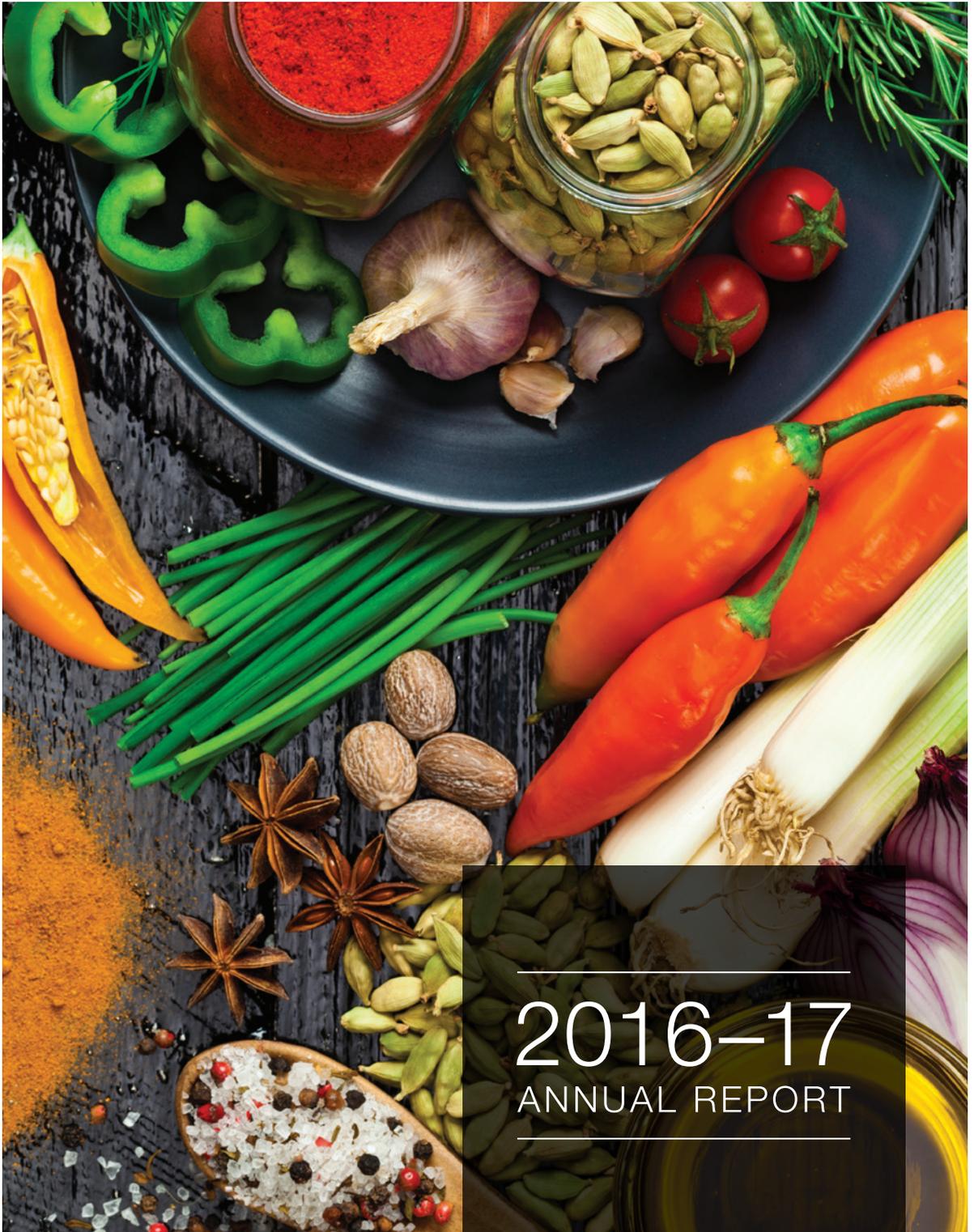




FOOD STANDARDS
Australia New Zealand
Te Mana Kounga Kai - Ahitereiria me Aotearoa



2016-17
ANNUAL REPORT



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

FSANZ Australia

PO Box 5423
Kingston ACT 2604
AUSTRALIA
Ph: +61 2 6271 2222
Fax: +61 2 6271 2278

FSANZ New Zealand

PO Box 10559,
Wellington 6143
NEW ZEALAND
Ph: +64 4 978 5630
Fax: +64 4 473 9855



2016-17

ANNUAL REPORT

Letter of transmittal

The Hon Dr David Gillespie MP
Assistant Minister for Rural Health
Parliament House
Canberra ACT 2600

Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2017

I am pleased to present to you the Annual Report of Food Standards Australia New Zealand for the year ended 30 June 2017.

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

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

The Food Standards Australia New Zealand Board is responsible for preparing the report, which is made in accordance with a resolution of FSANZ Board Members (Directors).

Yours sincerely



Robyn Kruk
Chair – Food Standards Australia New Zealand Board
October 2017

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Chief Executive Officer's review



As the relatively new Chief Executive Officer (CEO) of Food Standards Australia New Zealand I have already come to greatly appreciate the work, expertise and dedication of the talented staff of the

agency and the contribution they make to the food regulation system.

FSANZ has an enviable reputation as a developer of evidence-based standards. Our contribution as a coordinator during food incidents and recalls and to surveillance activities also contributes to this reputation as does our active participation in international work.

This past year has seen some significant changes for the agency and new priorities established by ministers responsible for food regulation, as outlined below. We also have a new Board chair, Ms Robyn Kruk AM, and over the coming months three new Board members will be appointed. These changes, together with new priorities identified by ministers, offer the agency an opportunity to look at the way we work and our role in the system including how we can better contribute to that system.

Regulatory and non-regulatory highlights

In April 2017, ministers responsible for food regulation chose not to seek a review of FSANZ's approval of food derived from low-THC hemp in March. The standard has now been made law, with a six month transition period. FSANZ received the very first application to permit food from hemp back in 2001 and a further application was made in 2010. Due to a number of concerns relating to subjects outside of FSANZ's remit,

FSANZ's approvals of both applications were rejected by ministers. At the third application ministers sought a review of FSANZ's decision and asked for a range of work to be undertaken to address concerns, some of which was undertaken by other agencies. FSANZ was then asked to develop a new proposal to change the Code. FSANZ staff dedicated an enormous amount of time and effort to the review and associated proposal work.

Labelling

This year FSANZ completed its work associated with recommendations arising from an independent review of food labelling that finished in 2009. After considering the labelling review recommendations, ministers responsible for food regulation asked FSANZ to action 21 of these. In April this year the final report to ministers was presented, bringing to a close work that has involved the production of 30 reports including scientific reviews of evidence (including social science) relating to subjects as diverse as trans fatty acids and the labelling of irradiated food.

Anniversary event

In August 2016, FSANZ marked 25 years of setting national food standards and held a scientific symposium bringing together more than 260 attendees—from consumer, industry, public health and government sectors—to discuss food safety and public health issues. The event was a great success and gave all participants, including FSANZ staff, an opportunity to reflect on the organisation's achievements.

At the same time, FSANZ also celebrated 20 years of collaboration between Australia and New Zealand in food standards setting. A scientific symposium was held in Wellington, New Zealand, marking 20 years of the Australia New Zealand Food Treaty. The symposium was attended by more than 100 guests.

Food safety and coordination

FSANZ coordinates the Bi-National Food Safety Network (the Network), a mechanism for national coordination and early information sharing and communication on food incidents. The Network includes all Australian state and territory food enforcement agencies, the Australian Government Department of Health, the Australian Government Department of Agriculture and Water Resources and the New Zealand Ministry for Primary Industries. During 2016–17 twelve issues were referred to the Network, including the multi-jurisdictional outbreak investigation of *Salmonella* Hvittingfoss associated with rockmelons.

Future priorities

In April this year ministers responsible for food regulation set three priorities for the food regulation system. This system is made up of FSANZ as the standard setting body, policy makers at the ministerial level and enforcement agencies (state and territory bodies, the New Zealand Ministry for Primary Industries and the Australian Government Department of Agriculture and Water Resources for imported food).

The priorities for 2017–2021 are:

- reduce foodborne illness, particularly related to *Campylobacter* and *Salmonella*
- support public health objectives to reduce chronic disease related to overweight and obesity
- maintain a strong, robust and agile food regulation system.

These three objectives will be a key consideration in determining FSANZ's strategic direction over the next four years and are recognised in our corporate planning and performance documents for 2018 onwards. They provide an incentive to more regularly and diligently review the effectiveness of food standards and ensure that standards remain fit for purpose in a changing environment.

Finally, I would like to pay tribute to my predecessor, Mr Steve McCutcheon, who left the agency after nine years at the helm. Mr McCutcheon was highly respected by FSANZ's stakeholders and staff. His sound and steady leadership helped to ensure FSANZ maintained the trust and respect of stakeholders. I am committed to ensuring that this trust and respect is maintained along with our reputation for delivering evidence-based standards.



Mark Booth
Chief Executive Officer

2016–17 HIGHLIGHTS



Gazetted **15 applications** and **four proposals** to amend the Australia New Zealand Food Standards Code

Coordinated **61 food recalls** – mainly due to **undeclared allergens**



Celebrated **25 years** of setting national food standards and **20 years** of collaboration between Australia and New Zealand in food standards setting

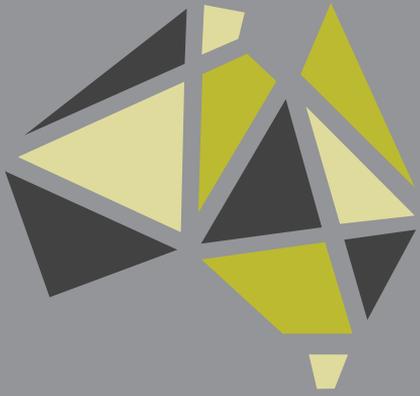
70%



Our recent stakeholder survey showed **overall satisfaction with FSANZ has grown** in the last two years to over 70 percent (up three percent from 2014)



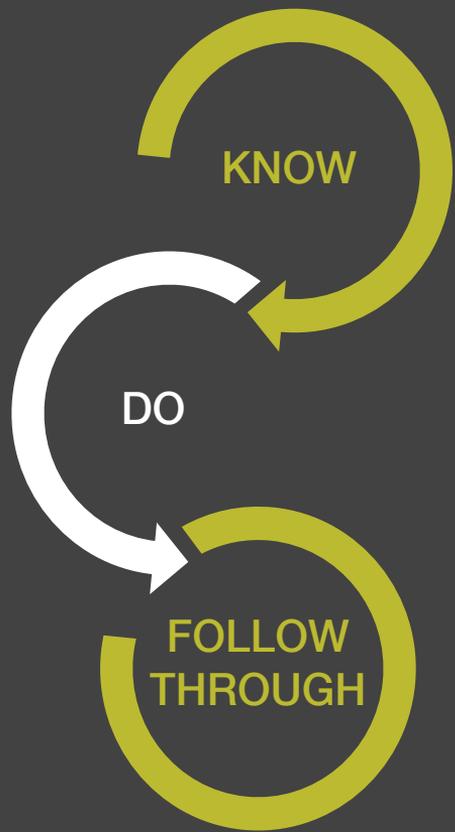
Completed the last action of 21 relating to recommendations from an **independent labelling review**



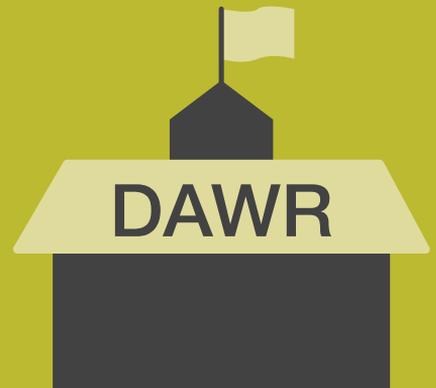
Published an updated version of **Safe Food Australia**



Delivered a comprehensive report to the Commonwealth Department of Health on Australian guidance values for assessing exposure to perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA)



Developed a new food safety hub for all information related to food safety including new resources on food safety culture



Completed a review of the advice for currently listed 'risk category foods'. In total, 61 food hazard risk statements were provided to the Department of Agriculture and Water Resources

About FSANZ

Purpose

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

FSANZ is established by the *Food Standards Australia New Zealand Act 1991*, which was enacted to implement an Intergovernmental Agreement between the Australian

Government and all states and territories and a treaty agreement between Australia and New Zealand. The objective of the Food Standards Australia New Zealand Act is to ensure a high standard of public health protection throughout Australia and New Zealand and the objective of FSANZ is a safe food supply and well-informed consumers.

FSANZ's operating environment, structure and processes are detailed in Appendix 1.



FSANZ CEO Steve McCutcheon speaks at the 25th Anniversary Symposium 2016 event.

Organisation chart



ORGANISATION CHART

As at 30 June 2017.

Annual performance statements

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

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

Through Program 1.1 the Australian Government aims to:

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

FSANZ outcome and program

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

The qualitative deliverables set by the portfolio agency and FSANZ's performance against those deliverables are detailed below. FSANZ's performance against the deliverables is also detailed in chapters 1–3.

Qualitative deliverables	2016–17 reference point or target	Performance
Food regulatory measures are considered in a timely manner.	Applications are assessed within 12 months or less as required by the FSANZ Act.	All applications finalised this financial year were completed within statutory timeframes.
Food regulatory measures developed by FSANZ are approved by the Australia and New Zealand Ministerial Forum on Food Regulation.	Food regulatory measures are considered by the Forum in accordance with the schedule outlined in the FSANZ Work Plan.	All approved draft variations were considered by ministers, with no requests for review.
Manage the operation of the Bi-National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol.	Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.	12 incidents were managed and completed under the Bi-National Food Safety Network.
FSANZ makes a valuable contribution to ensuring that the food regulatory system is implemented consistently.	Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.	12 incidents were managed and completed under the Bi-National Food Safety Network.
Participate in the ongoing implementation of the whole-of-government response to the <i>Labelling Logic</i> report.	Provide technical evaluation and advice to support the whole-of-government response in relation to outstanding recommendations 12 and 34.	Final reports for recommendations 12 and 34 were presented to Ministers in November 2016 and April 2017 respectively.
FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.	Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.	Our 2017 stakeholder survey revealed overall satisfaction with FSANZ has grown to over 70 percent (up three percent from 2014).

Performance measures – Corporate Plan

The performance measures below are detailed in FSANZ's Corporate Plan. They relate to the strategic intents identified by the FSANZ Board and are objectives for a four year period.

Performance measure	Outcome
FSANZ will help review the Forum's Overarching Statement of the food regulatory system, to endorse the repositioning of FSANZ as a contributor to broader food policy.	FSANZ participated in a review of the Overarching Statement.
FSANZ will enhance its policy development capability and further develop its approach to risk management as a distinct professional discipline.	FSANZ has undertaken a major review of its project management procedures and worked with risk managers to develop their policy skills.
FSANZ will report on action taken by it to reduce the regulatory impact of the food regulatory system, no later than 31 December each year.	FSANZ worked with other agencies to reduce the requirements of the Code relating to country of origin labelling.
FSANZ will make food-related data holdings available through its website by 2017–18.	FSANZ continued to provide NUTTAB and the Nutrition Panel Calculator.
Processes are revised to permit reallocation of resources.	Revision of processes has provided capacity to reduce staffing in operational and support areas.
FSANZ will develop a new digital portal to position FSANZ as an authoritative source of information and the prime custodian of the evidence base for regulating food in Australia and New Zealand and to contribute to the Australian Government initiatives to make data and information holdings in the public sector more available to the community.	FSANZ undertook user testing and stakeholder research in 2016–17 to further inform this work. Improvements will be made and tested in the next financial year.
Provide a leading role in international food regulation and food safety fora.	FSANZ has attended a number of international meetings in 2016–17. These are detailed on page 26 of this report.
FSANZ will publish an emerging risks report no later than 31 December each year.	The report was published in early February 2017.
FSANZ will develop new engagement systems to connect with small and medium enterprises and educators.	A strategy has been developed to reach small to medium size enterprises. A strategy to reach educators will be completed in 2017–18.
FSANZ will publish a four year budget on the website.	Incomplete.
FSANZ will align its workforce to meet the requirements of its strategic intent.	FSANZ has commenced a restructure, including through the conduct of a voluntary redundancy program.



DEVELOP FOOD REGULATORY STANDARDS — OR CONTRIBUTE TO OTHER CONTROL MEASURES USING THE RISK ANALYSIS PROCESS

Highlights

Consumer and social sciences research

Standards development

Australia and New Zealand Ministerial Forum
on Food Regulation (the Forum)

DEVELOP FOOD REGULATORY STANDARDS—OR CONTRIBUTE TO OTHER CONTROL MEASURES USING THE RISK ANALYSIS PROCESS

Highlights

Review of microbiological criteria

FSANZ continued its review of microbiological criteria in the Food Standards Code during 2016–17, publishing the [Compendium of Microbiological Criteria for Food](#)¹ on the FSANZ website in October 2016. The Compendium includes revised guideline criteria for ready-to-eat foods and process hygiene criteria (microbiological criteria applied to verify hygiene measures or control of process) for powdered infant formula products and chicken meat. The compendium will be updated and added to as the review continues. Assessment of the meat and dairy sectors and low moisture foods will be progressed during 2017.

P1042 – Low-THC hemp seeds as food

During 2016–17, FSANZ completed work relating to the proposal to permit the sale of food containing low-THC hemp. This work included a consideration of law enforcement issues, marketing and labelling, and cannabinoids other than THC that may be present in hemp foods. In April 2017, ministers responsible for food regulation considered FSANZ's approval of a proposal to permit the sale of low-THC hemp foods. Ministers did not seek a review of the

decision, which meant low-THC foods would be permitted for sale six months after gazettal. The six month period allowed jurisdictions time to amend respective legislation, which is required to support the legal sale of low-THC hemp seed foods in Australia and New Zealand.

P1026 – Lupin as an allergen

During 2016–17, FSANZ completed work on the analysis of the cost and benefits associated with managing the risk of allergy arising from food containing lupin. In May 2017, the Food Standards Code was changed to require lupin to be declared when present in a food as an ingredient or component of ingredients including food additives and processing aids. However, there is a 12-month transition period to allow food businesses time to comply with the mandatory declaration. From 26 May 2018, all foods must comply with the new requirement.

Health claims

Since Standard 1.2.7 – Nutrition, Health and Related Claims was gazetted in 2013, FSANZ has been considering whether to include food-health relationships from 32 EU-authorized health claims in the Food Standards Code. These relationships are in addition to 183 food-health relationships from EU-authorized claims that were already in the Food Standards Code at gazettal. FSANZ has started work on developing a way to maintain the scientific currency of pre-approved food-health relationships in the Food Standards Code.

1 <http://www.foodstandards.gov.au/publications/Pages/Compendium-of-Microbiological-Criteria-for-Food.aspx>

In August 2016, FSANZ publicly released decisions about food-health relationships from nine EU-authorised health claims. This work included a systematic review of the evidence for relationships between docosahexaenoic acid and normal brain and vision function. Consideration of a further 17 relationships is nearing completion. The review of the currency of three existing high level health claims relationships is also nearing completion.

The Health Claims Scientific Advisory Group met in August and November 2016 to provide expert advice on outcomes from three systematic reviews. FSANZ has also continued to monitor overseas health claims approvals via participation in an international health claims liaison group which includes representatives from the European Food Safety Authority, the United States Food and Drug Administration, Health Canada and the New Zealand Ministry for Primary Industries.

Proposal P1044 – Plain English Allergen Labelling

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

FSANZ will be seeking public comments on the proposed changes to allergen labelling later in 2017.

New breeding techniques

New breeding techniques (NBTs) are new approaches being used in plant and animal breeding and development. These techniques were not in existence at the time the standard for genetically modified (GM) foods was introduced seventeen years ago. It is unclear whether foods derived using the NBTs currently come within the scope of the GM food standard (Standard 1.5.2 Food produced using gene technology) and would be subject to pre-market safety assessment and approval.

FSANZ has started reviewing Standard 1.5.2 to consider whether foods derived from NBTs should be subject to pre-market approval as GM foods under the standard and also whether changes to the definitions in the standard may be needed to clarify the status of these products.

The review will not make any changes to the standard but will result in recommendations for FSANZ to consider. FSANZ has established an Expert Advisory Group on New Breeding Techniques (Appendix 8) to assist with the review. The group's main role will be to provide advice on the current science of NBTs and any related safety issues as well as stakeholder concerns about the application of Standard 1.5.2 to foods derived from NBTs. During the course of the review, FSANZ intends to seek input from a wide range of stakeholders through public consultation.

The review is expected to take about 12 months to complete. One possible outcome of the review is that FSANZ may prepare a proposal to amend Standard 1.5.2. If this occurs, it will be a separate process involving additional public consultation.

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

Based on extensive feedback received following an earlier call for submissions, FSANZ undertook additional public consultation in June 2017 to help refine the proposed new regulatory pathways for nutritive substances and novel foods. Additional consultation will be undertaken during 2017–18 to develop eligible food criteria that will help fast-track low risk foods with a history of safe use onto the market.

Bovine spongiform encephalopathy (BSE)

FSANZ completed the full assessment on Sweden in August 2016, and Sweden was assigned a Category 1 status for its BSE food safety risk. No further applications for an Australian assessment of country BSE food safety risk were submitted to FSANZ in 2016–17. Annual BSE update data was received from Argentina, Brazil, Chile, Croatia, Japan, Latvia, Lithuania, Mexico, the Netherlands, New Zealand, Sweden, the United States, and Vanuatu. The previously assigned BSE food safety status was reconfirmed for all these countries. The assessment of new countries seeking BSE food safety status, and annual monitoring of countries with existing safety status, will continue to be conducted according to the [Australian Government's BSE policy](#)².

Maximum Residue Limits (MRLs) of agricultural chemicals in food commodities

Proposal P1027 Low level MRLs for inadvertent agricultural chemical residues in food commodities and Application A1133 MRLs for Avilamycin were completed and gazetted. Work continues on the 2016 MRL

2 <http://www.foodstandards.gov.au/industry/bse/bseimports/pages/default.aspx>

harmonisation proposal M1014 to complete it before the end of the calendar year. M1014 was delayed due to the unprecedented number of requests (546 chemical-food commodity combinations) and the need to use the newly available food consumption data from the 2011–13 Australian Health Survey in estimating dietary exposure.

FSANZ continues to liaise closely with the Australian Pesticides and Veterinary Medicines Authority and the Australian Government Department of Agriculture and Water Resources to ensure the safety of chemical residues that may be present in the Australian food supply.

Voluntary addition of vitamin D to breakfast cereal

FSANZ completed a review of its decision to permit the addition of vitamin D to all breakfast cereal to a maximum claim amount of 2.5 micrograms per normal serve. FSANZ carefully considered the Forum's clarification of the Policy Guideline Fortification of Food with Vitamins and Minerals notified in 2015. FSANZ proposed to amend its previous decision by restricting the permission to breakfast cereal that met the Food Standards Code's nutrition profiling scoring criterion. FSANZ consulted on amended drafting in July 2016 and, without further amendment, completed its review report in October 2016.

Regulatory analysis

FSANZ has continued to meet the requirements of the Council of Australian Governments Best Practice Regulation Guidelines for the 2016–17 financial year. This included approval by the Office of Best Practice Regulation of a Decision Regulatory Impact Statement on the mandatory allergen labelling of lupin.

In support of FSANZ's regulatory analysis, a methodological framework for estimating government costs has been created and work has continued on updating and improving our cost of illness modelling.

Consumer and social sciences research

A key focus for consumer and social sciences at FSANZ in 2016–17 has been developing the evidence base for Proposal P1028 – Infant Formula. FSANZ supported an Australian Research Council (ARC) Linkage Project application by the University of Adelaide to conduct social science research to support the assessment of P1028. The application was submitted in December 2016. Outcomes are generally announced within six months of an application being submitted. In April 2017 FSANZ commissioned an online survey to support the assessment of P1028. The survey, which will be conducted across Australia and New Zealand, will explore caregivers' infant formula information use, the preferences of caregivers and their infant formula related knowledge, attitudes and behaviours.

The publication of a Consumer Label Survey in October 2016 was a significant achievement for FSANZ. The survey examined consumers' food label use and understanding in Australia and New Zealand. The findings informed FSANZ's response to Recommendation 12 of the Labelling Review. The survey also provided information on consumers' use of a range of food label elements, which will be valuable for a range of future FSANZ projects.

FSANZ continued to draw on international expertise in applying the economic and behavioural sciences to FSANZ's regulatory practice. The International Social Sciences Liaison Group and the Food Safety Regulatory Economics Working Group—both chaired by FSANZ—provided input from and exchange among, economists and social scientists from international risk agencies from the United States, Canada, the United Kingdom, New Zealand and Australia.

Standards development

Information about how FSANZ assesses applications and proposals (including different assessment procedures) can be found in the [Application Handbook](#)³. The assessment process is open and transparent. Applications and proposal documents and related materials are published on the FSANZ website unless the information is confidential commercial information or when we have been asked to keep certain information confidential.

Stakeholders can [subscribe to a number of publications](#)⁴ to stay up to date on the progress of applications and proposals and other FSANZ work. The [FSANZ Work Plan](#)⁵ also details all applications and proposals FSANZ is working on. The plan is reviewed regularly.

Work Plan

FSANZ is required to develop and publish a three-year forward plan for applications and proposals on which it intends to develop standards or variations to standards, no later than 30 June each year.

The FSANZ Executive formally reviews the Work Plan every month. New unpaid applications and proposals do not appear on the plan until the executive considers their priority and approves timeframes and resources.

FSANZ called for submissions on the Work Plan on 16 May 2016. One submission was received.

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

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

4 <http://www.foodstandards.gov.au/media/Pages/default.aspx>

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

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

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

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

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

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

Table 3: Total applications received and accepted onto the work plan and proposals prepared

	2013–14	2014–15	2015–16	2016–17
Applications	4 ¹	18	19 ²	12
Proposals	6 ³	6	5	3
TOTAL	10	24	23	15

1 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.

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

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

Table 4: Applications and proposals finalised

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

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

Tables 3 and 4 summarise FSANZ's performance in developing food standards.

Further information on the above can be obtained from Appendix 2. There also may be some discrepancies between Tables 5 and 8 where decisions have been made in one financial year and the notification of decisions are made in the next financial year.

Table 5 provides information about any significant variation from the timetable established in the Work Plan for the consideration of applications and proposals during 2016–17.

Table 5: Reasons for significant delays in considering applications and proposals in 2016–17

Application/ Proposal	Step	Variation*	Reason
A1102 – L-carnitine in Food	Assessment, preparation of draft food regulatory measure and call for submissions	2 years	Delay due to other work priorities, resourcing issues and the complexity and scope of the application.
A576 – Labelling of Alcoholic Beverages with a Pregnancy Health Advisory Label	Draft assessment	8 years 5 months (from date final assessment due)	Work has been deferred until 2017 at the request of the applicant.
P1024 – Revision of the Regulation of Nutritive Substances & Novel Food	Assessment	3 years 8 months	Delay due to the complexity of issues. There are also resourcing issues.
P1028 – Infant Formula Products	Assessment	2 years	Delay due to complexity of issues and delay to release of consultation paper. Note: Scope of project has been limited to infant formula due to resourcing issues. Timelines have therefore been changed and consultation opportunities reduced.
P1030 – Health Claims – Formulated Supplementary Sports Foods & Electrolyte Drinks	Approval	2 years 9 months	Delay due to complexity of issues raised in submissions and other work priorities. An additional call for comment is planned.
P290 – Food Safety Programs for Catering Operations to the General Public	Final Assessment	12 years (from date final assessment due)	Delayed pending further implementation strategy work required by jurisdictions.

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

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

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

Australia and New Zealand Ministerial Forum on Food Regulation (Forum)

Table 7: Notification outcomes

	2013–14	2014–15	2015–16*	2016–17
Approval decisions notified	12	18	23	15
Final assessment decisions notified	0	1	0	0
Requests for review	0 (0%)	1 (5.5%)	0 (0%)	0 (0%)
Review decisions notified	0	1	0	0

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

Reviews requested by the Forum

A request for the review of a FSANZ decision to amend the Code may be sought by a majority of members of the Forum, that is, six out of 10 following a notification of the FSANZ Board's decision on a draft standard or variation to a standard.

No reviews were requested in 2016–17.

Ministerial policy guidelines and statements

The Forum is responsible for developing food regulatory policy for domestic and imported foods and the development of 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.

Additional work requested by the Forum

In **November 2016 ministers**⁶ discussed the current food regulation system and while noting that it continues to deliver a high level of protection to public health and safety, there is a need to ensure it is responsive to changing trends in the food supply chain including foods that are new to the Australian and New Zealand diets. Ministers identified synthetic foods as an emerging area of interest and asked FSANZ to prepare a report for the next Forum meeting on the potential safety, nutritional and labelling issues that might need to be considered to maintain Australia's and New Zealand's reputation as producers of safe, high quality food.

At the same meeting ministers agreed that in relation to allergen labelling, further work be undertaken by FSANZ through the Allergen Collaboration to promote the uptake of voluntary labelling initiatives and that a report be provided to the Forum within 12 months. Ministers also acknowledged the work to date by industry.

6 <http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/forum-communique-2016-november>

Ministers also asked FSANZ, in consultation with the Food Regulation Standing Committee to prepare a program of work to further investigate labelling approaches to providing information on sugars in food.

In April 2017 Ministers agreed to further work, including more evidence gathering by FSANZ on consumer understanding and behaviour and international approaches to sugar labelling. The Australian Government Department of Health will provide an update on the policy context. That work is expected to be presented at the Forum’s next meeting in November 2017.

Ministers also considered FSANZ’s report on synthetic foods and no further action was required by FSANZ.

Gazettal of variations 1 July 2016 to 30 June 2017

Variations to standards arising from 15 applications were gazetted (compared to 14 in 2015–16). Variations to standards arising from 4 proposals were gazetted (compared to 11 in 2015–16). The decrease from last year is explained by numbers returning to more average figures after last financial year’s larger figures. See Appendix 4 for more detail.

Table 8: Gazettal of variations to the Code

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

Maximum residue limits

The Australian Pesticides and Veterinary Medicines Authority (APVMA) has the power to amend permitted maximum residue limits (MRLs) in Schedule 20 as a result of amendments to domestic use of agricultural and veterinary chemicals (see Appendix 4 for further information).

FSANZ is 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 notifies the public via its Notification Circular of progress with any proposed amendments during the APVMA’s MRL consideration process.

Maximum residue limits— Assessment of APVMA dietary exposure assessments

FSANZ works closely with the APVMA to approve dietary exposure assessments (DEA) conducted by the APVMA relating to its regular agricultural chemical residue evaluations.

Table 9: DEA notifications and approvals

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



COORDINATE NATIONAL RESPONSE AND MONITORING

National response
Monitoring



COORDINATE NATIONAL RESPONSE AND MONITORING

National response

Food incidents

FSANZ coordinates the Bi-National Food Safety Network (the Network), a mechanism for national coordination and early information sharing and communication on food incidents. The Network includes all Australian state and territory food enforcement agencies, the Australian Government Department of Health, the Australian Government Department of Agriculture and Water Resources and the New Zealand Ministry for Primary Industries. During 2016–17 twelve issues were referred to the Network, including the multi-jurisdictional outbreak investigation of *Salmonella* Hvittingfoss associated with rockmelons.

FSANZ held a third National Food Safety Incident Response Forum for government and industry stakeholders in June 2017. This included a plenary session that looked

at the *Salmonella* Hvittingfoss in rockmelons food incident in August 2016 including:

- the epidemiological investigation
- industry, retailers and government perspectives, incorporating lessons learnt and communication materials
- the use of genomics in public health investigations
- the role of food safety culture.

These workshops continue to provide an opportunity to network and share ideas with industry and government stakeholders and to gain a better understanding of challenges and hurdles in food safety incident management.

Food recalls

There were 61 food recalls coordinated by FSANZ from 1 July 2017–30 June 2017 (Figure 1). The recalls were mainly due to undeclared allergens (Figure 2).

Figure 1: Number of recalls by month (1 July 2016–30 June 2017).

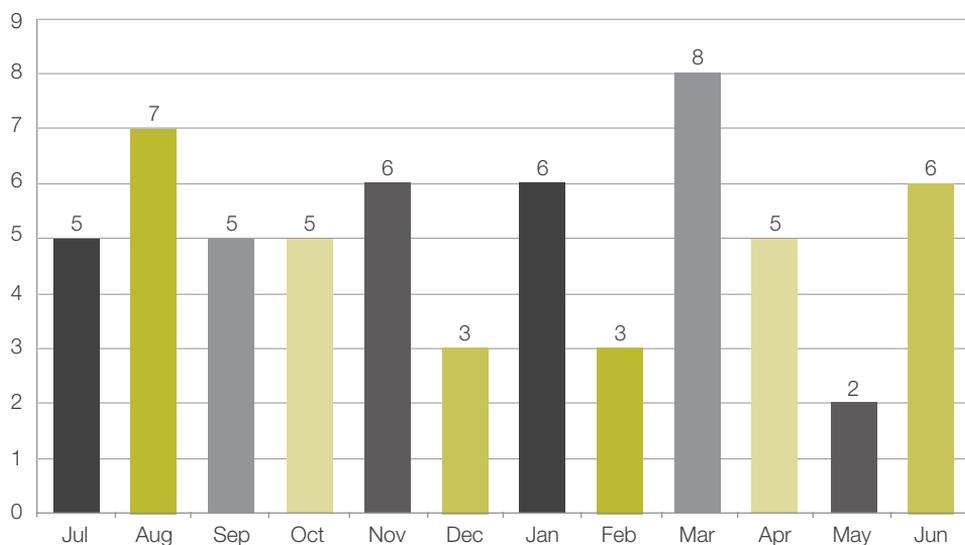
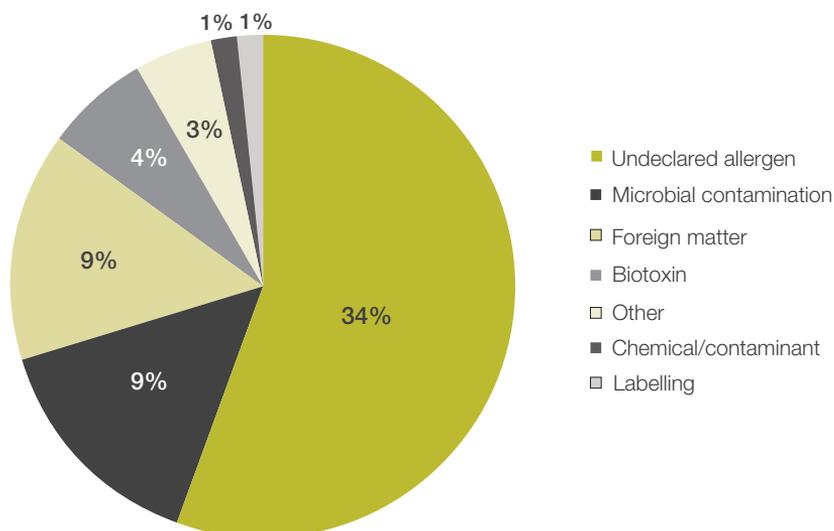


Figure 2: Reason for recalls



In July 2016, at the request of the state and territory food enforcement agencies, FSANZ added new questions about the root cause of the undeclared allergen recalls to the post recall report. FSANZ reviewed 26 allergen-related recalls and identified four broad categories of how problems occur:

- lack of skills and knowledge of labelling requirements (e.g. pasta was declared as an ingredient, but wheat was not. Manufacturers using reformulated ingredients did not reflect new ingredients on labelling. Ingredients were not fully-translated into English from the original language)
- supplier verification issues (e.g. raw ingredient contained allergen but this information was not passed on to the manufacturer)
- packaging errors (e.g. product packed in the wrong packaging. Dairy free claim on front of packet when it was meant to be a gluten free claim (ingredient list was correct))
- accidental cross contamination either of a raw ingredient, or during the final production process.

Food safety culture

The concept of ‘food safety culture’ as an important part of effective food safety management is being actively looked at internationally and domestically by industry and government. Food safety culture is how and what everyone in a company or organisation thinks about food safety and how they act in their daily job to produce safe and suitable food.

In 2016–17 FSANZ led several activities with a broad range of stakeholders including food regulatory agencies from all levels of government and large and small food businesses, to promote and improve food safety culture. Key activities were:

- running a national forum to discuss food safety culture in Australia and how it can be strengthened
- forming a food safety culture partnership to progress work in this area
- developing several resources to help businesses gauge the strength of their food safety culture and to build or enhance it.

These resources include guidance, a simple questionnaire and checklists of actions and are available on the FSANZ website.

Food Safety Culture



Food safety is
everyone's
responsibility



Avoid illness
and other costs
of mistakes



A trustworthy
product and
brand



Safe behaviour
makes safe
food

FSANZ staff also presented on food safety culture at several government/industry events at the request of state regulatory agencies and industry bodies.

During the rest of 2017 FSANZ will continue this work, including running a second national forum and developing further resources for industry and regulators.

Monitoring

Australian Total Diet Study

FSANZ's Australian Total Diet Study (ATDS) is the most comprehensive ongoing monitoring survey of the Australian food supply which investigates Australian consumers' dietary exposure to agricultural and veterinary chemicals, metal contaminants and other substances. The ATDS provides FSANZ with a scientific evidence base to assess and monitor the safety of the Australian food supply, and ensure the continued effectiveness of food regulatory measures.

The 25th ATDS, including agricultural and veterinary chemicals, metal contaminants

and various natural and anthropogenic radionuclides is due for publication in late 2017. The 26th ATDS began in April 2017 and includes analysis of a broad range of Australian foods and beverages for various compounds classified as persistent organic pollutants, including dioxins and dioxin-like compounds.

Implementation Subcommittee for Food Regulation Surveillance and Monitoring Working Group

FSANZ chairs the Implementation Subcommittee for Food Regulation (ISFR) Surveillance and Monitoring Working Group, which serves as a forum for jurisdictions in Australia and New Zealand to discuss, plan and implement coordinated food survey activities and strategic data generation to address ISFR priorities. The group revises a three-year Coordinated Food Survey Plan annually, which identifies and prioritises nationally coordinated survey activities. The resulting **food survey reports**⁷ are made publically available on the FSANZ website.

⁷ <http://www.foodstandards.gov.au/science/surveillance/pages/isccomponent1.aspx>



COLLECT AND PROVIDE FOOD RELATED INFORMATION AND PROVIDE FOOD RELATED ADVICE

Review of Safe Food Australia

Labelling Review

Sugar labelling

Health claims

Information hub

Notification circulars

Food safety hub



COLLECT AND PROVIDE FOOD RELATED INFORMATION AND PROVIDE FOOD RELATED ADVICE

Review of Safe Food Australia

In 2016–17 FSANZ completed the review of *Safe Food Australia* (2001 edition), the widely used explanatory guide to food safety standards. Broad consultation, particularly with state, territory and local food enforcement agencies, has ensured the information is fit for purpose and based on current scientific evidence and food safety risks. The revised edition was published on the FSANZ website in November 2016⁸. It is available in a mobile-friendly digital format and in hard copy.



8 <http://www.foodstandards.gov.au/publications/Pages/safefoodaustralia3rd16.aspx>

Labelling Review

In 2009, the then Australia and New Zealand Food Regulation Ministerial Council now known as the Australia and New Zealand Ministerial Forum on Food Regulation commissioned an independent review of food labelling law and policy. In 2011, the Forum agreed on a response to the recommendations of the review report *Labelling Logic: Review of Food Labelling Law and Policy (2011)* (Labelling Logic).

FSANZ was tasked with action relating to 21 of the 61 recommendations from Labelling Logic.

FSANZ completed work on 10 of the assigned recommendations between 2012–15. Nine other recommendations allocated to FSANZ included work that was complete and/or required a watching brief, or it related to initiatives that were the responsibility of others. FSANZ is assisting with these recommendations as required.

During 2016–17 FSANZ progressed work in response to a recommendation about the labelling of added sugars, added fats and/or added vegetable oils in the ingredient list (recommendation 12). FSANZ's technical evaluation and advice was considered by the Forum in November 2016.

FSANZ also completed work on reviewing the need for mandatory labelling of irradiated food (recommendation 34). Targeted and public consultation was undertaken to investigate economic and technical issues and stakeholder views on the requirement. Findings from existing literature on the impacts of removing mandated food irradiation labelling on consumers, and from a consumer study on the value of food irradiation labelling to

Australian and New Zealand consumers were also included. The report was considered by the Forum in April 2017.

FSANZ has now completed its Labelling Review work program.

Sugar labelling

In November 2016, in response to FSANZ's work on labelling review recommendation 12 (ingredient labelling of added sugars, added fats and added vegetable oils), the Forum asked FSANZ, in consultation with the Food Regulation Standing Committee (FRSC), to prepare a program of work to further investigate labelling approaches for providing information on sugars in food.

The work program was agreed by the Forum at its meeting in April 2017 and includes:

- evidence gathering by FSANZ on consumer understanding and behaviour
- international approaches to sugar labelling
- consideration of the broader policy context for which the Australian Government Department of Health has responsibility.

This work is expected to be presented to the Forum in late 2017.

Health claims

Since Standard 1.2.7 – Nutrition, Health and Related Claims was gazetted in 2013, FSANZ has been considering whether to include food-health relationships from 32 EU-authorized health claims in the Food Standards Code. These relationships are in addition to 183 food-health relationships from EU-authorized claims that were already in the Food Standards Code when it became law.

In August 2016, FSANZ publicly released decisions about food-health relationships from nine EU-authorized health claims. This work included a systematic review of the evidence for relationships between docosahexanoic acid and normal brain and vision function. Consideration of a further 17 relationships is nearing completion. The review of the currency of three existing high level health claims relationships is also nearing completion.

The Health Claims Scientific Advisory Group met in August and November 2016 to provide expert advice on outcomes from three systematic reviews. FSANZ has also continued to monitor overseas health claims approvals through participation in an international health claims liaison group which includes representatives from the European Food Safety Authority, the United States Food and Drug Administration, Health Canada and the New Zealand Ministry for Primary Industries.

Information hub

In August 2016 the FSANZ Executive approved a five-year plan for an information hub project. The information hub pulls together a number of existing and new activities being undertaken under the FSANZ Communication and Stakeholder Strategy, the ICT Strategy and the Data Management Strategy.

Key parts of the project completed during 2016–17 include the completion of standard operating procedures for how FSANZ manages its data. These procedures include criteria for registering scientific data in a FSANZ data registry and for publication of data sets on our website and on data.gov.au. These developments are in line with the Australian Government Department of Prime Minister and Cabinet's Open Data Platform Policies.

FSANZ is also reviewing its NUTTAB reference food composition dataset.

The information hub project also aims to strengthen FSANZ's digital presence. FSANZ undertook user testing of the current website in 2016–17, as well as stakeholder workshops to identify priority areas for improvement. Improvements to the website are planned for 2017–18 as a result of this work.

Notification circulars

Notification circulars include notices that are required to be given to the public, submitters and appropriate government agencies under the FSANZ Act. Stakeholders, including applicants, submitters or those who have indicated an interest in a particular application or proposal mentioned in a circular are advised of its publication. Circulars may also mention other matters of interest to FSANZ's stakeholders including cost recovery information or decisions relating to BSE country categories.

In addition, FSANZ maintains a subscription list of over 5300 stakeholders who have registered to receive alerts when any circular is published. Circulars are published on the FSANZ website. Any applicant, submitter or those who have indicated an interest in a particular application or proposal mentioned in a circular without an email are sent hard copies of the specific circular.

Table 10: Notification circulars published

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

Food safety hub

FSANZ has consolidated our food safety web pages into a Food Safety Hub, which provides a single access point from the website's home page. The hub is divided into four main areas:

- standards, guides and other information—outlining the regulatory requirements related to food safety and links to useful guides and fact sheets
- food recalls, incidents and consumer advice—explaining what's involved in recalling food as well as information for the public on past food incidents and specific food safety topics
- food safety culture—explaining what food safety culture is, why it's important and how food businesses and regulators can work together to improve it
- featured content—highlighting new publications, videos, key messages, etc.

The hub's content will be further improved and added to over the coming months, particularly in the area of food safety culture.



KEY ENABLERS

Enabler 1:
Risk—an anticipative approach to managing risk

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

Enabler 3:
People—dedicated people with a
broad spread of specialist disciplines

Enabler 4:
Communication—a broad communication capability

Enabler 5:
Governance—good governance and effective processes

KEY ENABLERS

FSANZ's Corporate Plan identifies five key enablers (capabilities) that will operate across the agency to help staff deliver the organisation's strategic imperatives. These enablers are:

- **Risk:** an anticipative approach to managing risk
- **Science:** robust evidence and sustained, high quality scientific capacity
- **People:** dedicated people with a broad spread of specialist disciplines
- **Communication:** a broad communication capability
- **Governance:** good governance and effective processes.

■ Enabler 1: Risk

Anticipating risk

Being able to anticipate risk is crucial for an organisation like FSANZ. Risk anticipation is embedded in a number of day-to-day practices i.e. through carefully watching the media landscape, or talking with international partners and keeping an eye on scientific research relating to food regulation and food safety.

However a number of more formal processes are in place to ensure the organisation is ready to respond to emerging issues.

Emerging issues

Emerging food safety risks generally refers to a new hazard that may become a food safety risk or a known hazard due to an unexpected new exposure or increased exposure that may cause food safety risk. To reduce the adverse impact imposed by emerging food safety risks, FSANZ aims to identify early signs of emerging food safety risks (defined as emerging issues), assess the likelihood of occurrence and, when necessary, develop and implement appropriate risk mitigation measures.

FSANZ developed a framework for addressing emerging and ongoing issues in 2011. Under this framework, FSANZ collects intelligence about food safety from a range of sources, including international networks and scientific literature. FSANZ published the first Annual Report on **Emerging and Ongoing Issues**—2016⁹ in January 2017. The report describes emerging food safety issues identified by FSANZ and provides a brief description of their current status.

Responding to emerging issues

Risk advice for imported food

FSANZ plays a role in ensuring the safety of imported food by providing risk statements to the Australian Government Department of Agriculture and Water Resources (DAWR) on foods that potentially present a medium or high risk. This information is then used by DAWR to determine if foods should be classed as 'risk foods' and to determine appropriate risk management measures.

⁹ <http://www.foodstandards.gov.au/publications/Pages/Report-on-emerging-issues.aspx>

A review of the currently listed 'risk category foods' was completed in November 2016. In total, 61 food hazard risk statements were provided to DAWR and published on FSANZ's website. Planning is now progressing for transitioning into a rolling review phase, with several technical workshops already conducted. It is anticipated a framework for the ongoing review of risk advice will be in place by June 2018.

Report on per- and poly-fluoroalkylated substances (PFAS)

At the request of the Australian Government Department of Health, FSANZ completed a comprehensive review and safety assessment of three per- and poly-fluoroalkylated substances (PFAS) and recommended Australian health-based guidance values, of tolerable daily intakes (TDI) for perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA). There was insufficient evidence available to allow a separate TDI to be established for perfluorohexane sulfonate (PFHxS). These TDIs will help food regulatory authorities consistently manage contamination arising from the use of fire-fighting foams containing PFAS at civil and defence air bases and other sites. Following a call for data on the occurrence of PFAS in food we also prepared a preliminary dietary exposure assessment for people sourcing food from or near contaminated sites. There was insufficient data to carry out a dietary exposure assessment for the general population. FSANZ developed 'trigger points' (maximum concentration levels) to help state and territory food regulators determine if further investigation on food analytical results may be required and help them to develop appropriate advice about eating food grown near areas potentially contaminated with PFAS.

FSANZ also considered whether a food regulatory measure should be considered as an appropriate risk management response. FSANZ concluded that current at-site risk management measures by Commonwealth, state and territory jurisdictions to manage and reduce potential dietary exposure from these chemicals are the

most suitable risk management measures at this stage, rather than setting maximum levels for PFAS in the Code.

The FSANZ reports can be found [on the Australian Government Department of Health's website](#)¹⁰.

■ Enabler 2: Science

FSANZ Science Strategy 2016–20

The overall aim of the *FSANZ science strategy 2016–2020* is to develop and enhance our scientific capabilities, tools and partnerships to meet our current and future needs. This strategy identifies three key strategic areas: scientific capability, evidence, and collaboration. For each of these strategic areas, two strategic aims are described.

To implement the strategy effectively, during 2016–17 FSANZ continued work on developing the performance measures in the strategic areas. The focus of activities was to develop models and frameworks to enable the measurement of performance and undertake a baseline assessment. This work will continue for the duration of the strategy, with mid-term and final assessments undertaken in upcoming years. The findings will feed into the development of future strategies.

Capabilities

FSANZ staff have a broad range of scientific expertise including those in the traditional sciences such as toxicology, microbiology and nutrition. The focus of the current Science Strategy is on FSANZ's capabilities in key fields including: data science; statistics and mathematical modelling; regulatory economics; behavioural and consumer sciences; systematic reviews and meta-analysis; food contact materials and new technologies.

¹⁰ <http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-pfas.htm>

Data management strategy

The implementation of FSANZ's Data Management Strategy has continued. This strategy aims to improve the efficiency and effectiveness of FSANZ's data management practices. FSANZ's scientific data has been identified and catalogued and a system, fully integrated with the ICT operating environment, is being developed to register existing and all new scientific data commissioned or developed by FSANZ. In the future, where appropriate, FSANZ will be able to transform food data into a structured format so that it can be loaded into a database and be more easily combined with other structured data, allowing for more comprehensive and sophisticated analysis and reporting, and sharing the data more effectively.

FSANZ is actively supporting and implementing the Australian Government Public Data Policy. FSANZ is participating in the Government Open Data Community and is publishing data to the data.gov.au site.

FSANZ fellows

The FSANZ Fellows Program is a network of experts in a range of scientific disciplines who provide valuable advice and contribute to the work of FSANZ. At the end of 2016–17, there were six Fellows based in New Zealand, seven in Australia and one in Finland. During 2016–17, the FSANZ Board appointed one new Fellow for a 3-year term and the term of one FSANZ Fellow expired. A number of Fellows appointments will expire during 2017–18 and will be considered on a case-by-case basis.

Table 11: FSANZ Fellows 2016–17

FSANZ Fellow	Background/Expertise	Affiliated Institution
Professor Ken Buckle	Food science, processing and microbiology	University of New South Wales
Dr Laurence Eyres	Food technology	ECG Ltd
Professor Nigel French	Molecular epidemiology & risk research	Massey University
Professor Stephen Goodall	Health economist	University of Technology Sydney
Professor Peter Langridge	Genomics	University of Adelaide
Professor Brian Priestly	Health risk assessment	Monash University
Professor Seppo Salminen	Intestinal micro biota and health, probiotics and prebiotics, health claims	University of Turku
Professor Murray Skeaff	Nutrition	University of Otago
Professor Mark Tamplin	Microbiology & food safety	University of Tasmania

FSANZ Fellow	Background/Expertise	Affiliated Institution
Professor David Fraser	Vitamin D	University of Sydney
Associate Professor Winsome Parnell	Surveys & infant nutrition	University of Otago
Dr Vanessa Jordan	Methodologist and epidemiologist	University of Auckland
Professor Samir Samman	Human nutrition	University of Otago
Professor Wendy Umberger	Agricultural and food economics	University of Adelaide

Australia New Zealand Science Forum

FSANZ’s scientific relationship with the New Zealand Ministry for Primary Industries (NZMPI) is primarily through the Australia New Zealand Science Forum (ANZSF). 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.

The ANZSF provides an opportunity for structured interactions between the agencies, and enables the sharing of information on key scientific activities. These interactions assist with prioritisation and resource allocation for current projects. During 2016–17, FSANZ and NZMPI held a workshop on emerging food safety issues, and collaborated on current proposals being funded under the NZMPI Food Safety Food Science Program.

Engagement with academic institutions

FSANZ actively engages with academic institutions on science and the provision of evidence in support of our work. FSANZ also runs a student project program that offers students research opportunities relevant to our work, at the undergraduate, honours and masters/postgraduate level. In 2016–17, two students from the University of New South Wales completed projects, with one presenting their research findings to FSANZ staff on-site.

FSANZ continues to liaise with Australian tertiary education institutions by hosting student placements. This year, FSANZ hosted three students from the University of Wollongong. Placements are conducted on-site for a four-to-six-week period, and the student completes a project that contributes to the work of FSANZ.

Regulatory Science Network

FSANZ actively contributed to the Regulatory Science Network (RSN) during the year.

The RSN (established in 2011) is a network of Australian Government agencies responsible for regulating chemicals and biological agents. It aims to forge closer links between agencies and promote common approaches to regulatory science.

International networks

International work on food safety

In November 2016, FSANZ participated in the international meeting *New Science for food safety: Supporting food chain transparency for improved health*, hosted by the Nanyang Technological University in Singapore.

Participants included International Food Safety Authorities Network (INFOSAN) members from the Asia Pacific region as well as food safety regulators and food safety scientists from Asia, Europe, Canada and the United States. Participants discussed the implications of new technologies for the detection and response to food safety emergencies and food fraud, and the role for INFOSAN.

During 2016–17 Australian Government coordination processes on providing and receiving international food safety notification were finalised, outlining the responsibilities of FSANZ as the Australian INFOSAN Emergency Contact Point and the Australian Government Department of Health and the Australian Government Department of Agriculture and Water Resources as INFOSAN Focal Points. In addition, FSANZ implemented a notification process in early 2017 to relevant country INFOSAN Emergency Contact Points of all food recalls when the affected product either originated from a foreign country or was shipped outside of Australia.

Codex Alimentarius Commission

The Codex Alimentarius Commission (Codex) is the international food standards setting body established by the United Nations Food and Agriculture Organization/World Health Organization (FAO/WHO). Codex develops international food standards, guidelines and codes of practice that both protect consumer safety and ensure fair practices in the food trade. In amending the Code, FSANZ routinely considers international food standards where these have been adopted by Codex.

During the year, FSANZ led the Australian delegation to four Codex committees: Food Additives, Food Contaminants, Food Hygiene, and Nutrition and Foods for Special Dietary Uses.

In 2016–17, FSANZ scientists also attended the Joint Expert Meeting on Food Additives (JECFA) as invited experts. JECFA is the FAO/WHO body which provides authoritative expert scientific advice to several Codex committees.

International food safety liaison groups

FSANZ is actively engaged in several discipline-specific international liaison groups which include participation by key regulatory ‘sister’ agencies, for example the European Food Safety Authority (EFSA) and the Food and Drug Administration (FDA) of the USA.

These liaison groups discuss issues relating to chemical and microbiological food safety issues, communications, consumer science and economics and typically meet by conference call two times a year.

The liaison groups allow FSANZ to learn about regulatory developments in other countries and also to share information.



FSANZ representative Dr Trevor Webb (second from right) at the 2017 APEC forum in Hanoi, Vietnam.

Relationships in the Asia-Pacific region

The Asia Pacific Economic Cooperation Food Safety Cooperation Forum (APEC FSCF) is a network of food safety agencies from APEC economies. The APEC FSCF continues to be co-chaired by FSANZ (on behalf of Australia) and the People's Republic of China (General Administration of Quality Supervision, Inspection and Quarantine). The APEC FSCF continues to make progress in strengthening food safety systems, capacity building, and enhancing the harmonisation of food standards with international standards across the APEC region.

In May 2017, a high profile APEC suite of food safety events was held in Hanoi, Vietnam. This included the 6th FSCF and separate workshops on the following topics: Export Certification; Wine Regulators Forum; Modernisation of Food Safety Control Systems; Capacity Building, and; Harmonisation of Pesticide Maximum Residue

Limits (MRLs). The events were considered very successful and consensus was reached on an APEC FSCF Statement.

FSANZ continued its leadership on advancing regulatory convergence on pesticide MRLs through the APEC FSCF. This work was funded by the Australian Government Department of Foreign Affairs and Trade's Economic Diplomacy Fund (EDF) program and included the completion of a third FSANZ-led expert workshop in Canberra to facilitate the adoption by economies of the new APEC Guideline on Import MRLs for Pesticides.

International visitors

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

Table 12: Key international delegations 2016–17

Date	Country/ organisation visiting	Topics
21 September 2016	Peoples Republic of China: Delegation meeting between FSANZ and the Chinese Ministry of Agriculture	<ul style="list-style-type: none"> ■ Overview of the food safety regulatory system in Australia and New Zealand ■ Chapter 2 – Commodity Standards ■ FSANZ system and process applied to food standards development
19 September 2016	Malaysia: Ministry of Health Malaysia, Food Safety and Quality Division	<ul style="list-style-type: none"> ■ Overview of the food safety regulatory system in Australia and New Zealand ■ Making a food standard in Australia and New Zealand ■ An introduction to the Implementation Subcommittee for Food Regulation ■ Coordinating recalls and national food incidents ■ Priority areas for collaboration ■ Malaysian Delegation Presentation
1 February 2017	Bangladesh Honourable Minister for Food and associates	<ul style="list-style-type: none"> ■ Overview of the food safety regulatory system in Australia and New Zealand ■ Presentation on Current Food Control System in Bangladesh Future Challenges ■ FSANZ's role in the food standard development process ■ Coordinating recalls and national food incidents

■ Enabler 3: People

Staff forum

FSANZ has a staff forum, which facilitates the exchange of information between FSANZ staff and the Executive on workplace issues. The forum is made up of representatives of each section of the agency and meets monthly. The Forum Chair also reports to the Executive each month to provide feedback.

In 2016–17 the Forum discussed a range of issues of importance to FSANZ employees. Upgrades to furniture in Boeing House, accommodation and workplace behaviour all featured in discussions. The Forum was also consulted on policies on recruitment, car parking and travel.

Sustainable development

FSANZ's Canberra office is rated 4.5 stars on the National Australian Built Environment System. As part of the operations of our 'Green' lease, FSANZ monitors building temperatures and works closely with the building owners to ensure the efficiency of the Australian and New Zealand office air conditioning. This limits the overuse of energy during working hours and ensures any issues are identified early and addressed quickly. FSANZ has contracted to source 10 per cent of energy to the Canberra office from renewable sources.

As part of FSANZ's 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 lights in unused rooms and turn off computers and monitors when they leave for the night
- providing recycling bins in all kitchens
- recycling decommissioned computers, tablets and phones.

Training

FSANZ supported staff in a range of professional development activities during 2016–17. FSANZ spent almost \$235,000 on staff development during the financial year.

FSANZ employment profile

Tables 13–18 provide a summary of FSANZ's employment profile for the year. Comparisons are made with the previous year's data and to the APS overall. APS statistics were obtained from the APS Statistical Bulletin. Data for FSANZ and the APS are as 30 June for the year in question.

Employee numbers stabilised in 2016–17. The use of non-ongoing employees increased during the year in order to manage workloads and deliver against priority work (see Table 13).

Table 13: Total employees

	FSANZ 2015–16	APS Dec 2016	FSANZ 2016–17
Total employees	114	153,421	114
Total employees (ongoing)	104	136,898	100
Total employees (non-ongoing)	10	16,523	14
New Zealand-based employees	14	n/a	12

Table 14: Stability and mobility

	FSANZ 2015–16	APS 2016	FSANZ 2016–17
New starters – ongoing (% employees ongoing)	4 (3.8%)	11,192 (8%)	8 (8%)
New starters – non-ongoing	18	n/a	13
Separations ongoing	6	9,883	9
Retention rate (% ongoing employees)	94%	93%	91%

Table 15: Workforce diversity

	APS Dec 2016	FSANZ 2016–17
Indigenous Australian employees	3%	0.0%
Employees with disability	4%	2.6% (3 people)
NESB1 (employees in Australia)	5%	6% (7 people)
Women	59%	66% (75 people)
Part-time employees (ongoing)	15%	19% (22 people)

FSANZ recruited a number of staff in 2016–17 to meet skill needs as a result of staff separations. The retention rate decreased in 2016–17, with the majority of separations occurring because of employees moving to new roles (see Table 14).

FSANZ has a specialised workforce and does not target specific diversity groups in its recruitment practices. Where employees elect to disclose their diversity status, FSANZ ensures that appropriate support is put in place. FSANZ has a slightly higher representation of staff from non-English

speaking backgrounds in the workforce than the APS average. FSANZ will continue to encourage employees to report their diversity status, as a large proportion of employees have not done so.

FSANZ continues to employ a higher proportion of women than the broader APS—almost two thirds of our employees are women. FSANZ continue to support flexible working arrangements for staff, with part-time employment numbers (19 per cent) being significantly higher than the rest of the APS (see Table 15).

Table 16: Workforce experience

	FSANZ 2015–16	APS Dec 2016	FSANZ 2016–17
Average length of service in APS (ongoing)	13 years	11 years	13 years

Table 17: Age structure

	APS Dec 2016	FSANZ 2016–17
Less than 30	13%	7% (8 people)
30 to 39	27%	20% (23 people)
40 to 49	28%	25% (28 people)
50 to 59	25%	34% (39 people)
Over 60	7%	14% (16 people)

Table 18: Classification structure

Classification structure (% employees)	FSANZ 2015–16	APS Dec 2016	FSANZ 2016–17
APS levels	39% (44 people)	74%	41% (46 people)
EL levels	57% (65 people)	24%	55% (63 people)
SES	4% (5 people)	2%	4% (5 people)

FSANZ has a workforce with relatively more experience than the average for the APS overall. The requirement for specialised employees means that employees often spend a large part of their working careers as FSANZ employees (see Table 16).

The proportion of FSANZ employees who are over 50 years has increased from 38 per cent of all employees to 48 per cent of employees in 2016–17. Those under 40 years are currently only 27 per cent of employees,

indicating a significant aging of the workforce over the year. The mean age of FSANZ employees is 47, compared with the APS mean age of 43 years (see Table 17).

Due to the nature of FSANZ's work, involving large numbers of executive level employees with specialist scientific and technical skills, the proportion of APS level employees (41 per cent) is significantly less than the APS average of 74 per cent (see Table 18).

Employment environment

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

Work health and safety

FSANZ's Health and Safety Committee is made up of representatives of management, the facilities team, work health and safety representatives, first-aid officers and workplace harassment contact officers. During the year, the committee considered a range of issues including:

- purchasing a defibrillator in the NZ office
- reinvigorating the harassment contact officer network
- the follow-up from the hazard identification inspection undertaken by the work health and safety representatives
- in house training in undertaking work station assessments.

FSANZ supports activities that aim to contribute to the wellness of staff including subsidising a lunchtime yoga class once a week.

In 2017 FSANZ refurbished staff work stations providing standing workstations for the majority of staff. Workstation assessments were undertaken for 25 employees during 2016–17. We also continued our practice of providing onsite flu vaccinations.

Flexible working arrangements are encouraged to support work-life balance. FSANZ has five employees with formal working from home agreements.

Workplace bullying and harassment

Trained harassment contact officers continued to assist employees who feel they may have been bullied and harassed. In 2016–17 no formal complaints were made under the bullying and harassment guidelines. FSANZ commenced a review of its bullying and harassment guidelines in 2016–17 with the Staff Forum having a number of discussions about appropriate workplace behaviour.

Workplace diversity and disability

FSANZ's Diversity Framework is an important part of the Diversity Plan component of our People Strategy. The framework includes our reconciliation action plan and disability plan. FSANZ raises awareness of the importance of considering diversity issues through recruitment processes by improving internal communication including at staff meetings. FSANZ only has a few employees who identify as being from a diverse background, as defined by the Australian Public Service Commission. Raising awareness is the first step in addressing this under-representation.

Rewards and recognition

In 2016–17 FSANZ honoured three staff members for their contribution to the work of the agency.

Chair's Annual Development Award

The Chair's Annual Development Award was awarded to Sandra Rissa for her commitment to providing a high level of service to the FSANZ Board and her organisational leadership demonstrated through her role as chair of the Staff Forum.

Waitangi Day Award

The Waitangi Day Award was awarded to Tracey Cridge for her highly valued technical knowledge and expertise and commitment to service and excellence.

Australia Day Medallion

The Australia Day Medallion was awarded to Owen Walsh for his commitment to high quality legal advice and consistent attention to the quality of FSANZ work.



Former CEO Steve McCutcheon presents General Counsel Owen Walsh with the Australia Day medallion.

Senior management

In 2016–17 long-serving FSANZ CEO Steve McCutcheon departed. Mark Booth started as CEO in March 2017. This financial year has seen some significant changes in the organisation including at the Board level, which is noted in the CEO's introduction on page VIII.

FSANZ has also undergone further structural change as it adapts to staffing changes and strategic challenges. FSANZ now has five executive officers. In 2016–17 our Executive team comprised:

Steve McCutcheon (1 July 2016 to 31 January 2017) and Mark Booth (6 March 2017 to present)

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

Glen Neal

General Manager Food Standards

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

Peter May

General Manager Food Safety and Regulatory Affairs

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

Dr Scott Crerar

General Manager Risk and Regulatory Assessment

Dr Crerar has executive responsibility for the agency's risk assessment activities involving microbiological, chemical and nutritional analysis. Dr Crerar is also responsible for the agency's behavioural and regulatory analysis work.

Dr Trevor Webb

General Manager Food Information, Science and Technology

Dr Webb has executive responsibility for FSANZ's international relations, food composition and consumption studies and dietary modelling, maximum residue limits, nanotechnology and packaging. Dr Webb also has oversight of the agency's ICT functions.

■ Enabler 4: Communication— a broad communication capability



Case study

In May 2017 FSANZ ran a campaign to remind food businesses about the requirement for mandatory allergen labelling in the Food Standard Code. The campaign involved media outreach; information in FSANZ publications and social media posts, as well the development of a poster and video. The media release was picked up by a number of food industry publications. FSANZ's publications and social media reached an audience of some 40,000 people, while our media outreach in print and online reached and estimated audience of 750,000.

Image: FSANZ's mandatory allergen labelling campaign poster



Food safety hub

FSANZ has consolidated our food safety web pages into a 'food safety hub', providing a single access point from the website's home page. The hub has four main areas:

- standards, guides and other information—outlining regulatory requirements related to food safety and links to useful guides and fact sheets
- food recalls, incidents and consumer advice—explaining what's involved in recalling food as well as information for the public on past food incidents and specific food safety topics
- food safety culture—explaining what food safety culture is, why it's important and how food businesses and regulators can work together to improve it
- featured content—highlighting new publications, videos, key messages, etc.

The hub's content will continue to evolve over the coming months, particularly in the area of food safety culture.

Stakeholder engagement

Stakeholder engagement is a vital part of FSANZ's work. Engagement takes many forms, informally—through direct contact with officers and through our social media networks, and formally through our committees. FSANZ has several committees established to maintain engagement with consumer, public health, government and industry stakeholders. These committees include the Consumer and Public Health Dialogue and the Retailers and Manufacturers Liaison Committee. FSANZ is also involved in international networks and committees. Details about these networks and committees as well as other stakeholder engagement activities are detailed below.

In 2016–17 FSANZ fielded more than 1700 enquiries through the code enquiries email box and more than 800 through the information email address. Staff from across the agency also logged responses to over 300 more complex enquiries.

Allergen Collaboration

FSANZ established the Allergen Collaboration to improve (through non-regulatory means) how food allergen risks are managed and to help consumers with a food allergy make safer food choices. The Allergen Collaboration provides key stakeholders with an opportunity to share and exchange information and to work collaboratively on issues relating to food allergen management. Now in its sixth year, the Allergen Collaboration is maintaining three areas of focus:

- targeted communication to the food service sector
- targeted stakeholder communication about allergen thresholds relating to precautionary allergen labelling for cross contamination
- food importer education relating to regulatory obligations for food allergen labelling.

The Allergen Collaboration has also maintained an Allergen Portal website for the last five years, which provides different sectors in the community with links to best practice food allergen resources and key messages to promote in the different sectors. The Allergen Collaboration is reviewing the portal content to refresh the currency and relevance of the information it provides.

In November 2016, the Australia and New Zealand Ministerial Forum on the Food Regulation (the Forum) asked FSANZ to work through the Allergen Collaboration to promote the uptake of voluntary allergen labelling initiatives and to provide a report to them in late 2017. The Allergen Collaboration is working on this request and expects to collect information on the current use of voluntary initiatives to determine strategies to increase their uptake.

Social media

FSANZ's social media audience continues to grow. Towards the end of the financial year FSANZ had more than 24,000 Facebook followers and about 5000 Twitter followers. Engagement with this audience also continues to grow. While subject matter is often very serious FSANZ also used humour to drive engagement and interactions with followers, to good effect. Recalls continue to attract a lot of engagement and this year was no different. This level of engagement also provides a window of opportunity to educate and inform our audience (particularly consumers) about FSANZ's role in the regulatory system and about food safety.

Website

The FSANZ website is a key communication platform and continues to attract about one million visitors a year. Analytics reveal our tools are amongst the most popular content along with information about food labelling and safety. In 2016 FSANZ conducted user testing and stakeholder workshops to help identify if there are problems with the existing website. This information as well as information from a stakeholder survey will be used to develop possible design changes, which will then be tested to meet the Digital Transformation Agency's Digital Service Standard.

Anniversary events

In August 2016, FSANZ marked 25 years of setting national food standards and held a scientific symposium bringing together more than 260 attendees—from consumer, industry, public health and government sectors—to discuss food safety and public health issues. Professor Lynne Daniels, the interim FSANZ Board Chair, spoke about FSANZ's growth over the past 25 years. On the first day, symposium attendees heard government perspectives on FSANZ's value proposition by Dr Wendy Southern PSM (Deputy Secretary, Australian Government Department of Health) and Dr Barbara Wilson (CEO, Safe Food Production Queensland). Industry, consumer and public health perspectives were outlined by Mr Gary Dawson (CEO, Australian Food and Grocery Council), Ms Katherine Rich (CEO, New Zealand Food and Grocery Council), Mr Alan Kirkland (CEO, CHOICE) and Professor Amanda Lee (Chair, Consumer and Public Health Dialogue). The next day of the symposium looked towards the future and the new frontiers in managing food safety and public health as well as the challenges and opportunities in the digital age.

Collaboration between Australia and New Zealand in food standards setting was also celebrated with a scientific symposium to celebrate 20 years of Australia New Zealand Food Treaty in Wellington, New Zealand. The symposium was attended by more than 100 guests. The symposium was opened by New Zealand Minister for Food Safety, Jo Goodhew, who noted the incredibly close relationship Australia has with New Zealand. Minister Goodhew went on to tell attendees Australia is New Zealand's most important trading partner and a natural partner on foreign and trade policy, and that this was set to continue in a post-Brexit world. This message was echoed by all guests.

Information communication technology

Over the past year FSANZ has revolutionised our cybersecurity with artificial intelligence-based advanced threat protection that will predict and prevent execution of advanced threats and malware at the endpoint.

FSANZ upgraded the external SharePoint infrastructure and most internal applications and deployed new environments for a food composition database (Silo) to meet development requirements. Stabilisation of some of these major applications has been completed allowing for greater stability and business continuity.

FSANZ also upgraded to the latest exchange version to improve reliability, performance and user experience and worked towards digital transition with continued electronic forms creation.

Canberra–Wellington external collaboration

Improved system performance and stability has continued to be a key focus for New Zealand staff and remote users. FSANZ has continued to have successful cross-Tasman collaboration.

ICT disaster recovery

FSANZ has enhanced the capacity of our disaster recovery site to enable greater utilisation of the infrastructure and provide future private cloud business services.

Information and records management

FSANZ again showed significant improvement in the 2016 Check-Up Digital survey of digital information management capability. The agency was rated in the top third of agencies and sixth amongst regulatory agencies in digital maturity. The annual online survey was developed by the National Archives of Australia to help Australian Government agencies gauge their digital information management maturity and set clear direction for improved digital practices.

FSANZ has also established an information governance committee and has implemented an Information Governance Framework and Digital Strategy.

This year FSANZ has continued to work on data management as part of implementing our Data Strategy and we are currently building a data registry to identify and store our key scientific data.

■ Enabler 5: Governance—good governance and effective processes

Governance and parliament

FSANZ has processes and practices in place to manage interaction with ministers and their officers, as well as other Australian Government Departments. Most of our contact with the office of Assistant Minister David Gillespie relates to providing information for input to briefs or providing public affairs support.

Performance

Ministerial correspondence

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

Issues raised in 2016–17 correspondence included irradiated foods, genetically modified foods and techniques, nanoparticles in food, low-THC hemp seed, food labelling and maximum residue limits.

Table 19: Ministerial correspondence

	Completed on time	1–2 days late	3–7 days late	8–14 days late	>14 days late	TOTAL for action	For info/no further action
2016–17	38	0	0	0	0	18	20
	100%	0%	0%	0%	0%		
2015–16	28	0	0	0	0	28	27
	100%	0%	0%	0%	0%		
2014–15	25	0	0	0	0	25	5
	100%	0%	0%	0%	0%		

Table 20: Ministerial submissions

	Sent	Returned
2016–17	4	2
2015–16	14	14
2014–15	22	17

Table 21: Briefing note requests

	Sent	Late
2016–17	21	0
2015–16	16	0
2014–15	5	0

Table 22: Parliamentary questions on notice

	Received	Sent	Late
2016–17	0	0	0
2015–16	0	0	0
2014–15	2	0	0

Matters raised in the four ministerial submissions related to the Annual Report, cost recovery and FSANZ travel approval (see Table 20).

FSANZ responded to or generated briefing note requests on a number of matters relating to our responsibilities, as well as providing input into briefings which were the responsibility of the Australian Government Department of Health or other departments. Issues included Board meeting outcomes, irradiation of berries, maximum residue limits, nanoparticles, cost recovery, low-THC hemp seed and new breeding techniques (see Table 21).

Senate Estimates

Senior staff were required to appear before Senate Estimates on two occasions during 2016–17 (October 2016 and March 2017).

Issues raised during the hearings related to nanotechnology, nanoparticles in food, novel foods and food additives, regulation of infant milk formula, GM techniques and FSANZ's expert panel on GM.

FSANZ answered 40 questions on notice specifically addressed to FSANZ.

FSANZ also provided input into 12 answers to questions on notice being managed by the Australian Government Department of Health.

Question time briefings

Questions without notice are asked of ministers in Question Time in the Parliament and must be responded to orally. Confidential briefings are prepared by FSANZ to assist the Minister to respond to any questions which fall within their responsibilities.

FSANZ was not required to prepare any QTBs in 2016–17.

Parliamentary enquiries

Nil

Notice of motion

Nil

FSANZ Board

FSANZ is governed by a 12-member Board whose members are drawn from Australia and New Zealand. Members of the Board have different areas of expertise covering public health, food science, medical science, consumer policy, primary industry, the National Health and Medical Research Commission, food industry and government.

Eight Australian members are appointed by the Australian Minister with responsibility for FSANZ following consultation with the Australia New Zealand Ministerial Forum on Food Regulation (the Forum) and consideration by cabinet. The three New Zealand members are nominated by the New Zealand Government and appointed by the Australian Minister. The CEO is a member *ex officio*.

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

A new Board chair, Ms Robyn Kruk AM was appointed in November 2016. Three Board members, Ms Jenni Mack, Mr Tony Nowell and Ms Lyn Bentley completed their terms on 30 June 2017.

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, including:

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

The Board meets at least four times per year and also convenes through teleconferences as required. Four Board meetings and three Board teleconferences were held in 2016–17. Outcomes of FSANZ Board meetings are published on the website.

Ethical standards

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

Board development and review

FSANZ provides a formal induction for new Board members, including a meeting with the Board Chair, FSANZ CEO and Executive team. Newly appointed Board members are provided with an induction manual (which includes the Board Charter, Corporate Plan, Business plan and other relevant information).

FSANZ also conducts an annual training session for its Board members, which generally covers issues such as the duties and responsibilities of directors; the unique perspective of a Board functioning under the PGPA Act; and the need for directors to have an independent view and governance compared with management.

Board performance

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

Along with the biennial review of the performance of the Board, an evaluation of meetings is undertaken by two Board members at alternate meetings. The evaluation is undertaken using an evaluation proforma which is provided to the Chair who discusses the evaluation with the CEO and other Board members as appropriate.

Finance, Audit and Risk Management Committee (FARMC)

FARMC consists of non-executive Board directors, and supports the Board's oversight responsibilities relating to the financial and business affairs of FSANZ, the preparation and integrity of FSANZ's financial accounts and statements, internal controls,

policies and procedures used to identify and manage business risks, insurance activities, compliance with legal and regulatory requirements, and compliance policies.

During 2016–17, 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 monitors the identification and management of risks to FSANZ, providing assurance that reasonable steps have been taken to address the risks by reducing the likelihood they (and their consequences) will occur.

FARMC also oversees FSANZ's corporate risk assessment. Risk assessments inform FARMC's risk monitoring activities and the Strategic Internal Audit Plan. Internal audits considered by FARMC in 2016–17 related to the management of the transition to the PGPA Act, review of workplace diversity and disability, and review of ICT procurement.

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

FARMC observers included representatives from the Australian National Audit Office, an internal auditor, the FSANZ Board Chair, the FSANZ CEO and Finance Manager.

Procurement

As a Commonwealth corporate entity, FSANZ's purchasing and procurement policies and practices are consistent with:

- all relevant Commonwealth legislation
- the Australian Government financial framework
- the Chief Executive Instructions and relevant FSANZ policies.

Advertising and market research

FSANZ did not spend any money on advertising, polling, advertising campaigns, direct mail expenditure or market research in 2016–17 (as defined by section 311A of the *Commonwealth Electoral Act 1918* for annual reports).

Remuneration and Senior Staff Committee

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

The committee comprises four members (a chair, plus three). The General Manager Food Safety and Regulatory Affairs provides secretariat support to the committee.

Directors' insurance

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

Business planning and management

Consultants, competitive tendering and contractors

We spent \$739,985 on consultants and contractors during the year on services and products costing more than \$10,000 (see Appendix 7 for details).

Corporate planning

The PGPA Act requires all agencies to prepare a corporate plan.

In 2014–15, the FSANZ Board conducted a review of the strategic environment and identified strategic themes for future FSANZ operations. This work led to the development of the Corporate Plan 2015–19.

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

Fraud control plan

The FSANZ fraud control plan outlines the processes and procedures FSANZ undertakes to limit fraud risk in the agency. Reports on fraud risk mitigation are regularly provided to the Finance, Audit and Risk Management Committee to ensure that the current risk management activities, such as separation of duties and the credit card purchasing guidelines, are effective in addressing fraud risk. There were no cases of fraud reported in FSANZ in 2016–17.

Proposed amendments to the FSANZ Regulations, including cost recovery arrangements

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

FSANZ has been working on updated hourly charges applied for cost recovery and public consultation in a draft Cost Recovery Implementation Statement. This work was put on hold until after the 2016 Federal Election.

Information on previous reviews, including submissions, is available [on the FSANZ website](#)¹¹.

¹¹ www.foodstandards.gov.au/code/changes/applying/pages/fsanzscostrecoveryar5707



FSANZ met with Japanese delegates as part of their regulatory analysis research tour of Australia in 2017.



FSANZ representatives attend the 2017 APEC forum in Hanoi, Vietnam.



APPENDICES

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

Appendix 2:
Food Standards Australia New Zealand Board
expertise and experience (2016–2017)

Appendix 3:
Board attendance 2016–17

Appendix 4:
Report against the
FSANZ Act requirements

Appendix 5:
Financial statements

Appendix 6:
List of requirements

Appendix 7:
Consultants

Appendix 8:
External FSANZ committees

APPENDICES

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

Establishment	<ul style="list-style-type: none"> ■ National Food Authority (Australia only) 1991 ■ Australia New Zealand Food Authority 1996 ■ Food Standards Australia New Zealand 2002
Government oversight	The Hon. Dr David Gillespie MP Assistant Minister for Rural Health; Chair, Australia and New Zealand Ministerial Forum on Food Regulation (Ministerial Forum).
Chair, FSANZ Board	Ms Robyn Kruk AM
Chief Executive Officer	Mr Steve McCutcheon (term ended 31 January 2017) and Mr Mark Booth (term began 6 March 2017).
FSANZ staff (30 June 2017)	114 employees (ongoing and non-ongoing), located in Canberra and Wellington offices.
Funding 2016–17 (Portfolio Budget Statement)	Australian Government appropriation—\$17.184m Other—\$2.169m
Food regulatory system	<ul style="list-style-type: none"> ■ policy development (Forum on Food Regulation) ■ standards development (FSANZ) ■ enforcement (states, territories, New Zealand Ministry for Primary Industries, Australian Government Department of Agriculture and Water Resources, local government)
Legislative responsibilities	
Enabling Act of Parliament	<i>Food Standards Australia New Zealand Act 1991</i>
Section 18 objectives ('core' objectives applied to FSANZ's regulatory measures function)	<ul style="list-style-type: none"> ■ protection of public health and safety ■ provision of adequate information to consumers ■ prevention of misleading or deceptive conduct

<p>Section 18 objectives ('have regard to' objectives applied to FSANZ's regulatory measures function)</p>	<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
<p>Treaty between Australia and New Zealand</p>	<p>Agreement between the Government of Australia and the Government of New Zealand concerning a joint food standards system.</p>
<p>Structure and processes</p>	
<p>Organisational structure</p>	<p>See organisation chart on page XIII</p>
<p>Governance</p>	<ul style="list-style-type: none"> ■ 12-person Board (three members nominated by the New Zealand Government) (Appendix 2) ■ 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
<p>Corporate planning</p>	<ul style="list-style-type: none"> ■ Corporate Plan ■ Business Plan ■ Portfolio Budget Statement (Health portfolio)
<p>FSANZ outcome (Program 1.1)</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>Purpose</p>	<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

Australia New Zealand Food Standards Code	Any individual or organisation can apply to amend the Food Standards Code. FSANZ can also initiate changes to the Food Standards Code, usually to protect public safety or assist in addressing issues of long-term public health importance. The latter are normally requested by the Australia and New Zealand Ministerial Forum on Food Regulation.
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 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 2016–17



Financial outcome	Operating revenue \$20.349 million
	Operating expenses \$20.29 million

Appendix 2: Food Standards Australia New Zealand Board expertise and experience (2016–2017)

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

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

* These organisations are prescribed in the FSANZ Regulations.

Robyn Kruk AM

(term expires 30 September 2020)

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

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

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

At the end of her NSW public sector career she was Director-General of the Department of Premier and Cabinet. She left the position in late 2008 and was appointed Secretary of the Commonwealth Department of the Environment, Water, Heritage and the Arts (later Sustainability, Environment, Water, Population and Communities) in early 2009.

In 2011 Ms Kruk was appointed CEO and Commissioner and set up the newly created National Mental Health Commission.

Following her retirement from the Commission, she undertook program reviews and was appointed to a range of non-executive board and statutory positions. Ms Kruk was the Independent Assessor for the Defence Abuse Response Taskforce (DART) and led international taskforces assessing sustainable development in China. In 2015, she was appointed chair of the eHealth Implementation Steering Committee, to oversight delivery of an Australia-wide electronic medical record system. She is a Chair Emerita of the US Milbank Memorial Fund (a philanthropic health research organisation) and has been a judge of the Dubai government's annual public sector excellence awards since 2013.

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

Emeritus Professor Mary Barton AO

(term expires 30 June 2017)

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

Ms Lyn Bentley

(term expires 30 June 2017)

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

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).

Professor Martin Cole

(term expires 30 June 2017)

Professor Martin Cole [116(1)(f)] is the Director of CSIRO Flagship of Food, Nutrition and Bioproducts at Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO). Prior to joining CSIRO, Professor Cole was the Director of the US National Centre for Food Safety and Technology (NCFST), one of the US Federal Drug Administration (FDA) Centres for Excellence and Research and 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 and Technology. Professor Cole currently chairs the International Commission on the Microbiological Specifications for Food and serves on the board of the Institute of Food Technology.

Associate Professor Stephen Corbett

(term expires 30 June 2019)

Associate Professor Stephen Corbett [s. 116(1)(f)] has had more than 20 years of experience as a public and environmental health physician, with qualifications in public health and medicine. His interests include environmental health risk assessment and management, regulatory policy and practice, and chronic disease prevention. Associate Professor Corbett's experience includes holding senior executive positions in NSW Health-Public Health; being Conjoint Associate Professor at the School of Public Health, University of Sydney and Western Clinical School, Westmead Hospital; and being Associate Editor on the journal *Evolution, Medicine and Public Health*.

Professor Lynne Daniels

(term expires 30 June 2017)

Emeritus Professor Daniels [116(1)(e)] is an academic dietitian with 40 years of experience and a Fellow of the Dietitians Association of Australia. She was Head of the School of Exercise and Nutrition Sciences at Queensland University of Technology (QUT) from 2012–2016. Professor Daniels held a research capacity building chair in the QUT Institute Health and Biomedical Innovation from 2006–2011. Professor Daniels spent the first 10 years of her career as a clinical paediatric dietitian and during this time completed a research MSc. In 1988 she was appointed to an academic post in the School of Medicine at Flinders University and in 1995 completed her PhD examining the selenium status of preterm infants. At Flinders her primary role was coordinator of the nutrition and dietetic education programs. Professor Daniels' research interests include feeding practices in early childhood and the prevention and treatment of childhood obesity. She led the NHMRC-funded NOURISH project that evaluated an early feeding intervention to prevent childhood obesity and the Queensland Government funded TRIM Kids project that delivered PEACHTM, a weight management program for moderately obese primary school aged children and their families across Queensland.

Ms Jane Lancaster

(term expires 30 June 2019)

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

Ms Jenni Mack

(term expires 30 June 2017)

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

Mr Steve McCutcheon

(Chief Executive Officer)

(term expired 31 December 2016)

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

Dr Andrew McKenzie QSO

(term expires 30 June 2018)

Dr Andrew McKenzie [s. 116(1)(c)] is qualified as a veterinarian with post graduate qualifications in veterinary public health and has a background working for the New Zealand Ministry of Agriculture and Fisheries with a focus on the meat, seafood and other food industries. In 2002, Dr McKenzie set up the New Zealand Food Safety Authority and led it until his retirement in June 2010. He has extensive experience in domestic food safety policy and standards, as well as international food safety and trade standards at the bilateral and multilateral level. Dr McKenzie has a continuing interest in management and governance, as well as contemporary regulatory approaches to food safety/quality and trade, particularly around standard-setting.

Mr Tony Nowell CNZM

(term expires 30 June 2017)

Mr Tony Nowell [s. 116(1)(c)] has had extensive senior executive experience across various industries (including food) both internationally and within New Zealand. This has included holding positions such as CEO of Zespri International; Managing Director of Griffin's Foods; Regional Vice President of Sara Lee Asia; Zone Manager for Sara Lee Indonesia, Philippines and Thailand; Managing Director of Sara Lee Indonesia; Managing Director of L'Oreal Indonesia; and Operations Manager of L'Oreal New Zealand.

Mr Nowell's other roles and responsibilities have included being the former Chair of the New Zealand Packaging Accord Governing Board and the New Zealand Government Food and Beverage Taskforce; and include Chairmanship of the New Zealand Forest Research Institute and Wellington Drive Technologies, as well as directorships at New Zealand Food Innovation Auckland and the Export Advisory Board of Business New Zealand. Mr Nowell has represented New Zealand as a member of the APEC Business Advisory Council since 2007.

Appendix 3: Board attendance 2016–17

Member	Qualifications	Meetings	Teleconferences
Ms Robyn Kruk AM (Chair)	Bachelor of Science in Psychology (Honours), UNSW Master of Public Administration	3/3	2/2
Emeritus Professor Mary Barton AO	BVSc University of Sydney PhD University of Melbourne Dip Bact, University of Manchester MBA Deakin University FANZCVS Fellow of the Australian and New Zealand College of Veterinary Scientists FASM Fellow of the Australian Society for Microbiology Hon DVSc University of Melbourne	4/4	3/3
Ms Lyn Bentley	Chef and successful small business owner, Australian Institute Food Science and Technology—WA committee Royal Agricultural Society WA— Official Food Judge	2/4	3/3
Mr Mark Booth (Chief Executive Officer)	B.A. (Hons) Economics, City of London Polytechnic M.A. Economics, University of Manchester Postgraduate Diploma in Public Health, University of Otago Executive Master in Public Administration (EMPA, Australia and New Zealand School of Government – ANZSOG)	2/2	1/1

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)	3/4	2/3
Associate Professor Stephen Corbett	MB BS (University of Queensland) MPH (University of Sydney) MRCGP FAFPHM FAICD Conjoint Associate Professor, School of Public Health and Western Clinical School, University of Sydney	4/4	2/3
Emeritus Professor Lynne Daniels	MSc; Grad Dip Nutrition Dietetics, Flinders University, South Australia PhD, Flinders University, South Australia	4/4	1/3
Ms Jane Lancaster MNZM	Graduated BSc Hons (1st Class) in Plant Biochemistry and Plant Physiology, University of Canterbury University of Canterbury Senior Scholar	4/4	3/3
Ms Jenni Mack	BA (Journalism), University of Queensland MALP, University of Sydney Graduate Certificate International Food Laws and Regulation, Michigan State University	4/4	2/3
Mr Steve McCutcheon (CEO)	BEc, University of Sydney GradDipPubLaw, Australian National University	1/2	1/1
Dr Andrew McKenzie QSO	BVSc, Massey University DVPH, Massey University	4/4	3/3

Member	Qualifications	Meetings	Teleconferences
Mr Tony Nowell CNZM	BBS (part-time and extramurally), Auckland University, University of Otago and Massey University (not completed)	4/4	3/3
Observer			
Dr Eva Bennett, Chair, Implementation Subcommittee for Food Regulation (ISFR)		4/4	1/3

Finance, Audit and Risk Management Committee attendance

Member	Meetings
Dr Andrew McKenzie QSO (FARMC Chair)	4/4
Professor Martin Cole	4/4
Professor Mary Barton	4/4
Observers	
Mr Steve McCutcheon (CEO)	2/2
Mr Mark Booth (CEO)	2/2
Ms Audrey Gormley (FSANZ Chief Finance Officer)	3/4

Appendix 4: Report against the FSANZ Act requirements

Applications received and Proposals prepared before 1 October 2007

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

During 2016–2017, FSANZ progressed 4 Applications received prior to 1 October 2007:

- (v) 0 withdrawn;
- (vi) 0 rejected by FSANZ;
- (vii) 0 finalised and notified to the Forum;
- (viii) 0 considered after a request for a review and notified to the Forum; and
- (ix) 4 were still being progressed as at 30 June 2017.

During 2016–2017, FSANZ progressed 1 Proposal prepared prior to 1 October 2007:

- (v) 0 abandoned by FSANZ;
- (vi) 0 finalised and notified to the Forum;
- (vii) 0 considered after a request for a review and notified to the Forum; and
- (viii) 1 was still being progressed as at 30 June 2016.

- (e) **Any occasion during 2016–2017 that FSANZ, after preparing a draft standard or a draft variation of a standard, failed to make a decision under section 18 of the FSANZ Act (as was in force prior to 1 July 2007) within the period required under section 35 (as was in force prior to 1 July 2007) and a statement of the reasons for that failure:**

Nil

- (f) **Extensions of time FSANZ granted under subsection 35(2) of the FSANZ Act during 2016–2017 and the reasons for those extensions:**

Nil

- (g) **The number of applications made to the Administrative Appeals Tribunal during 2016–2017 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 2016–2017:**

Nil

- (i) **The number of standards made under the FSANZ Act during 2016–2017:**

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

- (j) **The number of draft standards and draft variations approved during 2016–2017 under:**

- (i) section 18 of the FSANZ Act; or (Final Assessment)

Nil

- (k) **The number of occasions during 2016–2017 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 2016–2017 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 2016–2017 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 2016–2017 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 2016–2017 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 2016–2017:**
14
- (ab) **The number of applications accepted under subsection 26(1) during 2016–2017:**
12
- (ac) **The number of applications rejected under subsection 26(1) during 2016–2017 and the reasons for the rejections:**
2

- PA1145 Rejected at Admin Assessment on the basis that it did not meet the mandatory information requirements under subsection 22(2) of the FSANZ Act which are set out in Part 3 of the *FSANZ Application Handbook*.
- PA1148 Rejected at Admin Assessment on the basis that it did not meet the mandatory information requirements under subsection 22(2) of the FSANZ Act which are set out in Part 3 of the *FSANZ Application Handbook*.
- (ad) **The number of applications withdrawn in 2016–2017 under subsection 24(1) during the current year:**
1
- (ae) **The number of applications accepted under subsection 26(1) during 2016–2017 that FSANZ had not begun to assess under section 29 during 2016–2017:**
2
- (af) **The number of applications accepted under subsection 26(1) during a previous financial year that FSANZ had not begun to assess under section 29 before the end 2016–2017:**
Nil
- (a) **the number of applications that were considered under Subdivision D of Division 1 of Part 3 during 2016–2017:**
28
- (b) **the number of applications that were considered under Subdivision E of Division 1 of Part 3 during 2016–2017:**
Nil

- (c) the number of applications that were considered under Subdivision F of Division 1 of Part 3 during 2016–2017:
Nil
- (d) the number of applications that were considered under Subdivision G of Division 1 of Part 3 during 2016–2017:
Nil
- (e) for each of those Subdivisions, the number of applications considered under that Subdivision that were disposed of during 2016–2017 and the manner of their disposal:
- Subdivision D:**
14 Approved
1 Withdrawn
0 Rejected
- Subdivision E:**
0 Approved
0 Withdrawn
- Subdivision F:**
0 Approved
0 Withdrawn
- Subdivision G:**
0 Approved
0 Withdrawn
- (f) for each of those Subdivisions, the average time taken to dispose of applications during 2016–2017 (for Approval only):
- Subdivision D:**
8.1 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 2016–2017:
5
- (fb) For an application covered by paragraph (fa), the period that has elapsed since the application was accepted under subsection 26(1):
- | | |
|-------|-------------|
| A1102 | 33 months |
| A1127 | 15 months |
| A1129 | 14 months |
| A1130 | 14 months |
| A1131 | 13.5 months |
- (g) the number of applications made during 2016–2017 in relation to which a charge fixed under section 146 was payable:
6
- (h) the number of applications made during 2016–2017 in relation to which no charge fixed under section 146 was payable:
5
- (i) the average number of days that elapsed between the acceptance or rejection under section 26 of an application made during 2016–2017 in relation to which no charge fixed under section 146 was payable, and the commencement of the assessment of the application under section 29:
137.5 days

(j) each occasion during 2016–2017 on which the consideration period under section 109 elapsed without FSANZ completing the procedure that FSANZ must, under Subdivision C of Division 1, adopt in considering the application:

1

A1102 Due 9 August 2016

(k) each occasion during 2016–2017 on which FSANZ extended the consideration period under subsection 109(4), and the reasons for that extension:

0

(ka) The number of applications declared under section 95 to be urgent applications during 2016–2017:

0

(l) the number of proposals prepared by FSANZ under section 55 during 2016–2017:

3

(la) The number of proposals prepared under section 55 during 2016–2017 that FSANZ had not begun to assess under section 59 during that year:

0

(lb) The number of proposals prepared under section 55 during a previous financial year that FSANZ had not begun to assess under section 59 before the end of 2016–2017

0

(n) the number of proposals that were disposed of during 2016–2017 and the manner of their disposal:

5 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 2016–2017:

General

20.2 months

Minor

N/A

Major

N/A

High level health claim variation

N/A

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

27 days

(pa) The number of proposals prepared under section 55 during a previous financial year that the FSANZ had begun to assess under section 59 before the end of 2016–2017, but that the FSANZ had not disposed of before the end of 2016–2017:

5

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

P1024 54.5 months
(prepared 13/12/12)

P1028 47.5 months
(prepared 17/7/13)

P1030 41 months (prepared 1/2/14)

P1034 36 months
(prepared 30/4/14)

P1044 6.5 months
(prepared 19/12/16)

- (pc) The number of proposals declared under section 95 to be urgent proposals during 2016–2017:

Nil

In relation to applications or proposals declared to be urgent under section 95, either in 2016–2017 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 2016–2017 for review of decisions of FSANZ:

Nil

- (r) the results of the applications made to the Administrative Appeals Tribunal that were determined during 2016–2017:

N/A

- (s) the number of standards made during 2016–2017:

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 15 applications and 4 proposals.

Amendment No. 164 (21 July 2016)

A1109 – Glutaminase from *Bacillus amyloliquefaciens* as a Processing Aid (Enzyme)

To permit glutaminase derived from *Bacillus amyloliquefaciens* as a processing aid in the production of certain seasoning ingredients or foods used for seasoning as an alternative to the use of monosodium glutamate.

A1116 – Food derived from Herbicide-tolerant & Insect-protected Corn Line MZIR098

To seek approval for food derived from a genetically modified corn line MZHIR098 that is tolerant to the herbicide glufosinate ammonium and protected against corn rootworm.

A1120 – Agarose Ion Exchange Resin as a Processing Aid for Lactoferrin Production

To permit the use of agarose ion exchange resin as a processing aid in the production of high purity lactoferrin from bovine milk and milk-related products.

Amendment No. 165 (1 September 2016)

A1118 – Food derived from Herbicide-tolerant Corn Line MON87419	To seek approval for food derived from genetically modified corn line MON87419 which is tolerant to dicamba and glufosinate herbicides.
P1041 – Removal of Country of Origin Labelling Requirements	To remove country of origin labelling requirements from the Australia New Zealand Food Standards Code as part of proposed new arrangements where the requirements will fall under Australian Consumer Law.

Amendment No. 166 (12 January 2017)

A1090 – Voluntary Addition of Vitamin D to Breakfast Cereal	To permit the voluntary addition of vitamin D to breakfast cereal.
A1113 – Extension of Use of Propionates in Processed Meat	To request the extension of use of propionates as anti-microbial preservatives in processed meat products.
A1115 – Irradiation of Blueberries & Raspberries	To seek permission to irradiate blueberries and raspberries for phytosanitary purposes against fruit flies and other critical plant pests, at levels between 150 Gray (Gy) and 1 kGy.
P1027 – Managing Low-level Ag & Vet Chemicals without MRLs	To manage low-level agricultural and veterinary chemicals without MRLs (i.e. the food is not listed in Schedule 20, but the chemical is).

Amendment No. 167 (9 February 2017)

A1117 – Extension of Use of L-cysteine as a Food Additive	To extend the use of L-cysteine monohydrochloride to limit enzymatic browning of fresh-cut avocado and banana and so extend the shelf-life.
A1119 – Addition of Water to facilitate Wine Fermentation	To permit the addition of water to dilute high sugar to aid fermentation in the production of wine, sparkling wine and fortified wine.
A1128 – Food derived from reduced Acrylamide Potential & Browning Potato Line E12	To seek approval for food derived from a genetically modified potato line, E12 which has reduced acrylamide potential and reduced browning (black spot).

Amendment No. 168 (13 April 2017)

A1132 – Broaden Definition of Steviol Glycosides (Intense Sweetener)	To expand the definition of steviol glycosides for use as an intense sweetener to include all steviol glycosides present in the <i>Stevia rebaudiana</i> Bertoni leaf.
P1043 – Code Revision (2016)	To make minor amendments including the correction of typographical errors, inconsistencies and formatting issues and updating of references.

Amendment No. 169 (11 May 2017)

P1042 – Low THC Hemp Seeds as Food	To develop a food regulatory measure to permit the addition to food of products from seeds of low tetrahydrocannabinol varieties of <i>Cannabis sativa</i> .
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Amendment No. 170 (25 May 2017)

A1121 – Oryzin (Protease) as a Processing Aid (Enzyme)	To permit the use of oryzin (protease) from <i>Aspergillus melleus</i> as an enzyme for use in baking, flavouring production and dairy, egg, meat, fish, protein and yeast processing.
A1124 – Alternative DHA-rich Algal Oil for Infant Formula Products	To permit the addition of DHA-rich algal oil from <i>Schizochytrium</i> sp. as an alternative or replacement oil for other currently permitted DHA-rich algal oils added to infant formula products.
A1133 – Maximum Residue Limits for Avilamycin in specific Pig Commodities	To establish MRLs for avilamycin in specific pig commodities for import harmonisation purposes.
A1134 – Increased Concentration of Plant Sterols in Breakfast Cereals	To seek approval for the exclusive use for 15 months of an increased concentration of plant sterols to be added to breakfast cereals under the novel food provisions.
P1026 – Lupin as an Allergen	To consider options to regulate food containing lupin as a food allergen.

(t) the number of draft standards and draft variations approved during 2016–2017 under each of the following:

(i) section 33 and 63:

19

(ii) section 41 and 69:

Nil

(iii) section 52 and 78:

Nil

(iv) section 97

Nil

(ta) the number of variations given to the Authority under subsection 82(6) during 2016–2017

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

APVMA 7, 2016	26 July 2016
APVMA 8, 2016	23 August 2016
APVMA 9, 2016	4 October 2016
APVMA 10, 2016	15 November 2016
APVMA 11, 2016	29 November 2016
APVMA 1, 2017	10 January 2017
APVMA 2, 2017	7 February 2017
APVMA 3, 2017	21 March 2017
APVMA 4, 2017	18 April 2017
APVMA 5, 2017	16 May 2017
APVMA 6, 2017	13 June 2017

(u) the number of occasions during 2016–2017 when requests were made by the Council under Division 3 of Part 3 for a review of a draft standard or draft variation:

Nil

(v) the number of occasions during 2016–2017 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 2016–2017 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 2016–2017 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 2016–2017:

No guidelines were notified.

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

N/A



APPENDIX 5

Financial statements

Appendix 5: Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Rural Health

Opinion

In my opinion, the financial statements of Food Standards Australia New Zealand for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Food Standards Australia New Zealand as at 30 June 2017 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 2017 and for the year then ended:

- Statement by the Accountable Authorities, 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 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* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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.

Directors' 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 matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

14 September 2017

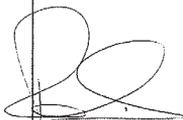
Food Standards Australia New Zealand (FSANZ)

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

In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

			
Robyn Kirk Chairperson FSANZ	Andrew McKenzie Director FSANZ	Mark Booth Chief Executive Officer FSANZ	Karen Hogan Acting Chief Financial Officer FSANZ

14th September

14th September

14th September

14th September

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Food Standards Australia New Zealand

Statement of Comprehensive Income

for the period ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'000	AASB 1055
NET COST OF SERVICES					
Expenses					
Employee Benefits	1.1A	14,927	14,687	14,437	1
Suppliers	1.1B	4,564	4,392	3,811	2
Depreciation and amortisation	2.2A	776	1,172	1,105	3
Other		19	12		
Total expenses		20,286	20,263	19,353	
Own-Source Income					
Own-source revenue					
Sale of Goods and Rendering of Services	1.2A	2,839	2,692	100	4
Interest	1.2B	252	271	320	5
Other Revenue		73	15	1,749	6
Total own-source revenue		3,164	2,978	2,169	
Total own-source income		3,164	2,978	2,169	
Net (cost of)/contribution by services		(17,122)	(17,285)	(17,184)	
Revenue from Government	1.2C	17,185	17,288	17,184	
Total comprehensive income attributable to the Australian Government		63	3	-	
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation surplus		-	152	-	
Total other comprehensive income after income tax		63	155	-	

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

FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from FSANZs 2016-17 Portfolio Budget Statements (PBS)).

Explanations of variances +/- 10% between the actual and original budgeted amounts for 2016-17 are provided further below (except for trivial amounts not considered significant to the performance of FSANZ)

AASB 1055 Explanations of major variances

1. Employee benefits

The increase in employee benefits was primarily due to unbudgeted redundancy payments and on-costs on provisions.

Affected line items (and schedule)

Employee benefits

(Statement of Comprehensive Income)

2. Suppliers

The increase in suppliers expense was due to the increase in project work - refer rendering of services below.

Suppliers

(Statement of Comprehensive Income)

Statement of Comprehensive Income continued

Explanations of major variances

3. Depreciation and amortisation

The budget assumed that internally developed software assets would be consumed fully this year. Additional work to the asset has extended the useful life and reduced the depreciation.

4. Rendering of Services

The budget for other revenue actually relates to the Sale of Goods and Rendering of services. The income was still higher than this budget due to the uncertainty around project work that depends on demand. All project work was provided to other government departments and related to data analysis, labelling and running workshops.

5. Interest

Interest rates were lower than anticipated and this reduced the interest received.

6. Other revenue

As noted in 4, the other revenue budget relates to the sale of goods and services and the goods and services budget relates to Other Revenue. This error will be corrected at the next opportunity.

Affected line items (and schedule)

Depreciation and amortisation

(Statement of Comprehensive Income)

Rendering of Services

(Statement of Comprehensive Income)

Interest

(Statement of Comprehensive Income)

Other revenue

(Statement of Comprehensive Income)

Food Standards Australia New Zealand

Statement of Financial Position

as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'000	AASB 1055
ASSETS					
Financial assets					
Cash and Cash Equivalents	2.1A	3,849	3,266	12,621	1
Trade and Other Receivables	2.1B	284	199	616	2
Investments - Term deposits	2.1C	7,647	7,536	-	1
Total financial assets		11,780	11,001	13,237	
Non-financial assets					
Buildings - Leasehold improvements	2.2A	650	551	503	
Plant and equipment	2.2A	325	370	507	
Intangibles	2.2A	2,168	2,172	1,480	
Prepayments		296	282	123	
Total non-financial assets		3,439	3,375	2,613	3
Total assets		15,219	14,376	15,850	
LIABILITIES					
Payables					
Suppliers	2.3A	873	313	754	4
Other Payables	2.3B	1,660	1,671	2,747	5
Total payables		2,533	1,984	3,501	
Provisions					
Employee Provisions	3.1A	4,527	4,302	4,433	
Provision for restoration	2.4A	351	345	326	
Total provisions		4,878	4,647	4,759	
Total liabilities		7,411	6,631	8,260	
Net assets		7,808	7,745	7,590	
EQUITY					
Contributed equity		1,823	1,823	1,823	
Reserves		2,254	2,254	2,102	
Retained surplus		3,731	3,668	3,665	
Total equity		7,808	7,745	7,590	

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

FSANZs original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from FSANZs 2016-17 Portfolio Budget Statements (PBS)).

Between the actual and original budgeted amounts for 2016-17. Explanations of variances above + or - 10% are provided further below.

Explanations of major variances

Affected line items (and schedule)

1. Cash and cash equivalents

Cash and cash equivalents

The original budget included the term deposit as cash. This has now been reclassified in the financial statements as an investment. The remaining variance is explained by higher than budgeted payments due to redundancies and some significant leave pay-outs during the period.

(Statement of Financial position)

Statement of Financial Position continued

Explanations of major variances (Continued)

2. Trade and Other Receivables

Budget is an estimated percentage of debtors at year end whereas the actual at year end represented agency efforts to reduce debtors.

3. Non Financial Assets

Non financial assets additions were higher than budgeted in intangibles. This increase was funded from reserves and reflects the business need to improve data management and analysis.

4. Suppliers

Expenditure in June was higher than previous year trends on which the budget was set. This related to project timing.

5. Other payables

The budget did not anticipate the redundancy of three staff at 30 June 2017 and the payable that related to the payout.

Affected line items (and schedule)

Trade and Other receivables

(Statement of Financial position)

Land & Buildings, Plant & Equipment and Intangibles

(Statement of Financial position)

Suppliers

(Statement of Financial position)

Other payables

(Statement of Financial position)

Food Standards Australia New Zealand

Statement of Changes in Equity

for the period ended 30 June 2017

Notes	2017 \$'000	2016 \$'000	Original Budget 2017 \$'000
CONTRIBUTED EQUITY			
Opening balance	1,823	1,823	1,823
Adjusted opening balance	1,823	1,823	1,823
Comprehensive income			
Transfers between equity components	-	-	-
Closing balance as at 30 June	1,823	1,823	1,823
RETAINED EARNINGS			
Opening balance	3,668	3,665	3,665
Adjusted opening balance	3,668	3,665	3,665
Comprehensive income			
Surplus for the period	63	3	-
Total comprehensive income	63	3	-
Closing balance as at 30 June	3,731	3,668	3,665
ASSET REVALUATION RESERVE			
Opening balance	2,254	2,102	2,102
Adjusted opening balance	2,254	2,102	2,102
Comprehensive income			
Other comprehensive income	-	152	-
Total comprehensive income	-	152	-
Transfers between equity components	-	-	-
Closing balance as at 30 June	2,254	2,254	2,102
TOTAL EQUITY			
Opening balance	7,745	7,590	7,590
Adjusted opening balance	7,745	7,590	7,590
Comprehensive income			
Surplus for the period	63	3	-
Other comprehensive income	-	152	-
Total comprehensive income	63	155	-
Closing balance as at 30 June	7,808	7,745	7,590

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

Accounting Policy

Equity Injections

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

Budget Variances Commentary

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

Food Standards Australia New Zealand

Cash Flow Statement

for the period ended 30 June 2017

	2017	2016	Original Budget 2017	AASB
Notes	\$'000	\$'000	\$'000	1055
OPERATING ACTIVITIES				
Cash received				
Receipts from Australian Government	17,185	17,257	17,184	
Receipts from New Zealand Government	2,021	1,912	-	1
Sale of goods and rendering of services	448	643	100	2
Interest	150	272	320	
Net GST received	341	385	519	
Other	75	15	1,573	1
Total cash received	20,220	20,484	19,696	
Cash used				
Employees	14,154	15,108	14,437	3
Suppliers	4,479	5,753	3,811	4
Net GST paid	-	-	519	
Total cash used	18,633	20,861	18,767	
Net cash from/(used by) operating activities	1,587	(377)	929	
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment	-	1	-	
Total cash received	-	1	-	
Cash used				
Purchase of property, plant and equipment	890	568	605	5
Investments	111	212	-	3
Total cash used	1,001	780	605	
Net cash from/(used by) investing activities	(1,001)	(779)	(605)	
Net increase/(decrease) in cash held	586	(1,156)	324	
Cash and cash equivalents at the beginning of the reporting period	3,266	4,417	12,297	
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	(3)	5	-	
Cash and cash equivalents at the end of the reporting period	3,849	3,266	12,621	

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

Explanations of major variances

Affected line items (and schedule)

Cash received

1. Receipts from the New Zealand Government were included in Other income in the budget but are separated in the cash flow for more detailed disclosure. The budget was also prepared before the Partnership agreement between The New Zealand Minister for Food Safety and Food Standards Australia New Zealand had been finalised.

*Receipts from New Zealand
Government and Other*

2. FSANZ do not budget for goods and service income due to the uncertainty of the amount.

Cash Flow Statement continued**Explanations of major variances****Affected line items (and schedule)**Cash used

3. Cash used for employees is lower than anticipated due to redundancies which were payable as at 30 June 2017 when the budget anticipated a cash outflow in the 2016-17 year. This allowed an increase in investments.

Employees and Investments

4. Cash used for suppliers is higher than budget to reflect costs associated with the delivery of goods and services income, relating to projects.

Suppliers

5. Cash used for the purchase of property plant and equipment includes higher than anticipated internally developed software to meet emerging business needs and GST.

Purchase of property, plant and equipment

Food Standards Australia New Zealand

Overview

The Basis of Preparation

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

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations - reduced disclosure requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

New Accounting Standards

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

Taxation

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

Departmental Events After the Reporting Period

There has been no event since 30 June 2017 that had the potential to significantly affect the ongoing structure and financial activities of FSANZ.

Foreign Currency

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

Financial Performance

This section analyses the financial performance of Food Standards Australia New Zealand for the year ended 2017.

1.1 Expenses

	2017	2016
	\$'000	\$'000
1.1A: Employee Benefits		
Wages and salaries	10,908	11,204
Superannuation		
Defined contribution plans	919	827
Defined benefit plans	1,146	1,174
Leave and other entitlements	1,585	1,451
Separation and redundancies	364	-
Other employee expenses	5	31
Total employee benefits	14,927	14,687

Accounting Policy

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

1.1B: Suppliers

Goods and services supplied or rendered

Consultants and contractors	837	929
Travel	796	806
Computer expenses	467	457
Subscriptions	247	200
Training	235	135
Building running costs	111	107
ISFR Project Officer	144	139
Audit Fees	40	40
Other operating costs	674	544
Total goods and services supplied or rendered	3,551	3,357

Other suppliers

Operating lease rentals	980	1,007
Workers compensation premiums	33	28
Total other suppliers	1,013	1,035
Total suppliers	4,564	4,392

Leasing commitments

FSANZ in its capacity as lessee has leases for its offices in Canberra and Wellington. The Canberra lease expires in February 2018 and the Wellington lease in March 2018. The commitments shown below this year are to the end of the lease.

Commitments for minimum lease payments in relation to non-cancellable

operating leases are payable as follows:

Within 1 year	916	1,311
Between 1 to 5 years	-	4,714
More than 5 years	-	1,898
Total operating lease commitments	916	7,923

Accounting Policy

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

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

1.2 Own-Source Revenue and gains		
	2017	2016
	\$'000	\$'000
Own-Source Revenue		
<u>1.2A: Sale of Goods and Rendering of Services</u>		
New Zealand Government funding	2,021	1,912
Fee for service	305	260
Surveys	-	164
Asia Pacific Economic Corporation (APEC)	172	85
Labelling	-	120
Other	341	151
Total sale of goods and rendering of services	2,839	2,692

Accounting Policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) FSANZ retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and ;
- d) it is probable that the economic benefits associated with the transaction will flow to FSANZ.

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

- 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 the proportion that costs incurred to date bear to the estimated total costs of the transaction.

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

1.2B: Interest

Deposits	38	58
Investments	214	213
Total interest	252	271

Accounting Policy

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

1.2C: Revenue from Government

Corporate Commonwealth entity payment	17,185	17,288
Total revenue from Government	17,185	17,288

Accounting Policy

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

Financial Position

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

2.1 Financial Assets

	2017	2016
	\$'000	\$'000

2.1A: Cash and Cash Equivalents

AUSTRALIA		
Cash on hand or on deposit	3,765	3,246
NEW ZEALAND		
Cash on hand or on deposit	84	20
Total cash and cash equivalents	3,849	3,266

Accounting Policy

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

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

2.1B: Trade and Other Receivables

Goods and services receivables	149	91
Other receivables		
Interest	133	31
GST receivable	2	53
Other receivables	-	52
Total other receivables	135	136
Total trade and other receivables (gross)	284	227
Less impairment allowance	-	(28)
Total trade and other receivables (net)	284	199

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.

2.1 Financial Assets

	2017	2016
	\$'000	\$'000
2.1C: Investments - Term deposits		
Deposits	7,647	7,536
Total other investments	7,647	7,536

Accounting Policy

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

2.2 Non-Financial Assets**2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles****Reconciliation of the opening and closing balances of property, plant and equipment for 2017**

	Buildings - Leasehold Improvements \$'000	Plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	911	370	4,457	5,738
Accumulated depreciation, amortisation and impairment	(360)	-	(2,285)	(2,645)
Total as at 1 July 2016	551	370	2,172	3,093
Additions				
Purchase or internally developed	446	109	281	836
Revaluations and impairments recognised in other comprehensive income	-	-	-	-
Depreciation and amortisation	(347)	(144)	(285)	(776)
Disposals	-	(10)	-	(10)
Total as at 30 June 2017	650	325	2,168	3,143
Total as at 30 June 2017 represented by				
Gross book value	1,188	469	4,738	6,395
Accumulated depreciation, amortisation and impairment	(538)	(144)	(2,570)	(3,252)
Total as at 30 June 2017	650	325	2,168	3,143

The carrying amount of computer software at 30 June 2017 included \$0.259m purchased software and \$1.909m internally generated software.

No indicators of impairment were found for property, plant and equipment or land and buildings and intangibles at 30 June 2017.

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

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

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

FSANZ had no material commitments to purchase assets as at 30 June 2017.

2.2 Non-Financial Assets

Accounting Policy

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

Asset Recognition Threshold

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

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

Revaluations

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

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

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

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

Depreciation

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

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

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

	2017	2016
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-10 years	3-10 years

Impairment

All assets were assessed for impairment at 30 June 2017. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Intangibles

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

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

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

	2017	2016
Internally developed	10 Years	10 years
Purchased	4 Years	4 years

All software assets were assessed for indications of impairment as at 30 June 2017.

2.3 Payables		
	2017	2016
	\$'000	\$'000

2.3A: Suppliers

Trade creditors and accruals	873	313
Total suppliers	873	313

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

2.3B: Other Payables

Salaries and wages	122	103
Redundancy payable	364	-
Leave payable	196	-
Performance pay	197	220
Unearned income	682	1,120
Lease incentive	68	228
Other	31	-
Total other payables	1,660	1,671

Accounting PolicyUnearned Income

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

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the entity not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$79,573 (2016: \$26,251).

2.4 Other Provisions

	2017	2016
	\$'000	\$'000

2.4A: Provision for restoration

	Provision for restoration \$'000	Provision for restoration \$'000
As at 1 July	345	327
Additional provisions made	6	-
Restatement of New Zealand balance	-	3
Unwinding of discount or change in discount rate	-	15
Total as at 30 June	351	345

FSANZ currently has 2 (2016: 2) agreements for the leasing of premises which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. FSANZ has made a provision to reflect the present value of this obligation.

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

	2017	2016
	\$'000	\$'000

3.1A: Employee Provisions

Leave	4,527	4,302
Total employee provisions	4,527	4,302

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

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. FSANZ had no provision at the 30 June 2017 but a payable is shown in Note 2.3B to reflect redundancies that took effect on the 30 June 2017.

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.

3.2 Key Management Personnel Remuneration

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

	2017	2016
	\$'000	\$'000
Short-term employee benefits	1,707	1,562
Post-employment benefits	200	211
Other long-term employee benefits	101	111
Termination benefits	-	199
Total key management personnel remuneration expenses	2,008	2,083

The above table includes paid part time directors of 10 (2016: 11) board positions. The total number of key management personnel that are included in the above table are 16 (2016:16). There were no termination benefits paid in 2016-17.

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

3.3 Related Party Disclosures

Related party relationships

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

Transactions with related parties:

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

Significant transactions with related parties can include:

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

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

Managing uncertainties

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

4.1 Contingent Assets and Liabilities

FSANZ did not have any contingent assets or liabilities to report as at 30 June 2017 (2016: Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote. FSANZ did not have any contingent assets or liabilities to report as at 30 June 2017 (2016: Nil).

4.2 Financial Instruments

	2017	2016
	\$'000	\$'000

4.2A: Categories of Financial Instruments

Financial Assets

Receivables

Cash and cash equivalents	3,849	3,266
Trade and other receivables	282	174
Investments	7,647	7,536
Total receivables	11,778	10,976
Total financial assets	11,778	10,976

Financial Liabilities

Financial liabilities measured at amortised cost

Trade creditors	873	313
Total financial liabilities measured at amortised cost	873	313
Total financial liabilities	873	313

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 end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for

loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial Liabilities

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

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

4.2B: Net Gains or Losses on Financial Assets

Receivables

Interest revenue	252	271
Exchange gains/(losses)	(3)	2
Net gains/(losses) on receivables	249	273
Net gains on financial assets	249	273

4.2C: Fair Value of Financial Instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2017	2017	2016	2016
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Receivables	11,778	11,778	10,976	10,976
Total financial assets	11,778	11,778	10,976	10,976
Financial Liabilities				
Trade creditors	873	873	313	313
Total financial liabilities	873	873	313	313

4.3 Fair Value Measurement**4.3A: Fair Value Measurement**

	Fair value measurements at the end of the reporting period	
	2017 \$'000	2016 \$'000
Non-financial asset		
Leasehold improvements	560	461
Other property, plant and equipment	325	369
Total fair value measurements of assets in the statement of financial position	885	830

Accounting Policy

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

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

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
(a) Details of legislation establishing the body	xii, 44
(b) Both of the following	xii, 45
(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	
(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	iii, 44
(d) Any directions given to the entity by a Minister under an Act or instrument during the period	N/A
(e) Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	N/A
(f) If during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e) — particulars of non compliance	N/A
(g) The annual performance statements for the entity for the period in with paragraph 39(1)(b) of the Act and section 16F of this rule	xiv
(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	49
(ii) the qualifications of the accountable authority or member; and	53
(iii) the experience of the accountable authority or member; and	49
(iv) for a member — the number of meetings of the accountable authority attended by the member during the period and;	53
(v) for a member — whether the member is an executive member or non executive member	48

PGPA rule requirement	Location
(k) An outline of the organisational structure of the entity (including any subsidiaries of the entity)	xiii
(l) An outline of the location (whether or not in Australia) of major activities or facilities of the entity	xiii
(m) Information in relation to the main corporate governance practices used by the entity during the period	37
(n) the decision making process undertaken by the accountable authority for making a decision if:	
(i) the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and	69
(ii) the entity, and the other Commonwealth entity or the company, are related entities; and	N/A
(iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10 000 (inclusive of GST)	69
o) If the annual report includes information under paragraph (n)	
(i) if there is only one transaction — the value of the transaction; and	69
(ii) if there is more than one transaction — the number of transactions and the aggregate of value of the transactions	69
(p) Any significant activities and changes that affected the operations or structure of the entity during the period	33
(q) Particulars of judicial decision or decisions of administrative tribunals made during the period that have had, or may have a significant effect on the operations of the entity	N/A
(r) Particulars of any report on the entity given during the period by:	
(i) the Auditor General, other than a report under section 43 of the Act (which deals with the Auditor General's audit of the annual financial statements for Commonwealth entities); or	N/A
(ii) a Committee of either House, or both Houses, of the Parliament; or	N/A
(iii) the Commonwealth Ombudsman; or	N/A
(iv) the Office of the Australian Information Commissioner	N/A

PGPA rule requirement	Location
(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).	41

Other requirements	Location
Work health and safety (Schedule 2, part 4 of the <i>Work Health and Safety Act 2011</i>)	32
Advertising and Market Research (s. 311A of the <i>Commonwealth Electoral Act 1918</i>)	41
Ecologically sustainable development and environmental performance (s. 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	
Annual Report requirements (s. 152 of the <i>Food Standards Australia New Zealand Act 1991</i>)	56

Appendix 7: Consultants

Consultancies worth \$10,000 or more carried out in FSANZ in 2016–17

Reason for use

A—skills currently unavailable within agency

B—need for specialised or professional skills

C—need for independent research or assessment

Selection process

Sole provider

Part of an existing contract

Selective tender

Open tender

Panel

Consultant	Nature of Consultancy	Amount – excl. GST	Reason for use A/B/C	Selection process
AKC Consulting Pty Ltd	APEC Import MRL Guideline for Pesticides	\$11,050	B, C	Sole provider
AccessHQ	User testing of website	\$27,200	C	Panel
University of Technology Sydney	DCE report as part of a project to estimate the annual cost of foodborne illness in Australia, circa 2010	\$20,454	A	Sole provider
University of Adelaide	Online survey of caregivers in Australia and New Zealand in relation to infant formula	\$32,727	B, C	Sole provider
Adelaide Research and Innovation (ARI)	Final payment for focus group and eye-tracking research with caregivers in relation to infant formula	\$17,721	B, C	Sole provider
Aust National Audit Office (ANAO)	Audit Financial Statements	\$33,000	B	Sole Provider

Consultant	Nature of Consultancy	Amount – excl. GST	Reason for use A/B/C	Selection process
Australian National University (ANU)	Contribution to NHMRC partnership project on Campylobacter attribution	\$20,000	C	Part of an existing contract
Australian Government Solicitor	Legal services	\$48,500	B	panel
Linda R Scott & Associates Pty Ltd	Coaching of staff	\$22,891	A/B	sole provider
National Measurement Institute (NMI)	26th Australian Total Diet Study (ATDS)	\$150,000	A/B	sole provider
National Measurement Institute (NMI)	Key foods nutrient analytical program	\$47,185	A/B	sole provider
Nous Group Pty Ltd	Undertake Strategic alignment review	\$65,454	B, C	panel
Quality Medication Care Pty Ltd (QMC)	Pharmacokinetic modelling on perfluorinated compounds	\$25,000	A,C	sole provider
Sapere Research Group Limited	Review of Standards Management System	\$30,610	B	selective tender
Searchlight Group Pty Ltd	CEO Recruitment	\$14,928	B	selective tender
Toxconsult Pty Ltd	Review of the immunotoxicity of perfluorinated compounds	\$10,000	B	sole provider
Wardy IT Solutions	Redevelopment of FSANZ's food composition (Silo) and enhancement of dietary exposure (Harvest) capabilities	\$163,265	A/B	Pre-qualified tender

Appendix 8: External FSANZ committees

FSANZ committees and groups with external members

FSANZ could not operate effectively without assistance and advice from committees and groups whose members have been selected for their skills and knowledge. We gratefully acknowledge the contribution of the committee and group members during 2016–2017.

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.

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.

Expert Advisory Group on New Breeding Techniques

Purpose: to assist FSANZ with a review of Standard 1.5.2 – Food produced using gene technology and any other NBT issues falling outside of the scope of the review.

Food Incident Forum

Purpose: For government and industry to share information and collaborate on potential food safety issues to determine if they are food safety issues and how prepared Australia is should they eventuate and actual food safety incidents, including the response and recovery.

Health Claims Scientific Advisory Group

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

Jurisdictional Advisory Group on P1042

Purpose: to provide advice in relation to relevant matters identified by FSANZ in P1042 – Low THC Hemp Seeds as Food.

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.

Committees and groups

Novel Food Standard Development Advisory Group

Purpose: to provide advice and information to FSANZ on matters relating to Proposal P1024 – Revision of the Regulation of Nutritive Substances and Novel Foods.

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.

Scientific Nanotechnology Advisory Committee

Purpose: to provide advice and information to FSANZ on matters relating to nanotechnology and food safety.

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.



OTHER INFORMATION

Acronyms and abbreviations

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Acronyms and abbreviations

ADI	Acceptable daily intake
AFGC	Australian Food and Grocery Council
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARC	Australian Research Council
ATDS	Australian Total Diet Study
BSE	Bovine spongiform encephalopathy
CCCF	Codex Committee on Contaminants in Food
CCFA	Codex Committee on Food Additives
CCFH	Codex Committee on Food Hygiene
CCFL	Codex Committee on Food Labelling
CCFICS	Codex Committee on Food Import and Export Inspection Certification Systems
CCNFSDU	Codex Committee on Nutrition and Foods for Special Dietary Uses
COAG	Council of Australian Governments
Codex	Codex Alimentarius Commission and its committees
DAWR	Australian Government Department of Agriculture and Water Resources
DEA	Dietary exposure assessments
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>

FSCF	Food Safety Cooperation Forum
GM	Genetically modified
HACCP	Hazard analysis and critical control points
IGA	Inter-Government Agreement
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
PFOA	Perfluorooctanoic acid
PFOS	Perfluorooctane sulfonate
PFHxS	Perfluorohexane sulfonate
Science Forum	Australia New Zealand Science Forum
SCSC	APEC Sub-Committee on Standards and Conformance
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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AUSTRALIA

Boeing House, 55 Blackall Street
BARTON ACT 2600

PO Box 5423
Kingston ACT 2604
AUSTRALIA

P +61 2 6271 2222
F +61 2 6271 2278
E info@foodstandards.gov.au

NEW ZEALAND

Level 3, 154 Featherston Street
WELLINGTON 6011

PO Box 10559
The Terrace, Wellington 6143
NEW ZEALAND

P +64 4 978 5630
F +64 4 473 9855
E info@foodstandards.govt.nz