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12 October 2020

The Hon Richard Colbeck
Minister for Aged Care and Senior Australians
Minister for Youth and Sport
Parliament House
Canberra ACT 2600

Dear Minister Colbeck

On behalf of the FSANZ Board, I am pleased to present to you the Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2020.

This report has been prepared in accordance with Section 46 of the *Public Governance, Performance and Accountability Act 2013* (Cth), the Public Governance, Performance and Accountability Rule 2014 and the *Food Standards Australia New Zealand Act 1991*. I confirm that this annual report complies with these requirements. Our fraud control arrangements comply with section 10 of the *Public Governance, Performance and Accountability Rule 2014* (see Chapter 8: Corporate Governance).

The report includes FSANZ's audited financial statements and annual performance statements for 2019–20.

Yours sincerely

A handwritten signature in black ink, appearing to be "Robyn Kruk". The signature is stylized with a large, sweeping initial "R" and a long horizontal stroke at the end.

Robyn Kruk

Chair — Food Standards Australia New Zealand Board

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2019–2020 Highlights



DEVELOPED A CENTRAL SOURCE OF INFORMATION FOR CONSUMERS AND FOOD BUSINESSES ON **COVID-19 AND FOOD SAFETY**



RELEASED OUR **2019–23 REGULATORY SCIENCE STRATEGY**



ESTABLISHED A DIVERSITY NETWORK TO RAISE AWARENESS AND ADVOCATE FOR AN **INCLUSIVE WORKPLACE**

DEVELOPED SEVEN KEY PERFORMANCE AREAS TO BETTER TELL OUR PERFORMANCE STORY AND FOCUS OUR EFFORTS IN THE COMING YEAR



TRANSITIONED 116 STAFF TO WORK FROM HOME ARRANGEMENTS IN RESPONSE TO **COVID-19 PANDEMIC**



COMPLETED 22 APPLICATIONS AND PROPOSALS TO AMEND THE FOODS STANDARDS CODE



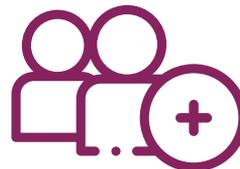
**OVER
2.2 MILLION
VISITS IN
2019-20**



**DELIVERED A REPORT TO
HEALTH MINISTERS ON PURE
AND HIGHLY CONCENTRATED
CAFFEINE FOOD PRODUCTS**



**COMMISSIONED THE
ANALYSIS OF 44 FOODS
TO STRENGTHEN OUR FOOD
COMPOSITION DATA HOLDINGS**



**OVER 56,400
FOLLOWERS
ON OUR SOCIAL
MEDIA CHANNELS**

CHIEF EXECUTIVE OFFICER'S YEAR IN REVIEW

I am proud to present the Annual Report for Food Standards Australia New Zealand and the significant achievements delivered by our agency in 2019–20.

2019–20 has been an extraordinary year for FSANZ and indeed the world. The January bushfire crisis in Australia and COVID-19 pandemic has seen significant changes to the way we work, it has also seen our agency rise to the challenges and adapt and respond quickly to the new operating environment.

Despite ongoing pressure on our resourcing, we have successfully delivered on a number of significant commitments to government and our core program of work.



Standards development

In July 2019 we delivered a report to Health Ministers on pure and highly concentrated caffeine food products following the tragic death of a young man in NSW in 2018 from caffeine toxicity associated with pure caffeine powder.

Ministers agreed to all five recommendations made in the report, including an urgent proposal to amend the Food Standards Code to prohibit the sale of pure and highly concentrated caffeine products to consumers.

Working closely with our federal, state and territory partners, including the Therapeutic Goods Administration we raised an urgent proposal in October to ban the sale of these products. The FSANZ Board approved the prohibition in December 2019 and we have until December 2020 to complete a full review of the decision — as required under our Act.

Our review of chapters 3 and 4 of the Foods Standards Code progressed this year with public consultation in February on proposals P1052 Primary Production and Processing Requirements for High-risk Horticulture and P1053 Food Safety Management Tools. Given the impact of COVID-19 on the industry, we are reviewing our consultation mechanisms and activities for the coming year to ensure we have a full range of views from industry to inform our decision.

In February 2020 we notified the Forum of our decision on Proposal P1050 — Pregnancy warning labels on alcoholic beverages — this was another major piece of work for the agency that has been underway for the past two years. In March, the Forum requested a review of the decision on the grounds that the warning label placed an unreasonable cost burden on industry. In June 2020 we notified the Forum of our response which was to re-affirm approval of the pregnancy warning label subject to changing the signal words from HEALTH WARNING to PREGNANCY WARNING and extending the transition period from two to three years to mitigate costs for industry.

We also prepared a new proposal to review Standard 2.9.4 — Formulated supplementary sports foods. This is a major piece of work for the agency likely to take several years to complete. In 2019–20 we finalised a situational analysis to inform the future direction of sports food regulation including targeted consultation and detailed investigations of the complex regulatory environment in Australia and New Zealand. In the coming year we will work towards developing revised regulation of sports foods to enhance consumer safety and to accommodate the rapidly changing sports food market.

Regulatory science

In October 2019 we released our new Regulatory Science Strategy 2019–23. This strategy ensures we remain prepared to respond to global challenges, monitoring trends to anticipate and respond to emerging risks in a dynamic food system. The strategy outlines how we will continue to align our work to Ministerial priority areas, grow our scientific and risk analysis capabilities, build stronger links with academia and industry, and communicate our science to meet the needs of our stakeholders.

January bushfire crisis

In response to the January bushfire crisis across NSW and Victoria, we worked closely with state and territory health authorities to assess the risk of any potential food safety issues due to environmental contamination.

We also developed a series of social media posts and refreshed web content on food safety in a bushfire to help communities affected by the bushfires to keep food safe during the emergency.

COVID-19

In line with Australian and New Zealand Government advice, in March we transitioned all staff to work from home arrangements. Our well established ICT infrastructure together with significant support from our HR and Operational teams meant there was minimal disruption for staff and our stakeholders. As remote working arrangements are continuing for many of our staff in Australia, our focus is on ensuring they are well supported and remain engaged and effective during this time.

To support stakeholders impacted by COVID-19 we have been actively reviewing our Work Plan to relax submission deadlines where possible and support stakeholders who are experiencing difficulties meeting timeframes. We also established a dedicated web presence to provide a central source of advice for consumers and businesses on COVID-19 and food safety. Working with the Food Regulation Sub-Committee this content has been updated regularly to ensure the latest information on COVID-19 is available.

Modernisation

Following Forum endorsement in November 2019, a review of the food regulation system has commenced to ensure it remains strong, robust and agile into the future. This includes a comprehensive review of the FSANZ Act. This is an exciting time for the agency and presents opportunities for us to clarify our role in the system and ensure we remain fit for purpose in a global food environment that is rapidly evolving due to innovation, consumer expectations and the COVID-19 pandemic. A review report is expected to be finalised by the end of 2020.

Performance metrics

In this Annual Report, we are reporting for the first time on seven key performance areas that were developed in consultation with staff to measure and report on our performance. Reporting against these seven areas helps us to better tell our performance story and focus our efforts in the coming year to meet statutory and government priorities.

FSANZ Board

I'd like to thank outgoing Board member Jane Lancaster for her significant contributions and technical advice to the work of FSANZ over the last four years. Jane's expertise has been valuable to our standards development work and the broader strategic operation of the agency.

Looking ahead

The impact of COVID-19 remains a challenge for stakeholders within the Food Regulatory System. Our commitment to maintaining engagement with impacted stakeholders will be a priority for the coming year.

This year we will progress reviews of the food safety requirements and primary production and processing standards in Chapters 3 and 4 of the Australia New Zealand Food Standards Code (the Code) including options for engagement in light of COVID-19.

Similarly, our review of infant formula is expected to reach a significant milestone with the release of a first call for public comment on the proposal in the coming year.

Following the release of our final report of new breeding techniques in December 2019, the definitions for 'food produced using gene technology' and 'gene technology' in the Code are being revised to make them clearer and better reflect existing and emerging genetic technologies — we expect to release our first call for submissions to be released for public consultation by the end of 2020.

We have also commenced two new pieces of work on added sugars and energy labelling of alcoholic beverages, including carbohydrate and sugar claims following a request from the Forum in August 2019. In the coming year we will continue to gather the evidence base for these pieces of work and undertake targeted stakeholder consultation with industry.

On top of our business as usual standard setting work, we will be providing input into the strategic review of the Food Regulation System including the FSANZ Act.

This is an ambitious work plan for the coming year, but one I am confident we can deliver on with our highly skilled, passionate and committed staff.

Significant effort has been placed on developing the workplace culture and improving staff satisfaction. We have started to see some positive developments in this work and will remain a high priority in 2020–21. In June we undertook a second staff culture survey to track progress. The results of this survey will help us to identify key areas where we need to continue to focus our efforts to ensure staff are engaged and supported through a positive workplace culture.

A handwritten signature in black ink, appearing to read 'Mark Booth', with a long, sweeping underline.

Mark Booth
Chief Executive Officer

01
ABOUT US



ABOUT US

Food Standards Australia New Zealand (FSANZ) is established for the Australian and New Zealand governments and is governed by a Board appointed under the Australian *Food Standards Australia New Zealand Act 1991*.

We are part of the Australian Government's Health portfolio under the Minister for Aged Care and Senior Australians and Minister for Youth and Sport, Senator the Hon Richard Colbeck.

Our vision

Consumers have a high level of confidence in the safety of food.

Objects and functions

The object of the FSANZ Act is to ensure a high standard of public health protection throughout Australia and New Zealand. The FSANZ Act also sets out four goals for the agency:

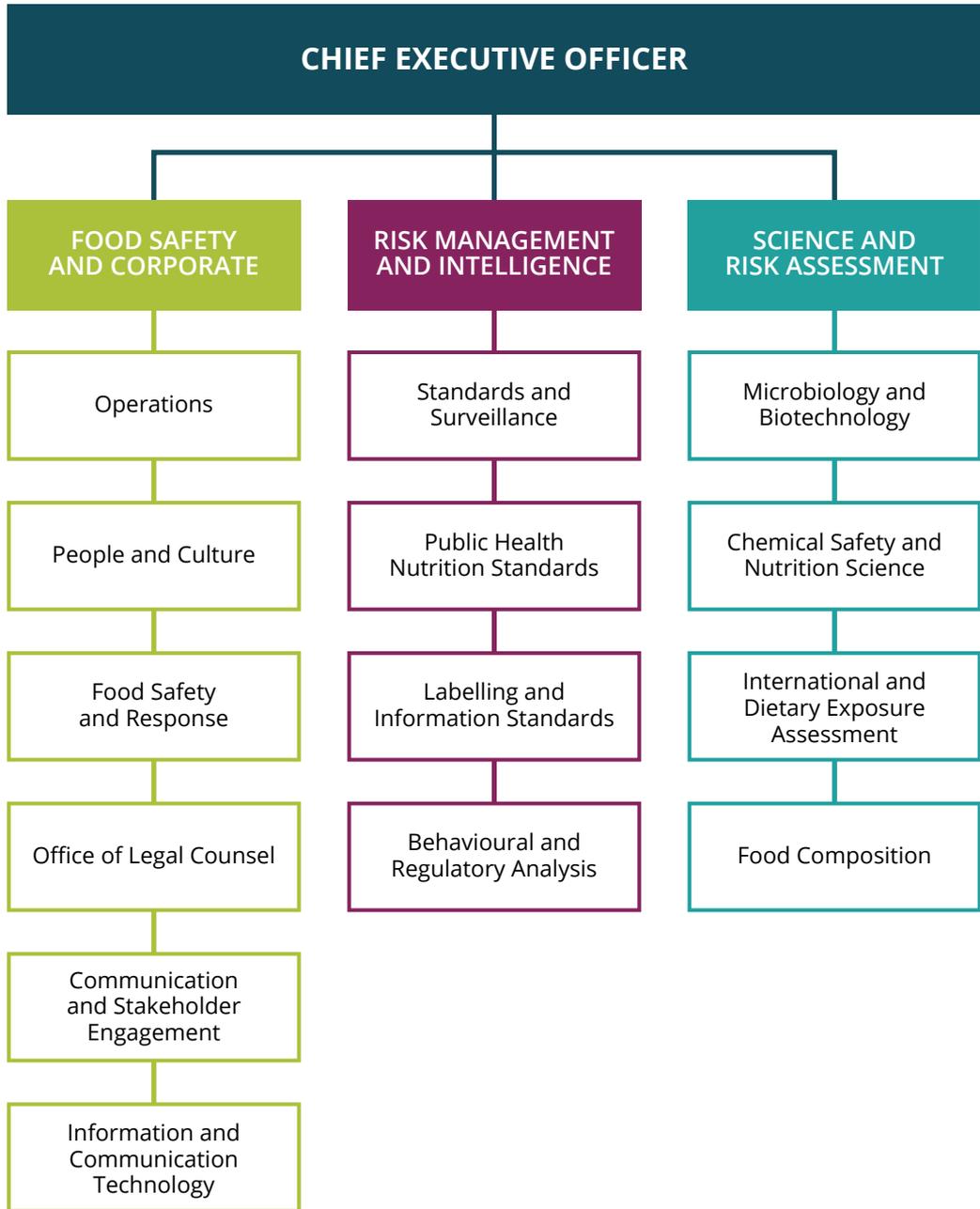
- » a high degree of consumer confidence in the quality and safety of food produced, processed, sold or exported from Australia and New Zealand
- » an effective transparent and accountable regulatory framework within which the food industry can work efficiently
- » the provision of adequate information relating to food to enable consumers to make informed choices
- » the establishment of common rules for both countries and the promotion of consistency between domestic and international food regulation measures without reducing the safeguards that apply to public health and consumer protection.

We contribute towards these goals by developing food standards that are informed by the best available scientific evidence, providing information on food standards, and by coordinating aspects of the food regulation system.

FSANZ is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

Our people

Figure 1: FSANZ organisational structure as at 30 June 2020



Overview

As a science based agency, we have a specialised workforce. Our staff bring expertise from a range scientific disciplines including toxicology, nutrition, food technology, microbiology, biotechnology, public health, immunology, chemistry, mathematical modelling, epidemiology, behavioural and social science and regulatory analysis. These disciplines are complemented by our human resources, finance, administration, communications, economics, information management, ICT and legal expertise.

Our expertise enables us to deal with a broad range of food regulatory issues, using the risk analysis¹ framework.

In 2019–20 we continued our culture change journey to develop our workplace culture and staff engagement. We continue to engage staff on our new values, what it means for them and the how it supports our strategic outcomes.

Staff forum

Open communication and information sharing between staff and the Executive is an important part of building a positive culture within FSANZ. Our staff forum includes representatives of each section of the agency. The forum meets monthly reporting back to the Executive regularly on workplace issues raised and any outcomes from the Executive are reported back to the staff forum.

In 2019–20 the Forum discussed a range of issues including progress on our culture change work, our business continuity plans, bushfire response, work health and safety plan, health and wellbeing program, and the transition to working from home during the COVID-19 pandemic.

Workplace diversity and inclusion

We are a Bronze member of the Australian Network on Disability and a member of the Diversity Council of Australia.

In July 2019, we established a Diversity Network consisting of nine staff with different genders, backgrounds, skills, cultures and abilities. The network manages a schedule of events and meets quarterly to share information and experiences, raise awareness and advocate for an inclusive work environment. In 2019–20 The Diversity Network arranged events to support a range of culture and diversity days including wear it purple day, international women's day and R U OK day.

¹ <http://www.foodstandards.gov.au/science/riskanalysis/Pages/default.aspx>

Table 1: All ongoing employees current report period (2019–20)

	MALE			FEMALE			INDETERMINATE			TOTAL
	FULL-TIME	PART-TIME	TOTAL MALE	FULL-TIME	PART-TIME	TOTAL FEMALE	FULL-TIME	PART-TIME	TOTAL INDETERMINATE	
NSW	-	-	-	-	1	1	-	-	-	1
Qld	1	-	1	-	-	-	-	-	-	1
SA	-	-	-	1	-	1	-	-	-	1
Tas	1	-	1	1	1	2	-	-	-	3
Vic	1	-	1	-	-	-	-	-	-	1
WA	-	-	-	-	-	-	-	-	-	-
ACT	25	-	25	43	16	59	-	-	-	84
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	7	1	8	6	3	9	-	-	-	17
Total	35	1	36	51	21	72	-	-	-	108

Table 2: All non-ongoing employees current report period (2019–20)

	MALE			FEMALE			INDETERMINATE			TOTAL
	FULL-TIME	PART-TIME	TOTAL MALE	FULL-TIME	PART-TIME	TOTAL FEMALE	FULL-TIME	PART-TIME	TOTAL INDETERMINATE	
NSW	-	-	-	-	-	-	-	-	-	-
Qld	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	1	1	-	-	-	1
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-
ACT	5	-	5	9	2	11	-	-	-	16
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	1	-	1	-	-	-	1
Total	5	-	5	10	3	13	-	-	-	18

Table 3: All ongoing employees previous report period (2018-19)

	MALE			FEMALE			INDETERMINATE			TOTAL
	FULL-TIME	PART-TIME	TOTAL MALE	FULL-TIME	PART-TIME	TOTAL FEMALE	FULL-TIME	PART-TIME	TOTAL INDETERMINATE	
NSW	-	-	-	-	1	1	-	-	-	1
Qld	1	-	1	-	-	-	-	-	-	1
SA	-	-	-	1	-	1	-	-	-	1
Tas	1	-	1	1	-	1	-	-	-	2
Vic	1	-	1	-	-	-	-	-	-	1
WA	-	-	-	-	-	-	-	-	-	-
ACT	25	-	25	43	17	60	-	-	-	85
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	4	-	4	7	1	8	-	-	-	12
Total	32	-	32	52	19	71	-	-	-	103

Table 4: All non-ongoing employees previous report period (2018-19)

	MALE			FEMALE			INDETERMINATE			TOTAL
	FULL-TIME	PART-TIME	TOTAL MALE	FULL-TIME	PART-TIME	TOTAL FEMALE	FULL-TIME	PART-TIME	TOTAL INDETERMINATE	
NSW	-	-	-	-	-	-	-	-	-	-
Qld	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-
ACT	4	-	4	7	-	7	-	-	-	11
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	1	-	1	-	-	-	1
Total	4	-	4	8	-	8	-	-	-	12

In collaboration with the Diversity Network, we updated our Diversity and Inclusion Plan in 2019–20. The plan outlines how we will enhance our existing structure, functions and processes to meet the needs and expectations of our staff now and into the future.

In June 2020 we made modifications to the Canberra office to increase the level of accessibility for workers with mobility impairments including automation of the existing disabled toilet door, adjustments to entry doors and the purchase of an emergency evacuation chair.

Workplace bullying and harassment

Our Values and Workplace Behaviour Policy seeks to support, encourage and enforce respectful and courteous workplace behaviour, and provide guidance on appropriate and inappropriate conduct.

Trained harassment contact officers (known as Workplace Behaviour Contact Officers) continue to support staff who feel they may have been discriminated against, bullied and/or harassed.

In 2019–20 no formal complaints were received under the bullying and harassment guidelines.

Work Health and Safety

We are committed to providing a consultative Work Health and Safety (WHS) culture while maintaining a comprehensive workplace Safety Management System (SMS). This system comprises a range of strategies and programs that have been designed to support the health, safety and wellbeing of our people and visitors. This includes regular information sharing and training, and promoting an active interest in WHS and rehabilitation matters.

The FSANZ Work Health and Safety Committee (WHSC) brings together staff and managers to collaborate on WHS matters relating to:

- » the development of standards, rules and procedures
- » implementation, review and update of policies and procedures
- » incidents and injuries including recommendations about WHS issues
- » sharing WHS information with staff
- » other functions agreed between FSANZ and the WHSC.

WHS initiatives

In consultation with the FSANZ Board, this year we updated our SMS and Work Health and Safety Policy and developed a Work Health and Safety Management Plan and Due Diligence Framework. We also launched a Health and Wellbeing Plan incorporating initiatives to monitor and enhance the physical and psychological health and wellbeing of our staff.

Following the December/January bushfires, our Canberra office was exposed to high levels of air pollution (smoke) as a result of the unprecedented bushfire season. To ensure our staff had a safe work environment, we implemented regular monitoring of inside pollution levels and offered flexible working arrangements for workers with respiratory issues.

COVID-19 response

In response to the COVID-19 pandemic, FSANZ staff were transitioned to work from home arrangements from March 2020. Significant effort was put into the planning, transition and support of staff during this time. In under three weeks, 116 FSANZ staff successfully moved

to work from home arrangements. This transition included planning and testing of network connection capacity, deployment of a secure video conferencing facility, a staff intranet page that was updated daily with latest government health advice and staff news, a weekly staff newsletter and regular all staff video conferences and additional WH&S support.

We also compiled a WHS risk assessment. The assessment was circulated to all staff for input and feedback and to the FSANZ Board. During March – June 2020 we progressively implemented the majority of risk controls outlined in the assessment to protect the health and wellbeing of our people in line with government directives.

We undertook a Pulse Survey to identify risks in the home work environment for our people. Pleasingly, the results of the survey showed staff felt connected with their colleagues and well supported by FSANZ despite their remote work arrangements. Some additional measures were put in place to address concerns raised relating to caring responsibilities, assistance with office equipment and WH&S.

We also brought forward our flu vaccine program to early April 2020, providing access to and subsidising vaccines for staff in both Australia and New Zealand.

During 2019–20 FSANZ:

- » had no new work related injuries/illness or claims for compensation
- » had no notifiable incidents under the *Work Health and Safety Act 2011* and *Health and Safety at Work Act 2015* (New Zealand)
- » was not the subject of any work health and safety investigations into the conduct of its business or undertakings
- » received no notices under the *Work Health and Safety Act 2011* or the *Health and Safety at Work Act 2015*.

Sustainable development

Our Canberra office is a 5 Star, Green Star rated building. The building has been designed to reduce greenhouse gas emissions and water usage. Energy saving devices have been used throughout the building and the fit-out to further reduce energy consumption.

In 2019–20 we worked with the building owners to ensure efficiency of the Australian and New Zealand office air conditioning and electricity usage, limiting the overuse of energy during working hours. We are also contracted to source 10 per cent of energy to the Canberra office from renewable sources.

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

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

Rewards and recognition

In 2019–20 four staff were recognised for their outstanding contribution to the work of the agency. 18 staff were also presented long service awards, acknowledging their continued contribution and dedication to FSANZ.

Chair’s Annual Development Award

The Chair’s Annual Development Award was awarded to two people in 2019–20 — Kate Riley from the international and dietary exposure assessment team and Joanna Richards from the standards management team. Both Kate and Joanna made significant contributions to the work of FSANZ over the past 12 months, demonstrating the FSANZ values in their day-to-day work and going above and beyond to achieve excellent outcomes on behalf of the agency.

Achievement Awards

FSANZ’s Achievement Award acknowledges the contribution of an individual or team displaying innovation, outstanding performance, client service, corporate achievement or excellence while modelling the APS values in their core duties.

This year the Achievement Award was presented to Renee Sobolewski and Veronica Polegubic. Renee was recognised for her outstanding achievement managing our food composition database system refresh and ongoing work relating to the health star rating technical advisory group and national survey work. Veronica Polegubic was recognised for her contribution to high profile and complex project work undertaken by FSANZ.



Board Chair Robyn Kruk, Joanna Richards and FSANZ CEO Mark Booth.



Board Chair Robyn Kruk, Kate Riley and FSANZ CEO Mark Booth.

ABOUT US



Renee Sobolewski and Board Chair Robyn Kruk.



Veronica Polegubic and Board Chair Robyn Kruk.

FSANZ Values Award

In 2019–20 we launched a new values award. These are awarded to individuals or teams to acknowledge their commitment and exemplary behaviour in championing our values — develop, achieve, accountable, respect and transparent. This year we acknowledged three individuals and two teams for their efforts in exemplifying our achieve, develop and accountable values.

Executive remuneration 2019–20

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of FSANZ, directly or indirectly, including any director (whether executive or otherwise). FSANZ has determined the key management personnel to be the Chief Executive Officer, Branch General Managers and Board Members. During the reporting period ended 30 June 2020, FSANZ had 16 Executives and Board Members who met the definition of the Key Management Personnel. Their names and the length of term as key management personnel are summarised at table 5.

Remuneration policies and practices

The Chief Executive Officer and Board Members are engaged under the *Food Standards Australia New Zealand Act 1991*. The Remuneration Tribunal determines the levels of remuneration for the Chief Executive Officer and Board Members. The General Managers are engaged by individual contracts under the *Public Service Act 1999* (Australia). The Chief Executive Officer sets the level of remuneration guided by equivalent remuneration levels in the Australian Public Service for the identified work level standards.

Remuneration governance arrangements

The People, Culture and Remuneration Committee assist the Board in fulfilling its governance responsibilities in relation to the people, culture and remuneration functions of the agency. The Committee is responsible for providing the Board with independent advice and guidance on the exercise of the Board's powers under Division 2 of part 4 of the *Food Standards Australia New Zealand Act 1991*.

Table 5: Key management personnel

NAME	POSITION	TERM AS KEY MANAGEMENT PERSONNEL
Mark Booth	Chief Executive Officer	Full Year
Scott Crerar	General Manager	Full Year
Glen Neal	General Manager	Full Year
Peter May	General Manager	One Day
Sandra Cuthbert	General Manager	Full Year
Mary Barton	Board Member	Full Year
Roscoe Taylor	Board Member	Part-Year
Josephine Ann Davey	Board Member	Full Year
John Hart	Board Member	Full Year
Robyn Kruk	Board Member (Chair)	Full Year
Mark Andrew Lawrence	Board Member	Full Year
Martin Cole	Board Member	Full Year
Suzanne Eleanor Chetwin	Board Member	Full Year
Teresa Farac-Ciprian	Board Member	Full Year
Jane Elizabeth Lancaster	Board Member	Full Year
Michael William Dunbier	Board Member	Full Year

Table 6: Key management personnel remuneration for the reporting period 2019-20

	2020	2019
Short-term benefits		
Base Salary	1,414,502	1,443,398
Bonus	45,777	98,058
Other benefits and allowances	95,600	100,987
Total short-term benefits	1,555,879	1,642,443
Post-employment benefits		
Superannuation	178,439	186,376
Total post-employment benefits	178,439	186,376
Other long-term benefits		
Long service Leave	36,349	66,912
Total other long-term benefits	36,349	66,912
Termination benefits		
Total termination benefits	50,779	-
Total key management personnel remuneration expenses	1,821,446	1,895,731

Table 7: In accordance with the PGPA Rule, this information is further disaggregated as follows:

NAME	POSITION TITLE	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS			TERMINATION BENEFITS	TOTAL
		BASE SALARY	BONUSES	OTHER BENEFITS AND ALLOWANCES		LONG SERVICE LEAVE	LONG-TERM BENEFITS	OTHER BENEFITS		
Mark Booth	Chief Executive Officer	315,927	45,777	3,430	33,539	15,603	-	-	-	414,276
Scott Crerar	General Manager	198,647	-	29,101	36,428	8,974	-	-	-	273,150
Glen Neal	General Manager	237,425	-	33,968	35,480	8,489	-	-	-	315,362
Peter May	General Manager	-	-	-	-	-	-	-	50,779	50,779
Sandra Cuthbert	General Manager	186,163	-	29,101	27,740	3,283	-	-	-	246,287
Mary Barton	AU Board Member	47,900	-	-	4,551	-	-	-	-	52,451
Roscoe Taylor	AU Board Member	32,220	-	-	3,061	-	-	-	-	35,281
Josephine Ann Davey	AU Board Member	47,900	-	-	4,551	-	-	-	-	52,451
John Hart	AU Board Member	42,960	-	-	4,081	-	-	-	-	47,041
Robyn Kruk	AU Board Member (Chair)	85,920	-	-	8,162	-	-	-	-	94,082
Martin Cole	AU Board Member	-	-	-	-	-	-	-	-	-

NAME	POSITION TITLE	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS			TOTAL
		BASE SALARY	BONUSES	OTHER BENEFITS AND ALLOWANCES		LONG SERVICE LEAVE	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	
Mark Andrew Lawrence	AU Board Member	42,960	-	-	4,081	-	-	-	47,041
Suzanne Eleanor Chetwin	NZ Board Member	42,887	-	-	4,074	-	-	-	46,961
Teresa Fairac-Ciprian	NZ Board Member	47,819	-	-	4,543	-	-	-	52,361
Jane Elizabeth Lancaster	NZ Board Member	42,887	-	-	4,074	-	-	-	46,961
Michael William Dunbier	NZ Board Member	42,887	-	-	4,074	-	-	-	46,961
Total		1,414,502	45,777	95,600	178,439	36,349	0	50,779	1,821,446

02

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

FSANZ recorded a deficit of \$0.799 million for 2019–20, compared to a surplus of \$2.461 million in 2018–19. The deficit was expected and planned for and is attributable to additional expenditure related to the implementation of the new accounting standard — AASB 16 Leases, movement in the bond rates on leave provisions, and project expenditure for which revenues were received in a prior year. The increase in expenditure from the implementation of AASB16 comprise depreciation and interest expenses and fit-out lease incentive.

FSANZ did not receive funding to offset the increased expenditure related to the implementation of AASB16 and the movement in the bond rate. FSANZ has obtained approval from the Department of Finance to incur an operating loss of up to \$1.000 million in 2019–20.

The notes to the Audited Financial Statements explain the variances. In particular, the commentary on variances to budget highlights specific events that occurred throughout the year that had an impact on results.

Statement of comprehensive income

Income

The total income for 2019–20 was \$20.713 million, compared to \$23.154 million in 2018–19, a decrease of \$2.441 million. The decrease is attributable to project revenues received in the prior year.

Expenditure

Total expenditure for the year was \$21.512 million, compared to \$20.693 million in 2018–19, an increase of \$0.819 million. There was an increase in employee expenses of \$1.922 million. The increase is primarily related to the impact on the movement in the bond rate on leave provision balances, salary increases, and additional staff working on projects.

Supplier expenses have decreased from \$5.117 million in 2018–19 to \$3.074 million in 2019–20 as a result of the implementation of AASB16, which has moved rental expenses from suppliers into non-current assets.

Depreciation expenses have increased from \$1.093 million in 2018–19 to \$2.242 million in 2019–20 as a result of the implementation of AASB16. AASB 16 requires the capitalisation of rental expenses as Right of Use assets and depreciating those assets over the term of the lease.

Statement of financial position

Assets

Financial assets have increased from \$13.8 million in 2018–19 to \$14.876 million in 2019–20 as a result of project revenues received during the year from the Department of Health of \$0.977 million and the Department of Foreign Affairs of \$0.223 million. During the year \$3.00 million was moved from cash and cash equivalents into investments — term deposits to maximise interest revenues.

Buildings have increased from \$2.773 million in 2018–19, to \$11.164 million in 2019–20 as a result of the implementation of AASB16, by the capitalisation of rental expenses into Right of Use assets.

Other payables have increased from \$2.489 million in 2018–19 to \$4.029 million in 2019–20 as a result of an increase in unearned revenue.

The creation of the asset from the rental expenses has resulted in the creation of a liability classified as interest bearing liabilities of \$8.584 million. This liability is also being amortised over the term of the lease.

FSANZ's detailed financial performance is outlined in the financial statements at Appendix 5.

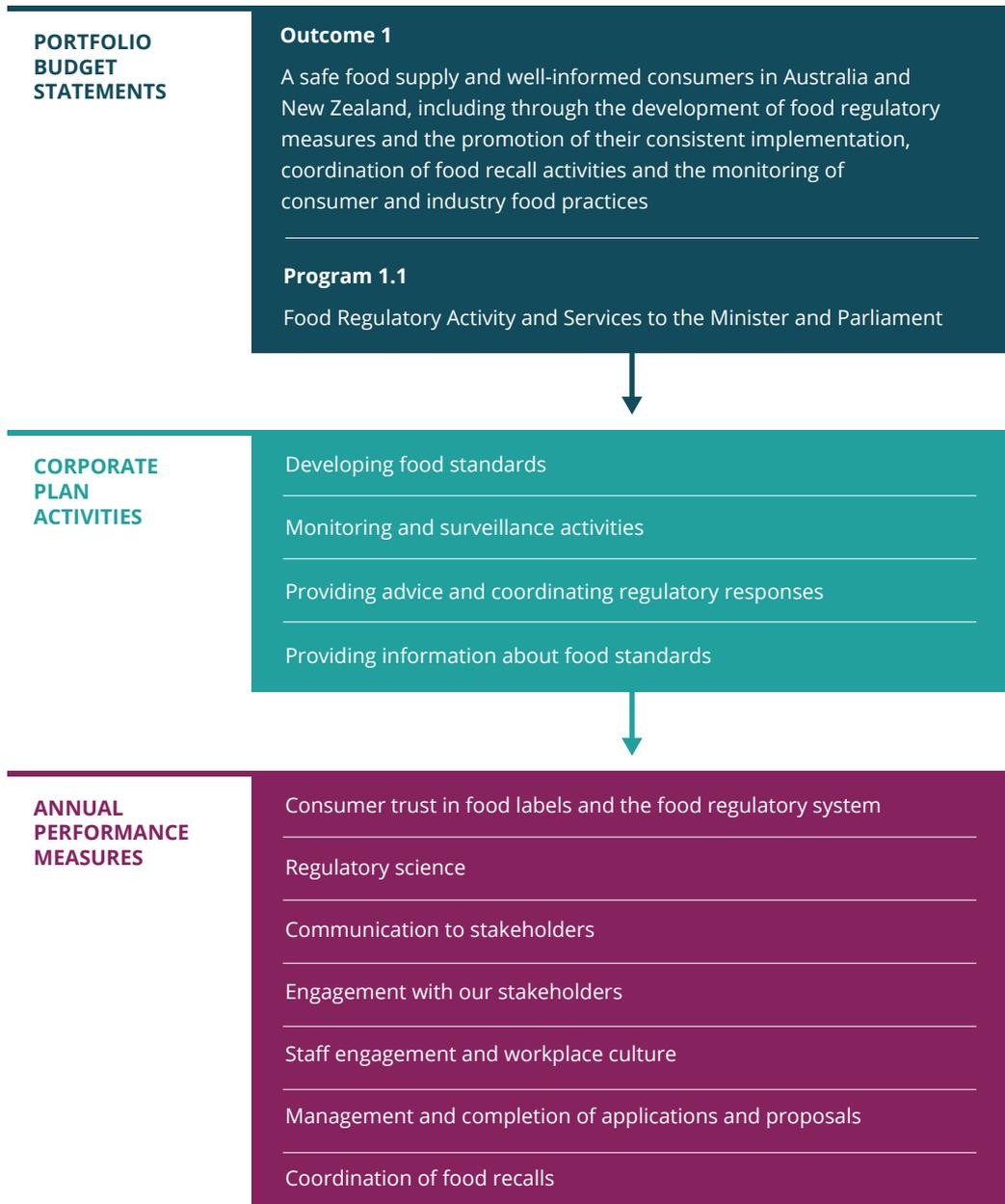
03

REPORT ON PERFORMANCE



REPORT ON PERFORMANCE

Figure 2: Reporting framework



Annual Performance Statement

Our reporting outcomes are linked with our portfolio agency, the Australian Government Department of Health, Outcome 1.

Through Program 1.1 the Australian Government aims to:

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

The qualitative deliverables set by the portfolio agency and our performance against those deliverables are detailed on the following page.

Statement of preparation

As the accountable authority of Food Standards Australia New Zealand, I present the 2019–20 annual performance statements for Food Standards Australia New Zealand, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements accurately reflect the performance of Food Standards Australia New Zealand's performance in the reporting period 1 July 2019 to 30 June 2020, and comply with section 39(2) of the PGPA Act.



Robyn Kruk

Chair of the FSANZ Board

Portfolio budget statements

<p>Outcome 1</p>	<p>A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices</p>
<p>Program 1.1</p>	<p>Food Regulatory Activity and Services to the Minister and Parliament.</p> <p>The Australian Government aims to ensure that all Australians have access to a safe food supply and adequate, accurate information to make informed choices about the food they consume. FSANZ develops food standards that are informed by the best available evidence and enables efficient implementation of food laws. It coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.</p>

Delivery

Developing food standards

- » develop standards in response to applications and proposals to amend the Food Standards Code.

Providing advice and coordinating regulatory responses

- » coordinate food incident responses and food recalls.
- » undertake monitoring and surveillance activities to ensure that regulatory and non-regulatory activities achieve their objectives.

Providing information about food standards

- » provide authoritative evidence-based information about food to stakeholders and consumers.

Our performance story

In accordance with the reporting requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the 2019–20 Corporate Plan identified seven key performance areas to measure and report on our success for the year. Reporting against these seven areas provides assurance that FSANZ is delivering on intended outcomes as identified in the Corporate Plan each year.

Specific performance measures in the seven areas were developed subsequent to the publication of the 2019–20 Corporate Plan. The measures were designed to ensure that there was clarity about whether they were quantitative or qualitative, that they were measurable within existing resources and data sources, and would potentially establish future year targets or allow monitoring over time.

The seven performance areas and their respective measures along with the results for the 2019–20 FY are reported below. Some of the measures overlap with PBS measures, as indicated by an *.

Coordination of food recalls

FSANZ has a role as a coordinator of food recalls. We routinely collect satisfaction ratings after every food recall. Additionally, the Bi-National Food Safety Network are a group of government representatives from all states, territories and select Commonwealth Agencies. FSANZ's role is to provide secretariat support and coordinate incident response during a food issue or incident.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
The food regulatory system is coordinated	% of recall sponsors satisfied with FSANZ information and assistance	To date, 100% of recall sponsors are satisfied or very satisfied with FSANZ information and assistance.	Last financial year, we coordinated 99 recalls and received 84 post recall reports providing a satisfaction rating. Ratings that have not been received may be due to reports not yet being due or the sponsor has been lost to follow up. This year FSANZ received a satisfaction rating of 100%. This is unchanged from last year's rating.
	% of Bi-National Food Safety Network agencies satisfied with FSANZ role in incident response	100% of Bi-National Food Safety Network agencies reported being satisfied with FSANZ's role in incident response.	This is the first year FSANZ has collected a satisfaction rating for incident response. The outcome shows a high level of satisfaction with FSANZ's services and FSANZ will continue to strive towards this level of satisfaction.
	Coordinate major food incidents under the National Food Incident Response Protocol (the Protocol).	FSANZ coordinated 99 food recalls from 1 July 2019 to 30 June 2020.	13 issues were referred to the Bi-National Food Safety Network including Salmonella Weltevreden linked to frozen meals and Listeria monocytogenes in enoki mushrooms from South Korea. FSANZ also shared information to the network on food safety and coronavirus.

Management and completion of applications and proposals

Our main function is to develop and raise awareness about food standards. These standards, which become part of the legislation in the jurisdictions, provide confidence in our food supply by providing assurance that food sold in Australia and New Zealand is safe and suitable.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
Timely and consistent processing of applications and proposals	% applications completed within the statutory timeframe	17/18 or 94%	All applications were completed within statutory timelines except for one (A1155) ² . In comparison, 100% of applications in the 2018–19 reporting year were completed within statutory timeframes.
	% of applications that are completed ahead of the statutory timeframe	4/18 or 22%	Four applications were completed ahead of their statutory due date in that they were approved by the Board in advance of the last possible meeting at which they could be approved.
	% of proposals that meet agreed progress timeframes	8/13 or 61%	Proposals P1050, P1054 and M1017 all met their scheduled timelines and Proposals P1028, P1044, P1052, P1053, and P1055 all progressed in accordance with revised timelines as approved by their relevant Delegate.
	% of accepted applications that have used the draft application process	15/32 or 47%	FSANZ offers assistance to applicants as through the draft application process. The intention is to ensure applications include all required information FSANZ needs to complete an assessment and ensure the assessment process is efficient. Of the applications accepted and assessed in this financial year, we provided comments on almost 50% through the draft application process.
	% of accepted applications that the draft process included meetings (face-to-face or teleconference) with FSANZ.	10/32 or 31%	FSANZ also offers one face to face meeting to applicants to assist them with information requirements. Meetings were held with 31% of applicants prior to formal submission of their application, mostly in addition to comments on their drafts.

2 The statutory timeframe for A1155 – 2⁴-FL and LNNt in infant formula and other products was initially extended for six months under 109(4) of the *FSANZ Act 1991* due to its complexity. Approval was further delayed due a number of concerns raised after public consultation on the proposed amendments. The FSANZ Board approved the proposed variation to the Food Standards Code on 20 December 2020 and following consideration by the Ministerial Forum on Food Regulation, a Review was requested on 5 March 2020.

Regulatory science

Science is a critical core competency that underpins our ability to achieve our purpose. High quality regulatory science is based on the best available evidence, incorporates information from numerous disciplines and forms the foundation for our evidence-based regulatory decision-making that protects people from hazards that may arise from food.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
FSANZ has a modern scientific evidence base and applies best practice tools and methods	New data and analysis generated or shared to support food safety and standards development Number of	» 59	FSANZ takes an evidence-based approach to determine food safety risks and prepares risk advice for imported food. This advice informs the Department of Agriculture, Water and the Environment on whether imported foods pose a potential medium or high risk to public health. During this period FSANZ published 36 imported food risk advice documents, providing risk advice on a range of foods and associated hazards. This work contributes to our overarching objective to ensure food imported into Australia is safe. FSANZ staff also contributed to 10 articles published in scientific peer-reviewed journals.
	» scientific data items shared by externals to FSANZ	» 2	
	Skill development in, or application of risk assessment methods » number of engagements with domestic and international experts by staff to share and develop capability in risk assessment methods	» 51	We participate in numerous fora to ensure we apply modern risk assessment tools and methods to support risk-based approaches consistent with international methods. FSANZ staff continually develop their skills in risk assessment methodologies to enable robust and defensible scientific assessments. In 2019–20 expert elicitation was used to inform our work in the area of food safety. This approach has provided the best available scientific information to inform cost benefit analysis work enabling FSANZ to assess the burden of illness associated with high risk horticulture products. Ultimately this work ensures science-based regulations and procedures facilitate efficient trade and maintains our position as a leader of regulatory science in the region.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
FSANZ links and partners with key contributors	Collaborations and joint projects Number of » joint projects during the period	» 22	Joint projects are an important way that FSANZ leverages scientific expertise and resources. Together with our partners in academia, industry, research institutions and government, FSANZ has progressed 22 unique and formalised joint projects; 16 of which are externally funded. Three joint projects undertaken with New Zealand Food Safety were successfully finalised, demonstrating a collaborative resolution of regulatory issues and with research findings currently being incorporated into our scientific evidence base.
	Leveraging external scientific expertise Number of » productive interactions with FSANZ Fellows » meetings of FSANZ expert advisory groups and/or engagements for peer review » seminars delivered to FSANZ staff by external scientific experts	» 31 » 12 » 13	FSANZ has numerous established groups and programs to facilitate interactions with scientific experts. We strive to increase engagement for the purpose of sharing expertise and improving the robustness of our scientific risk assessments. The FSANZ fellows program was developed to create a network of experts who can provide FSANZ with objective expert advice and critical review. The program also helps to develop academic links and networks. FSANZ has had 20 Fellows engaged through the program during this period, including 5 new appointments. For the first time we have engaged a Fellow with expertise in science communication, who has been facilitating our communication activities including the area of new breeding techniques.

Communication to stakeholders

Good communication and engagement is critical to the work of FSANZ. It builds trust in the safety of food and gives confidence to the community and industry that the decisions we make are transparent and protect the health and wellbeing of consumers.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
Our information is accurate, current, and meets stakeholder needs	Number of new topics/publications developed and published on the website	15	We published nine new reports and publications to the FSANZ website. New topics published to our consumer and business pages included COVID-19 and food safety, cell-based meats and food incident pages.
	Number of existing topics reviewed and updated	100+ reviewed 60 updated	We reviewed over 100 of our webpages relating to food labelling, genetically modified foods, caffeine, food recalls and food safety.
	Number of media enquiries to FSANZ	131	The majority of enquiries related to food recalls, Standards Development work (caffeine, pregnancy warning labels on alcoholic beverages, GM food) general labelling requirements and COVID-19.
	% of responses provided by the deadline (target >99%)	100%	
	Number of visits to the FSANZ website	2,200,000	Visits the FSANZ website increased by around 20 percent in 2019–20 (up from 1,840,000 in 2018–19).
	Number of social media followers and interactions (reactions, retweets, shares)	56,400 followers 234,00 interactions	Our social media audience increased by over 5,300 in 2019–20 from the previous year.
	Number of messages/enquiries managed via social media	126 enquiries were managed via our social media channels	Enquiries received and managed via our social media channels related largely to food recalls, food complaints and regulations in the Code for labelling.

Engagement with our stakeholders

We have many formal channels to engage with our stakeholders who play an important part in informing our work and contribute to the rigour of our processes. These cover a spectrum of food safety and food regulatory science topics and includes Codex committees and taskforces, international liaison groups, domestic committees and liaison groups from the retail, consumer, and government sectors, as well as scientific advisory groups. We monitor stakeholder satisfaction with our level of engagement through a bi-annual survey and our biennial stakeholder forum.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
	% of respondents that indicate satisfaction with FSANZ performance*	69%	Our 2019 Stakeholder satisfaction and engagement survey was held between April and June 2019. In total 632 responses were received (up from 537 in 2017). Overall satisfaction with FSANZ performance was slightly down on the previous survey results (71% satisfaction in 2017). Strategies to engage with stakeholders and discuss opportunities for improvement will be explored in the coming year.
Deep engagement with domestic and international stakeholders	% of respondents that indicated understanding of FSANZ's role to:		Compared to results from the 2017 survey ³ there was an overall increase (approximately 10% over most roles listed) in stakeholders' understanding of FSANZ's roles in the Food Regulatory System. There continues to be some confusion regarding parts of FSANZ's role in the broader food regulatory system. 23 percent of respondents believe we have responsibility for enforcing food laws, this is unchanged from the previous survey (results not shown).
	» Coordinate surveys	» 44	
	» Develop binational food standards	» 85	
	» Develop industry codes of practice	» 64	
	» Develop interpretive guides for enforcement agencies	» 75	
	» Increase public awareness of food standards	» 83	
» Test for food safety and composition	» 34		

3 <https://www.foodstandards.gov.au/publications/Pages/2017-Stakeholder-Survey-Results.aspx>

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
Deep engagement with domestic and international stakeholders	Number of attendees to the 2019 FSANZ biennial stakeholder forum	240	The FSANZ Stakeholder Forum was held in March 2019 (i.e. previous financial year)
	Total number of survey respondents	97	The results from that stakeholder forum are reported here as a baseline for comparison to future fora. A survey was used to collect feedback from attendees immediately following the 2019 event. This survey will be repeated for subsequent fora.
	From:		
	» Food industry	» 39	
	» Peak associations	» 13	
	» Federal government	» 13	
	» State government	» 5	
	» Consultants	» 12	
	» Academic	» 6	
	» Other	» 9	
Number (%) of survey respondents that give positive feedback	88 (91%)		
Regulatory and food safety fora attended by FSANZ staff:			Staff regularly present FSANZ work or represent FSANZ at conferences and meetings. We also host meetings and international delegations in our offices. We have quantitated these interactions as a proxy measure of FSANZ commitment to stakeholder engagement and recognition of our expertise. The aim is to track these over time. The number of tele- or online meetings may be high for this financial year due to isolation policies in place in response to the COVID-19 pandemic.
» Conferences*			
— Total number attended	» 35		
— Number with invitation to speak	» 13		
» Stakeholder meetings**			
— Total number attended	» 95		
— Number face to face attended	» 42		
— Number hosted by FSANZ (including 4 international delegations)	» 29		
— Number tele- or online meetings attended (including 11 with international groups)	» 24		

* includes domestic and international

**stakeholders include government, industry, science and academia, and public health professionals but excludes interactions considered part of FSANZ core business (e.g. processing of applications and proposals).

Staff engagement and workplace culture

Staff engagement and workplace culture are primary factors that enable us to meet our core objectives. The APS Census includes measures for staff engagement, wellbeing, and promotion of inclusion and diversity. Because the 2020 APS Census (normally conducted in May) was delayed till late 2020 due to COVID-19, results from the 2019 Census compared to the 2018 Census are reported here. Staff engagement and workplace culture were supported in the 2019–20 FY through the introduction and implementation of measures including the Health & Wellbeing plan, Culture Change action plan and the development and embedding of the FSANZ Values (launched in June 2018) through the Values weeks.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
Staff are engaged and have corresponding levels of wellbeing	Employee engagement scores		The 2019 employee engagement scores and wellbeing index were not substantially different from 2018.
	» % positive (2019)	» 74%	
	» % positive (2018)	» 72%	
	» Wellbeing index (2019)	» 62%	The 2019 scores for all three areas (including inclusion and diversity scores) are down -1%, -7% and -5% respectively compared to similar sized agencies in the APS.
	» Wellbeing index (2018)	» 65%	
	Inclusion and diversity scores on “My agency supports and actively promotes an inclusive workplace culture”		In 2019–20 we undertook a number of measures to support staff engagement and workplace culture. These included the introduction of the Health & Wellbeing plan, implementation of the culture action plan, and the embedding of the FSANZ Values.
	» % positive (2019)	» 70%	
	» % positive (2018)	» 55%	
Our workplace culture delivers high performance	Percentage of staff completing IWDP reviews by deadline:		The Individual Work and Development Plan (IWDP) is completed by all FSANZ employee to help link individual and organisational performance. The IWDP cycle is split into four periods ensuring staff have regular reviews with their managers or team leaders. The high degree of completion of the IWDP process reflects staff commitment to FSANZ performance and development.
	» 1st quarter	» 95.83	
	» Mid-year	» 93.33	
	» 3rd quarter	» 88.33	
	» End of year	» 84.07 ⁴	

4 The decline in completion is due to a number of new staff who are required to work through Q1 – Q4 to qualify for full completion.

Consumer trust in food labels and in the food regulatory system

Trust in food labelling is important to FSANZ as it ensures consumers may make informed food choices that suit their individual needs. FSANZ also strives to ensure trust in its role within the broader Food Regulatory System. FSANZ undertook two surveys (in 2015 and 2007) to evaluate consumer trust in food labelling and FSANZ's role in the Food Regulatory System. FSANZ is continuing to work with partners to develop an instrument to collect reliable data on trust and confidence in the food labelling and the food system. This work includes reviews of academic, consultancy research, and reporting by other government agencies about consumer trust.

OUTCOME	PERFORMANCE MEASURE	RESULTS	CONTEXT
Consumers trust food labelling	% of respondents who respond positively about trust in the information on food labels » Australian consumers » New Zealand consumers	» 67% » 77%	Results are reported from the 2015 Consumer Label Survey ⁵ as baseline measures. New data on this performance measure will require additional funding which was not available in this reporting period.
	% of external reports (academic, consultancy research, other government agencies) that report positively about consumer trust in food labels.	n/a	FSANZ did not undertake review of external reports in this financial year.
Consumers have confidence in FSANZ	% of respondents who report having confidence in FSANZ » Australian consumers » New Zealand consumers	» 55% » 49%	Results are reported from the 2007 Consumer Attitudes Survey as baseline measures. ⁶ FSANZ has not collected new data on this performance measure. We are currently seeking approaches to progress this work through collaboration with external provider or academia and collection of new data.
	% of external reports (academic, consultancy research, other government agencies) that report positively about consumer confidence in FSANZ and FRS	n/a	FSANZ did not undertake review of external reports in this financial year.

5 <https://www.foodstandards.gov.au/publications/Pages/consumerlabelsurvey2015.aspx>

6 <https://www.foodstandards.gov.au/publications/pages/consumerattitudes/Default.aspx>

04 FOOD STANDARDS



FOOD STANDARDS

Highlights

Caffeine

In December 2019, the FSANZ Board approved a variation to Standard 1.1.1 of the Australia New Zealand Food Standards Code (the Code) to prohibit the retail sale of pure and high caffeine food products.

This variation was approved as an emergency interim response following FSANZ's review and report to Australian Government Ministers in August 2019 on pure and highly concentrated caffeine products.

Ministers had requested FSANZ undertake the review after the death of a young man in New South Wales attributed to acute caffeine toxicity associated with the consumption of a caffeine powder.

The review found pure and highly caffeinated food products pose an immediate and acute risk to consumers. The ingestion of small amounts of these substances can result in severe health effects, including death.

Review of chapters 3 and 4 of the Food Standards Code

We are reviewing food safety management requirements within chapters 3 and 4 of the Code. The first proposals to commence under the review are P1052 — Primary Production and Processing Requirements for High-risk Horticulture and P1053 — Food Safety Management Tools. Strengthening food safety management in these sectors is identified under the National Foodborne Illness Reduction Strategy 2018–2021+.

Primary Production and Processing Requirements for High-risk Horticulture

The Ministerial Forum on Food Regulation (the Forum), requested FSANZ reassess the need for a primary production and processing standard to manage food safety risks for high-risk horticultural commodities including leafy vegetables, melons and berries. We prepared a 1st Call for Submissions Report that provided a summary of FSANZ's assessment and preliminary position. Public consultation on the assessment occurred in February and March 2020. This included an extension period to allow industry from all parts of the value chain more opportunity to provide input noting impacts due to the COVID-19 situation.

In addition, consultation has occurred via a Horticulture Standards Development Advisory Group consisting of industry and state and territory government representatives. An Implementation Subcommittee for Food Regulation (ISFR) working group is working towards consistent implementation of any proposed standard. We have conducted industry site visits aimed at providing a contemporary and real situation understanding of commodity supply chains and in situ food safety practices. We will continue to explore opportunities to consult with stakeholders throughout the assessment of P1052.

Food Safety Management Tools

The Forum requested FSANZ consider a package of regulatory and non-regulatory measures for food businesses identified in the 2011 Ministerial Policy Guideline on Food Safety Management for General Food Service and Closely Related Retail Sectors (the Policy Guidelines).

FSANZ commenced Proposal P1053 to assess the appropriateness of

- » regulated food safety training for all food handlers;
- » a certified Food Safety Supervisor; and
- » evidence that key activities and processes are being controlled

As additional regulatory measures for specific food service and retail businesses which handle potentially hazardous food (consistent with the Policy Guidelines).

Under the Implementation Subcommittee for Food Regulation (ISFR) integrated model for standards development and consistent implementation, a working group has been established to facilitate national consistency of any regulatory measures in place as a result of P1053.

A discussion paper which provided background to the proposal and sought information from stakeholders to assist with the assessment process was released for public consultation in February 2020. This coincided with the COVID-19 pandemic and the ensuing national restrictions. Given the impact of COVID-19, FSANZ is identifying additional targeted consultation mechanisms and activities.

Pregnancy warning labels on alcoholic beverages

In response to a request from the Forum in October 2018, we prepared Proposal P1050 — Pregnancy warning labels on alcoholic beverages. The public call for submissions report was released in early October 2019. Following consideration of submissions and all relevant information, we notified the Forum of our decision in February 2020. The proposed pregnancy warning label included a pictogram, signal words HEALTH WARNING and the statement *Alcohol can cause lifelong harm to your baby*.

In March 2020, the Forum asked FSANZ to review its decision on the grounds that the warning label placed an unreasonable cost burden on industry. We re-examined industry cost estimates, with particular reference to colour requirements and signal wording. In June 2020 we notified the Forum of our review response which was to re-affirm its approval of the pregnancy warning label subject to changing the signal words to PREGNANCY WARNING and extending the transition period for implementation from two to three years to mitigate costs to industry.

Plain English allergen labelling

During 2019–20, we progressed work on Proposal P1044 — Plain English Allergen Labelling, which is considering changes to the Food Standards Code to make allergen declarations on food clearer and more consistent through the use of plain English allergen labelling. The proposal is also considering how allergen declarations are made, such as where they are located on the label, as well as their format (e.g. use of bold text).

We conducted a second round of public comment on Proposal P1044 between December 2019 to February 2020. The FSANZ Board is expected to consider final recommendations on this proposal in late 2020.

Labelling work requested by the Forum

In August 2019, the Forum referred work on energy labelling of alcoholic beverages to FSANZ as part of the work on alcohol labelling already underway, including carbohydrate and sugar claims on alcoholic beverages (P1049). We have commenced work to determine the scope and approach for this work.

At that time, we were also asked to review nutrition labelling for added sugars in response to a policy paper on the labelling of sugars on packaged foods and drinks. In a review on sugar labelling we will consider whether and how the Code should be amended to help consumers make more informed choices about added sugars in food. Key stakeholders will be consulted during the review which is expected to be completed late 2021.

Review of formulated supplementary sports foods standard

Following a request from the Forum in 2018, we commenced a full review of Standard 2.9.4 — Formulated supplementary sports foods. In 2019–20 we prepared a proposal and finalised a situational analysis to inform the future direction of sports food regulation. This analysis involved widespread targeted consultation and detailed investigations of the complex regulatory environment in Australia and New Zealand, including the food medicine interface, compliance with current regulation, contemporary product composition and the higher risk appetite of sports food industry players, including importers and sports food consumers. We will now work towards developing revised regulation of sports foods to enhance consumer safety and to accommodate the rapidly changing sports food market.

Work Plan

As required under Section 20 of the *Food Standards Australia New Zealand Act 1991* (the Act), FSANZ maintains a publicly available work plan, which provides details of the progress of all applications and proposals to amend the Code.

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

Information on the different types of procedures for assessing applications is in the Work Plan on our website⁷.

⁷ <http://www.foodstandards.gov.au/code/changes/workplan/Pages/default.aspx>.

Table 8: Applications and proposals on the Work Plan

AS AT	30 JUNE 2018	30 JUNE 2019	30 JUNE 2020
General procedure	19 (10 paid)	20 (8 paid)	22 (12 paid)
Minor procedure	0	0	0
Major procedure	1 (paid)	4 (1 paid)	8 (1 paid)
High level health claims	0	0	0
Urgent applications or proposals	1	0	1
Under review	0	0	2
Total	21	24	33
With the Forum or awaiting notification to the Forum	5	7	2
Estimated waiting time for unpaid applications	5 months approx	6 months approx	9 months approx

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

Tables 9 and 10 summarise our performance in developing food standards.

Table 9: Total applications received and accepted onto the Work Plan and proposals prepared

AS AT	2017–18	2018–19	2019–20
Applications	18	11	17
Proposal	3	2	4
Total	21	13	21

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

Table 10: Applications and proposal finalised

AS AT	2017–18	2018–19	2019–20
Approvals made by the FSANZ Board	14	20	22
Final assessments made by the FSANZ Board	0	0	0
Applications withdrawn or rejected*	2	4	0
Total completed	16	24	22

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

More information on the figures above are in Appendix 4. There may be some discrepancies where decisions have been made in one financial year and the notification of that decision is made in the next financial year.

Australia and New Zealand Ministerial Forum on Food Regulation

Table 11: Notification outcomes

	2017-18	2018-19	2019-20
Approval decisions notified	16	20	20
Final assessment decisions notified	0	0	0
Requests for review	0	0	2
Review decisions notified	0	0	0

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

The Forum is notified of FSANZ decisions to vary standards. Ministers can request a review of a FSANZ decision following notification provided that six of the ten ministers request the review. More details on the review process are in the Application Handbook⁸.

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

1. it is not consistent with existing policy guidelines set by the forum
2. it is not consistent with the objectives of the legislation which establishes FSANZ
3. it does not protect public health and safety
4. it does not promote consistency between domestic and international food standards where these are at variance
5. it does not provide adequate information to enable informed choice
6. it is difficult to enforce or comply with in both practical or resource terms
7. it places an unreasonable cost burden on industry or consumers.

In 2019-20 two reviews were requested by the Forum:

- » P1050 — Pregnancy warning labels on alcoholic beverages
- » A1155 — 2'-FL and LNnT in infant formula and other products.

Ministerial policy guidelines and statements

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

No guidelines were notified in 2019-20.

⁸ <http://www.foodstandards.gov.au/code/changes/pages/applicationshandbook.aspx>

Gazettal of variations 1 July 2019 to 30 June 2020

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

FSANZ gazetted amendments to the Australia New Zealand Food Standards Code relating to 18 applications, and two proposals.

Table 12: Gazetted food standard variations

AMENDMENT NO. 186 (25 JULY 2019)	
A1102 — L-carnitine in Food	To permit the sale of L-carnitine in a variety of food categories including dairy products (excluding butter and butter fat), confectionery, cereal and cereal products, food intended for particular nutritional uses, non-alcoholic beverages and gels.
A1168 — Glucoamylase from GM <i>Aspergillus niger</i> as a Processing Aid (Enzyme)	To permit the use of glucoamylase produced from a genetically modified strain of <i>Aspergillus niger</i> as a Processing Aid.
M1016 — Maximum Residue Limits (2018)	To permit varying certain maximum residue limits (MRLs) for residues of specified agricultural and veterinary chemicals that may occur in food commodities.
AMENDMENT NO. 187 (5 SEPTEMBER 2019)	
A1159 — Triacylglycerol lipase from <i>Trichoderma reesei</i> as a processing aid (enzyme)	To permit the enzyme lipase, triacylglycerol from <i>Trichoderma reesei</i> as a processing aid for the production of bakery products and cereal-based beverages.
A1160 — Aspergillopepsin I from <i>Trichoderma reesei</i> as a processing aid (enzyme)	To permit the enzyme Aspergillopepsin I from <i>Trichoderma reesei</i> as a processing aid for the production of potable alcohol products and protein processing.
A1170 — Rebaudioside MD as a Steviol Glycoside from <i>Saccharomyces cerevisiae</i>	To permit a steviol glycoside mixture (Reb MD) for use as an intense sweetener, produced from a genetically modified <i>Saccharomyces cerevisiae</i> .
A1172 — Enzymatic production of Rebaudioside D	To permit a new specification for rebaudioside D produced by an enzymatic conversion method.
AMENDMENT NO. 188 (5 DECEMBER 2019)	
A1161 — Potassium Polyaspartate as a food additive in wine	To permit the use of Potassium Polyaspartate as a food additive in wine at a maximum permitted limit of 100mg/L.
A1164 — Pullulanase from <i>Bacillus licheniformis</i> as a PA (Enzyme)	To permit the use of the enzyme Pullulanase from <i>Bacillus licheniformis</i> as a processing aid in brewing and starch processing.
A1166 — Reduction in minimum alcohol for tequila	To permit lowering the minimum alcohol percentage by volume specified in Standard 2.7.5 of the Australia New Zealand Food Standards Code for spirits using the Tequila geographical indication (GI) from 37% to 35%.
A1173 — Minimum protein in follow-on formula	To permit a variation to the minimum protein requirement in follow-on formula.

AMENDMENT NO. 189 (12 DECEMBER 2019)	
P1054 — Pure and highly concentrated caffeine products	To prohibit the retail sale of pure and highly concentrated caffeine food products which pose an unacceptably high risk for Australian and New Zealand consumers.
AMENDMENT NO. 190 (17 JANUARY 2020)	
A1163 — Food Irradiation definition of herbs and spices	To vary Food Standard 1.5.3 Irradiation of Food to remove the reference to Schedule 22 in relation to the definition of Herbs and Spices
A1169 — Alpha-glucosidase from <i>Trichoderma reesei</i> as a PA (enzyme)	To permit the use of Alpha-glucosidase enzyme from A Recombinant Strain of <i>Trichoderma reesei</i> as a processing aid.
AMENDMENT NO. 191 (26 FEBRUARY 2020)	
A1171 — Endo-inulinase from GM <i>Aspergillus oryzae</i> as a Processing aid (Enzyme)	To permit the use of Endo-Inulinase produced from a GM modified strain of <i>Aspergillus oryzae</i> as a Processing aid.
A1176 — Enzymatic production of Steviol Glycosides	To permit a new specification for steviol glycosides produced by an enzymatic conversion method using enzymes derived from genetically modified strains of <i>Escherichia coli</i> (<i>E. coli</i>).
A1181 — Maximum residue limit for Imazapyr in barley	To permit the increase of the maximum residue limit for imazapyr in barley grain from 0.05ppm to 0.7ppm.
AMENDMENT NO. 192 (14 MAY 2020)	
A1159 — Triacylglycerol lipase from <i>Trichoderma reesei</i> as a processing aid (Enzyme)	To permit the enzyme lipase, triacylglycerol from <i>Trichoderma reesei</i> as a processing aid for the production of bakery products and cereal-based beverages.
A1174 — Xylanase from <i>Trichoderma reesei</i> as a PA (Enzyme)	To permit the use of Xylanase from GM <i>Trichoderma reesei</i> as a Processing Aid.
A1182 — Glucose Oxidase from a GM <i>Trichoderma reesei</i> as a Processing Aid (Enzyme)	To approve a Glucose Oxidase enzyme preparation from <i>Trichoderma reesei</i> for use as a processing aid in cereal based products (baking) and egg processing.

Maximum residue limits

Maximum residues limits (MRLs) are listed in Schedule 20 of the Code and are set for agricultural and veterinary (agvet) chemicals at levels that reflect the highest concentrations that may occur in foods from the approved conditions of use. MRLs are therefore not direct safety limits but nevertheless FSANZ undertakes an assessment to ensure that the residues are safe for the consumer.

In 2019–20 we undertook 136 MRL-related dietary exposure assessments (DEAs) for agvet chemicals. This included routine reviews of Australian Pesticides and Veterinary Medicines Authority (APVMA) DEAs and the 2019 MRL Harmonisation Proposal- M1017. The MRL process also resulted in the establishment of 12 *All other foods except animal food commodities* (AoF)⁹ MRLs for low level inadvertent chemical residues in food, for the chemicals assessed as suitable to have this MRL category.

⁹ AoF MRLs refer to *all other foods except animal food commodities* MRLs which are set on a case-by-case basis to prevent the application of zero tolerance to food commodities with low level inadvertent residues of chemicals that result from farming processes such as spray drift and crop rotation following their legitimate use on other foods.

FSANZ received requests to harmonise 195 commodity MRLs for 69 agvet chemicals (including duplicate requests). Of the requests received, 59 agvet chemicals were assessed suitable for consideration. Of these, ten were excluded from further consideration as no suitable health-based guidance values (HBGV) were available, the request was not in line with guidelines, the requested MRL was no longer required or the DEA exceeded relevant HBGV. Overall, Proposal M1017, progressed 49 agvet chemicals for a total of 39 DEAs and 199 chemical/ food commodity combinations, including deletions or reductions in MRLs requested by domestic and overseas stakeholders. The proposal ensured that the existence or absence of Australian MRLs in Schedule 20 of the Code did not pose a barrier to food trade. It allowed Australia to meet its WTO obligations while enabling the importation of safe food commodities.

We considered one MRL application (A1181 — MRLs for imazapyr in barley grain) in 2019–20.

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

We are required by the FSANZ Act to provide advice about applications and variations that are being considered by the APVMA that may result in an amendment to the Code. FSANZ considered 97 DEAs from 16 APVMA notifications of proposed amendments for 339 food/chemical commodity combinations. We notify the public via our Notification Circular of progress with any proposed amendments during the APVMA's MRL consideration process.

We continue to work closely with the APVMA and the Department of Agriculture, Water and the Environment to ensure that agvet chemical residues in the Australian food supply do not pose health and safety concerns to consumers.

Summary of routine APVMA and Harmonisation proposal MRL DEAs

YEAR	2016–17	2017–18	2018–19	2019–20
Number of regular DEA notifications	27	22	18	16
Number of DEA approved	84	87	97	97
Emergency Permit DEA notifications	0	0	1	5
DEAs relating to pesticide contamination incident(s)	13	-	-	-

PROPOSAL NUMBER	M1014	M1015	M1016	M1017
MRL harmonisation request DEAs	72	90	88	39
Total DEAs (routine and harmonisation requests)	156	177	185	136

05

COORDINATE AND MONITOR

Coordinate national response,
conduct surveillance and monitoring



COORDINATE AND MONITOR

Food incidents

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

The network includes all Australian state and territory food regulatory agencies, the Australian Government Department of Health, the Australian Government Department of Agriculture, Water and the Environment, and the New Zealand Ministry for Primary Industries.

During 2019–20, 13 issues were referred to the network including *Salmonella Weltevreden* linked to frozen meals manufactured in Victoria and *Listeria monocytogenes* in enoki mushrooms from South Korea. FSANZ also shared information to the network on food safety and COVID-19.

Food recalls

There were 99 food recalls coordinated by FSANZ from 1 July 2019 – 30 June 2020 (Figure 1). The recalls were mainly due to undeclared allergens and microbial contamination (Figure 2).

Figure 3: Number of recalls by month (1 July 2019–30 June 2020)

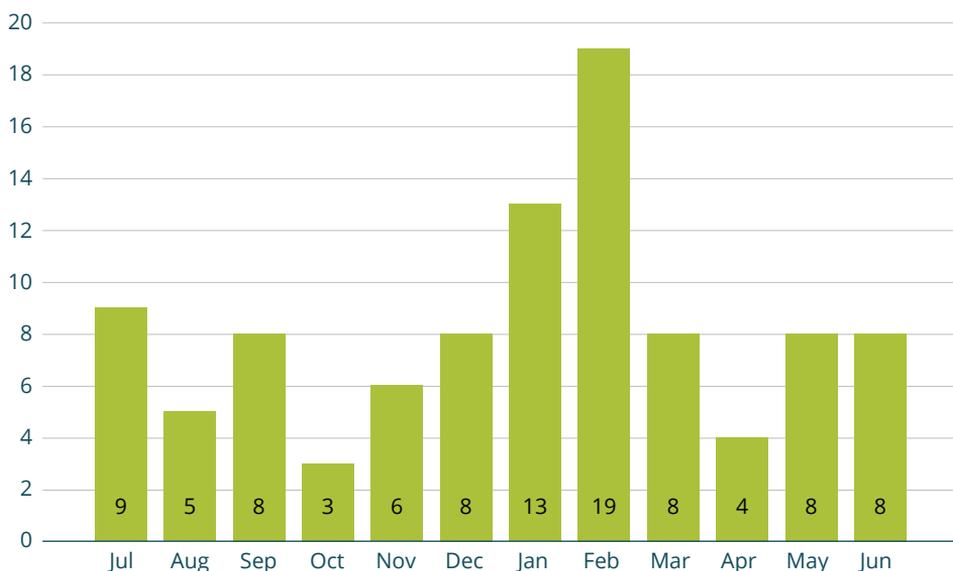
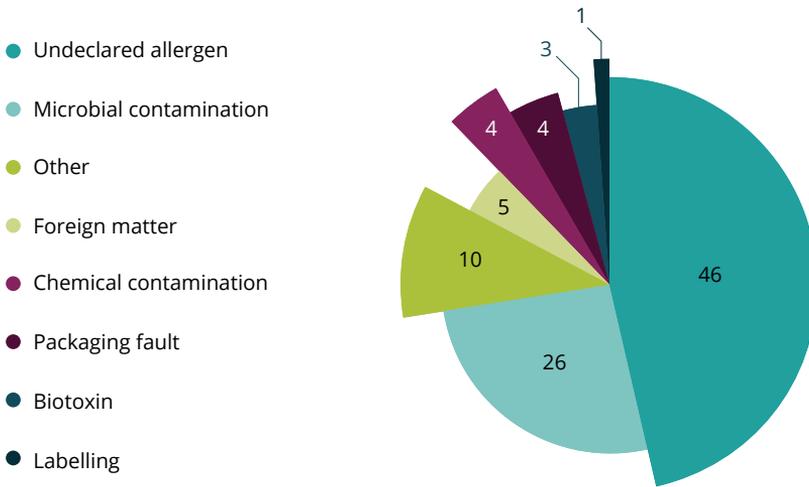


Figure 4: Reason for recalls (1 July 2019–30 June 2020)



Undeclared allergen recall statistics

There were 32 undeclared allergen recalls in 2019, down from 46 in 2018. In the last three years, customer complaints were the most common method of detecting the need to recall food due to allergens, followed by routine testing by the company and then routine government testing.

We continue to collect and publish undeclared allergen data including on root cause, problem detection and corrective actions which is obtained through post recall reporting. Packaging errors are the leading cause of undeclared allergen recalls. Unknown causes can be due to the food business not being able to determine the root cause or that we did not receive any post recall information from the business following their recall.

Updated food recall system

In November 2019, we completed an important update to our Food Recall System (FRS). The work included the migration of 30 years of data, new and enhanced reporting capabilities and streamlining of procedures to match the current standard operating procedures. The update will assist FSANZ staff to coordinate food recalls and reduce the likelihood of errors in reporting and process.

International Food Safety Network

We are Australia’s emergency contact point for the International Food Safety Authorities Network (INFOSAN), a global network under the World Health Organization and Food and Agriculture Organization. As the emergency contact point we are responsible for reporting food safety events of potential international significance to the INFOSAN Secretariat. We also share information from the INFOSAN Secretariat to the Bi-National Food Safety Network.

In 2019–20 we reported 31 food safety events to INFOSAN including food recalls in Australia where the product has been imported or where a food product manufactured in Australia has been exported. Recalls reported to INFOSAN included spring roll pastries recalled due to undeclared milk, multiple recalls of pesto products due to the presence of undeclared peanuts, and a recall of apple juices due to high levels of patulin.

We are also a contact point for the Rapid Alert System for Food and Feed (RASFF). RASFF is a tool to exchange information between EU Member States on serious risks associated with food or feed that has been imported into Australia.

In 2019–20 we reported 18 food safety events to states and territories following RASFF notifications. These notifications included border rejections and unauthorised substances, undeclared allergen detections and biotoxin, chemical and microbial contaminations.

Incident preparedness intentional tampering project

Following the strawberry tampering incident¹⁰, the Minister for Health asked FSANZ to investigate whether there were supply chain weaknesses, whether there are actions we can take to assist the police and whether there are systemic changes which are required.

In response we undertook a joint debrief with food regulatory agencies, police and industry to reflect on the incident and confirm what changes are required to address future events. The attendees agreed that systemic improvements are needed to incident preparedness to deal with instances of intentional/criminal interference in the Australia food supply.

In February 2020 we commenced project work based on the recommendations from the joint debrief meeting. We are currently updating the National Food Incident Response Protocol and supporting incident response documentation. Further work will involve developing guidance material for food defence and strengthening relationships and communication between agencies. Following this work, we will convene a face-to-face exercise with food regulators, police and industry to test the updated response system. This is expected to take place in early 2021 subject to the state of COVID-19 restrictions.

Monitoring and surveillance

Analysis of nutrients in foods

We commissioned the laboratory analysis of 44 foods to strengthen the quality and robustness of our nutrient food composition data holdings. The analyses focussed on foods for which we hold no data, or the data we do hold is out-dated and may no longer reflect the products available for consumption.

Australian Total Diet Study

FSANZ's Australian Total Diet Study (ATDS) is the most comprehensive ongoing monitoring survey of the Australian food supply. It measures the levels of pesticides, metal contaminants and other substances in a broad range of Australian foods and beverages. These data are used to estimate dietary exposure for the Australian population and assess public health and safety risks. Information from the ATDS helps us ensure the continued safety of the food supply through our role developing and maintaining food standards.

The 26th ATDS, focusing on dioxins is nearing completion with a report expected to be published in early 2021.

On request from the Food Regulation Standing Committee, FSANZ has fast tracked the 27th ATDS which is investigating per- and poly-fluoroalkyl substances (PFAS). Food sampling was completed in April 2020 and a report is expected to be published in mid-2021.

10 <https://www.foodstandards.gov.au/publications/Pages/Strawberry-tampering-incident.aspx>

06

INFORMATION

Collect and provide food related information
and provide food related advice



INFORMATION

Scientific data management

We continue to actively support and implement the Australian Government Public Data Policy. The importance of managing scientific data to best meet the needs of our scientific risk analysis processes has been recognised by including the development of a Strategic Plan for Scientific Data in our updated Science Strategy 2019–23.

Using, maintaining and enhancing our scientific databases and associated tools remains an important part of managing our scientific data appropriately. This year we completed minor enhancements to our Harvest database system to allow us to more efficiently search the database and manipulate dietary exposure assessment data. A major update to recipe datasets was also completed to allow us to better estimate dietary exposure from mixed foods.

National Nutrition and Physical Activity Survey

In June 2019, we signed an agreement with the Australian Bureau of Statistics (ABS) for the 2019–20 financial year to undertake preparatory work on the next National Nutrition and Physical Activity Survey (NNPAS). We completed all agreed activities in 2019–20. This included reviewing the classification systems for reporting intakes from the next survey, reviewing the food supply to determine what foods and measures will be needed in the survey instrument, reviewing potential survey instruments, developing brand lists and undertaking two analytical programs.

We will continue to work with the ABS over the next four years. The next agreement will include activities such as customising the survey instrument for use in the next NNPAS, finalising the classification systems for reporting intakes, developing our data management system to enable reporting against the Australian Dietary Guidelines and producing the AUSNUT dataset to enable the ABS to estimate food, dietary supplement and nutrient intakes from the survey.

Health Star Rating system five year review

The Forum asked FSANZ to provide detailed modelling and advice in relation to recommendations to modify the Health Star Rating (HSR) calculator arising from the HSR system five year review (Review). We prepared two detailed reports investigating the potential impact of all of the recommended changes to the HSR calculator and a stronger approach to total sugars and sodium, as well as providing assistance in developing definitions for minimally processed fruits and vegetables and flavoured waters. These reports and definitions have been used to inform the Government's response to the recommendations in the Review.

As FSANZ is seen as an independent expert in food related data, the Review also recommended that we take over custody of the HSR calculator, become more closely involved in the governance of the HSR system and become custodian of a branded food database. We have started discussions with Health on these activities.

Databases

Australian Food Composition Database

FSANZ assigned all foods in the Australian Food Composition Database (AFCD) a FoodEx2 classification. The FoodEx2 classification enables FSANZ data to be harmonised with international food composition datasets. AFCD was incorporated into EuroFIRs (European Food Information Resource) FoodExplorer database in February 2020, along with data from 39 other countries.

Nutrition Panel Calculator

The Nutrition Panel Calculator (NPC) provides the food industry and other users with a readily available easy-to-use interactive tool for preparing nutrition information panels, to make it easier to meet the labelling requirements of the Food Standards Code. This year, on average, there were 17,000 hits on the NPC landing page each month, by approximately 9,100 unique users.

In 2019–20 we have worked on redeveloping the calculator to enhance the stability of the platform and provide improved functionality and overall user experience. This work is expected to be completed by the end of 2020. Future work will involve updating the nutrient data which supports the calculator.

Branded Food Database

In June 2019 we were engaged by the Department of Health to extend our food composition data management system (Silo) to enable an additional dataset of branded food products to be produced. We were asked to work closely with the ABS so that the dataset could be used with supermarket transaction data, and to ensure that the dataset incorporated relevant aspects of Recommendation 8 of the HSR review.

We have undertaken extensive consultation with a broad range of domestic and international stakeholders to identify the most appropriate approach for obtaining data for the Branded Food Database (BFD). Discussions with stakeholders focussed on gathering information about the data and/or datasets they had available and their experiences generating data using each method and gauging their interest in contributing to the project.

A working group has been established to discuss issues relevant to the collection of data. A proof of concept trial was conducted between May–June to test the exchange of branded product information with some working group members.

07

KEY ENABLERS



KEY ENABLERS

Risk—an anticipative approach to managing risk

Our approach

Risk analysis is the internationally agreed method that shapes our approach to food standards and safety decisions. It consists of three parts — risk assessment, risk management and risk communication. Risk assessment involves an evaluation of the best available scientific evidence to provide the technical basis of decisions. From this base, risk management is the application of law, policies and perspectives that enables sound judgement. Both processes are supported by a platform of risk communication to optimise information sharing.

Emerging issues and intelligence

In 2019–20 we began work on longer term emerging issues and engaged our key stakeholder committees and our Board in horizon scanning across two, five and ten years. The outcomes from the process with the Consumer and Public Health Dialogue (CPHD), the Retailers and Manufacturers Liaison Committee (RMLC) and our Board were included in our 2019 report published in May 2020.

This is an overt strategy to lift FSANZ’s emerging issues gaze from hazards to also include broader processes for example climate change and changes such as consumption habits and supply chain issues. Future annual emerging and ongoing issues reports are expected to have a greater focus on these types of processes and changes.

Ongoing food safety issues in 2019:

- » arsenic in rice
- » 3-monochloro-propandiol and glycidyl esters
- » caffeine
- » hepatitis A virus in ready-to-eat berries
- » intense sweeteners
- » microplastics in the food supply
- » per- or polyfluoroalkyl substances
- » pyrrolizidine alkaloids.

Three issues were archived or management through other processes in 2019:

- » antimicrobial resistance
- » glutamates in food
- » salmonella in raw fish.

Behavioural and regulatory analysis

In 2019–20 we considered the behavioural and regulatory implications of regulatory options to inform our standards setting. In addition to statutory requirements to consider the costs and benefits of proposed standards, we also satisfy the requirements of the COAG Guide for Ministerial Councils and National Standards Setting Bodies. We use the regulatory impact assessment process to document and refine our understanding of the costs and benefits of a range of options, including the status-quo option. The Regulation Impact Statement will identify the preferred option for the FSANZ Board, being the option that delivers the greatest net benefit to the community.

In 2019–20, we studied the behavioural and economic evidence base for P1050—Pregnancy warning labels on alcoholic beverages. FSANZ tested consumers understanding and response to the four warning text options through an on-line representative survey of Australians and New Zealanders. The consumer testing helped us to refine the subsequent message to be included on the warning label. To complement the consumer testing, a literature review of recent published literature on the effectiveness of warning labels was completed. The literature review assisted in developing the design elements that draw attention to the warning. Additional economic analysis was undertaken with new data provided from a range of stakeholders, this gave increased confidence that only a small number of FASD cases need to be avoided to offset any costs to the community of the proposed standard.

We continue to collaborate with our international colleagues through the International Food Safety Regulatory Economics Working Group and the International Social Science Liaison Group. Both groups meet by teleconference 4-times per year to exchange ideas, data, methods and findings. Of particular note is a joint literature review on consumer understanding and responses to allergen declarations and precautionary allergen labelling. This review will inform work by the Codex Committee on Food Labelling, and will be an important step forward in the use of behavioural evidence by Codex.

Regulatory and behavioural analysis continued to inform standards development with substantive work being undertaken in relation to: P1028 Review of infant formula standard; P1044 Plain English allergen labelling; P1053 Food Safety Management tool and P1052 Primary Prod and Process Requirements for High-risk Horticulture.

Risk advice for imported food

Imported food is inspected and controlled using a risk-based border inspection program called the Imported Food Inspection Scheme, which is administered by the Department of Agriculture, Water and the Environment (Agriculture). FSANZ advises Agriculture on whether imported foods have the potential to pose a high or medium risk to public health. Agriculture then determines appropriate measures to manage food safety risks for food imported into Australia.

In 2019–20 we provided imported food risk advice to Agriculture on viruses in ready-to-eat berries and pomegranate arils, bacterial hazards in cooked poultry meat and ready-to-eat cooked crustaceans, chemical, bacterial and viral hazards in human milk and human milk products, and caffeine.

Science—Robust evidence and sustained, high quality scientific capacity

Regulatory Science Strategy

In 2019–20 we released our new Regulatory Science Strategy¹¹, which outlines our strategic approach to addressing challenges that are posed by global trends and a dynamic food system.

It describes our delivery through five interdependent strategic objectives including maintaining outstanding scientific capabilities, tools and partnerships in food regulatory science to meet current and future needs. It also emphasises our increased focus on science communication to meet the increasing expectations of our stakeholders. The Strategy ensures that FSANZ continues to use the best available scientific evidence to develop food standards and positions us as a leader of regulatory science in the region.

Fellows

Our Fellows program involves experts in a range of scientific disciplines. They provide us with objective expert advice and critical review of our work. This program also helps to develop academic links and networks.

See our chapter 3 — Report on Performance, for more information on the engagements undertaken in 2019–20 with our fellows.

FSANZ FELLOW	BACKGROUND/EXPERTISE
Professor Andrew Bartholomaeus	Toxicology and human health risk assessment
Emeritus Professor Ken Buckle	Food science, processing and microbiology
Dr Laurence Eyres	Food technology
Professor David Fraser	Vitamin D
Distinguished Professor Nigel French	Molecular epidemiology and risk research
Dr Olivier Gasser	Translational immunology
Professor Stephen Goodall	Health economics
Professor Bridget Hutter	Social sciences
Professor Martyn Kirk	Applied epidemiology
Dr Rod Lamberts	Science communication
Professor Peter Langridge	Genomics
Professor Robyn McConchie	Horticultural food safety
Associate Professor Brian Priestly	Health risk assessment
Professor Nicole Roy	Food-microbe-host interactions
Professor Seppo Salminen	Intestinal micro biota and health, probiotics and prebiotics, health claims
Professor Samir Samman	Human nutrition
Professor Murray Skeaff	Nutrition
Professor Mark Tamplin	Microbiology and food safety
Professor Wendy Umberger	Agricultural and food economics
Associate Professor Claudia Vickers	Synthetic biology; metabolic engineering of plants & microorganisms

11 <https://www.foodstandards.gov.au/publications/RegulatoryScienceStrategy201923/Pages/default.aspx>

Student projects

We offer opportunities for students and staff from other institutions to undertake placements and projects at FSANZ. In participating, students can gain research experience working alongside staff and extend their knowledge of food regulatory science.

In 2019–20 we hosted three undergraduate students from the University of Wollongong for 5 weeks, undertaking projects including research about the composition of sports foods.

A Masters student from the University of New South Wales remotely completed a research project on labelling and nutrition issues associated with plant-based milk beverages.

We also hosted staff from Hong Kong University for 9 weeks working with analytical programs and nutrient databases for estimating population intakes, and the China National Centre for Food Safety Risk Assessment for 12 weeks working in areas including dietary exposure assessment and total diet studies

Australia New Zealand Science Forum

The Australia New Zealand Science Forum allows FSANZ and the New Zealand Food Safety (NZFS) Business Unit at the Ministry for Primary Industries (MPI) to nurture our scientific relationship. Meetings are held bi-annually to consider and collaborate on food regulatory scientific projects relevant to both agencies, particularly in relation to the development of food standards.

Projects jointly managed by FSANZ and NZFS are funded under the NZMPI Operational Research Program.

During 2019–20, we hosted two science forum meetings with our New Zealand stakeholders, with a focus on our joint work under the Ministerial priority areas and exploring ongoing opportunities for working together.

FSANZ-CSIRO Nutrition Workshop

Staff from FSANZ and CSIRO held a one-day workshop in November 2019 focussing on a range of shared interests in nutrition science, including food composition databases, diet quality indices, Health Star Ratings, gut health, novel grains, and bush foods.

Dietary Exposure Assessments

A key component of our scientific risk assessments is the preparation of a dietary exposure assessment (DEA). Comprehensive DEAs were completed this year for a number of applications e.g. A1186 Soy leghaemoglobin in meat analogue products, A1155 oligosaccharides as novel foods in infant formula products. Our DEAs also supported other risk assessment work being undertaken by the agency, such as the survey on 3-MCPD and glycidyl esters (GE) in selected vegetable oils and infant formulas in Australia and New Zealand.

FSANZ is recognised nationally and internationally as having a high degree of expertise in this area. This is reflected in our participation in FAO/WHO international working groups and expert committees. We also provided input into the revision of international guidance documents on DEAs.

We undertook a review of our own principles and practices of DEAs to streamline our work and to ensure it fit for purpose and reflects international best practice. We have also made some upgrades to our dietary exposure assessment computer program Harvest. We have

provided technical advice, DEA training and information for stakeholders including those from the jurisdictions, Saudi Food and Drug Authority, the China National Center for Food Safety Risk Assessment (CFSA) and University students on placement.

International engagement

International engagement is vital to our work and ensures FSANZ we continue to work effectively with other countries in relation to food safety and standards setting. In 2019–20 we led the Australian work for several Codex Committees which develop international food standards. However, in 2020 a number of physical meetings were cancelled due to COVID-19.

Our experts are often invited to participate in other forums, including international scientific meetings. In June 2020 our experts participated in the FAO/WHO Joint Meeting on Food Additives which was held virtually over a two week period.

In January 2020, the CEO and General Manager for Risk Assessment attended the inaugural meeting of the Heads of Food Agency Forum held in Riyadh, the Kingdom of Saudi Arabia. FSANZ will host the second meeting virtually in March 2021. We used this opportunity to sign a Memorandum of Understanding (MoU) with the Saudi Food and Drug Administration.

Prior to the imposition of COVID-19 related restrictions on travel, we hosted several international delegations in our FSANZ offices in Canberra, including from Bangladesh, China, and the Republic of Korea. FSANZ also hosted international secondees from China, Hong Kong SAR of China and Saudi Arabia.

In April 2019, following several months of bilateral discussions, FSANZ signed a trilateral MOU with the Singapore Food Agency and Enterprise Singapore. The MoU seeks to formalise the interactions between our agencies with a view to further strengthening our relationship in areas of mutual interest, including scientific collaboration and information exchange.

We continue to co-chair the APEC (a forum of 21 Asia-Pacific economies) Food Safety Cooperation Forum. As part of our APEC work we are leading an APEC project on Food Safety Risk Communication with three virtual workshops planned in 2020/2021.



FSANZ CEO Mark Booth (sixth from the right) at the inaugural meeting of the Heads of Food Agency Forum held in Riyadh, the Kingdom of Saudi Arabia in January 2020.

Communication—A broad communication capacity

COVID-19 and food safety

In response to media reports and requests from food business regarding the risk of COVID-19 transmission through food, we established a dedicated web presence on COVID-19 and food safety for consumers and food businesses.

This included advice on:

- » COVID-19 and transition through food and food packaging
- » general health and hygiene requirements
- » border restrictions
- » take-away, donated and food delivery services
- » what to do if staff have symptoms or test positive for COVID-19
- » minimising the impact of COVID-19 on your workplace
- » staying up-to-date with government restrictions and operation requirements
- » regulatory compliance and global supply issues.

Website

Our website attracted over 2.2 million visits in 2019–20. Each year parts of our website are reviewed for currency and potential improvements. We also publish new content every year including information about food incidents and recalls, responses to issues and updated scientific information. This year our new content included information about: caffeine, COVID-19, cell based meat and a range of food recalls.

Social media

Our social media channels are an important way we engage with our stakeholders on our work program and raise awareness about food and food safety and respond quickly to misinformation or food related concerns in the media.

Our total audience increased by over 5,300 in 2019–20, across Facebook, Instagram, Twitter and LinkedIn at over 56,400 followers.

During January bushfire crisis in Australia, we developed a series of social media posts and refreshed web content¹² on food safety in a bushfire. The response attracted significant attention from our followers and the media with 440 shares, over 5,000 engagements with the posts and a reach of 100,000. We also spoke with ABC Radio South Coast and provided tips for communities affected by the bushfires on how to keep food safe with ongoing power outages.

Earlier this year we used our social media channels to respond to misinformation in the media that COVID-19 can be transmitted through food and that fruit and vegetables should be washed with sanitisers before consuming.

These posts sought to assure consumers that COVID-19 is unlikely to be transmitted through food and that washing fruit and vegetables with sanitiser could in itself be a health risk.

We continue to use social media to provide updates to consumers and food businesses on new advice and information on COVID-19.

¹² <https://www.foodstandards.gov.au/consumer/safety/safetyduringemergency/Pages/default.aspx>

Publications

FSANZ has a number of popular publications. These include our Listeria brochure, Allergen Poster and Safe Food Australia publication. This year we developed a number of new publications online including a refreshed listeria brochure, the 2019 Report on Emerging Issues, a Report on pure and highly concentrated caffeine food products, a Follow-up report to government on the strawberry tampering incident debrief and the Regulatory Science Strategy 2019–23.¹³

Information and Communication Technology

FSANZ's ICT capabilities were well tested during 2019–20 and proved to be capable and reliable. During the year the ICT team managed and improved the existing infrastructure, security and software capabilities, developed new proficiencies by enhancing and maintaining our custom software and improved on Governance and Strategy. We have improved our security posture in line with the Top 4 mitigation strategies¹⁴ and reduced some overall risks associated with ICT.

During the year we have finalised an ICT strategy for the next three years. This strategy focuses on the digital platforms that will support our agency's modernisation agenda, keep our data secure, enhance our analytic capability, and increase our proficiency. It also covers the processes that underpin our use of these platforms, and, most importantly, the people who use both the processes and the platforms to ultimately deliver FSANZ objectives.

This strategy incorporates an agile implementation plan. The COVID-19 pandemic has shown just how quickly the world can change and it is clear we need to be ready for unknowns. This strategy outlines many possible activities while anticipating that resources, priorities, and the evolving environment will all need to be considered in determining how we will deliver its goals. Choosing which activities we undertake will evolve over time and we will continue to listen to our stakeholders, partners, and the wider government to understand what future we want to make together.

The external facing infrastructure was upgraded to SharePoint 2019 as well as the SQL server which was upgraded to version 2019. Our custom Harvest Dietary modelling application was also enhanced and upgraded to SharePoint 2019. This allows us to leverage the latest technologies. Upgrades and enhancements were completed on various FSANZ applications which include: Public Website, Food Recall System and Harvest (dietary modelling). These upgrades and enhancements have seen significant improvements in usability, productivity and performance which has allowed FSANZ to streamline standard operating procedures even further.

ICT has also created an educational environment for staff to learn and upskill in other areas of the FSANZ business such as food recalls and stakeholder management.

¹³ <https://www.foodstandards.gov.au/publications/RegulatoryScienceStrategy201923/Pages/default.aspx>

¹⁴ <https://www.cyber.gov.au/acsc/view-all-content/publications/strategies-mitigate-cyber-security-incidents>

COVID-19 and transition to work from home arrangements

We improved our remote connection capabilities this year by replacing RSA tokens with DUO mobile phone authentication. This along with mobile devices and an appropriate backend infrastructure meant that the transition of staff to work from home arrangements was seamless, secure and successfully completed. Now that the systems have been proven it will be an easy transition to any future agile working state.

Webex videoconferencing was successfully implemented and widely adopted by staff as a way to collaborate and engage with peers and external stakeholders.

Information and records management

FSANZ again supported the Governments Digital Continuity 2020 Policy showing continued improvement in the 2019 Check-Up Digital survey of digital information management capability. We introduced a new Records Management policy and continued to improve our records management in line with this policy. We continue to develop electronic forms and all new systems and processes are designed to work in line with our Information Management principles.

08

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Governance

Under the PGPA Act, FSANZ is a corporate Commonwealth entity. Our governance framework contributes to strong and sustainable performance and builds confidence in our capacity to respond to challenges.

The Board is the accountable authority for FSANZ, and as such, must govern the entity in a way that promotes:

- » the proper use and management of public resources;
- » the achievement of the purposes of the entity, and
- » the sustainability of the entity.

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

Accountability to the Minister and Parliament

The FSANZ Board is accountable to the Parliament of Australia through the Minister for Aged Care and Senior Australians and Minister for Youth and Sport The Hon Richard Colbeck. The Board informs the minister of its activities as required. Senior FSANZ staff are also required to attend Senate estimates hearings as part of the Health portfolio. In 2019–20 FSANZ was not required to appear at Senate estimates.

Senior FSANZ staff appeared before the Standing Committee on Health, Aged Care and Sport's inquiry into allergies and anaphylaxis in February 2020.

In June, senior staff appeared before the PFAS Sub-committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade about the safety standards governing consumption of PFAS contaminated primary produce in Australia.

Ministerial directions

No Ministerial directions were received in 2019–20.

Government policy orders

No government policy orders under section 22 of the PGPA Act were applied to FSANZ in 2019–20.

FSANZ Board

The FSANZ Board is established under Section 116 of the FSANZ Act.

The Board comprises 11 part-time members drawn from Australia and New Zealand, plus the full-time Chief Executive Officer who is an ex-officio member. Areas of expertise of Board members covers public health, food science, food safety, food allergy, human nutrition, medical science, veterinary science, microbiology, biotechnology, consumer policy, food processing or retailing, primary food production, small business, international trade, food regulation and government.

The Australian members are appointed by the Australian Minister for Health, in consultation with the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum), following consultation with the Australian states and territory and New Zealand Governments, and consideration by the Cabinet. The New Zealand members are nominated by the New Zealand Government and appointed by the Australian Minister for Health.

On appointment, Board members receive a formal induction on the organisation and their duties. In pursuit of their duties, Board members may seek independent legal, financial or other advice after seeking guidance from the Board Chair, and have access to FSANZ senior management and staff.

Details of Board members, including their qualifications and terms of appointment, can be found in Appendix 2.

Meetings

During 2019–20 four face-to-face Board meetings and four Board teleconferences were held. Outcomes of FSANZ Board meetings are published on our website.

Due to the COVID-19 pandemic the FSANZ Board adjusted quickly to the new routine of virtual Board meetings. There was a strong focus from the Board on the health and wellbeing of our staff during this time of heightened stress and anxiety.

Board performance

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

In September 2019 the Board undertook an informal internal evaluation process. The findings of the review are being implemented.

Board committees

Under Section 18 of FSANZ Act the Board may establish committees as it thinks fit to assist it in carrying out its functions. During 2019–20 two ongoing committees assisted the Board to effectively exercise its functions:

- » Finance, Audit and Risk Management Committee
- » People, Culture and Remuneration Committee.

Finance, Audit and Risk Management Committee (FARMC)

The FARMC supports the Board's oversight responsibilities relating to FSANZ's risk, control and compliance frameworks, financial statements, and performance reporting responsibilities.

During 2019–20, the FARMC continued to monitor the corporate governance and risk management activities of the organisation, advising the Board on FSANZ's appetite for risk in relation to strategic, operational and fraud control matters. The committee regularly monitors the identification and management of risks to FSANZ, providing assurance that reasonable steps have been taken to address the risks by reducing the likelihood they (and their consequences) will occur.

The FARMC is chaired by Professor Martin Cole and is composed of three FSANZ Board members and one independent member. Observers to FARMC meetings include representatives from the Australian National Audit Office and the Board Chair and FSANZ CEO.

People, Culture and Remuneration Committee (PCRC)

The PCRC assists the Board in fulfilling its governance responsibilities in relation to the people, culture and remuneration functions of FSANZ. The PCRC considers and provides advice to the Board on issues such as remuneration and performance standards for the CEO, as well as Board remuneration (which is determined by the Remuneration Tribunal).

The Committee is chaired by the Board Chair and is composed of three members, with the FSANZ CEO an ex-officio member.

Compliance and Assurance

Internal audit

The FARMC oversaw the 2019–20 Internal Audit Program, which was undertaken by an outsourced provider. The program focused on providing assurance that we have in place key business processes, associated risks and related assurance activities, and providing real-time advice on the fitness for purpose of FSANZ's ICT strategy.

Risk management

FSANZ is committed to strategically and systematically managing risks. The FSANZ Board governs FSANZ and is responsible for establishing and maintaining appropriate enterprise risk management and internal control systems. The Board, acting through the CEO, has established a system of risk management that identifies enterprise risks, assesses those risks, monitors and manages them.

In the period covered by this report, the FSANZ Risk Management Framework (the Framework) provided the foundation for monitoring, reviewing and continually improving risk management with FSANZ.

The Framework was reviewed during the period to ensure it adhered with the international standard on risk management AS/NZ/ISO 31000:2018, the Commonwealth Government's Risk Management Policy, and was consistent with the requirements of the PGPA Act.

The Board also reviewed its Risk Appetite Statement to ensure our tolerance for risk in each of a whole range of activities undertaken was still fit for purpose. The risk appetite statement is dynamic and is reviewed on a regular basis in conjunction with FSANZ's planning cycle.

In 2019, we participated in Comcover's annual risk management benchmarking survey. This annual practice provides us with an opportunity to review and benchmark our risk related practices and processes against those of comparable agencies.

Fraud control

FSANZ has a fraud risk assessment and a fraud control plan that complies with the Commonwealth fraud control guidelines. The plan includes fraud prevention, detection, investigation, reporting and data collection procedures. There were no cases of fraud reported or identified during 2019-20.

Directors' insurance

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

09 APPENDICES



APPENDIX 1: OPERATING ENVIRONMENT, STRUCTURE AND PROCESSES

Establishment	National Food Authority (Australia only) 1991 Australia New Zealand Food Authority 1996 Food Standards Australia New Zealand 2002
Government oversight	The Hon Richard Colbeck MP Minister for Aged Care and Senior Australians Minister for Youth and Sport
Chair, FSANZ Board	Ms Robyn Kruk AO
Chief Executive Officer	Mr Mark Booth
FSANZ staff (30 June 2020)	117 employees (ongoing and non-ongoing), located in Canberra and Wellington offices, including those staff on Long Service Leave and other types of long leave.
Funding 2019–20 (Portfolio Budget Statement)	Australian Government appropriation — \$16.890m Other — \$2.367m
Food regulatory system	Policy development (Forum on Food Regulation) Standards development (FSANZ) Enforcement (states, territories, New Zealand Ministry for Primary Industries, Department of Agriculture, local government)
LEGISLATIVE RESPONSIBILITIES	
Enabling Act of Parliament	<i>Food Standards Australia New Zealand Act 1991</i>
Section 18 objectives (‘core’ objectives applied to FSANZ’s regulatory measures function)	<ul style="list-style-type: none"> » Protection of public health and safety » Provision of adequate information to consumers » Prevention of misleading or deceptive conduct
Section 18 objectives (‘have regard to’ objectives applied to FSANZ’s regulatory measures function)	<ul style="list-style-type: none"> » Need for [food] standards to be based on risk analysis using the best available scientific evidence » Promotion of consistency between domestic and international food standards » Desirability of an efficient and internationally competitive food industry » Promotion of fair trading in food
Treaty between Australia and New Zealand	Agreement between the Government of Australia and the Government of New Zealand concerning a joint food standards system

STRUCTURE AND PROCESSES	
Organisational structure	See organisation chart on page 2.
Governance	<ul style="list-style-type: none"> » 12-person Board » Operates under the FSANZ Act and the <i>Public Governance and Performance Act 2013</i> » Finance, Audit and Risk Management Committee reports to the Board on financial, accountability, internal audit and compliance systems
Corporate planning	Corporate Plan 2019–20
FSANZ outcome (Program 1.1)	A safe food supply and well informed consumers in Australia and new Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination or food recall activities and the monitoring of consumer and industry food practices.
Purpose	<ul style="list-style-type: none"> » Develop food regulatory measures (standards) or contribute to other control measures using the risk analysis process » Coordinate national response, conduct surveillance and monitoring » Collect and provide food related information and provide food related advice
Application Handbook	Contains details on what FSANZ requires to assess applications
Assessment of applications and proposals to amend the Code	<ul style="list-style-type: none"> » General procedures (nine months to complete assessment, one round of public consultation) » Minor procedure (three months to complete assessment , limited consultation) » Major procedure (12 months to complete assessment, two or more rounds of consultation) » High level health claims procedure (nine months to complete assessment, one round of publication consultation if applicant does not elect for confidential treatment)
Risk analysis process	<ul style="list-style-type: none"> » Risk assessment—determining the likelihood and severity of hazard » Risk management—weighting and selecting options of greatest net benefit to the community in a consultative decision-making process » Risk communication—ensuring stakeholders are aware of, and understand, the risk of being addressed and the control measures
Food recall processes	FSANZ coordinates a national food recall systems for Australia, in consultation with the states and territories and the food industry
National Food Incident Response Protocol	FSANZ coordinates an integrated, whole-of-government response for national incidents

Summary of financial performance 2019–20

FINANCIAL OUTCOME	
Operating revenue — \$20.713 million	Operating expenses — \$21.512 million

APPENDIX 2: BOARD EXPERTISE AND EXPERIENCE

Food Standards Australia New Zealand Board expertise and experience (2019–20)

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

s. 116(1)(a)	<p>Chair</p> <p>One or more of the following fields: Public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology, veterinary science, food industry, food processing or retailing, primary food production, small business, international trade, government, or food regulation.</p>
s. 116(1)(b)	<p>CEO</p>
s. 116(1)(c)	<p>2 members nominated by the New Zealand lead Minister</p> <p>One or more of the following fields: Public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology, veterinary science, food industry, food processing or retailing, primary food production, small business, international trade, government or food regulation.</p>
s. 116(1)(ca)	<p>1 member nominated by the New Zealand lead Minister</p> <p>One or more of the following fields: Public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology or veterinary science.</p>
s. 116(1)(d)	<p>1 member nominated by consumer organisations*</p>
s.116(1)(e)	<p>1 member nominated by the CEO of the National Health and Medical Research Council</p>
s. 116(1)(f)	<p>3 members nominated by organisations, or public bodies, established for purposes relating to science or public health*</p> <p>One or more of the following fields: Public health, consumer affairs, food science, food allergy, human nutrition, medical science, microbiology, food safety, biotechnology or veterinary science.</p>
s. 116(1)(g)	<p>2 members nominated by organisations, or public bodies, established for purposes relating to the food industry*</p> <p>One or more of the following fields: The food industry, food processing or retailing, primary food production, small business, international trade, government or food regulation</p>

*these organisations are prescribed in the FSANZ Regulations.

Robyn Kruk AO (term expires 30 September 2020)

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

Ms Robyn Kruk AO has extensive experience as Chief Executive of national and state policy, regulatory and service delivery agencies, including NSW Health, NSW Premier and Cabinet and national and state environment agencies. She has held significant regulatory responsibilities in human and environmental health and safety. Ms Kruk is currently Chair, Board Director or member of international, national and state statutory, non-government and private entities in health, disability, food standards, environment/planning and sustainable development and mental health.

She was appointed as an International Advisor to the China Council on Cooperation in Environment and Development in 2019.

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

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

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

Mr Booth holds an Adjunct Professor appointment at the University of Technology Sydney (UTS) in the Centre for Health Economics and Research Evaluation (CHERE) and is a Visiting Fellow at the Australian National University (ANU).

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

Emeritus Professor Mary Barton [s. 116(1)(f)], worked for many years in veterinary diagnostic and research laboratories in NSW, Victoria and South Australia. Subsequently Professor Barton worked at the University of South Australia teaching microbiology and with research interests in *Rhodococcus equi*, antibiotic resistance in livestock and food borne infections.

Ms Sue Chetwin (term expires 16 October 2021)

Ms Suzanne Chetwin [s. 116(1B)] led Consumer NZ for 13 years until her recent resignation in February 2020. The organisation is a highly trusted, public-facing not-for-profit, which advocates on behalf of consumers. Research into public health, nutrition and food labelling form a significant part of Consumer's work.

Sue is a founding member of the Consumer and Public Health Dialogue which provides insights to FSANZ. She is an experienced and award-winning journalist, having been editor of two national Sunday newspapers and the founding editor of the Herald on Sunday. Sue is currently studying full-time to complete a law degree at Victoria University of Wellington. She is a director of the Financial Markets Authority, is chairing a review of InternetNZ¹⁵ policies and was recently appointed to a Law Society Independent Review group.

15 <https://internetnz.nz/>

Ms Teresa Ciprian (term expires 30 June 2021)

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

She has significant international business experience, having held several senior roles with Danone in both the USA and France from where she worked in a number of international markets. Her primary focus was on identifying, developing and delivering global growth initiatives with central and locally based teams. As Food Science graduate, her early career technical roles spanned quality control, analytical chemistry and product development.

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

Professor Martin Cole (term expires 6 July 2021)

Professor Martin Cole [s.116(1)(f)] is Head of School of Agriculture, Food and Wine at the University of Adelaide. Prior to joining the University of Adelaide, Professor Cole has held positions including Director of CSIRO Food and Nutrition, and Director of the US National Center for Food Safety and Technology, the largest and most successful centre of excellence of the US Food and Drug Administration (FDA), and Research Professor of Biology at Illinois Institute of Technology (IIT), Chicago, Illinois.

With many years of experience in food policy and the development of international food safety standards, Professor Cole has frequently been called upon as an expert by organisations such as the World Health Organization (WHO), the Food and Agriculture Organization (FAO) as well as the US House of Representatives. He has received numerous awards including election as a fellow of the International Academy of Food Science & Technology. Professor Cole currently chairs the International Commission on the Microbiological Specifications for Food and serves on the board of the Institute of Food Technology.

Ms Josephine Davey (term expires 16 October 2021)

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

In addition to her FSANZ role, Jo serves as a Director of the Subtropical Dairy Programme (a Regional Development Programme of Dairy Australia) and as a Director of PPB Pty Ltd, a start-up diagnostics company.

Previous directorships include Dairy Food Safety Victoria, Dairy Innovation Australia Ltd and its predecessor organisations, and Australian Dairy Proteins. She was a member of the Industry Advisory Committee for CSIRO's Food Futures Flagship for 10 years. She has also served as the national and state President of the Dairy Industry Association of Australia and President of the Australian Institute of Food Science and Technology.

Jo has held senior commercial and technical roles in the Dairy Farmers Group and was the Managing Director of a start-up food company, Diabetes Smart.

Dr Michael Dunbier (term expires 30 June 2021)

Dr Dunbier [s.116(1B)] is a research scientist with expertise in genetics and plant breeding. He is a former director of DSIR Crop Research and was the founding Chief Executive of Crop & Food Research. He is currently a Director of the Foundation for Arable Research.

Previous Chair roles include Pastoral Genomics, the BioProtection Centre of Research Excellence, SunPrime Seeds (Aust), Arable Food Industry Council, Vegetable Research and Innovation Board of HortNZ and the Ministry of Research, Science and Technology International Science and Technology Advisory Committee. Previous directorships include AgResearch, Foundation for Research, Science and Technology, Grains Research and Development Corporation (Aust), Quality Wheat CRC (Aust), Lincoln International and Dairy InSight.

In 2005, Dr Dunbier received the Bledisloe Medal from Lincoln University and in 2011 the Jubilee Medal from the New Zealand Institute of Agricultural Science. He is a Fellow of the New Zealand Institute of Agricultural Science.

Mr John Hart (term expires 16 October 2021)

Mr John Hart [s.116(1B)] is Executive Director of Business Group Australia, Executive Chair of Australian Chamber — Tourism and on the Board of the Tourism Australia, the Australian Business Register, The Angus Knight Group, Hospitality Training Network and Food Standards Australia and New Zealand.

He was Executive Director of Restaurant & Catering Australia between 1999 and 2020. Restaurant & Catering Australia is the peak industry body representing restaurants, cafes and caterers across Australia. John came to the Association from Tourism Training NSW where he was Executive Officer for five years.

John has spent over 35 years working in the hospitality industry in operational, HR and IR roles, trained in food and beverage management at the Ecole Hotelliere Lausanne, in Switzerland, and holds a Bachelor of Commerce majoring in Business Law and a Master of Business Law.

John currently also served as Chair of the Commonwealth Vocational Education and Training Advisory Board between 2013 and 2017 and was previously on the Prime Ministers Business Advisory Council.

Ms Jane Lancaster (term expired 30 June 2020)

Ms Jane Lancaster [s.116(1)(ca)] has significant regulatory and food industry experience with a professional background in science and technology. She has experience in a broad range of governance roles over 15 years, from SOEs to the private sector and voluntary boards. Ms Lancaster's professional training is in biochemistry and biotechnology in plant and food science. She has been a professional member of the New Zealand Institute of Food Science & Technology since 1998. She has authored over 75 publications in refereed scientific journals, written two book chapters and has one biotechnology patent. This research background provides an evidence-based framework for risk assessment and decision making. In 2006, in recognition of Ms Lancaster's leading role in commercialising science and technology with a wide range of companies, she was made a Member of the New Zealand Order of Merit. In the Not for Profit voluntary sector Ms Lancaster is interested in advocacy and support for the wellbeing of children and vulnerable children in particular.

Professor Mark Lawrence (term expires 6 July 2021)

Professor Mark Lawrence [s.116(1B)] is Professor of Public Health Nutrition at the Institute for Physical Activity and Nutrition, Deakin University. He has 35 years' experience working as a practitioner and academic in food policy and regulation at local, state, national and international levels. Mark's research interests focus on investigating healthy and sustainable food systems, dietary guidelines, ultra-processed foods, Nutrient Reference Values and food labelling and fortification.

He is: an external advisor to the World Health Organization and the Food and Agriculture Organization; Fellow of the Public Health Association of Australia; Member of the International Union of Nutritional Sciences Task Force on Sustainable Diets; Chair of the Advisory Board for Cochrane Nutrition; Member of NHMRC's Synthesis and Translation of Research Evidence committee; Team leader of the ARC-funded project, 'Reforming evidence synthesis and translation for food and nutrition policy'; Former member of NHMRC's Dietary Guidelines Working Committee; and was Acting Principal Nutritionist at the then National Food Authority, 1993–97.

Dr Roscoe Taylor (116(1)(f)) (term expires 18 October 2022)

Dr Taylor is a specialist in public health medicine with a broad background in general practice, humanities and environmental science. He occupied the statutory position of Director of Public Health in Tasmania from 2002 – 2015 and was also Chief Health Officer 2012–15. He has continued to work across a number of jurisdictions, maintaining interests in environmental health, communicable diseases and chronic disease prevention.

APPENDIX 3: BOARD MEETING ATTENDANCE 2019–20

MEMBER	QUALIFICATIONS	MEETINGS	TELECONFERENCES
Ms Robyn Kruk AO (Chair)	Bachelor of Science in Psychology (Honours), UNSW Master of Public Administration	4/4	4/4
Emeritus Professor Mary Barton AO	BVSc University of Sydney PhD University of Melbourne Dip Bact, University of Manchester MBA Deakin University FANZCVS Fellow of the Australian and New Zealand College of Veterinary Scientists FASM Fellow of the Australian Society for Microbiology Hon DVSc University of Melbourne	4/4	4/4
Mr Mark Booth (Chief Executive Officer)	B.A. (Hons) Economics, City of London Polytechnic M.A. Economics, University of Manchester Postgraduate Diploma in Public Health, University of Otago Executive Master in Public Administration (EMPA, Australia and New Zealand School of Government - ANZSOG)	4/4	4/4
Ms Suzanne Chetwin	Ongoing part-time study at Victoria University of Wellington towards conjoint LLB (Bachelor of Law) and BCA (Bachelor of Commerce) Completed Stage One Maori Language, Auckland University of Technology	4/4	4/4
Ms Teresa Ciprian	Diploma in Business (Marketing); University of Auckland New Zealand Certificate in Science (Food Science); Auckland Institute of Technology	2/4	3/4

APPENDICES

MEMBER	QUALIFICATIONS	MEETINGS	TELECONFERENCES
Professor Martin Cole	BSc, Biological Sciences, Manchester Metropolitan University PhD, Microbiology, Institute of Food Research, University of East Anglia Graduate of Australian Institute of Company Directors IFT Certified Food Scientist (CFS)	4/4	4/4
Ms Josephine Davey	Bachelor of Science (Hons), School of Food Technology, University of NSW Master of Business Administration (Executive), Australian Graduate School of Management, University of NSW Fellow, Australian Institute of Company Directors Fellow, Australian Institute of Food Science and Technology	4/4	3/4
Dr Michael Dunbier	Bachelor of Agricultural Sciences (Plant Science), Lincoln College Masters of Agricultural Sciences (Hons) (Plant Breeding and Genetics), Lincoln College Ph.D. (Plant Breeding and Genetics), University of Wisconsin	4/4	4/4
Mr John Hart	Bachelor of Commerce (Commercial Law Major), Curtin University Fellow of the Australian Institute of Company Directors	4/4	4/4
Ms Jane Lancaster MNZM	Graduated BSc Hons (1st Class) in Plant Biochemistry and Plant Physiology, University Of Canterbury University of Canterbury Senior Scholar	4/4	4/4

MEMBER	QUALIFICATIONS	MEETINGS	TELECONFERENCES
Professor Mark Lawrence	Bachelor of Science (Honours), University of Melbourne Graduate Diploma (Nutrition & Dietetics), Flinders University Master of Science, University of London Graduate Diploma in Epidemiology & Biostatistics, University of Melbourne Doctor of Philosophy, Deakin University	4/4	4/4
Dr Roscoe Taylor	Bachelor of Arts Bachelor of Medicine and Bachelor of Surgery Diploma of Obstetrics Member of the Royal New Zealand College of General Practitioners Fellow of the Australian Faculty of Public Health Medicine Master of Environmental Science Graduate Diploma in Clinical Epidemiology Fellow of the Public Health Association of Australia Graduate member of the Australian Institute of Company Directors	3/3	4/4
Observer			
Dr Eva Bennett, Chair, Implementation Subcommittee for Food Regulation (ISFR)		4/4	0/4

Finance, Audit and Risk Management Committee attendance

MEMBER	MEETINGS
Professor Martin Cole (FARMC Chair)	4/4
Professor Mary Barton	3/4
Ms Josephine Davey	4/4
Ms Teresa Ciprian	3/4
Ms Angelis Widjaja	4/4
Observers	
Mr Mark Booth (CEO)	4/4
Robyn Kruk (Board Chair)	3/4

People, Culture and Remuneration Committee attendance

MEMBER	MEETINGS
Ms Robyn Kruk (PCRC Chair)	2/2
Ms Sue Chetwin	1/2
Mr John Hart	2/2
Ms Jane Lancaster	2/2
Observer	
Mr Mark Booth (CEO)	2/2

APPENDIX 4: REPORT AGAINST THE FSANZ ACT REQUIREMENTS

Applications received and proposals prepared before 1 October 2007

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

During 2019–2020, 2 applications received before 1 October 2007 remained on the Work Plan pending advice from applicants:

1. 0 withdrawn;
2. 0 rejected by FSANZ;
3. 0 finalised and notified to the Forum;
4. 0 considered after a request for a review and notified to the Forum; and
5. 2 were still being progressed as at 30 June 2020.

During 2019–20, one proposal (prepared before 1 October 2007) remained on our Work Plan:

1. 0 withdrawn;
2. 0 rejected by FSANZ;
3. 0 finalised and notified to the Forum;
4. 0 considered after a request for a review and notified to the Forum; and
5. 1 was still being progressed as at 30 June 2020.

(e) Any occasion during 2019–2020 that FSANZ, after preparing a draft standard or a draft variation of a standard, failed to make a decision under section 18 of the FSANZ Act (as was in force prior to 1 July 2007) within the period required under section 35 (as was in force prior to 1 July 2007) and a statement of the reasons for that failure:

A576 — Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label was deferred by the Forum to FSANZ to raise a proposal. FSANZ subsequently raised proposal P1050 — Pregnancy warning labels on alcoholic beverages. The Application will be rejected following the outcome of this proposal.

A613 — Definitions for Nutritive Substance & Nutritive Ingredient is on hold while proposal P1024 Revision of the Regulation of Nutritive Substances and Novel Foods seeks to develop an alternative framework for the regulation of nutritive substances and novel foods in the Code.

P290 — Food Safety Programs for Catering Operations to the General Public is on hold while work has commenced on Proposal P1053 Food Safety Management tools to consider food safety management requirements for the food service and retail sector.

(f) Extensions of time FSANZ granted under subsection 35(2) of the FSANZ Act during 2019–2020 and the reasons for those extensions:

Nil

(g) The number of applications made to the Administrative Appeals Tribunal during 2019–2020 for a review of a decision made by FSANZ:

Nil

(h) The results of the applications made to the Administrative Appeals Tribunal that were determined during 2019–2020:

N/A

(i) The number of standards made under the FSANZ Act during 2019–2020:

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

(j) The number of draft standards and draft variations approved during 2019–2020 under: Section 18 of the FSANZ Act; or (Final Assessment)

Nil

(k) The number of occasions during 2019–2020 when requests were made under section 21 of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a draft standard or draft variation:

Nil

(l) The number of occasions during 2019–2020 when requests were made under section 22 of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a draft standard or draft variation:

Nil

(m) The number of occasions during 2019–2020 when a draft standard or draft variation was rejected under section 23 of the FSANZ Act (as was in force prior to 1 July 2007):

Nil

(n) The number of occasions during 2019–2020 when requests were made under section 28A of the FSANZ Act (as was in force prior to 1 July 2007) for a review of a standard or variation:

Nil

(p) The number of occasions during 2019–2020 when a standard or variation was revoked or amended under section 28C of the FSANZ Act (as was in force prior to 1 July 2007):

Nil

Applications received and Proposals prepared from 1 October 2007 onwards

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

(aa) The number of applications that were made under section 22 during 2019–2020:

23

(ab) The number of applications accepted under subsection 26(1) during 2019–2020:

17

(ac) The number of applications rejected under subsection 26(1) during 2019–2020 and the reasons for the rejections:

1 — A1200 Fruit and Vegetables labelling provisions was rejected as it did not meet the mandatory information requirements in Part 3 of the FSANZ Application Handbook.

(ad) The number of applications withdrawn in 2019–2020 under subsection 24(1) during the current year:

4

(ae) The number of applications accepted under subsection 26(1) during 2019–2020 that FSANZ had not begun to assess under section 29 during 2019–2020:

4

(af) The number of applications accepted under subsection 26(1) during a previous financial year that FSANZ had not begun to assess under section 29 before the end of 2019–2020:

Nil

(a) The number of applications that were considered under Subdivision D of Division 1 of Part 3 during 2019–2020:

23

(b) The number of applications that were considered under Subdivision E of Division 1 of Part 3 during 2019–2020:

Nil

(c) The number of applications that were considered under Subdivision F of Division 1 of Part 3 during 2019–2020:

1

(d) The number of applications that were considered under Subdivision G of Division 1 of Part 3 during 2019–2020:

Nil

(e) For each of those Subdivisions, the number of applications considered under that Subdivision that were disposed of during 2019–2020 and the manner of their disposal:

Subdivision D:

15 Approved

4 Withdrawn

1 Rejected

Subdivision E:

Nil Approved

Nil Withdrawn

Subdivision F:

Nil Approved

Nil Withdrawn

Subdivision G:

Nil Approved

Nil Withdrawn

(f) For each of those Subdivisions, the average time taken to dispose of applications during 2019–2020 (for Approval only):

Subdivision D:

9 months

Subdivision E:

N/A

Subdivision F:

N/A

Subdivision G:

N/A

(fa) The number of applications accepted under subsection 26(1) during a previous financial year that FSANZ had begun to assess under section 29 before the end of the current year, but that FSANZ had not disposed of before the end of 2019–2020:

3

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

A1175 — 15 months, 16 days

A1178 — 13 months, 6 days

A1180 — 12 months, 26 days

(g) The number of applications made during 2019–2020 in relation to which a charge fixed under section 146 was payable:

16

(h) The number of applications made during 2019–2020 in relation to which no charge fixed under section 146 was payable:

6

(i) The average number of days that elapsed between the acceptance or rejection under section 26 of an application made during 2019–2020 in relation to which no charge fixed under section 146 was payable, and the commencement of the assessment of the application under section 29:

268 days

(j) Each occasion during 2019–2020 on which the consideration period under section 109 elapsed without FSANZ completing the procedure that FSANZ must, under Subdivision C of Division 1, adopt in considering the application:

A1155 — extension granted under subsection 109(4) until 9 July 2019. Application approved by FSANZ Board 4 December 2019.

(k) Each occasion during 2019–2020 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

A1186 — Consideration period extended by 6 months due to complexity of the Application.

(ka) The number of applications declared under section 95 to be urgent applications during 2019–2020:

Nil

(l) The number of proposals prepared by FSANZ under section 55 during 2019–2020:

4

(la) The number of proposals prepared under section 55 during 2019–2020 that FSANZ had not begun to assess under section 59 during that year:

Nil

(lb) The number of proposals prepared under section 55 during a previous financial year that FSANZ had not begun to assess under section 59 before the end of 2019–2020:

Nil

(n) The number of proposals that were disposed of during 2019–2020 and the manner of their disposal:

3 Approved

0 Abandoned

(o) The average time taken to dispose of proposals under each of Subdivisions D, E, F, G and H of Division 2 of Part 3 during 2019–2020:

General

357 days

Minor

N/A

Major

N/A

High-level health claim variation

N/A

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

P1010 — 1 day

P1024 — 19 days

P1028 — 123 days

P1030 — 21 days

P1044 — 76 days

P1047 — 21 days

P1048 — 21 days

P1049 — 21 days

P1050 — 21 days

P1052 — 2 days

P1053 — 2 days

P1055 — 2 days

M1017 — 21 days

(pa) The number of proposals prepared under section 55 during a previous financial year that FSANZ had begun to assess under section 59 before the end of 2019–2020, but that FSANZ had not disposed of before the end of 2019–2020:

7

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

P1010 — 12 months, 16 days

P1024 — 90 months, 14 days

P1028 — 79 months, 23 days

P1030 — 76 months, 12 days

P1044 — 40 months, 2 days

P1047 — 27 months, 2 days

P1049 — 22 months, 2 days

(pc) The number of proposals declared under section 95 to be urgent proposals during 2019–2020:

1

In relation to applications or proposals declared to be urgent under section 95, either in 2019–2020 or in previous financial years, the number which were disposed of under section 101 and the manner of their completion:

Nil

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

Nil

(q) The number of applications made to the Administrative Appeals Tribunal during 2019–2020 for review of decisions of FSANZ:

Nil

(r) The results of the applications made to the Administrative Appeals Tribunal that were determined during 2019–2020:

Nil

(s) The number of standards made during 2019–2020:

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

FSANZ gazetted amendments to the Australia New Zealand Food Standards Code relating to 20 applications, and two proposals.

AMENDMENT NO. 186 (25 JULY 2019)

A1102 — L-carnitine in Food

To permit the sale of L-carnitine in a variety of food categories including dairy products (excluding butter and butter fat), confectionery, cereal and cereal products, food intended for particular nutritional uses, non-alcoholic beverages and gels.

A1168 — Glucoamylase from GM *Aspergillus niger* as a Processing Aid (Enzyme)

To permit the use of glucoamylase produced from a genetically modified strain of *Aspergillus niger* as a Processing Aid.

APPENDICES

AMENDMENT NO. 186 (25 JULY 2019)	
M1016 — Maximum Residue Limits (2018)	To permit varying certain maximum residue limits (MRLs) for residues of specified agricultural and veterinary chemicals that may occur in food commodities.
AMENDMENT NO. 187 (5 SEPTEMBER 2019)	
A1159 — Triacylglycerol lipase from <i>Trichoderma reesei</i> as a processing aid (enzyme)	To permit the enzyme lipase, triacylglycerol from <i>Trichoderma reesei</i> as a processing aid for the production of bakery products and cereal-based beverages.
A1160 — Aspergillopepsin I from <i>Trichoderma reesei</i> as a processing aid (enzyme)	To permit the enzyme Aspergillopepsin I from <i>Trichoderma reesei</i> as a processing aid for the production of potable alcohol products and protein processing.
A1170 — Rebaudioside MD as a Steviol Glycoside from <i>Saccharomyces cerevisiae</i>	To permit a steviol glycoside mixture (Reb MD) for use as an intense sweetener, produced from a genetically modified <i>Saccharomyces cerevisiae</i> .
A1172 — Enzymatic production of Rebaudioside D	To permit a new specification for rebaudioside D produced by an enzymatic conversion method.
AMENDMENT NO. 188 (5 DECEMBER 2019)	
A1161 — Potassium Polyaspartate as a food additive in wine	To permit the use of Potassium Polyaspartate as a food additive in wine at a maximum permitted limit of 100mg/L.
A1164 — Pullulanase from <i>Bacillus licheniformis</i> as a PA (Enzyme)	To permit the use of the enzyme Pullulanase from <i>Bacillus licheniformis</i> as a processing aid in brewing and starch processing.
A1166 — Reduction in minimum alcohol for tequila	To permit lowering the minimum alcohol percentage by volume specified in Standard 2.7.5 of the Australia New Zealand Food Standards Code for spirits using the Tequila geographical indication (GI) from 37% to 35%.
A1173 — Minimum protein in follow-on formula	To permit a variation to the minimum protein requirement in follow-on formula.
AMENDMENT NO. 189 (12 DECEMBER 2019)	
P1054 — Pure and highly concentrated caffeine products	To prohibit the retail sale of pure and highly concentrated caffeine food products which pose an unacceptably high risk for Australian and New Zealand consumers.
AMENDMENT NO. 190 (17 JANUARY 2020)	
A1163 — Food Irradiation definition of herbs and spices	To vary Food Standard 1.5.3 Irradiation of Food to remove the reference to Schedule 22 in relation to the definition of Herbs and Spices
A1169 — Alpha-glucosidase from <i>Trichoderma reesei</i> as a PA (enzyme)	To permit the use of Alpha-glucosidase enzyme from A Recombinant Strain of <i>Trichoderma reesei</i> as a processing aid.
AMENDMENT NO. 191 (26 FEBRUARY 2020)	
A1171 — Endo-inulinase from GM <i>Aspergillus oryzae</i> as a Processing aid (Enzyme)	To permit the use of Endo-Inulinase produced from a GM modified strain of <i>Aspergillus oryzae</i> as a Processing aid.

AMENDMENT NO. 191 (26 FEBRUARY 2020)	
A1176 — Enzymatic production of Steviol Glycosides	To permit a new specification for steviol glycosides produced by an enzymatic conversion method using enzymes derived from genetically modified strains of <i>Escherichia coli</i> (<i>E. coli</i>).
A1181 — Maximum residue limit for Imazapyr in barley	To permit the increase of the maximum residue limit for imazapyr in barley grain from 0.05ppm to 0.7ppm.
AMENDMENT NO. 192 (14 MAY 2020)	
A1159 — Triacylglycerol lipase from <i>Trichoderma reesei</i> as a processing aid (Enzyme)	To permit the enzyme lipase, triacylglycerol from <i>Trichoderma reesei</i> as a processing aid for the production of bakery products and cereal-based beverages.
A1174 — Xylanase from <i>Trichoderma reesei</i> as a PA (Enzyme)	To permit the use of Xylanase from GM <i>Trichoderma reesei</i> as a Processing Aid.
A1182 — Glucose Oxidase from a GM <i>Trichoderma reesei</i> as a Processing Aid (Enzyme)	To approve a Glucose Oxidase enzyme preparation from <i>Trichoderma reesei</i> for use as a processing aid in cereal based products (baking) and egg processing.

(t) The number of draft standards and draft variations approved during 2019–2020 under each of the following:

Section 33 and 63:

20

Section 41 and 69:

Nil

Section 52 and 78:

Nil

Section 97:

1

(ta) The number of variations given to the Authority under subsection 82(6) during 2019–2020:

The Australian Pesticides and Veterinary Medicines Authority gazetted and registered on the Federal Register of Legislation 8 amendments to Schedule 20:

Gazette No. 14, 16 July 2019

Gazette No. 16, 13 August 2019

Gazette No. 18, 10 September 2019

Gazette No. 24, 3 December 2019

Gazette No. 1, 14 January 2020

Gazette No. 5, 10 March 2020

Gazette No. 7, 7 April 2020

Gazette No. 11, 2 June 2020

(u) The number of occasions during 2019–2020 when requests were made by the Council under Division 3 of Part 3 for a review of a draft standard or draft variation:

2

(v) The number of occasions during 2019–2020 when a draft standard or draft variation was rejected by the Council under Division 3 of Part 3:

Nil

(w) The number of occasions during 2019–2020 when requests were made by the Council under Division 4 of Part 3 for a review of a standard or variation:

Nil

(x) The number of occasions during 2019–2020 when a standard or variation was revoked or amended by the Council under Division 4 of Part 3:

Nil

(y) A summary of policy guidelines notified to FSANZ during 2019–2020:

No guidelines were notified.

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

Nil

APPENDIX 5: FINANCIAL STATEMENTS

Independent Auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Minister for Aged Care and Senior Australians
To the Minister for Youth and Sport

Opinion

In my opinion, the financial statements of Food Standards Australia New Zealand for the year ended 30 June 2020:

- comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- present fairly the financial position of Food Standards Australia New Zealand as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of Food Standards Australia New Zealand, which I have audited, comprise the following statements as at 30 June 2020 and for the year then ended:

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

Basis for Opinion

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

Accountable Authority's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Australian National Audit Office

Rahul Tejani
Executive Director
Delegate of the Auditor-General
Canberra
7 October 2020

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Food Standards Australia New Zealand (FSANZ)

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

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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



Robyn Kruk
Chair
FSANZ Board

07 October 2020



Professor
Martin Cole
Chair FARMC
FSANZ

07 October 2020



Mark Booth
Chief Executive Officer
FSANZ

07 October 2020



James Maltzani
Chief Financial Officer
FSANZ

07 October 2020

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Food Standards Australia New Zealand
Statement of Comprehensive Income
for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget 2020 \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	16,073	14,151	14,429
Suppliers	1.1B	3,074	5,117	3,723
Depreciation and Amortisation	2.2A	2,242	1,093	1,105
Write-down and Impairment	2.2A	-	327	-
Finance Costs	1.1C	106	5	-
Foreign Exchange losses	1.1D	17	-	-
Total Expenses		21,512	20,693	19,257
Own-Source Income				
Own-Source Revenue				
Revenue from Contracts with Customers	1.2A	3,403	5,755	117
Interest	1.2B	161	224	320
Other Revenue		-	17	1,930
Total Own-Source Revenue		3,564	5,996	2,367
Total Own-Source Income		3,564	5,996	2,367
Net (Cost of)/Contribution by Services				
Revenue from Government	1.2C	(17,948)	(14,697)	(16,890)
Total Comprehensive Income Attributable to the Australian Government		(799)	2,461	-
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		259	-	-
Total other comprehensive income after income tax		(540)	2,461	-

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

AASB 1055 Explanations of major variances

1. Employee Benefits

Employee benefits were higher than budget due to additional employees who were engaged to work on a number of projects that were funded from project revenues and a 2% salary increase.

2. Suppliers

Supplier expenses were lower than budget as a result of the capitalisation of lease expenses as Right of Use (ROU) assets under AASB16.

3. Depreciation and Amortisation

Depreciation and amortisation expenses are higher than budget due to additional depreciation on the ROU assets, which were not included in the budget.

4. Revenue from Contracts with Customers

Affected line items (and schedule)

Employee Benefits

(Statement of Comprehensive Income)

Suppliers

(Statement of Comprehensive Income)

Depreciation and Amortisation

(Statement of Comprehensive Income)

Revenue from Contracts with Customers

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Revenue from Contracts with Customers includes the New Zealand Government contribution, which was budgeted under Other Revenue. Revenue from applications and projects were more than estimated at budget, because FSANZ received more applications and project revenues compared to prior year. *(Statement of Comprehensive Income)*

5. Interest *Interest*
 Interest receipts were lower than expected due to rates being lower than anticipated. *(Statement of Comprehensive Income)*

6. Other Income *Other Income*
 The variance is due to revenues from the New Zealand Government being included in Revenues from Contracts with Customers. *(Statement of Comprehensive Income)*

7. Revenue from Government *Revenue from Government*
 The variance is due to additional funding received for a measure, Improving Confidence in the Strawberry Supply Chain. *(Statement of Comprehensive Income)*

8. Changes in Asset Revaluation Surplus *Changes in Asset Revaluation Surplus*
 This relates to the revaluation of fixed asset which was unknown at budget time. *(Statement of Comprehensive Income)*

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**Food Standards Australia New Zealand
Statement of Financial Position**

as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget 2020 \$'000
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2.1A	2,669	5,150	2,684
Trade and Other Receivables	2.1B	1,207	651	1,080
Investments - Term Deposits	2.1C	11,000	8,000	8,000
Total Financial Assets		14,876	13,801	11,764
Non-Financial Assets				
Buildings - Leasehold Improvements ¹	2.2A	11,164	2,773	2,884
Plant and Equipment	2.2A	476	633	946
Intangibles	2.2A	1,483	1,641	1,642
Prepayments		344	262	165
Total Non-Financial Assets		13,467	5,309	5,637
Total Assets		28,343	19,110	17,401
LIABILITIES				
Payables				
Suppliers	2.3A	200	671	720
Other Payables	2.3B	4,029	2,489	2,255
Total Payables		4,229	3,160	2,975
Interest Bearing Liabilities				
Leases	2.4A	8,584	-	1,929
Total Interest Bearing Liabilities		8,584	-	1,929
Provisions				
Employee Provisions	3.1A	4,730	4,447	4,174
Provision for Restoration	2.5A	213	206	201
Total Provisions		4,943	4,653	4,375
Total Liabilities		17,756	7,813	9,279
Net Assets		10,587	11,297	8,122
EQUITY				
Contributed Equity		1,823	1,823	1,823
Reserves		2,513	2,254	2,254
Retained Surplus		6,251	7,220	4,045
Total equity		10,587	11,297	8,122

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

1. Right-of-use assets are included in Buildings – Leasehold Improvements.

AASB 1055 Explanations of major variances
Affected line items (and schedule)

1. Trade and Other Receivables

Trade and Other Receivables

The variance is a result of project revenues invoiced in June but received in July.

(Statement of Financial position)

2. Investments – Term Deposits

Investments – Term Deposits

The variance is due to the transfer of \$3 million from Cash and Cash Equivalents to Term Deposits

(Statement of Financial position)

3. Buildings – Leasehold Improvements

Buildings – Leasehold Improvements

The variance is due to the capitalisation of lease as ROU assets under AASB 16

(Statement of Financial position)

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<p>4. Plant and Equipment</p> <p>The variance is due to less than anticipated additions to computer equipment.</p>	<p><i>Plant and Equipment</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>5. Intangibles</p> <p>The variance is due to less than anticipated project development work on software for food databases.</p>	<p><i>Intangibles</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>6. Prepayments</p> <p>The variance is due to a large number of software licences relating to 2020-21 but paid in 2019-20.</p>	<p><i>Prepayments</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>7. Suppliers</p> <p>The variance is because the majority of invoices received in June 2020 were paid by 30 June 2020.</p>	<p><i>Suppliers</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>8. Other Payables</p> <p>The variance is a result of an increase in unearned revenue. There was an increase in the number of applications than anticipated at budget. There was also an increase in unearned project revenue as a result of the application of AASB 15.</p>	<p><i>Other Payables</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>9. Leases</p> <p>The variance is due to the implementation of AASB 16, which capitalised leases as ROU assets. The impact of AASB 16 was not included in the budget.</p>	<p><i>Leases</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>10. Employee Provisions</p> <p>The variance is due to less leave taken during the year as a result of work-from-home arrangements during Covid-19 restrictions.</p>	<p><i>Employee Provisions</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>11. Reserves</p> <p>This relates to the revaluation of fixed asset which was unknown at budget time.</p>	<p><i>Reserves</i></p> <p><i>(Statement of Financial Position)</i></p>
<p>12. Retained surplus</p> <p>The decrease in Retained surplus is due to an adjustment to Opening balance of Retained surplus. The adjustments arose from the implementation of AASB15 and AASB 16. The deficit for the year also contributed to the decrease.</p>	<p><i>Retained surplus</i></p> <p><i>(Statement of Financial Position)</i></p>

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Food Standards Australia New Zealand

Statement of Changes in Equity

for the period ended 30 June 2020

	2020 \$'000	2019 \$'000	Original Budget 2020 \$'000
CONTRIBUTED EQUITY			
Opening balance	1,823	1,823	1,823
Adjusted opening balance	1,823	1,823	1,823
Closing balance as at 30 June	1,823	1,823	1,823
RETAINED EARNINGS			
Opening balance	7,220	4,759	4,045
Adjustment for prior year error ¹	(259)	-	-
Adjustment on initial application of AASB 15/AASB 1058 ²	(2,083)	-	-
Adjustment on initial application of AASB 16 ²	2,172	-	-
Adjusted opening balance	7,050	4,759	4,045
Comprehensive income			
Surplus/(deficit) for the period	(799)	2,461	-
Total comprehensive income	(799)	2,461	-
Closing balance as at 30 June	6,251	7,220	4,045
ASSET REVALUATION RESERVE			
Opening balance	2,254	2,254	2,254
Adjusted opening balance	2,254	2,254	2,254
Comprehensive income			
Other comprehensive income	259	-	-
Total comprehensive income	259	-	-
Closing balance as at 30 June	2,513	2,254	2,254
TOTAL EQUITY			
Opening balance	11,297	8,836	8,122
Adjustment for prior year error ¹	(259)	-	-
Adjustment on initial application of AASB 15/AASB 1058 ²	(2,083)	-	-
Adjustment on initial application of AASB 16 ²	2,172	-	-
Adjusted opening balance	11,127	8,836	8,122
Comprehensive income			
Surplus/(deficit) for the period	(799)	2,461	-
Other comprehensive income	259	-	-
Total comprehensive income	(540)	2,461	-
Closing balance as at 30 June	10,587	11,297	8,122

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

- Adjustment relates to prior year receivable from Government, which should have recognised as revenue on receipt in 2019-20.
- Adjustment relates to prior year in the application of accounting standards that affected the opening balance of Retained Earnings.

Accounting PolicyEquity injections

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

Budget Variances Commentary

FSANZ budgets for a breakeven position each year and does not budget for a surplus. The variances in the Equity table are included in the balance sheet variance explanations.

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Food Standards Australia New Zealand
Cash Flow Statement

for the period ended 30 June 2020

		2020	2019	Original Budget 2020
	Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Cash received				
Receipts from Australian Government		17,149	16,899	16,890
Receipts from New Zealand Government		2,008	1,967	1,930
Sale of goods and rendering of services		1,907	4,068	117
Interest		165	226	320
Net GST received		432	312	322
Other		38	18	-
Total cash received		21,699	23,490	19,579
Cash used				
Employees		15,699	14,056	14,429
Suppliers		3,996	5,974	3,723
Interest payments on lease liabilities		99	-	-
Net GST paid		-	-	322
Total cash used		19,794	20,030	18,474
Net cash from operating activities		1,905	3,460	1,105
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		371	495	1,105
Investments		3,000	-	-
Total cash used		3,371	495	1,105
Net cash used by investing activities		(3,371)	(495)	(1,105)
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		998	-	-
Total cash used		998	-	-
Net cash from financing activities		(998)	-	-
Net increase/(decrease) in cash held		(2,464)	2,965	-
Cash and cash equivalents at the beginning of the reporting period		5,150	2,184	2,684
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		(17)	1	-
Cash and cash equivalents at the end of the reporting period	2.1A	2,669	5,150	2,684

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

AASB 1055 Explanations of major variances

1. Sale of goods and rendering of services

The increase is due to a higher than expected number of applications received for amendments to the Food Standards Code. This is a demand driven activity.

2. Interest

Interest receipts were lower due to rates being lower than anticipated.

Affected line items (and schedule)
Sale of goods and rendering of services
(Cash Flow Statement)
Interest
(Cash Flow Statement)

APPENDICES

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3. Purchase of property, plant and equipment

The decrease in expenditure is due to lower than expected capital expenditure on computer equipment.

Purchase of property, plant and equipment

(Cash Flow Statement)

4. Investments

There was a transfer of funds from cash and cash equivalents to Investments, in order to generate more interest revenue.

Investments

(Cash Flow Statement)

5. Principle payments of lease liabilities/Interest Payment on Lease Liabilities

This is due to the implementation of AASB 16 leases which was not included in the budget.

Principle payments of lease liabilities/Interest Payment on Lease Liabilities

(Cash Flow Statement)

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Overview

Objectives of the Food Standards Australia New Zealand

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

Basis of preparation

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

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and*
- b) *Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.*

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and rounded to the nearest thousand dollars (\$'000) unless otherwise specified.

New Accounting Standards

All new accounting standards, revised standards or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on FSANZ's financial statements.

AASB 15 & 1058

FSANZ adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018-19 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model FSANZ first determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), FSANZ applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, FSANZ considers whether AASB 1058 applies.

In relation to AASB 15, FSANZ elected to apply the new standard to all new and uncompleted contracts from the date of initial application. FSANZ is required to aggregate the effect of all of the contract modifications that occur before the date of initial application.

In terms of AASB 1058, FSANZ is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

Impact on Transition of AASB 15

Departmental	1 July 2019
Assets	
Receivables	-
Total assets	-
Liabilities	
Unearned Income	2,083
Total liabilities	2,083
Total adjustment recognised in retained earnings	(2,083)

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Transitional Disclosure

	AASB 15 / AASB 1058 \$'000	Previous AAS \$'000	Increase / (decrease) \$'000
Revenue			
Project Revenue	1,267	1,778	(511)
Total Revenue	<u>1,267</u>	<u>1,778</u>	<u>(511)</u>
Net (cost of)/contribution by services	<u>1,267</u>	<u>1,778</u>	<u>(511)</u>
Assets			
Receivables	-	-	-
Intangible	271	271	-
Total Assets	<u>271</u>	<u>271</u>	<u>-</u>
Liabilities			
Unearned Income	3,731	1,157	2,574
Total Liabilities	<u>3,731</u>	<u>1,157</u>	<u>2,574</u>

AASB 16 Leases

FSANZ adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018-19 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

FSANZ elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. FSANZ applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to all leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, FSANZ previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, FSANZ recognises right-of-use assets and lease liabilities for most leases. However, FSANZ has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, FSANZ recognised right-of-use assets and lease liabilities in relation to leases of office space, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using FSANZ's incremental borrowing rate as at 1 July 2019. FSANZ's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 0.087%.

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The right-of-use assets were measured as follows:

Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Impact on Transition of AASB 16

Departmental	1 July 2019
Right-of-use assets - property, plant and equipment	9,688
Lease liabilities	9,597
Retained earnings	2,172

The following table reconciles the Departmental minimum lease commitments disclosed in the entity's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019
Minimum operating lease commitment at 30 June 2019	10,622
Undiscounted lease payments	10,622
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(1,025)
Lease liabilities recognised at 1 July 2019	9,597

Taxation

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

Foreign Currency

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

AASB 1055: Explanations of Actual to Budget Variances

The budget variance explanations provide a comparison of the original budget as presented in the 2019-20 Portfolio Budget Statements (PBS) to the 2019-20 final outcome as presented in accordance with Australian Accounting Standards for FSANZ. Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10% and greater than \$0.200 million; and
- the variance between budget and actual is greater than 2% of total expenses or total own source revenues; or
- the variance between budget and actual is below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the agency.

In some instances, a budget has not been provided for in the PBS, for example non-cash items such as asset revaluations. Unless the variance is considered to be 'major' no explanation has been provided.

Prior Year Adjustment

The prior year Revenue from Contracts with Customers (2018-19: Sale of Goods and Rendering of Services) was reduced by an adjustment relating to an application of AASB 15 accounting standard that affected the 2018-19 opening balance of Retained Earnings. This is disclosed in the statement of changes in equity and Note 1.2A

Events After the Reporting Period

There has been no event since 30 June 2020 that had the potential to significantly affect the ongoing structure and financial activities of FSANZ.

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1. Financial Performance

This section analyses the financial performance of the Food Standards Australia New Zealand for the period ended 30 June 2020.

1.1. Expenses

	2020 \$'000	2019 \$'000
Note 1.1A: Employee Benefits		
Wages and salaries	13,124	11,614
Superannuation		
Defined contribution plans	1,211	939
Defined benefit plans	976	973
Leave and other entitlements	664	613
Separation and redundancies	51	-
Other employee expenses	47	12
Total employee benefits	16,073	14,151

Accounting Policy

Accounting policies for employee related expenses is contained in Note 3: People and relationships.

Note 1.1B: Suppliers**Goods and services supplied or rendered**

Consultants and contractors	366	881
Technical food analysis	473	211
Travel	485	994
Computer expenses	499	494
Subscriptions	192	284
Training	251	319
Building running costs	10	117
Office running costs	298	135
Legal	90	64
Recruitment	32	18
ISFR Project Officer	85	150
External and internal audit fees	115	42
Other operating costs	152	376
Total goods and services supplied or rendered	3,048	4,085

Other suppliers

Operating lease rentals ¹	-	1,009
Workers compensation expenses	26	23
Total other suppliers	26	1,032
Total suppliers	3,074	5,117

1. FSANZ has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Accounting Policy

FSANZ has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000).

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	2020	2019
	\$'000	\$'000
Note 1.1C: Finance Costs		
Interest on lease liabilities	99	-
Unwinding of discount	7	5
Total finance costs	106	5

1. FSANZ has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

	2020	2019
	\$'000	\$'000
Note 1.1D: Foreign Exchange Losses		
Non-speculative	17	-
Total foreign exchange losses	17	-

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1.2. Income

	2020	2019
	\$'000	\$'000
Note 1.2A: Revenue From Contracts with Customers		
New Zealand Government funding	2,008	1,967
Fee for service	558	404
Project Revenue from Government	837	3,384
Total revenue from contracts with customers	3,403	5,755
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Regulatory services	558	404
Service delivery	2,845	5,351
	3,403	5,755
Type of customer:		
Australian Government entities (related parties)	837	3,384
Non-government entities	2,566	2,371
	3,403	5,755
Timing of transfer of goods and services:		
Over time	3,403	5,755
	3,403	5,755

The prior year Project Revenue from Government was reduced by an adjustment relating to an application of AASB 15 accounting standard that affected the 2018-19 opening balance of Retained earnings.

Accounting Policy

Revenue from the sale of goods and rendering of services is recognised when control has been transferred to the buyer.

Revenues from projects undertaken on behalf of other Commonwealth agencies is recognised progressively during the term of the project when performance obligations are satisfied and can be measured. The measurement of performance obligations at a point in time is made by judgements made by Project Managers by reference to the percentage of work completed at reporting date.

Revenues from projects undertaken on behalf of other Commonwealth agencies that do not have performance obligations are recognised in the year that the revenues are received.

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

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

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

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

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	2020 \$'000	2019 \$'000
Note 1.2B: Interest		
Deposits	4	12
Investments	157	212
Total interest	161	224

Accounting Policy

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

	2020 \$'000	2019 \$'000
Note 1.2C: Revenue from Government		
Department of Health	17,149	17,158
Total revenue from Government	17,149	17,158

Accounting Policy

Funding received from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to FSANZ) is recognised as Revenue from Government by the corporate Commonwealth entity.

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2. Departmental Financial Position

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

2.1. Financial Assets

	2020 \$'000	2019 \$'000
Note 2.1A: Cash and Cash Equivalents		
AUSTRALIA		
Cash on hand or on deposit	2,593	5,139
NEW ZEALAND		
Cash on hand or on deposit	76	11
Total cash and cash equivalents	2,669	5,150

Accounting Policy

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

- a) cash on hand
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Note 2.1B: Trade and Other Receivables

Goods and services receivables	1,034	233
Receivable from Government	-	259
Total goods and services receivables	1,034	492
Other receivables:		
Interest	6	10
GST receivable	62	70
Other receivables	105	79
Total other receivables	173	159
Total trade and other receivables (gross)	1,207	651
Total trade and other receivables (net)	1,207	651

Accounting Policy

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

Accounting Judgements and Estimates

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

	2020 \$'000	2019 \$'000
Note 2.1C: Investments - Term Deposits		
Deposits	11,000	8,000
Total other investments	11,000	8,000

Accounting Policy

FSANZ invests in only Authorised Deposit-Taking Institutions (ADIs). Deposits for period a period of 3 months or more are classified as investments.

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2.2. Non-Financial Assets
Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles
Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2020

	Buildings - Leasehold Improvements \$'000	Plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	3,336	958	5,155	9,449
Accumulated depreciation, amortisation and impairment	(563)	(325)	(3,514)	(4,402)
Total as at 1 July 2019	2,773	633	1,641	5,047
Recognition of right of use asset on initial application of AASB 16	9,688	-	-	9,688
Adjusted total as at 1 July 2019	12,461	633	1,641	14,735
Additions				
Purchase or internally developed		52	319	371
Revaluations and impairments recognised in other comprehensive income	239	20	-	259
Depreciation and amortisation expense	(332)	(229)	(477)	(1,038)
Depreciation on right-of-use assets	(1,204)	-	-	(1,204)
Total as at 30 June 2020	11,164	476	1,483	13,123
Total as at 30 June 2020 represented by:				
Gross book value	12,368	481	5,474	18,323
Accumulated depreciation, amortisation and impairment	(1,204)	(5)	(3,991)	(5,200)
Total as at 30 June 2020	11,164	476	1,483	13,123
Carrying amount of right-of-use assets	8,484	-	-	8,484

No indicators of impairment were found for property, plant and equipment or land and buildings and intangibles at 30 June 2020.

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

Contractual commitments for the acquisition of property, plant, equipment and intangibles

FSANZ has contractual commitment valued at \$1,229 million to build Branded Food database Intangible asset.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Asset Recognition Threshold

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

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

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by FSANZ as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

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On initial adoption of AASB 16 FSANZ has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in FSANZ, General Government Sector and Whole of Government financial statements.

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Revaluations

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

Leasehold improvement, property plant & equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different at reporting date from its fair value.

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

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

Depreciation

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

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

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

	2020	2019
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-10 years	3-10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

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Derecognition

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

Intangibles

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

Internally developed software and purchased software with values of \$25,000 or greater are capitalised. Any purchases under these thresholds are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

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

	2020	2019
Internally developed	10 years	10 years
Purchased	4 years	4 years

2.3. Payables

	2020	2019
	\$'000	\$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	200	444
Operating lease rentals	-	227
Total suppliers	200	671

Suppliers include trade creditors and accruals.

Suppliers expected to be settled in no more than 12 months. Settlement was usually made within 30 days.

Note 2.3B: Other Payables

Salaries and wages	248	108
Leave payable	50	35
Unearned income	3,268	81
Refundable applications	463	320
Lease incentive	-	1,945
Total other payables	4,029	2,489

2.4. Interest Bearing Liabilities

	2020	2019
	\$'000	\$'000
Note 2.4A: Leases		
Lease liabilities	8,584	-
Total finance leases	8,584	-

1. FSANZ has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Total cash outflow for leases for the year ended 30 June 2020 was \$1,097.

OFFICIAL**Accounting Policy**Unearned Income

Amounts received in advance for services not yet provided or work not yet undertaken are recorded as unearned income, unless the revenue falls under AASB1058 – *Income of Not-for-Profit Entities*.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by FSANZ not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$13,331 (2019: \$51,657).

2.5. Provisions

	2020 \$'000	2019 \$'000
Note 2.5A: Other Provisions		
As at 1 July 2019	206	201
Unwinding of discount rates	7	5
Total as at 30 June 2020	213	206

FSANZ currently has 2 (2019: 2) agreements for the leasing of premises which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease.

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3. People and relationships

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

3.1. Employee Provisions

	2020 \$'000	2019 \$'000
Note 3.1A: Employee Provisions		
Leave	4,730	4,447
Total employee provisions	4,730	4,447

Accounting policy

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

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

Leave

The liability for employee benefits includes the provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including FSANZ's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the shorthand method as prescribed by the FRR. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. FSANZ recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. FSANZ had no provision as at the 30 June 2020.

Superannuation

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

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other complying superannuation funds are a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

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

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

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3.2. Key Management Personnel Remuneration

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

<u>Key Management Personnel Remuneration for the reporting period</u>	2020 \$'000	2019 \$'000
Short-term employee benefits ²	1,556	1,642
Post-employment benefits	178	186
Other long-term employee benefits	36	67
Termination benefits	51	-
Total key management personnel remuneration expenses¹	1,821	1,895

The above table includes paid part time Directors (board positions) 11 (2019: 10). The total number of key management personnel that are included in the above table are 15 (2019:15).

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

3.3. Related Party Disclosures

Related party relationships

FSANZ is an Australian Government controlled entity. Related parties to FSANZ are key management personnel including the portfolio minister and other Australian Government Entities.

Transactions with related parties:

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

Significant transactions with related parties can include:

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

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

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4. Managing uncertainties

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

4.1. Contingent Assets and Liabilities

FSANZ did not have any contingent assets or liabilities to report as at 30 June 2020 (2019: Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

4.2. Financial Instruments

	2020	2019
	\$'000	\$'000
Note 4.2A: Categories Of Financial Instruments		
Financial Assets		
Cash and cash equivalents	2,669	5,150
Trade and other receivables	1,145	322
Investments	11,000	8,000
Total financial assets stated at fair value	14,814	13,472
Total financial assets	14,814	13,472
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	200	444
Total financial liabilities measured at amortised cost	200	444
Total financial liabilities	200	444

Financial Instruments are stated at fair value.

Accounting Policy**Financial Assets**

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

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

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

Impairment of Financial Assets

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

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

Financial liabilities

Financial liabilities are classified as other financial liabilities.

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

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

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	2020	2019
	\$'000	\$'000
Note 4.2B: Net Gains Or Losses From Financial Assets		
Receivables		
Interest revenue	161	224
Foreign exchange gains/(losses)	(3)	1
Net gains/(losses) on receivables	158	225
Net gains on financial assets	158	225

4.3. Fair Value Measurement**Note 4.3A: Fair Value Measurements**

	Fair value measurements at the end of the reporting period	
	2020	2019
	\$'000	\$'000
Non-financial assets:		
Leasehold improvements	11,164	2,773
Other property, plant and equipment	476	633
Total fair value measurements of assets in the statement of financial position	11,640	3,406

Accounting Policy

FSANZ procured valuation services from Pickles Valuation Services (PVS) in 2016, 2017 and 2020 relied on valuation models provided by PVS. FSANZ's asset policy requires that a formal independent valuation process is conducted at least once every three to four years. In years when an independent valuation is not conducted, an assessment is performed by management to ensure that the fair value criterion is reasonable. This assessment normally focuses on 'indicators' to determine whether there has been a material movement in the carrying amount of the assets since the last reporting date. PVS provided written assurance to FSANZ that the model developed is in compliance with AASB 13.

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

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5. Aggregate Assets and Liabilities

	2020	2019
	\$'000	\$'000
Note 5.1A: Aggregate Assets And Liabilities		
Assets expected to be recovered in:		
No more than 12 months	15,220	14,062
More than 12 months	13,123	5,048
Total assets	28,343	19,110
Liabilities expected to be settled in:		
No more than 12 months	6,991	5,022
More than 12 months	10,765	2,791
Total liabilities	17,756	7,813

APPENDIX 6: LIST OF REQUIREMENTS

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

PGPA RULE REQUIREMENT	LOCATION (PAGE)
(a) Details of legislation establishing the body	61
(b) Both of the following (i) a summary of the objects and functions of the entity as set out in the legislation (ii) the purposes of the entity as included in the entity's Corporate Plan for the period	1, 20, 62
(c) The names of the persons holding the position of responsible Minister or responsible Ministers during the period, and the titles of those responsible Ministers	56
(d) Any directions given to the entity by a Minister under an Act or instrument during the period	56
(e) Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	56
(f) If during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e) — particulars of non-compliance	N/A
(g) The annual performance statements for the entity for the period in with paragraph 39(1)(b) of the Act and section 16F of this rule	19–29
(h) A statement of any significant issue reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with the finance law in relation to the entity	N/A
(i) If a statement is included under paragraph (h) of this section — an outline of the action that has been taken to remedy the non compliance	N/A
(j) Information on the accountable authority, or each member of the accountable authority, of the entity during the period including: (i) the name of the accountable authority or member; and (ii) the qualifications of the accountable authority or member; and (iii) the experience of the accountable authority or member; and (iv) for a member — the number of meetings of the accountable authority attended by the member during the period and; (v) for a member — whether the member is an executive member or non-executive member	63–67, 68–70, 64
(k) An outline of the organisational structure of the entity (including any subsidiaries of the entity)	2
(l) An outline of the location (whether or not in Australia) of major activities or facilities of the entity	61

APPENDICES

PGPA RULE REQUIREMENT	LOCATION (PAGE)
(m) Information in relation to the main corporate governance practices used by the entity during the period.	56–59, 62
(n) the decision making process undertaken by the accountable authority for making a decision if: <ul style="list-style-type: none"> (i) the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and (ii) the entity, and the other Commonwealth entity or the company, are related entities; and (iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10 000 (inclusive of GST) 	N/A
(o) If the annual report includes information under paragraph (n) <ul style="list-style-type: none"> (i) if there is only one transaction — the value of the transaction; and (ii) if there is more than one transaction — the number of transactions and the aggregate of value of the transactions 	N/A
(p) Any significant activities and changes that affected the operations or structure of the entity during the period	vi, vii, viii, 6–7, 21, 25, 27, 28, 31, 32, 51, 52, 54, 57
(q) Particulars of judicial decision or decisions of administrative tribunals made during the period that have had, or may have a significant effect on the operations of the entity	N/A
(r) Particulars of any report on the entity given during the period by: <ul style="list-style-type: none"> (i) the Auditor General, other than report under section 43 of the Act (which deals with the Auditor General's audit of the annual financial statements for Commonwealth entities); or (ii) a Committee of either House, or both Houses, of the Parliament; or (iii) the Commonwealth Ombudsman; or (iv) the Office of the Australian Information Commissioner 	N/A
(s) If the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report — an explanation of the information that was not obtained and the effect of not having the information in the annual report	N/A
(t) Details of any indemnity that applied during the period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid for insurance against the authority, member or officer's liability for legal costs.	59
Other requirements	
Work health and safety (Schedule 2, part 4 of the <i>Work Health and Safety Act 2011</i>)	6
Advertising and Market Research (s. 311A of the <i>Commonwealth Electoral Act 1918</i>)	N/A
Ecologically sustainable development and environmental performance (s. 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	7
Annual Report requirements (s. 152 of the <i>Food Standards Australia New Zealand Act 1991</i>)	72–81

APPENDIX 7: CONSULTANTS

Consultants worth \$10,000 or more carried out in FSANZ in 2019–20.

Reasons for Use:

A — Skills currently unavailable within agency

B — need for specified or professional skills

C — need for independent research or assessment

CONSULTANT	NATURE OF CONSULTANCY	AMOUNT EXCLUDING GST	REASON FOR USE	SELECTION PROCESS
SAGE	SAGE — Financial System Support	14,894	B	Sole Provider
National Measurement Institute	Nutrient analysis for the key foods analytical program	146,467	C	Selective Tender
Wardy IT Solutions	Maintenance Support and enhancement of Harvest (Harvest — Scientific Software)	14,700	B	Pre-qualified Tender
Human Synergistics Australia	Culture Program	22,150	B	Limited Tender
Roy Morgan	Alcohol Warning Labels Cognitive Testing	31,818	C	Limited Tender
James J Fogarty	Food and Beverage Labelling changes	15,000	B	Sole Provider
Swinburne University	Economic Research Report	13,620	C	Limited Tender
Grey Swan Consulting Pty Ltd	FSANZ Enterprise Risk Assessment	15,673	C	Limited Tender
Symbio Laboratories	Surveillance and Monitoring of the Food Supply — 27th Australian Total Diet Study	326,317	B	Open — Tender

APPENDIX 8: FSANZ COMMITTEES WITH EXTERNAL MEMBERS

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

Committees and Groups

Advisory Committee on Novel Foods

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

Allergen Collaboration

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

Australian BSE Food Safety Assessment Committee

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

Consumer and Public Health Dialogue

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

Food Allergy and Intolerance Scientific Advisory Group

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

Health Claims Scientific Advisory Group

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

Jurisdictional Technical Forum

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

Packaging Advisory Group

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

Retailers and Manufacturers Liaison Committee

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

Social Sciences and Economics Advisory Group

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

Surveillance and Monitoring Working Group

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

Tutin Steering Committee

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

Expert Advisory Group on New Breeding Techniques

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

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

APPENDIX 9: PUBLISHED ARTICLES IN PEER-REVIEWED JOURNALS

AUTHOR	DETAILS
Ben Sutherland	An article for Food NZ, the official magazine of the NZ Institute of Food Science and Technology, titled “Fake Meat Ain’t Fake News”. It looks at the considerations FSANZ will need to take into account when the time comes to regulate foods produced from animal cell technology, which includes cultivated meat.
Lisa Kelly	Kelly L. Clarifying the regulation of genome editing in Australia: situation for food. <i>Transgenic Research</i> (August 2019) 28 (Supplement 2): 161-164, https://doi.org/10.1007/s11248-019-00159-w
Hong Jin, Adele Yates, Dr Scott Crerar, and former staff members Dr Duncan Craig and Patricia Blenman	A through-chain analysis of microbiological food safety hazards and control measures associated with production and supply of seed sprouts for human consumption Current trends in food science vol. 1, Ch 7
Janine Lewis	Janine was invited by FAO to write the Codex publication, Codex nutrient reference values, 2019, Rome. This publication describes the process involved in the derivation of revised and new NRVs-R (nutrient reference values – requirements) and brings together all relevant information and aspects of this work, including the scientific basis and further background information.
Scott Crerar	Shraddha Thakkar, Elke Anklam, Alex Xu, Franz Ulberth, Jing Li, Bo Li, Marta Hugas, Nandakumara Sarma, Scott Crerar, Sibyl Swift, Takashi Hakamatsuka, Valeriu Curtui, William Yan, Xingchao Geng, William Slikker, Jr., Weida Tong. Regulatory landscape of dietary supplements and herbal medicines from a global perspective. <i>Regulatory Toxicology and Pharmacology</i> , 114 (July 2020) 104647.
Julie Boorman and Tracy Hambridge	Ministry for Primary Industries (2019) Folic acid fortification: Technical supporting document. New Zealand Food Safety Technical Paper No: 2019/04. October 2019. Ministry for Primary Industries (2019) Folic acid fortification: Increasing folic acid availability in food. New Zealand Food Safety Discussion Paper No: 2019/08. October 2019. FSANZ staff provided technical input into the dietary intake assessment for the folic acid fortification scenarios and peer review of the technical report.

AUTHOR	DETAILS
Dorothy Mackerras	Mis-match Between the Healthy Food and the Ultra-processed Food Classifications in Australia (OR14-03-19). <i>Curr Dev Nutr.</i> 2019 Jun; 3(Suppl 1): nzz038.OR14-03-19. Published online 2019 Jun 13. doi: 10.1093/cdn/nzz038.OR14-03-19
Dorothy Mackerras and Tracy Hambridge	Messina AE, Hambridge TL, Mackerras DEM. Change in Australian Vitamin A intakes over time. <i>Curr Dev Nutr</i> , nzz081, https://doi.org/10.1093/cdn/nzz081
Dorothy Mackerras and Amelia Cook	Mackerras DEM, Cook AS. Is NOVA unique in being associated with health outcomes? Rapid response to Srour et al. Ultra-processed food intake and risk of cardiovascular disease: prospective cohort study (NutriNet-Santé). <i>BMJ.</i> 2019 May 29;365: l1451. Available at https://www.bmj.com/content/365/bmj.l1451/rr-3
Dorothy Mackerras	Mackerras D, Blizzard CL. Comment re: Hall et al. Ultra-Processed Diets Cause Excess Calorie Intake and Weight Gain: An Inpatient Randomized Controlled Trial of Ad Libitum Food Intake 2019 <i>Cell Metab.</i> Available at https://www.cell.com/cell-metabolism/fulltext/S1550-4131(19)30248-7#comments-heading

OTHER INFORMATION

Acronyms and abbreviations

ACRONYM	DESCRIPTION
ACCC	Australian Competition and Consumer Commission
ADI	Acceptable daily intake
AFGC	Australian Food and Grocery Council
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APS	Australian Public Service
APVMA	Australian Pesticides and Veterinary Medicines Authority
ATDS	Australian Total Diet Study
CCCF	Codex Committee on Contaminants in Food
CCFA	Codex Committee on Food Additives
CCFH	Codex Committee on Food Hygiene
CCFL	Codex Committee on Food Labelling
CCFICS	Codex Committee on Food Import and Export Inspection Certification Systems
CCNFSDU	Codex Committee on Nutrition and Foods for Special Dietary Uses
COAG	Council of Australian Governments
Codex	Codex Alimentarius Commission and its committees
EEO	Equal Employment Opportunity
FARMC	Finance, Audit and Risk Management Committee
FAO	Food and Agriculture Organization
FDA	U.S. Food and Drug Administration
FOI	Freedom of Information
Food Standards Code	Australia New Zealand Food Standards Code
FRSC	Food Regulation Standing Committee
FSANZ	Food Standards Australia New Zealand
FSANZ Act	<i>Food Standards Australia New Zealand Act 1991</i>
GM	Genetically modified
HACCP	Hazard analysis and critical control points
IGA	Inter-Government Agreement
ILSI	International Life Sciences Institute

ACRONYM	DESCRIPTION
INFOSAN	International Food Safety Authorities Network
ISFR	Implementation Subcommittee for Food Regulation
JECFA	Joint Expert Meeting on Food Additives
Ministerial Forum	Australia New Zealand Ministerial Forum on Food Regulation
MPI	Ministry for Primary Industries (New Zealand)
MoU	Memorandum of Understanding
MRL	Maximum residue limit
NESB1	Non-English speaking Background 1
NHMRC	National Health and Medical Research Council
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NUTTAB	Nutrient content of food in Australia (publication)
OBPR	Office of Best Practice Regulation
OECD	Organization for Economic Cooperation and Development
OGTR	Office of the Gene Technology Regulator
PFAS	Per- and poly-fluoroalkylated substances
PFOS	Perfluorooctane sulfonate
QUADS	Food Safety Quadrilateral meetings, involving Australia, New Zealand, Canada and the United States
SCSC	APEC Sub-Committee on Standards and Conformance
SES	Senior Executive Service
TDI	Tolerable daily intake
TGA	Therapeutic Goods Administration
WHO	World Health Organization
WTO	World Trade Organization
WHS	Work Health and Safety

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