comprehensive review of the ‘risk list’ (a list of those foods which we test at high frequency).

On the wider level, we have reviewed the whole random and active surveillance categories where an imported food was assigned to one of these categories and this determined the frequency of testing. We are now, with the agreement of AQIS, moving away from this rigid categorisation system to a system where we base the frequency of testing on the inherent risk of the food while also taking into account the compliance history of the manufacturer. This will be a more targeted approach which will reward compliance by manufacturers. It is also more science based. This will require legislative change by AQIS.

Key Result Area 4 Outputs for 2001–2002

- Final Evaluation Strategy released.
- Safe Food Handling survey completed and published.
- Qualitative research with consumers on labelling issues completed and published.
- Qualitative research with stakeholder groups on labelling completed and published.
- Report on procedure for incorporating safe levels for ERLs and import MRLs into Food Standards Code finalised.
- Protocol agreed with AQIS and the Retailers and Manufacturers Liaison Committee.
KEY RESULT AREA 5 — SUPPORTING PUBLIC HEALTH MEASURES

Performance indicator
Advances in public health nutrition and communicable diseases contributed broadly.

Our performance

Strategic Intergovernmental Nutrition Alliance

This year, we continued our participation as a member of the Strategic Intergovernmental Nutrition Alliance (SIGNAL) and were part of the National Health and Medical Research Council Dietary Guidelines Working Party which is reviewing the Dietary Guidelines for Adults, the Dietary Guidelines for Children and Adolescents and the Infant Feeding Guidelines. We wrote two papers for this working party on food safety and on water and contributed comments on a number of other issues, particularly on the Infant Feeding Guidelines. Our input to these guidelines was important because of the need for consistency with the standard we were developing on infant formula.

ANZFA’s participation in SIGNAL provides a mechanism to obtain public health nutrition input to ANZFA’s work. It also enables food regulatory issues to be incorporated into broader public health nutrition approaches.

Food composition program

ANZFA’s food composition program is conducted by a small group of nutritionists responsible for producing the Australian reference on the nutrient composition of foods. Laboratory analysis is commissioned for a range of Australian foods and nutrient data, among other activities.

In 2001-2002, the program received the results of commissioned analyses for a range of common Australian foods, with a focus on foods for which data were lacking on certain components, particularly iodine, vitamin D and trans fatty acids. Analyses were conducted by the Australian Government Analytical Laboratory (AGAL) for samples of raw and cooked fish, eggs, breads, cakes, biscuits, canned fruits and nut products. Some relatively new varieties of fruits and vegetables were also analysed.
The program has also commissioned further analytical data on dry soup mixes and to update some older nutrient data for common fruits and vegetables. These studies will be completed in 2002–2003. We have worked with Meat and Livestock Australia to develop an analytical program for nutrients in common retail cuts of Australian beef, veal, lamb and mutton.

One of the ways the program has used its nutrient composition data this year has been in assisting the Australian Institute of Health and Welfare to prepare its publication, *Apparent Consumption of Nutrients*. This publication estimates the amount of nutrients available for consumption in Australia and is an important tool to monitor the quality of Australia’s food supply.

**Communicable disease network**

We take part in this network, mainly to look at communicable diseases which may be spread by food. One issue which came to our attention through the network this year involved halva (a sweet confection of sesame flour and honey). There had been a problem with food poisoning in Sweden which involved halva. As a result, we put enhanced import controls in place for Turkish halva and coordinated recalls when it was discovered that contaminated product had been distributed in Australia.

**OzFoodNet**

We also participate in the OzFoodNet collaboration with the States and Territories. DoHA established OzFoodNet to provide a better understanding of the incidence of food-borne disease in Australia, including what food handling practices are causing food borne-illness. The OzFoodNet staff, who are located in Melbourne, are employed by ANZFA, with funding provided by DoHA.

OzFoodNet is a major investment in the surveillance of communicable diseases due to food and will facilitate the estimation of the costs of food-borne illness and identify strategies for its prevention.

This year, OzFoodNet provided the final report of a study that collated and analysed information about outbreaks and cases of listeriosis associated with food. The results of this study provide important public health information for our risk assessment for *Listeria monocytogenes* in cooked crustacea and smoked salmon.
**Performance indicator**

Nutritional risks and benefits identified and communicated.

**Our performance**

Having made labelling changes to the *Food Standards Code* particularly in nutrition labelling, it is important that consumers are aware of what the changes mean so that they result in a public health benefit. We developed a public education strategy using partnerships to promote understanding of the new labels.

As part of this strategy, we developed a poster to help public understanding of food labelling and launched it during National Nutrition Week on 17 October 2001.

The poster was developed in partnership with Nutrition Australia and the Dietitians Association of Australia. It was distributed to general practitioners through the Australian Medical Association, and to the public through Coles, Woolworths and independent supermarkets, as well as through Nutrition Australia and the Dietitians Association of Australia.

The poster attracted considerable coverage through magazines such as *Better Homes and Gardens* which also discussed the issue on their television program. We sent out the poster through our *Food Standards News* publication which goes to all our key stakeholders.

The poster was launched in New Zealand, in partnership with the New Zealand Nutrition Foundation and New Zealand Dietetics Association, by the Minister for Health, The Hon. Annette King on 14 November 2001. As well as being distributed through the partner organisation it also went to general practitioners and other health professional groups. The Ministry for Health also sent it out to other stakeholders.

We realised that as the poster went to general practitioners just before Christmas, some could have been away and overlooked it. We, therefore, reprinted the poster and sent it out again in April to the Royal College of General Practitioners and the Public Health Association.

School children were one of our major targets for information on labelling as they are the food buyers of the future. Also we wanted to contribute to reducing the instance of diet related disease by drawing their attention to how information on food labels can help them make healthier choices. We worked with Video Education Australasia, an independent video production company, who produced a video on the new Code and on the labelling poster at no charge to ANZFA.
This was distributed to about 30% of secondary schools in Australia and New Zealand.

The video was launched in Adelaide, along with the labelling research, in March 2002 and in New Zealand in April 2002. The Australian launch also included a nutritional video by Nutrition Australia and the *Australian Guide to Healthy Eating*.

To further enhance our education strategy, we have entered into an arrangement with Murdoch Books to develop a commercial pocket guide for shoppers on how to read food labels including the food additives list. We expect this to be available by September 2002 through news agencies, supermarkets and bookshops.

**Performance indicator**

Public health agencies worked with to promote the role of food regulation in public health and nutrition.

**Our performance**

**Forums with public health professionals**

As part of our strategy to improve consultations with key stakeholder groups, we have held forums with key representatives from public health professional groups. The primary focus of the forums has been to enable dialogue on key issues currently on our agenda.

Public health professionals were contacted prior to these forums and invited to identify issues for discussion. The issues placed on the agenda included:

- changes to the food regulatory system (including FSANZ).
- ANZFA’s role in health promotion.
- improving ANZFA’s processes.
- new Australia New Zealand Food Standards Code.
- novel foods — phytosterol esters.
- health related labelling.
- food dietary supplements.
- ANZFA’s risk based decision-making processes.
- a report from the Federation of Australian Nutrition Organisations (FANO) on planned activities as a result of the ANZFA/FANO contract.
Australian forum

ANZFA Board member Dr Heathyer Yeatman facilitated the Australian Public Health Professional Forum which was held in Canberra on 16 August 2001. ANZFA staff presented agenda items and were available to clarify issues and receive feedback. Professor Dave Roberts provided a brief report on planned activities, as a result of the ANZFA/FANO contract, to increase public health professional involvement in ANZFA processes. At the conclusion of the forum, participants were invited to evaluate the session.

New Zealand forum

ANZFA Board member Ms Hikihiki Pihema facilitated the New Zealand Public Health Professional Forum on 14 September 2001 in Wellington. The agenda, although similar to the Australian forum, was modified to reflect New Zealand public health interests and concerns and several New Zealand ANZFA staff presented agenda items.

We received very positive feedback from both forums. The consensus was that the forums provided a good overview of the current issues facing ANZFA and gave public health professionals an opportunity to ask questions, highlight concerns and clarify matters of uncertainty.

The following issues generated considerable discussion

- ANZFA's scientific assessment of risk.
- Novel foods and their assessment.
- How ANZFA ensures adequation consultation with public health professionals.
- Interpretation of ANZFA's statutory objectives.
- New regulatory arrangements.
- Improvements to ANZFA’s new website.

We have also taken part in a number of seminars with the Dietitians Association of Australia to discuss and explain changing food regulatory issues of interest to nutritionists, particularly in the area of food labelling.

Health professionals were among the stakeholder groups which took part in qualitative research on labelling issues (see Key Result Area 4). They included dietitians, nutritionists, general practitioners and alternative health professionals.
Food Safety Week

Public Affairs staff of ANZFA have played a major role in recent years in working with the Food Safety Information Council (FSIC) to promote messages on food safety in the home during Food Safety Week. ANZFA staff developed the campaign strategy for the 2001 Food Safety Week, which began on 19 November 2001 and focussed on the issue of keeping fridge temperatures below 5 degrees Celsius. The week generated a very large amount of media coverage with a pre-packaged Food Safety Week segment being broadcast on 82 radio stations and 10 television stations around Australia. In addition over 100 radio interviews with FSIC spokespeople were broadcast and a number of newspaper articles were published during and soon after the week.

Key Result Area 5 Outputs for 2001–2002

- Improved available information on nutritional content of Australia’s food supply.
- OzFoodNet collated information incorporated into risk assessment on *listeria monocytogenes* in seafood.
- Two papers contributed to National Health and Medical Research Council Dietary Guidelines Working Party.
- Enhanced import controls introduced for Turkish halva.
- Public education strategy developed to promote understanding of new food labels.
- Labelling poster developed and launched.
- Video on new Code and labelling poster launched.
- Forums for public health professional groups held in Australia and New Zealand.
- Messages on food safety in the home widely promoted during Food Safety Week (in conjunction with Food Safety Information Council).
KEY RESULT AREA 6 — PROVIDING GREATER OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN OUR PROCESSES

Performance indicator

Our communication strategies improved and targeted (especially with media) and consultation strategies.

Our performance

Communication strategy

Our new scoping process for each new application (See Key Result Area 1) involves communication with stakeholders much earlier in the process than previously.

Sometimes the perceived risk by the public is much greater than the actual risk, particularly relating to new technologies. On the other hand, the public perception of risk in some areas is much lower than it actually is. Our communication strategy has to allow for both: to get accurate information to the public on issues that they are concerned about early to allay their concerns, and to raise their awareness of issues such as food poisoning which is much more prevalent than the public think it is.

We made particular efforts this year to improve our targeting to specialist media. Public Affairs staff addressed a Medical Association Writers Conference in October 2001, the second National Public Relations Convention in November 2001, and the New Zealand Guild of Food Writers in September 2001 and have been e mailing information to the Australia Food Media Club. We achieved a significantly higher level of coverage for issues this year from our work with these specialist writers.

We also targeted stakeholder groups which publish newsletters, giving them the ability to more easily disseminate our information to their members. This also resulted in increased coverage on a number of issues, in newsletters.

We held an internal seminar in March on how the media works, designed to help our staff interact better with the media. Two representatives from the Press Gallery spoke at the seminar giving staff an insight into the deadlines which constrain media coverage and what journalists look for in quotes they will use in their coverage.
Email distribution service

A new email service for key stakeholders ensures that they are kept in touch with developments in ANZFA. We now email all media releases, fact sheets and any other new information directly to key stakeholders, including jurisdictions in Australia and New Zealand.

Launches

We also launch new products in different parts of Australia and New Zealand to allow us to involve different groups of stakeholders in these events.

Media releases

We issued 31 media releases.

Media enquiries

We answered 1,330 media enquiries. The subjects of media enquiries were varied throughout the year. However, there was ongoing interest in labelling of food, nutritional issues such as obesity, caffeine in food, food poisoning, BSE, food irradiation, genetically modified food and labelling, industrial hemp, soy sauce contamination, acrylamide in food, the labelling of MSG, and listeria contamination.

Website

We continue to develop our website by increasing its content and improving its navigation. ANZFA's assessment reports are now available on the website (see also 'website' below).

Performance indicator

Effective two-way communication with our stakeholders and the community improved.

Our performance

Community Involvement Policy and Protocol

In September 2001, ANZFA released its Community Involvement Policy and Protocol. The Protocol establishes a framework for how we consult. It recognises our statutory requirements for consultation under the ANZFA Act and outlines
a broad framework for further consultative activities to ensure effective involvement by the community on standards issues.

We can not effectively analyse the regulatory options without information provided by stakeholders. We are committed to genuine community involvement in our processes and decisions which provides us with diverse input in standards development in order to:

- understand the views of the community;
- undergo a form of peer review;
- ensure accountability and transparency in decision making; and
- enable smooth implementation.

The Protocol was developed following discussion with stakeholders on how ANZFA could better involve the community in its work. We received feedback from a broad range of interested organisations and individuals from Australia and New Zealand. The discussions gave us information about a number of areas where we needed to improve.

A Community Involvement Strategy was then developed to improve the way we work with the community in developing food standards. The development of the Community Involvement Policy and Protocol was a key element in the strategy.

The Protocol aims to ensure that all people interested in food standards matters know how to be involved, are involved and can see how issues that are important to them are considered. It is available on our website.

Community forums

Forums were held this year in Adelaide and Wellington, following Board meetings in those cities. A range of issues were raised by the various stakeholders for consideration by ANZFA.

Aboriginal and Torres Strait Islander consultation

Although ANZFA has extensive consultation arrangements for the general community, it is keen to specifically improve our consultations and communications with Aboriginal and Torres Strait Islander people.
We engaged a consultant to help us develop a consultation strategy, who suggested that, as a first step, we talk directly with a broad group of indigenous people interested in food issues.

Workshops were organised in Darwin and Alice Springs in July 2001 with a range of people with an interest in food and nutrition for indigenous communities. The workshops had two primary purposes:

- to better understand the issues currently facing Aboriginal groups as they relate to the protection of public health and safety through food standards; and
- to explore options for appropriate, ongoing, consultative mechanisms of Aboriginal and Torres Strait Islander issues in the development of food standards.

The meetings highlighted a range of difficulties faced by indigenous communities in relation to food and nutrition issues. The high cost of foods, particularly fresh fruit and vegetables, was raised as an important issue. The need for programs targeting improved nutrition to address diet related illness was also highlighted.

To follow up on these issues, Senator Grant Tambling, wrote to Australian Health Ministers advising them of the outcomes of the workshops and ANZFA passed these comments on to the Department of Health and Ageing. Senior ANZFA staff presented the outcomes from the workshops to the National Aboriginal and Torres Strait Islander Health Council in December 2001.

**Maori consultation**

ANZFA has been working towards effective consultation arrangements with Maori and have established a Maori Reference Group (MRG). The group brings together five Maori working in the fields of public health, nutrition, food industry and a Kaumatua (tribal elder). A major role of the group is to provide advice on which food standards issues may be of cultural or public health significance and appropriate consultation with Maori on those issues. The Maori Reference Group has met nine times to date. The focus this year has been the development of a framework for action by ANZFA and the MRG based on the Treaty of Waitangi.

The Group met with all members of the ANZFA Board in February 2002 in conjunction with a Board meeting held in Wellington.

Three staff members attended the Ministry of Health’s two-day Maori Cultural Awareness Training in September 2001 in Wellington to increase their understanding of Maori culture and two staff members attended cultural awareness training in June 2002.
Website

Feedback on our revised website has been very good. The new design, introduced in June 2001, is easier to navigate and the search facility has been improved. We have increased font size to make it easier to read, have included quicklinks on our home page for the most commonly used material, and have added a button for ‘consumer information’ and ‘assistance for industry’. We have also enabled users to download PDF files more quickly and, where possible, have converted files to HTML. We are currently getting 900–1000 visits per day (this includes connection to the website by ANZFA staff).

The website was further revised in June 2002 and minor changes to the pages made following user feedback.

There have been such strong demands on our website that we are experiencing band-width problems. This will be rectified as soon as the telecom providers can deliver the increased bandwidth in August 2002.

We experienced technical difficulties in incorporating the Nutrition Panel Calculator (see Key Result Area 1) and there has been some down time. This was because of the very complex nature of this data base. A hard copy version of the calculator is also available.

We have now brought maintenance of the website in-house (previously this was outsourced) and can now respond more quickly to stakeholder needs.

ANZFA has placed its personal information records on-line, with appropriate system password protections. This new service allows our stakeholders to update their personal contact details on-line and also to subscribe to various electronic information services. This is part of our overall plan to improve internet productivity to enhance the provision of information to stakeholders.

New food surveillance publication

We have developed a new food surveillance publication in consultation with the States, Territories and New Zealand. This is now available on our website. The publication, which was launched at the end of 2001, is a major new development in the area of food surveillance. It will be a quarterly publication and is sent by email to a very wide list of stakeholders including State, Territory and New Zealand health departments, enforcement officers, food businesses, consumers etc. The publication is designed to keep interested people up-to-date with food surveillance and monitoring activities in Australia and New Zealand. The response to the three editions produced so far has been outstanding and shows the need for such a publication.
Technical reports

A wide range of Technical Reports are available on our website. These reports contain detailed information which was collected on a range of issues as part of our process of reviewing the Food Standards Code. There are 14 reports at present, 12 of which are on GM foods. Other reports deal with contaminants and mycotoxins.

Email services

People can now access ANZFA subscription services by email. We have been aware for some time that the information in Food Standards News may be weeks out of date by the time it reaches a subscriber’s desk. The new email service gives instant access, not only to Food Standards News each month, but also the Food Standards Update email service which includes any media releases, fact sheets, recall information or other news we may issue between editions.

Key Result Area 6 Outputs for 2001–2002

- Email distribution Service introduced for ANZFA publications.
- 31 media releases issued.
- 1,330 media enquiries answered.
- Community Involvement Policy and Protocol released.
- Website improved.
- New food surveillance publication developed.
- Stakeholders can now update their personal and subscribe to electronic information services on-line.
- Technical Reports placed on website.
- Email service for Food Standards News and Food Standards Update initiated.
KEY RESULT AREA 7 — ASSESSING THE IMPACT OF OUR PRIORITIES FROM A JURISDICTIONAL PERSPECTIVE IN PARTICULAR NEW ZEALAND

Performance indicator
Our bilateral relationship is improved

Our performance
A number of changes have been implemented over the past few years to improve our bilateral relationship with New Zealand.

It has now become routine for at least one Board meeting each year to be held in New Zealand and these meetings are always followed by a community forum. The forums give stakeholders an opportunity to meet with Board members and discuss issues of interest to them. That meeting was held in February 2002 in Wellington.

Our dietary modelling process now takes data from New Zealand into account to ensure that any standards, or variation to standards, relating to food additives, pesticide residues, contaminants and added nutrients takes dietary exposure levels in the New Zealand populations into account.

This year we have taken steps to improve the involvement of New Zealand directly in our planning processes and have extended our environment scanning processes to cover New Zealand.

All evaluation research activities, except those relating to Australian food safety standards, are undertaken in Australia and New Zealand.

The Wellington Office continues to work closely with New Zealand stakeholders to ensure appropriate New Zealand input to our standards development processes.

Also this year, an ANZFA legal officer was placed in our Wellington office specifically to work with New Zealand stakeholders on transitional issues, including presentations to, and liaison with, industry and government stakeholders on the Australia New Zealand Food Standards Code.

Work continued this year to consult with Maori to discuss standards issues which could be of cultural or public health significance to Maori (See Maori consultation Key Result Area 6).
Partnership Agreement

The 2001–2002 Partnership Agreement was made in accordance with, and is subject to the provisions of the Treaty, and sets out the funding and performance arrangements between New Zealand and Australia for the Australia New Zealand food standards system.

The Partnership Agreement is based on the ANZFA work program as set out in its Operational Plan and identified projects which were conducted in partnership with New Zealand under the Agreement.

Comprehensive reports are provided regularly to the New Zealand Minister for Health following meetings of the ANZFA Board. Negotiations for the 2002–2003 financial year commenced on 7 February 2002.

Key Result Area 7 Outputs for 2001–2002

- Funding agreement with New Zealand Minister for Health signed by ANZFA Chairman.
KEY RESULT AREA 8 — OUR INTERNATIONAL RELATIONSHIPS STRENGTHENED AND ENHANCED

Performance indicator
Our role, relationships and strategic alliances with international agencies such as Codex, the World Health Organization, and the World Trade Organization are maintained and strengthened.

Our performance
Codex Alimentarius Commission

The Codex Alimentarius Commission (Codex) is a joint food standards program operating under the aegis of the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). It aims to protect the health of consumers and to ensure fair practices in food trade.

Codex develops international food standards that are recognised as international benchmarks in the key World Trade Organization (WTO) agreements relevant to food safety and barriers to trade. The work of Codex underpins Australia’s risk and evidence-based approach to developing food standards.

ANZFA contributes to the Australian position to influence outcomes on many food safety and human health issues within the Codex framework. We focus our involvement on seven of the General Subject Committees and one Taskforce which provide the greatest opportunity to influence the international framework for regulating food and which address topics of greatest importance to us.

Key topics of importance to our work currently being discussed in various Codex Committees include the following.

• Principles for undertaking risk analysis, which are being considered by the Codex Committee on General Principles. We support the recognition of the role of science in developing robust food safety measures. A number of other committees are developing detailed guidance for assessing risks posed by food borne hazards and developing risk mitigation measures.

• Principles for undertaking risk analysis of genetically modified foods is being developed by the Ad-hoc Intergovernmental Task Force on Foods Derived from Biotechnology.
• Traceability of food products in terms of when, and to what extent, traceability should be considered as a risk management option, is being considered by several Codex committees.

• The principle of equivalence is being progressed by the Codex Committee on Food Import and Export Inspection and Certification particularly in relation to sanitary measures in food inspection and certification systems.

Review of the Codex Alimentarius Program

The FAO and WHO are undertaking a comprehensive evaluation of the Codex Alimentarius and its Commission. The evaluation is addressing the global requirements for food standards for the protection of consumer health, development of international and domestic trade and related ethical considerations. ANZFA met with the evaluation team during its visit to Australia, raising issues relating to the governance of the program and the type of international benchmarks that are necessary and useful to guide the work of countries.

WTO

Australia’s membership of the WTO imposes rights and obligations, which significantly influence our approach to setting food standards. In developing national food safety measures, we must take into account Australia’s obligations under the Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Agreements, particularly the obligations to base measures on an assessment of risk using sound scientific principles and to impose least trade restrictive measures.

Our risk and evidence-based approach to decision making is consistent with Australia’s obligations under the SPS Agreement. The SPS Committee is responsible for administering the SPS Agreement. Major issues discussed recently have been the consistency of decision making and the application of the concept of equivalence. We actively participate in the work of this committee.

One of the key principles of the WTO international agreements is transparency. We fulfill our obligation to have transparent decision making processes by notifying proposed changes to the Food Standards Code to the SPS and TBT Committees. This year, we notified ten proposed regulatory decisions to the SPS Committee and one proposed decision to the TBT Committee. We sent a representative to one of the SPS Committee meetings.

We also met with the WTO Secretariat during a review of Australia’s trade policies and practices. Issues of particular interest to the review team were our approach
to the regulation of GM food, food products that may be contaminated with BSE and the review of the joint Code to develop evidence and risk-based standards and the application of the equivalence concept.

WHO

Development of food legislation capacity in Vietnam

The WHO has sought ANZFA's assistance with development of food hygiene regulations and food safety training in Vietnam. This work is coordinated and managed by Regional Projects Program and assisted by Legal and Food Safety staff. The work involved our staff undertaking a needs analysis in Vietnam of food safety knowledge and developing an appropriate food safety training package. Preliminary work was carried out in early 2002 by Food Safety and Legal programs with the training program and evaluation continuing until the end of 2002. WHO funding is $109,000.

Secondment/appointment of staff members to international agencies

A member of our Regional Projects Program was seconded for three months from ANZFA to the World Health Organization (WHO) to organise and coordinate a Global Forum of Food Safety Regulators. In December 2001, our Program Manager, Food Safety was invited to participate in a WHO consultation for the development of a Guidance document for Establishing or Strengthening Prevention and Response systems to meet the threat of food terrorism. The consultation determined a need and scope for a document to provide advice to member states. Subsequently ANZFA was contracted by WHO to provide its expertise in food safety and to draft the document for further development and distribution. The first draft was finalised in mid-April 2002. The document provides suggestions for strengthening existing systems to include the consideration of food terrorism in order to prevent and/or respond effectively to such threats.

As well as sometimes being seconded from ANZFA to work on international projects, members of our staff, whose expertise in particular areas is internationally recognised, are often approached as individuals to take part in international projects.

One of our program managers undertook a project this year for the WHO and FAO. This work involved undertaking a critical review of the working procedures of the Joint WHO/FAO Meeting on Pesticide Residues in their provision of scientific
advice to the Codex Committee on Pesticide Residues (CCPR). A comprehensive report including 29 recommendations was presented to the WHO and FAO in February 2002. The work has been well received and was discussed by government delegations at the 34th session of the CCPR held in The Hague, the Netherlands, in May.

One of our senior scientists was appointed for four months to work as an expert on food biotechnology within the Food Safety program of the WHO at its headquarters in Geneva. The work involved coordinating an expert consultation on genetically modified food micro-organisms and establishing an international study on the human health and development implications of modern food biotechnology. This study aims to assist member states achieve transparent and inclusive decision making on the evaluation and application of modern food biotechnology. The study report is anticipated to be complete by early 2003 and will form the foundation of the WHO’s future activities with regard to the evaluation, use and application of modern food biotechnology.

(See also Appendix 8 for a full list of international forums in which ANZFA staff members participated)

**Performance indicator**

Our relationships in key regions such as North America and the European Union strengthened.

**Our performance**

**Quadrilateral Meeting**

ANZFA participates in the annual quadrilateral discussions on food safety between Australia, Canada, New Zealand and the United States. This year, the meeting was hosted by the US and was held in conjunction with the quadrilateral meeting on animal health. The two groups held some joint sessions, focussing particularly on addressing the risk posed by BSE. Other issues discussed of importance to ANZFA included regulation of GM and other novel foods and food ingredients and key Codex issues, both procedural and food standards.

**Canada**

A Delegation from Health Canada and the Canadian Food Inspection Agency visited ANZFA in May 2002 to talk to us about our transparent and consultative approaches to developing food regulatory measures. We organised a two-day
workshop to examine our consultative mechanisms to ensure transparency, particularly in the context of regulatory requirements for GM foods. Canada will consider the Australian processes as part of the Canadian Government response to the Royal Society of Canada’s report on the regulation of food biotechnology.

**United States of America**

The Acting Director of the Biotechnology Division of the US Food & Drug Administration (FDA) and US delegation leader of the Codex Committee on Food Additives and Contaminants visited ANZFA in April 2002 to discuss work being done by the US in relation to packaging and flavourings. He is assisting us to work out how we deal with processing aids, packaging materials and flavourings. The issue of how we assess these for safety is a high priority for us. Conversely, as our system lies somewhere between the US and the European systems, Australia may be a useful mediator in assisting US access to the European market for packaging materials.

We are keeping closely in touch with countries such as the US in developing techniques and skills for assessing new foods. The Acting Director also discussed the assessing work they are doing on GM crops and whether GM material in these crops will be present in the food supply.

**European Union**

*Visitor from EU*

A member of the European Union Parliament visited ANZFA in November 2001. She was particularly interested in ANZFA’s approach to regulating foods derived from genetically modified organisms. Issues of particular interest were the regulatory requirements to ensure the safety of GM foods, labelling requirements to provide information about the method of production of these foods and the transparent and consultative approaches to developing these requirements.

*Review of Novel Food Regulation*

A member of our Legal Program spent three months working in the Food Law and Biotechnology Unit of the European Commission. She was involved in a number of current matters with the Unit, including the review of the Novel Food Regulation, consultation on the proposed GM Food Regulation, and the review of caffeine. The experience was valuable in enhancing ANZFA’s knowledge of EU regulatory processes, in facilitating the exchange of information and views on current food regulatory issues of interest to both ANZFA and the EC, and in building contacts between the two organizations.
Other international visitors to ANZFA

In July 2001, two Vietnamese veterinarians, Ms Thi Lan Nguyen and Ms Thi Ha Chi Tran visited ANZFA as part of a Food and Agricultural Organization study tour.


In November 2001, two members of the Korea Health Industry Development Institute of the Department of Health & Welfare Korea, Ms Yang-Hee Cho and Ms Wu-Sean Kim, visited ANZFA.

Also in November 2001 a fifteen-member delegation from the Korean Food and Drug Administration visited ANZFA.

In January 2002, the Chief Health Inspector of the Department of Environmental Hygiene, Hong Kong, Mr Cheung, visited ANZFA.

Dr Barbara Petersen, Novigen Sciences, Washington DC, USA, visited in February 2002.

Dr Sue-Sun Wong, Chief of Residue Control, Taiwan Agricultural Chemicals and Toxic Substances Research Institute, visited in February 2002.


Dr Gerry Moy, Food Chemical Unit, World Health Organization, Geneva, Switzerland visited in February 2002.

Dr Robert Tomerlin, Novigen Sciences, Washington DC, USA, visited in April 2002.


Professor Ian Shaw, ESR Christchurch, visited ANZFA in May 2002.
Performance indicator

A Strategy developed to facilitate the harmonisation of food standards through APEC/ASEAN in the Asia Pacific region developed.

Our performance

We have implemented our 12-month strategy for facilitating ANZFA’s work towards greater consistency in food standards setting within the Asia-Pacific Region.

ANZFA’s Regional Projects Program plays a lead role in meeting Australia’s WTO obligations to provide technical assistance to developing countries in food standards related areas. This work is funded through grants from the Australian Agency for International Development (AusAID) and Asia Pacific Economic Cooperation (APEC) and through charging fees for service to other providers.

The Program also provides strategic advice and assistance to Australia’s Asia Pacific neighbours in developing food standards, supporting legislation and recall protocols, as well as conducting training in areas that promote the production and availability of safe food. ANZFA staff with expertise in law, science, policy and management undertake this work.

Strategic advice concerning food trade and harmonisation issues

Regional Projects Program provides advice and strategic input to central agencies on food trade, food standards and harmonisation issues in the Asia Pacific region.

The Program leads ANZFA’s contributions in regional forums such as Asia Pacific Economic Cooperation (APEC) and the Association of South East Asian Nations (ASEAN). A key component of APEC priorities is implementing what is referred to as an ‘APEC Food System’ by:

- provision of clear, predictable and easily understood food regulatory frameworks and standards;
- according priority to those projects that assist the facilitation of growth and regional trade in food products;
- improvement of the technical infrastructure for developing countries; and
- furthering cooperation in research and development and dissemination of food-related technology.
APEC also prioritises WTO-related capacity building projects to facilitate full participation in the WTO by developing economies.

Current negotiations in which ANZFA is involved are as follows.

**AFTA-CER CEP**
The Department of Foreign Affairs and Trade (DFAT) is continuing work in developing a program of work and collaboration under the Asian Free Trade Area — Closer Economic Relations, Closer Economic Partnership (AFTA-CER CEP) to continue progress towards trade liberalisation between ASEAN counties and Australia and New Zealand. Standards harmonisation and capacity building are priorities for this work. We have been asked to identify projects for inclusion in these negotiations.

**Trade liberalisation with Japan**
DFAT is pursuing the strengthening of Australia-Japan Economic Relations and has sought ANZFA input.

**Closer Economic Partnership between Australia and Singapore**
Some significant progress has recently been achieved in negotiation with Singapore. A Closer Economic Partnership is under development and ANZFA was asked to provide input on food standards.

**Food standards experts network within APEC**
In July 2001, we were approached by DFAT to recommend the formation of an Ad Hoc Action Group on Food Standards and Conformance. DFAT was making such a recommendation on the basis of concern expressed by the food industry that Australia was doing little to facilitate trade in Australian food in the Asia Pacific region. The Subcommittee on Standards and Conformance (SCSC) agreed in February 2002 to establish a network of food standards experts as recommended by Australia. Led by ANZFA, this network will:

- identify food regulatory capacity and needs within the Asia-Pacific Region;
- share information about food regulatory systems — specifically food control legislation, food standards and food safety;
- identify regional or bilateral needs in relation to those systems (such as which countries need technical assistance to develop food legislation or to establish risk assessment capacity);
- understand existing priorities of WHO and FAO within the region; and
- discuss and identify regional food trade issues.
Technical assistance projects

The technical assistance and capacity building work is made possible by funding from AusAID, APEC, New Zealand’s Official Development Assistance Program (NZODA) and the WHO. The Program operates on the basis of recovering the costs of its technical assistance projects. (See below for a summary of current, pending and completed projects).

Food Import Labelling and Composition User Guide — Indonesian language version

The Australia-Indonesia Government Sector Linkages Program administered by AusAID has provided funding to develop a user guide in the Indonesian language relating to the new food labelling and composition standards. Funds received from AusAID are $73,868 (plus GST). As part of this activity, Mr Basrah Enie from the Indonesian Ministry of Industry and Trade spent 10 days with ANZFA assisting in preparation of the draft guide.

Training in risk assessment in support of food safety measures

APEC and AusAID are jointly funding risk assessment training for delivery to developing member economies. The training covers the risk assessment of contaminants, natural toxicants and pesticide residues and microbiological hazards in food. APEC is providing US$187,330 and AusAID is providing A$203,000.

Directory of food trade contacts

The APEC Support Program has provided funding for a short course technical assistance to APEC and ASEAN member economies to implement of the Directory of Food Trade Contacts. Training was held in Singapore in May 2002 and the Directory, at www.foodtradecontacts, is now significantly developed. This proposal builds upon the previously funded project to develop the Directory. AusAID funding is A$80,185.
Proposed project proposals

ANZFA continues to develop new projects which meet identified needs of developing countries. Current proposals pending funding assessment by either APEC or AusAID are:

- Risk assessment in genetically modified foods;
- Risk management training; and
- Progressing work towards greater consistency and transparency in food/drug interface regulation in the region.

In addition, we are now attempting to increase the participation and involvement of South Pacific countries in these projects.

Performance indicator

The new Code communicated and promoted to the region and more broadly internationally as a framework for food regulation.

Our performance

We have written a number of policy papers as a supplement to the Food Regulation Journal. These papers give information on the policy basis for our review of the Food Standards Code which led to the new Code.

In providing technical assistance projects concerning particular food standards, our approach is to teach regulatory and technical methods and encourage best practice in standards development. ANZFA often uses its own Food Standards Code as a practical example and in case studies of the application of those good techniques.
Performance indicator

Processes and activities used by national agencies and international bodies are investigated to inform improvements to ANZFA processes.

Our performance

International Total Diet Study Workshop

The World Health Organisation, together with ANZFA and the New Zealand Ministry of Health, sponsored the second international workshop on total diet studies in Brisbane in February 2002. The workshop provided an opportunity to explore the conduct and use of total diet studies as a mechanism to obtain information about dietary exposure to chemicals in the food supply.

The workshop had two distinct parts. The first involved processing or sharing information and experiences in conducting the studies, as well as exploring recent advances in methodologies. The second part of the workshop provided training in surveying the level of chemical contaminants in the food supply and estimating the dietary exposure to these chemicals. A number of recommendations from the workshop will influence the planning and conduct of future studies as well as the use of information obtained from the studies.

Microbiological food hazards

A major issue in food regulation internationally is defining the level of safety regulators should try to achieve. Our principal microbiologist this year took part in a meeting of the International Commission on Microbiological Specifications on how to articulate the level of food safety we are trying to achieve and how to set up mechanisms to ensure that our risk management processes are meeting that level of safety.

This is a good example of the type of issue which needs to be discussed internationally to satisfy the needs of a global market for food. Our involvement in such international discussion is critical to the interests of Australia and New Zealand.

Probabilistic modelling

A member of our Monitoring and Evaluation Program visited staff at the Institute of European Food Studies, Trinity College, Dublin in August 2001.
The main purpose of the meeting was to discuss the progress of the European Union Monte Carlo project on stochastic or probabilistic dietary modelling.

ANZFA does not yet have a capability for conducting probabilistic dietary modelling, but would like to develop this. The advantage of probabilistic modelling for use in risk assessments is that it provides information on the probability, or likelihood, of exceeding an established health standard. There are a number of agencies internationally that are developing or using these techniques. We have begun to investigate these international sources to assist us to develop probabilistic modelling capabilities suitable for our requirements.

We have also had visits from staff of Novigen Sciences Inc. from the USA in February and April 2002. Novigen is a scientific consulting company specialising in human health and safety assessment. They have developed their own probabilistic modelling software, and were able to show it to our staff during their visit.

**Setting thresholds for allergenic foods**

In May 2002, our principal toxicologist attended the second Threshold Roundtable Conference in Florida. The conference, ‘Threshold for allergenic foods: how much is too much?’, aimed to develop a universally accepted clinical protocol to use in challenge studies to determine threshold doses for specific allergenic foods. Considerable progress was made at the meeting towards a better understanding of the risk to consumers of allergenic foods such as peanuts, milk and eggs, and towards identifying a threshold dose for the allergic response to these foods.

**Traceability**

Our Product Standards Program Manager made a presentation at the Canadian Food Inspection Agency’s Traceability Science Forum in June 2002 in Ottawa. He spoke about ANZFA’s proposals on traceability. The main objective of this forum was to examine the scientific aspects of traceability, specifically, the technological developments and the potential of, and limitations to, traceability as a risk management tool for food safety, animal and plant health.
Key Result Area 8 Outputs for 2001-2002

- Participated in 10 major meetings of Codex committees and associated activities.

- Contributed scientific expertise to major international food related expert bodies.

- Notified WTO SPS Committee of 10 proposed regulatory decisions and notified one proposed decision to TBT Committee.

- Conducted needs analysis in Vietnam of food safety knowledge.

- Hosted international visitors from Vietnam, Europe, United States, Canada, Korea and Hong Kong.

- Strategy developed for facilitating ANZFA's work towards greater consistency in food standards setting in Asia-Pacific Region.
KEY RESULT AREA 9 — PROACTIVELY MANAGING EMERGING ISSUES

Performance indicator
Improved environmental scanning and strategic planning.

Our performance

Increasing public awareness of issues related to food safety, rapid progress in food science and the introduction of new technologies pose important challenges to national and international food safety systems.

Consumers are increasingly aware of the importance of food and diet to their health. Their concerns are complex, ranging from trade ethics and nutritional sustainability through to the lack of confidence in regulatory bodies, experts and new types of food and food technologies.

We need to be increasingly aware of the emerging forces and trends that can influence our strategic agenda. To respond to this, we have strengthened our approach to planning, particularly through the use of environmental scanning. We have used this to prepare ourselves to cope better with emerging problems and needs.

We used scenario planning at our Board planning day as a management tool to focus on issues which could affect our work. A number of possible issues were identified as a result of this process which will be taken into account in setting our objectives and strategies for the coming years.

The strategic issues identified by the Board are medium to long term and our Corporate Plan is now based on a three-year cycle. It identifies the ten key result areas (KRAs) where we will focus our efforts in the years ahead. These 10 KRAs are those which form the structure of this Annual Report. In particular, we will aim to meet our statutory objectives through the implementation, management and monitoring of the new Joint Food Standards Code and by managing the changing nature of our role as we move to implement the new approach to the management of food regulation.

Key Result Area 9 Outputs for 2001-2002
• Environmental scanning and strategic planning processes improved.
KEY RESULT AREA 10 — DEVELOPING AND MAINTAINING THE EFFECTIVENESS AND EFFICIENCY OF OUR ORGANISATION

Performance indicator
The organisation guided through a period of change as we adapt to the new working arrangements.

Our performance
Our improved environmental scanning and strategic planning (See Key Result Area 9) have gone a long way towards guiding ANZFA through what has been a year of many changes. We have changed the way we do our planning, we’ve changed the way we do our standards development and changed the way we work with our stakeholders. These changes will help the organisation address a range of challenges into the future.

One of the biggest challenges for us in the next year will be to manage the transition to FSANZ. We intend to take this opportunity to raise the public profile of the organisation and make people more aware of what we do. We have developed a new logo and our new name has been translated into Maori, but we will keep the same (recently redesigned) look for our publications to aid recognition. We have amended our Style Manual which includes our letterhead, printed material and publications to incorporate the new name and logo. In January, we began a communication strategy to convey to our stakeholders how the changes are occurring.

We have commenced a major information technology initiative to improve our productivity and enhance our internal paper handling. A new automated system is being developed to automate the standards workflow process. This will enable us to immediately update the workplan on our website. It will also automate the receipt of submissions and distribution of assessment reports to stakeholders. As part of this system, stakeholders will receive electronic alerts announcing the availability of our reports and all submissions on-line. This improves the flow of information and reduces workload pressures within ANZFA associated with handling and distributing hard copy reports. This will allow us to be more productive in the development of our standards.
Performance indicator
Staff supported in this period of change.

Our performance
During this time, we have made every possible effort to consult staff to ensure the systems deliver what is needed and to keep them well informed about the changes. Various standing consultative committees have met regularly.

Certified Agreement
Our current Certified Agreement has a notional end date of 30 June 2002. We have formed a consultative committee and reached agreement in principle by 30 June to a new Agreement to be submitted for certification. This has been achieved in conjunction with the two Unions who are represented: the CPSU and MEAA. The draft Agreement has been provided to the Department of Employment and Workplace Relations for matching against the Government’s policy parameters before submission to the Parliamentary secretary and a vote by staff.

Leadership Development Program
We have continued our Leadership Development Program. The sixth group of staff have now completed this training program. The next group will start the program early next financial year.

An ANZFA evaluation of the program is currently being conducted and this should give us sufficient information to decide whether any follow-up action or a further program is required.

Library services
We created a Library Services Consultative Committee this year to ensure that our library services meet staffs’ changing requirements. We have purchased specific software, Reference Manager, to assist scientific staff in the preparation of papers.

Occupational Health and Safety (OH&S)
Our OH&S committee looks at the provision of facilities for staff and safety in the workplace.
By the end of the financial year, we will have completed a redevelopment and upgrade of our conference rooms. This will make the current facilities more useable and pleasant for staff by providing better lighting and air conditioning, attaching whiteboards to walls to reduce the physical hazards and integrating wiring for microphones used for teleconferences to eliminate loose electric cords. The upgrade will also give more space for all-staff meetings where up to now the rooms have been very cramped. It will also give sufficient space to house our new, enlarged Board so we can keep Board meetings in the building rather than having to move meetings off-site with the attendant disruption and additional cost.

**Employee Assistance Program**

We have renewed our contract with an external service provider to manage our Employee Assistance Program which provides support to staff who may be experiencing difficulties either at work or at home without cost to them.

**Information technology**

We created an IT Consultative Committee to ensure staff are well supported in their IT needs and to assist in identifying areas needing change or the development/purchase of new applications. We have undertaken significant development and enhancement of our IT systems in 2001–2002 including in-house web publishing, upgraded security arrangements and development of automated systems.

**Security**

After September 11, physical security has been upgraded to ensure our staff are protected from threats. Keypad codes are regularly changed and the use of MIL keys reviewed. Visitor passes have been introduced. Staff opening mail have been provided with gloves and masks. A specific area, which can be isolated, has been set aside for this task. Training on handling threats has been provided.

**Performance indicator**

An appropriate mix and balance of skills in our workforce ensured.

**Our performance**

**Review of organisational capacity**

Linked to our program of personal and professional staff development, we have commenced a review of our organisational capacity. This review will seek to
establish the future staff skill base required within ANZFA (and the about to be established FSANZ) for us to undertake the work required of us. To start this off, there has been a series of workshops to identify the relevant skill base requirements for each of the program areas.

The next stage is to critically evaluate the existing skills within the organisation, and then to analyse the gaps. We are doing this in order to refine our staff development programs and to better attune our recruitment processes to provide for this capacity building.

**Performance indicator**

Practices to recruit, develop and retain staff implemented.

**Our performance**

**Performance Enhancement Scheme**

Our Performance Enhancement Scheme identifies development needs of staff members.

**Use of AWAs for arrangements to retain staff**

We have used Australian Workplace Agreements (AWAs) to make individual arrangements for members of staff who have difficulties, sometimes over a short period of time. These arrangements have included allowing people to work from home and to extend the period in which they can use their accumulated recreation leave. We have also used the AWAs very flexibly to allow members of staff to work overseas for a period of time without involving a level of expense which would have otherwise made the arrangements impossible. We have also enabled staff to take unpaid leave to work for international agencies on particular projects. This not only assists in staff development, but also increases ANZFA’s access to expertise and experience.

**Graduate recruits**

For the first time this year we used the graduate recruitment system to recruit a graduate for ANZFA. This will benefit us by bringing a very bright, tertiary educated young person into our organisation. We have also made opportunities for graduates from DoHA to work at ANZFA for a period. We give them work which will improve their knowledge and skills and they bring their existing skills and knowledge to our work.
**Performance indicator**

ANZFA work practice and systems continually reviewed and improved.

**Our performance**

**Financial Link Professional**

We have now installed and IT package called Financial Link Professional which adds on to our Accpac accounting system and allows each program to directly access its own financial material. This means that at any time, managers can get details of all financial information, analyse their expenditure to discover which costs are high or can track the progress of an invoice. Training has been provided to enable staff to effectively use the system.

**Employee Self Service Module**

Our external payroll service provider, Spherion, have now instituted an Employee Self Service Module which allows staff to directly access and amend their personal information, view leave records and balances and pay information and directly apply for leave on the system.

**Leave reports**

We now produce regular leave reports for our Executive to allow them to better manage accrued leave liabilities. This will allow us to make better use our staff resources to ensure that staffs’ recreation leave balance will not force them to choose to take leave or be deemed to be on leave at a critical time in their work. It will also allow us to monitor ANZFA’s leave liability for budgeting purposes.

**Key Result Area 10 Outputs for 2001-2002**

- Sixth group of ANZFA staff completed LDP training program.
- Library Services Consultative Committee created.
- Security upgraded.
- Finance Link Professional installed.
- Employee Self Service module commissioned.