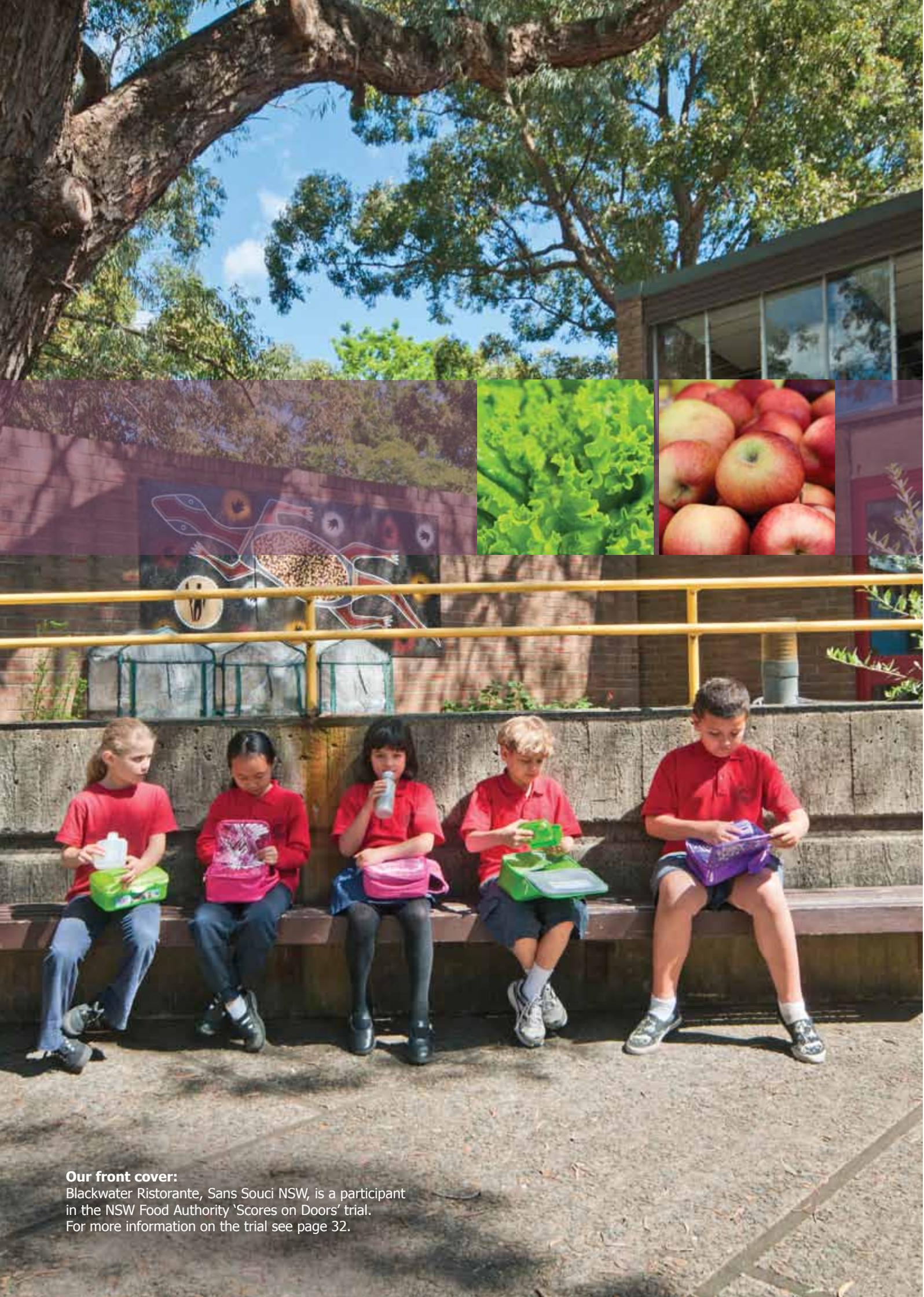


Opening doors to food safety



NSW Food Authority
safer food, clearer choices



Our front cover:

Blackwater Ristorante, Sans Souci NSW, is a participant in the NSW Food Authority 'Scores on Doors' trial. For more information on the trial see page 32.

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Part 2: Subsidiary Entities of the NSW Food Authority (separate report)

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Our Minister

Good food is essential to a healthy lifestyle and plays a central role in all of our lives.



Whether it's enjoying the finest and freshest produce New South Wales has to offer, or sharing a meal with family and friends, it's important that what we eat always conforms to the highest safety standards.

That's where the NSW Food Authority comes in, by working hard to make sure these standards are met at every stage of the food chain.

Since its inception in 2004, the Authority has worked with businesses, industries and local governments so consumers, like you and me, can have the peace of mind they deserve when buying and preparing food, or dining out.

This year the Authority focused its attention on:

- Poor food handling
- Inconsistencies in food premises inspections
- Incorrect labelling.

The Authority's role is to ensure all food produced, sold and served in New South Wales is safe and provide advice and information to the public about food safety and food choices.

Noteworthy achievements this year included:

- The *Food Regulation 2010* (p. 39) – a more streamlined, consistent and business-friendly way to regulate food safety schemes standards across the State.
- The Food Safety Supervisor initiative (p. 41) – which requires certain food businesses in New South Wales to appoint their own supervisor to oversee food safety.

- A standardised food inspection checklist (p. 46) – which aims to improve the consistency of inspection outcomes conducted by local government.
- The Food Regulation Partnership (FRP) Activity Report (p. 24) – the most comprehensive food safety 'report card' ever released in Australia, involving 56,000 food inspections in New South Wales for the food retail and foodservice sector.
- Higher standards for the Vulnerable Persons sector – the first audit of businesses to ensure greater food safety for the elderly and people with weakened immune systems in hospitals and aged care facilities.
- A detailed survey on caffeinated energy drink labelling (p. 43) – resulting in the successful removal of five illegal energy drinks from the market.
- The development of the 'Scores on Doors' program (p. 32) – a voluntary program which allows businesses to promote their food inspection compliance by way of a 'scorecard' placed on their door. It will be piloted in 2010.

These successes clearly demonstrate the Authority's commitment to excellence in food safety for New South Wales, and I congratulate CEO, Alan Coutts, and his team.



The Hon. Steve Whan MP

Minister for Primary Industries, Minister for Emergency Services and Minister for Rural Affairs



Letter of submission



NSW
GOVERNMENT | **Industry &
Investment**

31 October 2010

The Hon. Steve Whan MP
Minister for Primary Industries, Minister for Emergency Services
and Minister for Rural Affairs
Level 33, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000

Dear Minister

I am pleased to submit the Annual Report and consolidated financial statements of the NSW Food Authority and its controlled entities the Office of the NSW Food Authority, Milk Marketing (NSW) Pty Limited and Pacific Industry Services Corporation Pty Limited for the year ended 30 June 2010.

The Report was prepared under the provisions of the *NSW Food Act 2003* and the *Annual Reports (Statutory Bodies) Act 1984*.

Yours sincerely

Dr Richard Sheldrake
Director-General Industry & Investment NSW

Our CEO

For six years now, the NSW Food Authority has been a leader and innovator in food safety.



Each year has seen us take a significant step forward as we introduce and enhance programs and policies that help us achieve our goal of reducing foodborne illness across the state.

This year has been no exception, with progress made in a number of areas.

This included the introduction of the **Food Regulation 2010**, which replaced the *Food Regulation 2004*.

The culmination of almost two year's hard work by the Authority, the new regulation brings a raft of improvements that will benefit all food businesses, and ultimately the consumer.

This year we also made improvements to how food premises are inspected by councils (by introducing a standardised inspection checklist) and released Australia's most comprehensive food business 'report card' – one that details the number of food inspections, fines and prosecutions undertaken by all councils in New South Wales. This was part of the constantly evolving **Food Regulation Partnership** between the Authority and councils.

Meeting the challenges

Since the Authority was established in 2004 (through the merger of SafeFood NSW with the food regulatory activities of NSW Health), we have achieved a great deal, but not without overcoming some challenges.

Issues such as poor food handling, inconsistencies in food premises inspections and incorrect labelling have prompted us to review our approach in some areas and make enhancements in others.

One example this year was our work on the **Food Safety Supervisor (FSS)** initiative. Developed to encourage safer handling of food, this mandatory program will ensure that most retail foodservice and hospitality businesses in New South Wales have a designated and appropriately trained 'food safety supervisor'. The scheme is due to be fully implemented in the coming twelve months.

Another key outcome this year was the development of a '**Scores on Doors**' food safety grading program – to be piloted during 2010-11 with twenty councils across the state. This voluntary program will allow the public to see how a foodservice business complies with food safety and hygiene requirements via a 'scorecard' displayed on their door or window.

As well as rolling out programs that provide consumers with peace of mind, we also continue to support industry, remain actively involved in food regulation and continue to share knowledge with food agencies around the world.

This report outlines our efforts in these, and many other areas, focussing on measurable outcomes from our new Corporate Plan.

The achievements outlined in this report would not be possible without the ongoing support of the NSW Government, our industry and local government partners and, of course, our 128 dedicated staff members.

Moving forward

As we continue to pursue our primary goal of reducing foodborne illness across the state, the Authority is always looking for better ways of doing things.



A major focus in the year to come will be providing consumers with better choice and more information about food safety and labelling. In April and May 2010, the Authority prepared the NSW submission to the national review on food labelling – chaired by Dr Neal Blewett. Our submission advocates using food labels to help consumers make informed decisions and healthy choices. It also includes a recommendation to introduce 'menu board labelling' for quick service restaurants. Foods listed on these boards will contain valuable nutritional information. This is part of a new 'healthy choices' initiative we hope to roll out during 2010-11.

We will also continue our work on beef labelling, where retailers are required to adhere to certain labelling requirements when beef is labelled for sale. The aim is to bring clarity to consumers and make it easier for them to choose the right cut of meat for their meal.

Our science-based, evidence-led approach helps us to identify and understand issues affecting food safety and develop strategies to tackle them.

It also helps us to 'open doors' to food safety.

Doors that lead to safer ways of processing and preparing food, better ways of communicating food safety messages, fewer compliance breaches and, ultimately, a reduction in foodborne illness and a healthier community.

Alan Coutts
Chief Executive Officer

New structure

On 1 July 2009, the Authority became a partner agency of the newly formed Department of Industry & Investment NSW (I&I NSW).

This new structure is designed to deliver more integrated services, ensure a greater client focus and cut red tape. It has not affected our statutory role and we continue to support licensees and stakeholders.

To ensure that our activities satisfy the requirements of the new arrangement, we have developed a Corporate Plan where our Key Result Areas (KRAs) are closely aligned with the I&I NSW Corporate Plan. *See page 55.*

Year in review

2009-10



Communication

- Name and shame web portal passes four million visits
- Safe food temperature demonstration attracts big crowds at Royal Easter Show
- Four issues of industry publication *Foodwise* published on NSW Food Authority website and distributed to NSW Food Authority Licence holders.



Leadership

- **Provided food safety and incident management advice to the Chinese government**
- **Worked with AQIS to address issues in the game meat industry**
- **Provided advice and support for the Southeast Asian Games**

Audits

- Conducted 5,732 audits, including 1,174 in the Vulnerable Persons sector
- Third party auditor program commenced

Food Regulation Partnership (FRP)

- **First full year (enforcement) 'report card' published**
- **Standardised food inspection checklist developed**
- **'Scores on Doors' pilot program developed**



Issues management

- Thyroid malfunction linked to soy milk
- Listeria in airline food
- Egg associated outbreaks of salmonellosis





Food handler training

- Work finalised on the Food Safety Supervisor initiative, which mandates food handler training at most retail foodservice and hospitality businesses across NSW

Labelling

- Prepared the NSW submission for the Blewett food labelling law and policy review
- Conducted a proactive investigation into date marking on labels
- Commenced a survey into 'caffeine level' labelling on energy drinks

Shellfish Program

- Reviews conducted on 78 operational harvest areas
- Closed 381 shellfish harvest areas and reopened/ upgraded 418
- Responded to a coal tar spill in Tuross Lake

Food Safety Schemes

- New Egg Industry Food Safety Scheme launched
- First full year audit of Vulnerable Persons Food Safety Scheme conducted
- Benchmark evaluation undertaken on Vulnerable Persons and Egg Industry food safety schemes



Surveys

- Surveys conducted on take away chicken, infant formula and domestic refrigerator temperatures
- Commenced work on a national study into salt in foods



About us

We are Australia's first and only through-chain food regulatory agency, regulating and monitoring food safety across New South Wales.



The NSW Food Authority is a government agency that works to ensure food sold in the State is safe and correctly labelled and that consumers are able to make informed choices about the food they eat.

We were established on 5 April 2004 through the merger of SafeFood NSW with the food regulatory activities of NSW Health.

Responsible to the Minister for Primary Industries, the Authority provides a single point of contact on food safety for industry, local government and consumers.

We are Australia's first and only through-chain food regulatory agency, regulating and monitoring food safety across New South Wales – from primary production through to point-of-sale.

The Authority provides the regulatory framework for the food industry in New South Wales by administering and enforcing state and national food legislation.

This includes the national *Food Standards Code* and the *Food Act 2003*, as well as a range of food safety schemes, which regulate key industry sectors of the food industry.

On 1 July 2009, the Authority became a partner agency of the newly formed Department of Industry & Investment, trading as Industry & Investment (I&I) NSW.

The partnership with I&I NSW is in keeping with the NSW Government's reforms to provide better services and less red tape by merging a number of former NSW Government departments and authorities.

The establishment of I&I NSW builds on the strengths and organisational capabilities of each of the partner agencies.

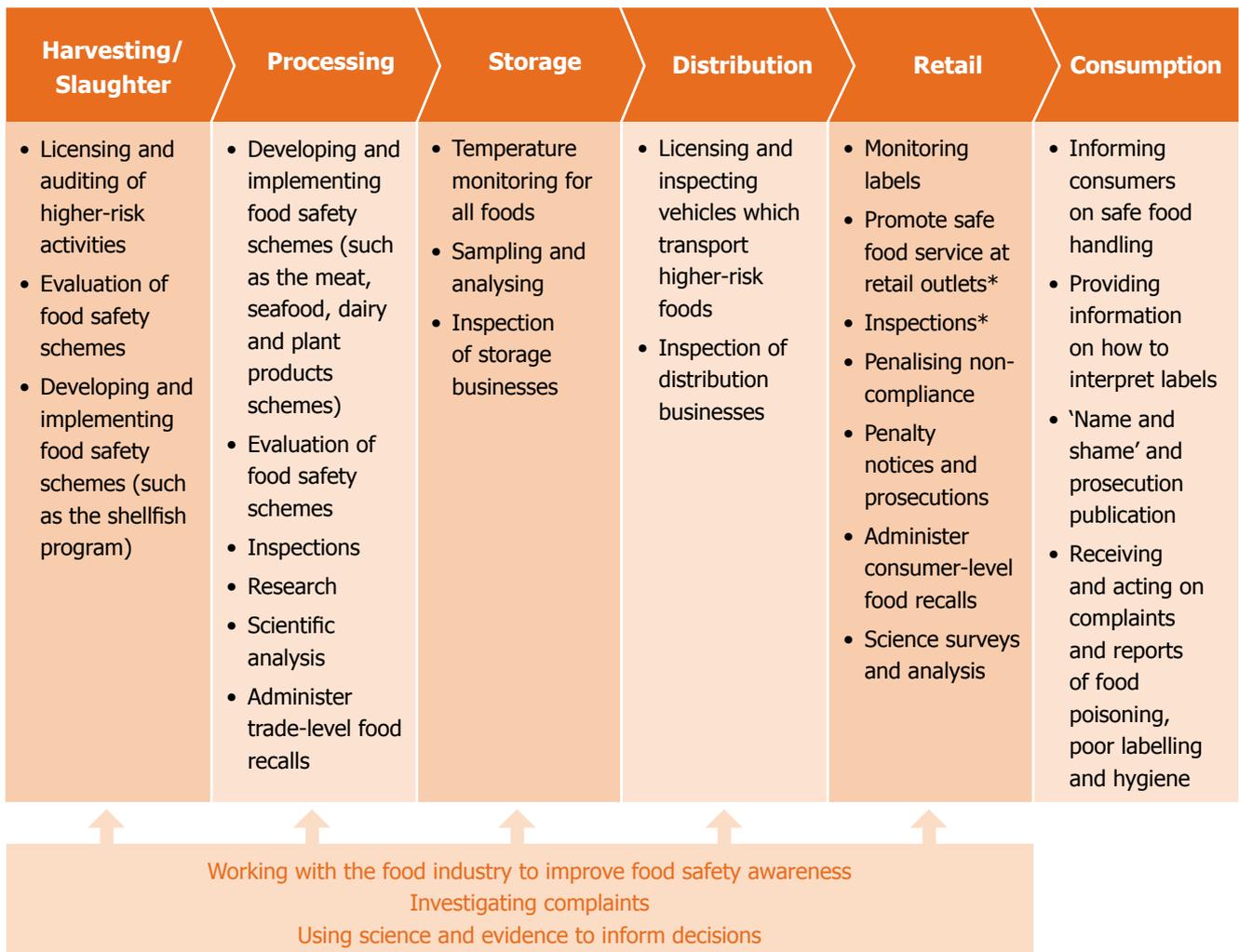
The Authority's contribution to food safety extends beyond our borders in New South Wales, with many of our activities having an impact nationally and sometimes internationally.

This includes:

- Contributing to the development and implementation of trans-Tasman food policies.
- Being actively involved in applications and proposals to amend the *Food Standards Code*.



Our contribution to food safety



*with local government



- establishing food safety schemes for higher-risk foods and businesses through a process of risk analysis, educating consumers by providing information on good food handling practices and assistance in understanding food labels.

Our food safety partners

The Authority works closely with other government agencies and local councils to monitor food safety compliance, manage foodborne illness outbreaks and participate in safe food handling promotions.

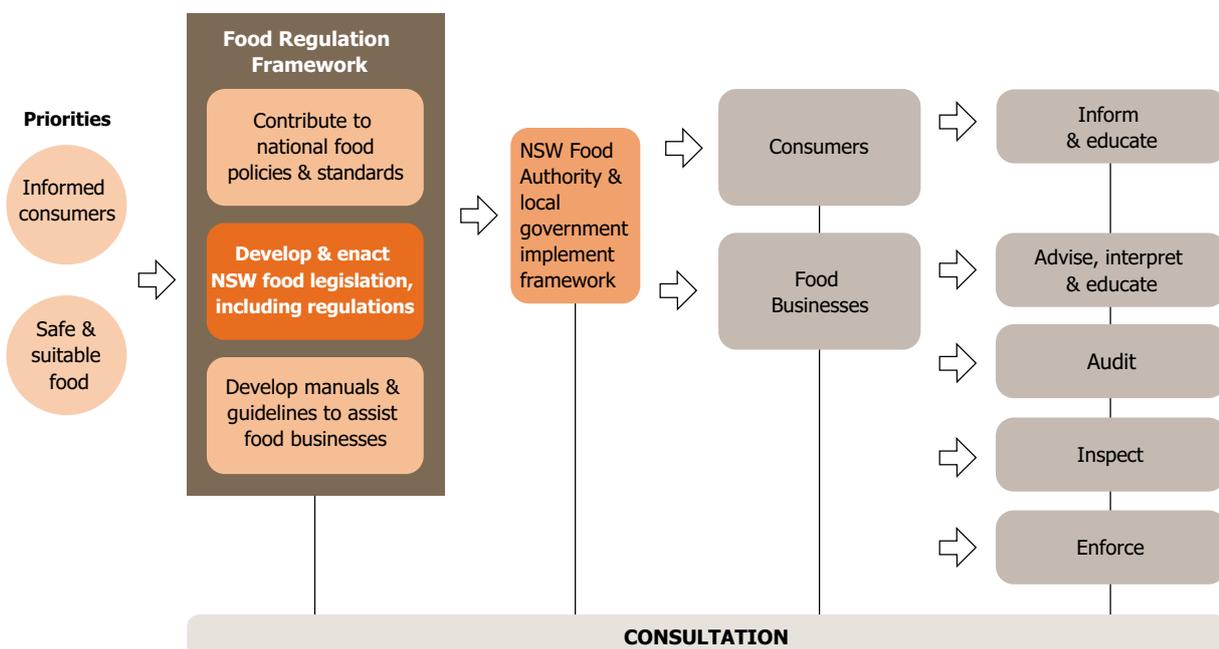
Our partners include Industry & Investment NSW, NSW Health, Australian Quarantine & Inspection Service (AQIS), Food Standards Australia New Zealand (FSANZ), the NSW Department of Environment and Climate Change, the NSW Office of Fair Trading and 152 councils across the State.

The NSW Food Regulation Framework

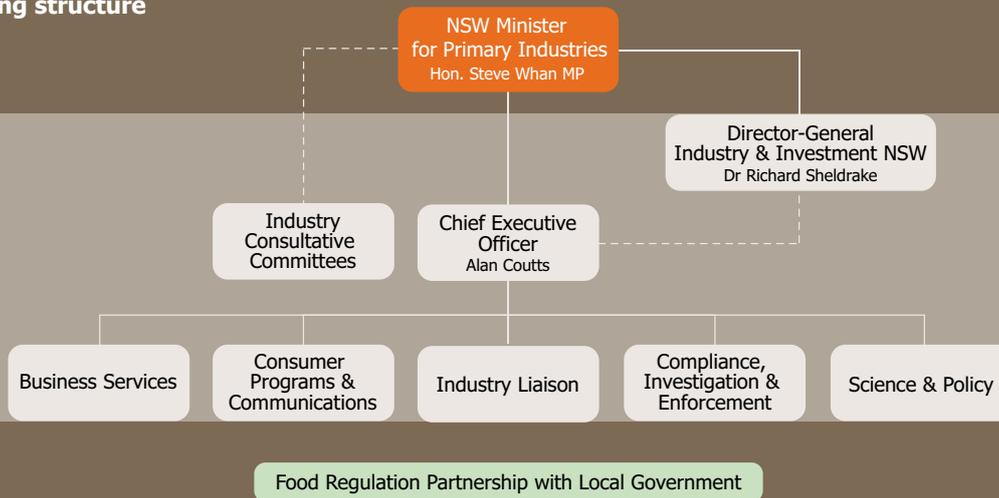
The Authority's role in the NSW Food Regulation Framework is to ensure the safety and integrity of the food supply in the State by monitoring food industry compliance with the law. Through the Food Regulation Partnership (FRP) – which began operating in 2007 – the Authority and local councils now more work closely together to enforce the *Food Act 2003*.

Under the FRP, each council has a more defined role as a food safety enforcement agency. This includes making regular inspections and responding to food related emergencies. The FRP helps to improve the Authority's food safety capabilities, ensuring that available resources are focussed directly on food safety outcomes.

The NSW Food Regulation Framework



Operating structure



The Authority has five branches:

1. Science and Policy
2. Compliance, Investigation and Enforcement
3. Consumer Programs and Communications
4. Industry Liaison
5. Business Services

The **Science and Policy Branch** is accountable for the research and development of scientifically sound policies, legislation and programs to ensure the effective regulation of food industries in accordance with Australian and international best practice. The branch is also responsible for the Authority's corporate planning processes and its Shellfish Program.

The role of the **Compliance, Investigation and Enforcement Branch** is to implement measures to ensure compliance with food safety regulations, investigate outbreaks and alleged breaches and enforce food safety regulations.

The **Consumer Programs and Communications Branch** is primarily responsible for the public interface of the Authority, including targeted consumer programs, public affairs, industry communications, the Consumer & Industry Helpline and website.

The **Industry Liaison Branch** ensures a consultative relationship with industry and local government and encourages an active, open dialogue on food regulation and compliance with these sectors.

The **Business Services Branch** includes all finance, licensing and corporate resource functions.

Key Result Areas and Outcomes

The operations of the NSW Food Authority are underpinned by five Key Result Areas linked closely to our Corporate Plan. These form the basis of our approach to everything we do.

To fulfill our role as safe food ambassadors, we focus on the following Key Result Areas:

1. Safer food, clearer choices
2. Safe food produced and sold in NSW
3. Well informed industry and consumers
4. Effective service delivery
5. Governance and organisational support

The clearly defined outcomes within each area will focus efforts to achieve results.

The diagram below illustrates the interrelationships between the five Key Result Areas (KRAs).

Corporate Plan KRAs





Our Management Team



Alan Coutts
Chief Executive Officer

Bachelor of Commerce (majoring in economics) & Graduate Diploma of Education, University of NSW

Mr Coutts joined the Authority as Director General in November 2008. He became Chief Executive Officer and Deputy Director-General Industry & Investment NSW in July 2009 when the NSW Food Authority became a partner agency of the newly formed Department of Industry & Investment. He reports directly to the NSW Minister for Primary Industries on all agency activities. Prior to joining the Authority, Mr Coutts was Deputy Director-General (Mineral Resources) of the NSW Department of Primary Industries.



Craig Sahlin
Deputy Chief Executive Officer and Executive Director Science and Policy

Bachelor of Arts (Honours), LLB

Mr Sahlin is responsible for advising on strategic direction and corporate planning, undertaking risk assessment, policy and program development, and coordinating changes to legislation. Before joining the public sector in 1990, Mr Sahlin worked as a lawyer in the private and community sectors. As Deputy CEO, Mr Sahlin supports the CEO in the day-to-day management of the Authority and relieves during absences and periods of leave.



Peter Day
Executive Director Compliance, Investigation and Enforcement

Assoc. Dip. Food Technology, Assoc. Dip. Applied Science (SMI), Grad. Cert. Public Sector Mgt.

Mr Day is responsible for the enforcement of the *NSW Food Act 2003*, *Food Standards Code* and the *Food Regulation 2010*, including labelling and advertising compliance, inspections, auditing and investigating consumer and food industry complaints. Mr Day has been a regulator with various food agencies for more than 20 years. He has contributed extensively to national policies on food safety, enforcement and auditing through the ISC system for the consistent implementation of National Food Standards Policy.



Samara Kitchener
Director Consumer Programs and Communications

Bachelor of Science Food Science and Technology (Honours), MBA

Ms Kitchener is responsible for the Authority's public affairs, consumer and industry communication functions, Consumer and Industry Helpline and website. She was awarded a Public Relations Institute Golden Target Award for the Authority's Mercury in Fish campaign, and has worked as an advisor to WHO to help develop guidelines on risk communication as a tool for managing mercury in fish. Ms Kitchener has also facilitated workshops in China and the Philippines on risk communication and food issues. She began her career as a field officer with the NSW Dairy Corporation.



“ The Authority provides the regulatory framework for the food industry in New South Wales.



Sian Malyn
Financial Controller and
Director Business Services

*Bachelor of Business
(Accounting), CPA*

Ms Malyn is responsible for the Authority's Finance, Licensing, Systems Development, IT, Asset Management and Procurement functions. This includes managing the Authority's financial planning, non-outsourced operational and reporting activities, including those of its controlled entities, the Office of the NSW Food Authority and subsidiary companies. Her area is also responsible for issuing licences to more than 14,500 facilities in New South Wales.



Peter Sutherland
Director Industry Liaison

*Bachelor of Science
(Honours) Microbiology/
Immunology*

Mr Sutherland is responsible for the ongoing engagement of the Authority's key stakeholders within the food industry and government, including local government. Mr Sutherland, a food microbiologist with more than 28 years experience, has written for text books on food safety and pathogens and presented scientific papers both nationally and internationally.



Dr Lisa Szabo
Chief Scientist

*Bachelor of Science
(Honours) & Doctor of
Philosophy (Microbiology)*

Dr Szabo provides leadership on the scientific aspects of our business and keeps the team updated with national and international developments in food safety. She has published articles in peer reviewed international scientific journals, written book chapters, guest lectured at universities and supervised students during their doctoral studies. Dr Szabo was a research scientist with the CSIRO before she joined the Authority in 2006.

Opening doors to food safety & healthy eating

Our aim is to reduce foodborne illness in New South Wales and ensure consumers are able to make informed choices about the food they eat.



Since the NSW Food Authority was established in 2004, we have continued to build on our capabilities – constantly assessing new ways to reduce foodborne illness and building frameworks to effectively interact with local government, industry and consumers.

In the past six years we have grown to become a mature organisation, able to take a comprehensive and multi-faceted approach to key food issues.

The 2009-10 financial year was a milestone year for many of our campaigns and one marked by structural change, innovation and improvement.

On 1 July 2009, the Authority became a partner agency to the newly formed Department of Industry & Investment NSW (I&I NSW). The merged department is designed to improve efficiency by pooling the joint resources of a number of former agencies. I&I NSW aims to provide better internal and external services with a focus on building a strong and diversified state economy.

While the framework the Authority works within has changed, our approach to food safety remains vigilant. The key focus for us this year was tackling foodborne illness issues at the consumer interface in retail and food service.

We did this through developing programs such as the Food Safety Supervisor initiative, which aims to address poor food handling practices by mandating food handler training. We also investigated poorly labelled food, conducted surveys on high-risk foods, promoted safe food temperatures to consumers and assisted industry to better manage food safety.

The Authority continues to open doors to food safety by focussing on effective policies and campaigns that promote safe food and healthy eating.



Key initiatives

Food Safety Supervisor initiative

This program will ensure that certain retail foodservice and hospitality businesses in New South Wales have a designated and appropriately trained 'Food Safety Supervisor' – responsible for the promotion of safe food handling on the premises. Implementation is due to commence late in 2010 with the program expected to be fully operational by mid 2011. *See page 41.*

First full year 'report card' for the Food Regulation Partnership

The first twelve month 'summary of inspection and enforcement activities' undertaken by councils in the Food Regulation Partnership (FRP) was released this year. It outlined the extensive food surveillance work undertaken by councils in the retail sector in the State for the period June 2008 to June 2009. The primary focus of the FRP is to improve food safety compliance across the more than 36,000 food businesses in New South Wales. *See page 24.*

Third party auditor program

Launched in October 2009, this program allows persons other than Authority employees to conduct regulatory food safety audits of licensed food businesses in New South Wales. It assists us in monitoring and enforcing food safety compliance around the State. *See page 24.*

National study into salt in foods

In February 2010, the Authority began a partnership with the George Institute for Global Health on a study to investigate salt levels in the Australian diet. The evidence generated by this project will allow strategies on reducing salt in foods to be developed for the first time. *See page 49.*

As we move forward, we will continue to focus on three key areas:

1. Keeping food safe
2. Educating & informing
3. Leading & improving

These are some of Key Result Areas (KRAs), which form the backbone of our new Corporate Plan (*see pages 56-57*). They are also linked with our key performance indicators (KPIs), which measure outcomes against targets.

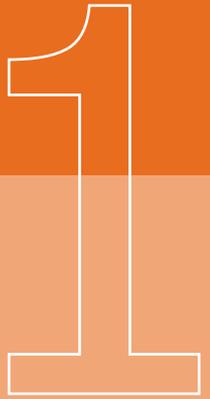
These KPIs will be featured throughout the report, highlighting our achievements and the challenges we faced.

“ Keeping food safe and reducing foodborne illness is the primary focus of our Corporate Plan and drives everything we do.



The NSW Food Authority takes a systematic approach to food safety – regulating to keep food safe, enforcing food safety laws and empowering others to help us reduce foodborne illness.

Keeping food safe



To deliver on our promise of providing 'safer food and clearer choices' we work proactively with our partners in local government, other NSW Government agencies and industry bodies.

To maintain food safety and protect the community, we enforce the requirements of the *Food Act 2003* to prevent misleading or unhealthy conduct in connection with the safe sale of food.

We use science to regularly evaluate food regulations, monitor industry compliance and respond to incidents. This helps us achieve our goal of reducing foodborne illness in New South Wales, and it's how we help to keep food safe.

KRA Activities

To help keep food safe we:

1. Conduct risk based surveillance of all food industry sectors
2. Aim to improve compliance of the NSW food industry with food regulations
3. Benchmark and verify NSW food industry performance



1. Conducting risk based surveillance

When conducting audits and inspections of food businesses across New South Wales, the Authority prioritises 'high risk' businesses (eg those producing ready to eat food and servicing Vulnerable Persons).

We use the National Priority Risk Classification tool – developed under the auspices of the Food Regulation Standing Committee (FRSC) – to determine the frequency of these audits and inspections. Businesses with a good track record are visited less frequently, while those performing badly or in higher risk categories are visited more often.

Food industry audits and inspections

One of the Authority's most important roles is to audit businesses operating under an approved Food Safety Program (FSP) – to ensure that they comply with food safety requirements.

Each food business must identify the risks involved when handling and producing food and implement appropriate systems to manage the hazards (as required under the *Food Regulation 2010*).

Our officers regularly check the overall effectiveness of food safety schemes in the meat, dairy, seafood, plant products and Vulnerable Persons sectors.

During 2009-10, this resulted in 5,732 audits being conducted.

While this number met anticipated targets, it was down four per cent overall compared to the previous year. This was primarily due to the priority given to audits in the Vulnerable Persons sector. These audits were more detailed and time intensive, thereby impacting the overall figures.

First full year audit for Vulnerable Persons sector

This year we conducted our first full audit of the Vulnerable Persons sector.

Vulnerable Persons are classified as children under four years of age, older people, pregnant women and people who are immuno-compromised. They are more susceptible to foodborne illness than the general population.

The routine audit was conducted under the Vulnerable Persons Food Safety Scheme which seeks to improve food safety controls in businesses serving persons in aged care facilities, hospitals and delivered meals organisations.

By 30 June 2010, 1,174 audits had been completed in the Vulnerable Persons sector. Of those, 167 food businesses failed the audit and, where necessary, improvement notices were issued.

Percentage of auditable licensed businesses audited within schedule

Target	Actual	Variance
90%	102.2%	+10.2%

Target was exceeded due to additional follow-up audits required because of the initial high failure rate in the Vulnerable Persons sector.

Percentage of auditable businesses that passed scheduled audits

Target	Actual	Variance
90%	87.88%	-2.22%

Target was not met due to the initial high failure rate in the Vulnerable Persons sector. This is expected to improve.



“ In 2009-10, 5,732 audits were conducted – 1,174 of those in the Vulnerable Persons sector.

Bridging regulatory gaps

To ensure food law in New South Wales is consistently applied and enforced, the Authority partners with local government in an arrangement known as the Food Regulation Partnership (FRP).

Councils are responsible for inspections and enforcement of retail food premises (such as restaurants, cafes and hotels), while the Authority is responsible for licensed, non-licensed and non-retail food businesses (such as manufacturing, distribution and wholesale food businesses).

This shared arrangement helps reduce the duplication of services and bridges any gaps in enforcing food regulations. During 2009-10, a food safety risk profile was established for each business – determined by issues such as the type of food processing activity, risk profile and existing compliance programs in place (eg commercial supplier audits).

Establishing these profiles allows the Authority to prioritise our inspection regime and focus on those businesses requiring the most attention. Inspections of manufacturing food businesses classified as 'high-risk' began in March 2010.

Monitoring the shellfish industry

Of all the industries the Authority partners with, the shellfish industry remains one of the highest risk food sectors.

Shellfish are susceptible to contamination through poor water quality which can affect the food safety of filter-feeding shellfish such as oysters and mussels.

To help maintain food safety in this industry, the Authority manages the NSW Shellfish Program which classifies shellfish harvest areas based on potential pollution sources and water quality that can impact these areas.

Depending on environmental conditions, shellfish harvest areas are routinely closed and re-opened throughout the year to ensure a safe food supply.

This year we reviewed all 78 operational harvest areas in New South Wales. No harvest area was demoted.

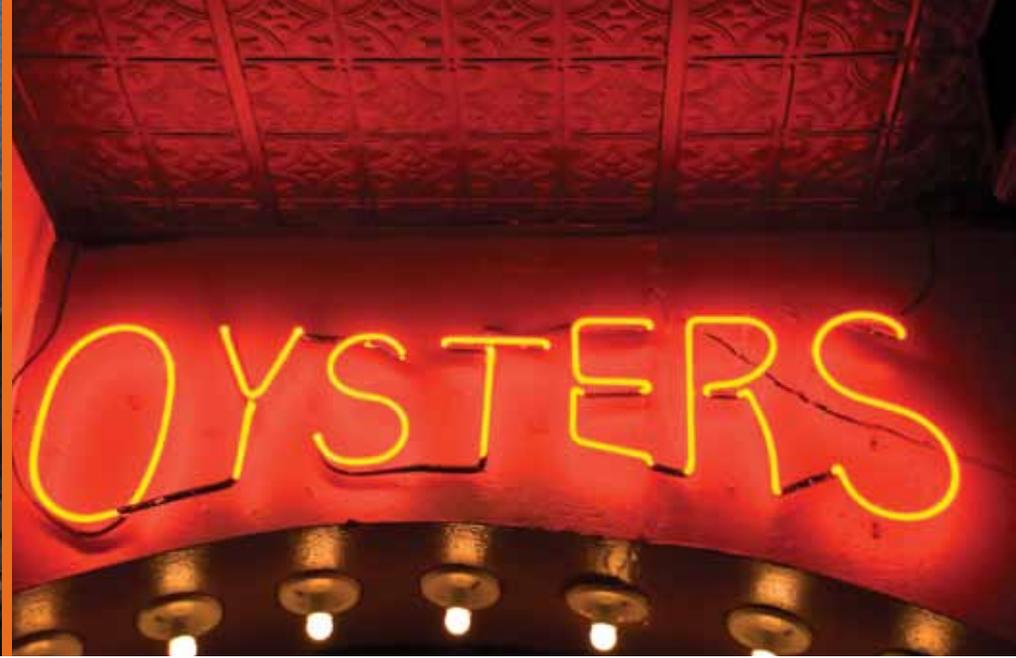
Achievements

- Developed a Third Party Auditor Program (in accordance with the National Audit Policy) that will extend our resource capabilities.
- Achieved a reduction in audit failure rates in the Vulnerable Persons sector (from 18% to 11%).
- Launched the Certificate IV – Food Surveillance Course that will provide an educational pathway for more food inspection officers for councils to address the current workforce shortage.



Challenges

- Regulating unlicensed, non-retail high-risk food businesses.
- Transitioning to the Third Party Auditor Program, which allows non-Authority personnel to conduct audits.
- Diverting significant resources into both the Vulnerable Persons sector (to address the high initial audit failure rate) and the new food safety scheme for eggs.



Other key activities during the year included:

- Closing 381 shellfish harvest areas and opening/upgrading another 418.
- Conducting nineteen training courses for industry on depuration plant operation and environmental sampling techniques.
- Participating in the Kalang River Working Group to help identify the source of human faecal pollution in the river. The Authority played an integral role in a successful dye tracing study that identified several pollution sources. As at June 30 2010, the working group was looking at ways of remediating these areas.
- Closing the local oyster industry around Wagonga Inlet (near Narooma on the NSW south coast) for fifteen weeks following an unprecedented and persistent algal bloom that produced a toxin called domoic acid.
- Playing a key role in the inter-agency response to a food safety risk to the local oyster industry in Tuross Lake – following a coal tar ‘creosote’ spill. Creosote is used to protect wooden posts, sleepers, telegraph poles and marine piles against decay.

Percentage of annual shellfish harbour reviews completed within 60 days of review date

Target	Actual	Variance
90% (Over 3 years)	75%	-15%

Reviews were tracking behind at the start of the year due to staff changes. Average days to completion was 48.9.

Percentage average local shellfish program compliance with overall sampling requirements

Target	Actual	Variance
75%	90%	+15%

Firm regulatory responses to non-compliance in previous years lifted compliance rates.

Shellfish Harvest Areas in NSW (Total 78 – as at 30 June 2010)

APPROVED [31]	RESTRICTED [42]	PROHIBITED [2]
<p>Harvesting and direct sale is permitted</p> <p>Reason</p> <ul style="list-style-type: none"> • Highly predictable water quality that meets the approved standards. • No poisonous substance that exceeds safety standards has been detected. 	<p>Harvesting is restricted to certain times with depuration</p> <p>Reason</p> <ul style="list-style-type: none"> • The area does not consistently meet the approved criteria. • Depuration or relay is required prior to sale. • The area is subject to a limited degree of pollution. • The level of pollution in the area is moderate and shellfish can be made fit for human consumption by relay or depuration. 	<p>Harvesting is not permitted at any time</p> <p>Reason</p> <ul style="list-style-type: none"> • The area is contaminated with faecal wastes exceeding restricted criteria or poisonous substances. • The area is adjacent to a sewerage outfall. • Pollution sources in the area are unpredictable.
UNCLASSIFIED [3]		

Classification of shellfish harvest areas can take up to three years, with areas classified as either Approved, Restricted or Prohibited.



“ Wherever possible, the Authority works with the food industry to assist with compliance.

2. Improving compliance

Food businesses that don't comply with the relevant legislation are a potential food safety risk and also detrimental to the good reputation of the food industry overall.

Wherever possible, the Authority works with the food industry to assist with compliance and has a number of strategies to deal with businesses that are not following the rules.

We operate in accordance with the National Enforcement Policy, which advocates enforcement action based on range of pre-determined factors. In some cases this provides businesses with an opportunity to rectify issues before things get serious.

Assisting us in investigating and enforcing the *Food Act 2003* are our partners in local government – 152 councils across New South Wales who form the Food Regulation Partnership. We work with them to improve compliance and keep food safe.

Investigating foodborne illness outbreaks

The NSW Department of Health and the Authority are jointly responsible for investigating outbreaks of foodborne illness.

Epidemiological investigation of potential food sources is undertaken by NSW Health, while environmental investigations (including inspection of food premises and collection/testing of samples) are conducted by the Authority.

Our Foodborne Illness Investigation (FBI) Unit is responsible for managing food related incidents and outbreaks. We do so in accordance with the National Food Incident Response Protocol and the Food Industry Emergency sub-plan.

During 2009-10, we investigated 736 individual cases and 525 incidents affecting two or more people. These involved unsafe chicken products, inadequately handled raw egg-based foods, semi-dried tomatoes, and iodine poisoning from imported soy milk.

Salmonella continued to be the organism of most concern, resulting in 15 confirmed outbreaks – including an incident associated with the consumption of aioli made with raw eggs, which affected 170 people.

Total *Salmonella* notifications (3,329) received by NSW Health in 2009-10 were the highest observed in a twelve month period since this disease was made notifiable in 1991.

High profile incidents during the year included:

Thyroid malfunction linked to high iodine levels in soy drink

Four people (including an infant) reported thyroid problems after consuming 'Bonsoy' soy milk imported from Japan. The Authority's FBI Unit investigated the incident, which resulted in the national recall of the product. The milk has since been reformulated and concentrated seaweed extract (the source of the iodine) is no longer used.

Listeria in airline food

Contaminated chicken wraps served on a domestic airline is alleged to be the source, or suspected source, of 36 cases of illness caused by *Listeria monocytogenes*. Cases were identified in most Australian states and as far away as Hong Kong, and included three foetal deaths (through pregnancy related difficulties associated with *listeriosis*). The chicken contained in the wraps is alleged to be produced by a processing plant in New South Wales which was later investigated and enforcement action undertaken.

Egg associated outbreaks of salmonellosis

In January 2010, *Salmonella* Typhimurium (phage type 9) caused 170 people in Albury to become ill after consuming burgers with aioli prepared from raw eggs. A sample of aioli and a chopping board from the premises proved positive for *Salmonella*. MLVA typing confirmed that the clinical and environmental samples were identical.

Prosecuting food safety breaches

The Authority is responsible for investigating breaches of the *Food Act 2003*.

We have in place tough enforcement strategies that ensure food sold in New South Wales is safe and correctly labelled.

Our trained officers routinely undertake investigations of food businesses across the state to ensure they are doing the right thing. Non-compliance can sometimes result in enforcement action, including prosecution through the courts.

The vast majority of New South Wales food businesses do the right thing. Our role is to keep things in check and identify and correct issues as they arise.

During 2009-10, the Authority pursued 120 prosecutions against eight defendants in the Local Court, achieving a 100 per cent prosecution success rate.

High profile cases this year involved:

Australia's largest smallgoods manufacturer – charged with falsely labelling imported pork as Australian. The company was fined a record \$233,750 and ordered to pay \$200,000 in court costs after they were found guilty of 46 charges relating to 'misleading or deceptive' conduct in labelling. The company was also charged with 18 other offences for failing to maintain accurate and reliable records.

A seafood retailer – charged with excluding the country of origin on its product labels for a variety of fish and prawn products. The company was fined \$40,500 for eight separate breaches and ordered to pay \$11,700.

An Asian restaurant – ordered to pay \$35,200 in fines and costs for failing to maintain standards of cleanliness and hygiene. Cockroaches and cockroach faeces were found in food containers, and previous inspection warnings were ignored by the owners.

A Sydney butcher – fined \$4,800 and \$2,000 in costs for storing his meat in a shopping trolley and using illegal additives to make his inferior meat look more appealing. The Yagoona butcher had previously been fined for six other offences under the *Food Act 2003*.

Conducting enforcement studies and surveys

One important way the Authority is able to improve food safety compliance is by conducting regular enforcement projects and surveys. These help us to better understand the issues facing industry and allow us to take enforcement action where necessary.

In late 2009, we commenced an enforcement project for ready-to-eat-meat. This aimed to identify unlicensed manufacturers, prohibit continued manufacture and ensure compliance with the *Food Act 2003* and Meat Safety Scheme.

The first phase of the program focussed on grocery, delicatessen and supermarket businesses within the Sydney metropolitan area.

As a direct result of the project, five unlicensed businesses were identified and 27 penalty notices, five improvement notices, four prohibition orders and ten warning letters were issued. The majority of enforcement action was taken against the unlicensed businesses.

Significantly, three of the five unlicensed businesses identified now hold appropriate licenses with the Authority and are operating in full compliance with the Meat Safety Scheme and food safety programs.

The ready-to-eat meat investigation will continue during 2010-11 across other regions and food sectors in New South Wales.

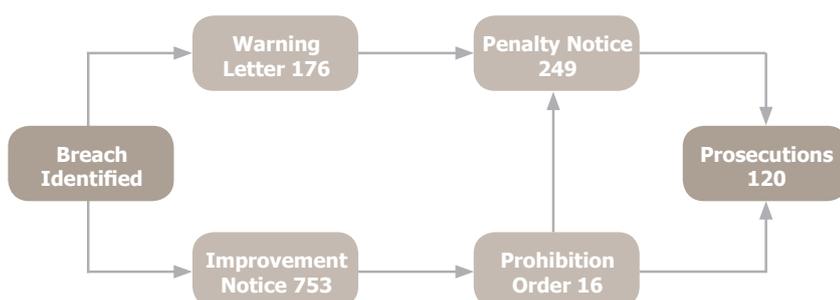
Seizing non-compliant food

To protect food consumers in New South Wales, the Authority frequently conducts random inspections of food businesses around the state.

We look for food that might be poorly stored, incorrectly labelled or in some other breach of food safety regulations. Where a breach is discovered, we ask the food business to rectify it as a matter of priority or face possible prosecution.

In 2009-10, we made 37 different product seizures, totalling 25.03 tonnes. This represents an increase of approximately 15.08 tonnes compared to 2008-09.

The biggest single seizure of items this year was four tonnes of pork from an unlicensed business.



The Authority uses a graduated approach to enforcement, allowing businesses to rectify problems before prosecutions are pursued. In 2009-10, only sixteen Prohibition orders were issued, indicating a 98% level of compliance with Improvement Notices.

2009-10 Annual Seizure Summary

Commodity	Est. quantity	Reasons for seizure
GAME MEAT PRODUCTS		
Feral Pig Carcasses	97 kg	Evidence of unlicensed harvesting activity.
Feral Pig Carcasses	409 kg	Evidence of handling and selling food in a manner that contravenes a provision of a Food Safety System/Scheme.
Kangaroo Carcasses	300 kg	Evidence of handling and selling food in a manner that contravenes a provision of a Food Safety System/Scheme.
Hare Carcasses	4 kg	
	Total = 810 kg	
MEAT PRODUCTS		
Assorted meat pies and sausage rolls	74 kg	Potentially hazardous food not stored under temperature control.
Chicken (salted)	5 kg	Evidence of sale of unsafe food.
Chicken (whole)	4.88 tonnes	Unsafe food due to inadequate controls in Food Safety Program.
Chicken (pieces)		
Chicken (ground)		
Beef (pieces and ground)		
Chicken (various products seasoned)		
Bacon products		
Turkey (whole)		
Crust Pizza - Tandoori		
Chicken & Yoghurt		
Lamb Fillets - Moroccan		
Chicken Bones	24 kg	Potentially hazardous food not stored under temperature control.
Chicken products	516.3 kg	Unsafe food due to inadequate controls in Food Safety Program.
Cooked/Chilled BBQ Chicken	46.5 kg	Non compliant labelling and unsafe processing of potentially hazardous food.
Ducks (Live - R.S.P.C.A.)	6	Evidence of illegal slaughter and unlicensed activity.
Chickens (whole)	10 kg	
Duck (whole)	6 kg	
Pork products	9.7 tonnes	Evidence of handling and selling food in a manner that contravenes a provision of a Food Safety System/Scheme.
Salami Meat Product	836 kg	Evidence of illegal operation/unlicensed activity.
Salted Pork	1.5 kg	Evidence to the sale of unsafe and previously recalled products.
Cooked Ham	2.2 kg	
Salted Chicken (Whole)	1.5 kg	
Boneless Hoof	1 kg	
Smoked Ham Products	4 tonne	Product being sold past use-by-date.
Uncooked Comminuted Fermented Meat - Sucuk	72 kg	Evidence of handling and selling food in a manner that contravenes a provision of a Food Safety System/Scheme.
Uncooked Comminuted Fermented Meat - Sucuk	170 kg	Evidence of illegal operation/unlicensed activity.
Uncooked Comminuted Fermented Meat - Sucuk	48.4 kg	Evidence of the breach of a Prohibition Order.
	Total = 20,394.4 kg	
SEAFOOD PRODUCTS		
Oysters	(8 dozen) 6 kg	Potentially hazardous food not stored under temperature control.
Anchovy (Dried)	1 tonne	Breach of <i>Food Standards Code</i> . Evidence of the sale of unsafe food (high histamine levels).
	Total = 1,006 kg	
DAIRY PRODUCTS		
Dairy – Unpasteurised Blue Vein cheese	900 kg	Imported unpasteurised cheese not complying with <i>Food Standards Code</i> .
	Total = 900 kg	
PLANT PRODUCTS		
Soy Milk	15 litres	Evidence of the sale of unsafe/unsuitable food.
	Total = 15 L	
OTHER PRODUCTS		
Chinese Gingili Paste	23.4 kg	Evidence that a breach of the <i>Food Act 2003</i> has occurred in relation to labelling non compliances.
Sushi manufacturing ingredients	1.88 tonnes	Evidence of illegal operation/unlicensed activity.
	Total = 1,903.4 kg	
TOTAL = 25.03 Tonnes (25,028.8 kg)		

Four tonnes of pork seized from unlicensed trader

An unlicensed Croydon Park meat processor was fined \$1,320 and had \$80,000 of stock (four tonnes) confiscated in November 2009 for manufacturing salted/dried pork products under unhygienic conditions.

Meat products at the factory were in direct contact with the floor, wooden shelving and other contaminated surfaces.

During an inspection, the proprietor was found spraying pesticide directly onto exposed meat. This business was shut down and penalty notices were issued.





Together towards safer food

2008-09 FRP Report Snapshot

The FRP Summary Report for 2008-09 provided the Authority with information to better target areas requiring additional support and assistance. Key results from the first twelve month report included:

- 56,043 food businesses were inspected by councils (including some re-inspections).
- 4,119 food complaints were received and 98 per cent of those investigated.
- 8,040 warning letters were issued.
- 1,621 improvement notices were issued.
- 1,713 penalty notices were issued.
- 48 council generated prosecutions were initiated.

The Authority provides the support and assistance that underpins the FRP. Councils are responsible for inspections in the food retail and foodservice sector. We provide them with technical support, advice, training, mentoring, food law interpretation, networking forums, relationship building programs and improved communication tools.

Third party auditor program launched

To assist us in monitoring and enforcing food safety compliance, the Authority has developed a Regulatory Food Safety Auditor System – allowing persons other than Authority employees to conduct regulatory food safety audits of licensed food businesses in New South Wales.

It is based on the *National Food Safety Audit Policy* and the *National Regulatory Food Safety Auditor Guidelines*.

Auditors under this system may also be known as 'third party auditors' or commercially employed auditors.

The system commenced on 1 October 2009, with the auditing of licensed facilities under the Vulnerable Persons Food Safety Scheme. Other food industries will be able to move to this system at a later stage.

State regulatory agencies throughout Australia either have in place, or will be developing, a similar system. Once approved, auditor's names and contact details will be made available on the Authority's website.

First full year 'report card' for Food Regulation Partnership

The Food Regulation Partnership (FRP) is responsible for food surveillance in the food retail and foodservice industry in New South Wales.

It began in July 2008 when the Authority appointed all 152 NSW local councils and the Department of Environment, Climate Change and Water (representing Kosciusko National Park) as 'partner' enforcement agencies under the *Food Act 2003*. The primary focus of the FRP is to improve food safety compliance across the more than 36,000 food businesses in New South Wales that are inspected by councils. Under this arrangement, councils are required to report annually to the Authority on how they carry out their functions.

This information was used to create the first twelve month 'Summary Report of NSW Enforcement Agencies Activities'. It outlined the extensive food surveillance work undertaken by councils across New South Wales in the retail sector for the period July 2008 to June 2009. The next summary report (for 2009-10) will be published late in 2010.

This year's report revealed that most councils were effectively fulfilling their role in this important regulatory activity. It also showed that many food businesses are responding to council inspections and interventions and taking the required action to ensure that food served to the public is correctly stored, handled and served.

More work still needs to be done to ensure all food businesses consistently comply with all aspects of the food safety standards, but the report demonstrates that the FRP is proving to be an effective mechanism in improving compliance. It is helping businesses to provide safe food for the people of New South Wales.



“ The extensive food surveillance work undertaken by councils in NSW has been outlined in the first full year report for the FRP.

As well as providing a detailed 'report card' for FRP activity, the 2008-09 summary report identified areas for improvement, including the need to standardise inspection processes.

This led to the development of a 'standardised food business inspection checklist' and a new 'Scores on Doors' program. Both programs will be piloted by twenty councils from July 2010, with a statewide rollout planned from 1 July 2011.

The standardised inspection checklist aims to improve consistency of inspection among the 400 or so authorised officers (employed by councils) across New South Wales. It is also designed as a self-assessment tool for food businesses and will help to increase transparency around the food inspection process.

'Scores on Doors' is a voluntary, standardised, publicly displayed scoring system built on the inspection checklist. It rates the food safety and hygiene standards of foodservice businesses.

Just as the Authority's 'name and shame' list informs people of who is doing the wrong thing, 'Scores on Doors' rewards good performance, with the participating food business entitled to display their inspection rating on their front door or window.

FRP support framework

To assist our local government partners in delivering the requirements of the FRP, the Authority has in place a strategic support framework which includes consultation, communication, networking and council officer training.

In 2009-10, key support activities included:

- Conducting 40 regional meetings and training sessions, three state meetings and fifteen training days for new Environmental Health Officers (EHOs).
- Developing a formal qualification in food surveillance – 'Certificate IV Food Surveillance' – in conjunction with a leading training organisation.

Food Regulation Partnership Food Premises Assessment Report

<input type="checkbox"/> Food wraps and containers are food grade and not contaminated	1	M
14. <input type="checkbox"/> Food for disposal is identified and separated from normal stock	1	40
Health & Hygiene Requirements FSS 3.2.2 cl 13-18		
Satisfactory <input type="checkbox"/>		
15. <input type="checkbox"/> Food handlers wash and dry hands thoroughly using hand wash facilities	4	47
16. <input type="checkbox"/> Food handlers avoid unnecessary contact with ready to eat food or food contact surfaces by use of utensils, a gloved hand, food wraps, etc	1	T
17. <input type="checkbox"/> Food handlers do not spit or smoke in food handling areas or eat over exposed food or food contact surfaces	4	F
18. <input type="checkbox"/> Food handlers have clean clothing, waterproof covering on bandages	1	C
19. <input type="checkbox"/> Food handlers wash hands before commencing / recommencing work and after: <i>using toilet, coughing, sneezing, smoking, handling raw meat, cleaning etc</i>	8	A
20. <input type="checkbox"/> Symptomatic food handlers do not handle food	8	
21. <input type="checkbox"/> Hand washing facilities easily accessible and used only for washing of hands, arms and face	1	
22. <input type="checkbox"/> Hand washing facilities have warm running water, single use towels and soap	4	
Cleaning & Sanitising FSS 3.2.2 cl 19-20		
Satisfactory <input type="checkbox"/>		
23. <input type="checkbox"/> Premises, fixtures, fittings and equipment maintained to an appropriate standard of cleanliness	1	C
24. <input type="checkbox"/> Food contact surfaces, eating and drinking utensils in a clean and sanitary condition/ appropriate sanitising method in use	4	i
	8	a
		F
		R
		P
Miscellaneous FSS 3.2.2 cl 22-23		
Satisfactory <input type="checkbox"/>		
25. <input type="checkbox"/> Accurate temperature measuring device readily accessible	1	I
26. <input type="checkbox"/> Single use items protected from contamination and not reused	1	S

Extract from the standardised inspection checklist.

- Holding three FRP forum meetings (each preceded with a meeting of the Food Retailers and Foodservice Advisory Group).
- Providing two scholarships for trainee EHOs at University of Western Sydney.
- Providing \$24,822 in funding for nine food safety projects and education campaigns (including \$5,000 for a food business star rating project and \$800 to produce an inspection procedures manual for new EHOs).
- Producing three fact sheets, three advisory guideline documents and a Food Inspection Assessment Report.



New wild game meat initiatives supports export markets

The Authority worked closely with the Australian Quarantine Inspection Service (AQIS), other state regulatory authorities and the game meat industry during the year to introduce measures to improve the safety and export potential of game meat. This followed traceability and processing deficiencies identified by overseas markets.

These measures included:

- The introduction of food safety programs and auditing for field depot operators and harvesters.
- Advanced training on field dressing skills and maintaining product quality.
- Enhanced requirements for carcass tagging, cold chain management and the time period from harvesting to processing.
- Validating the chilled storage interval between harvest and delivery to the processing plant.
- Microbiological verification and monitoring programs to verify product quality.

Early indications suggest these measures have had a very positive effect and will facilitate moves by the industry to access markets in countries such as Russia and China.

3. Benchmarking and verifying the performance of the NSW food industry

In order for the Authority to evaluate the effectiveness of any food safety programs it introduces and manages, a benchmark must first be established against which the impact of the initiative can be assessed over time.

The Authority takes an evidence-led, science-based approach when managing food safety in New South Wales. Any evaluation undertaken must deliver objective information on whether our programs are working and, if not, where improvements are needed.

Evaluating the success of food safety programs

To assist in measuring trends and improving the effectiveness of food safety regulations at an industry-wide level, the Authority has in place a Program Evaluation Framework (PEF).

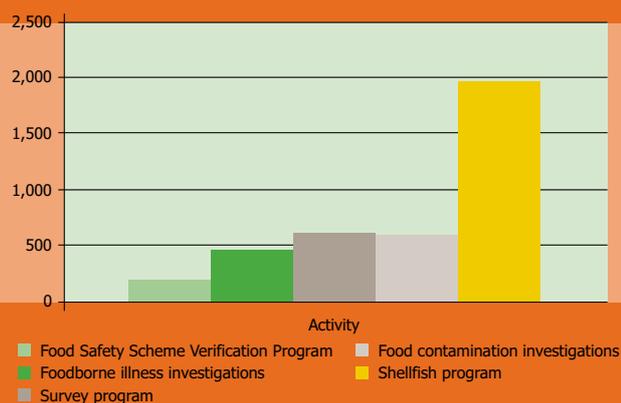
The PEF operates independently of our routine inspection and audit activities. It determines whether a particular sector of the food industry is handling food safely and minimising food safety risks – as intended by its regulatory program. If it isn't, it is part of the Authority's role to find out why.

PEF results help us to fine tune regulatory requirements, develop programs that assist industry in improving their performance and, ultimately, help to reduce foodborne illness.

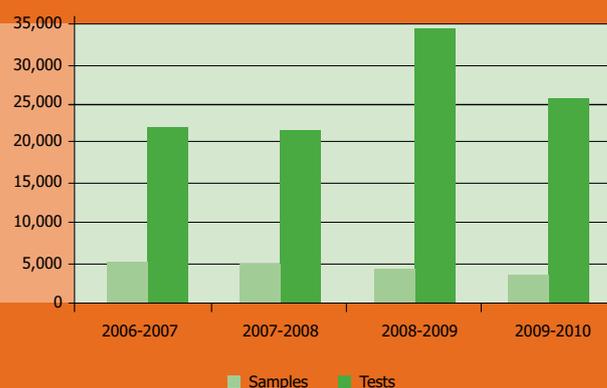
During 2009-10, our *Evaluation Framework for Risk Management Programs* (2008) document was reviewed and updated to align with our 2009-10 Corporate Plan. This document outlines the food safety management evaluation work to be undertaken over the next three years.

Two benchmark evaluation projects were completed in 2009-10 – one for the Vulnerable Persons Food Safety Scheme, the other for the Egg Industry Food Safety Scheme.

Food samples tested by the NSW Food Authority 2009-10



Annual Laboratory Utilisation (2006-2010)



Vulnerable Persons Food Safety Scheme

This scheme, which involves mandatory audits for vulnerable persons businesses licensed under the Vulnerable Persons Food Safety Scheme, began in March 2009.

Between May and November 2009, the Authority undertook an onsite benchmark evaluation of relevant businesses during their first mandatory audit.

This included assessing the food safety performance of more than 100 licensed Vulnerable Persons businesses and testing microbiological samples from another 60.

The information collected from this study has provided a benchmark against which changes can be measured over time.

Egg Industry Food Safety Scheme

In February 2010, prior to the introduction of the Egg Food Safety Scheme in June 2010, the Authority conducted an evaluation of the New South Wales egg industry.

This involved a voluntary self-assessment survey that was sent to all 310 New South Wales egg businesses – including egg farms, grading facilities and processors.

The survey revealed that:

- almost three quarters of businesses (73%) surveyed required implementation assistance
- around six in ten businesses (63%) surveyed indicated that they were interested in attending an information session about the regulation.

Data collected in the survey indicated the industry was ready for a food safety scheme. It has also helped the Authority determine how to best provide businesses with food safety information.

Gathering valuable data through food testing and surveys

To help prevent the spread of foodborne illness and maintain food safety, the Authority gathers data through food safety verification programs, food testing and surveys.

Assessing this data allows us to identify key food safety issues and develop systems and processes to manage them effectively. Most monitoring and surveillance conducted by the Authority occurs via a verification and survey program that targets high-risk foods.

Food Safety Verification Program

In this program, the Authority purchases (at random) products manufactured or packaged in New South Wales under a Food Safety Scheme and tests them against the *Food Standards Code* or other mandatory requirements. This may include microbiological testing and/or chemical analysis.

During 2009-10, 3,738 samples were randomly purchased and submitted for microbiological testing, pH and water activity.

Food testing

The Authority draws on the services of several third parties to assist with our testing and analysis of food samples. This allows us to expand our capabilities and respond more quickly to food safety issues and emergencies.

Our major supplier for food testing services is the Division of Analytical Laboratories (DAL). This year we renewed our rolling three year service level agreement with the organisation for the ongoing provision of food analysis.

During 2009-10, DAL's food microbiology and chemistry department conducted tests on 3,738 samples. Around 7,302 tests were conducted for microbial contamination and approximately 18,173 for chemical composition or contaminations. The number of samples tested was less than previous years due to a reduction in foodborne illness samples and verification program samples.



2009-10 Compliance and Enforcement Statistics

Activity	2008-09 actual	2009-10 target	2009-10 actual
Audits	5,975	5632	5,732
Failed audits	763	<10% (<562)	688
Inspections of licensed facilities	3,248	3,000	2,431
Failed inspections of licensed facilities	147	<10% (300)	92
Inspections of non-licensed facilities	3,914	NTS	2,388
Failed inspections of non-licensed facilities	465	NTS	256
Investigations of unlicensed action businesses resulting in enforcement	126	NTS	149
Complaint investigations	1,165	NTS	1,221
Investigations of foodborne disease incident (single case)	681	NTS	736
Investigations of foodborne disease incident (involving two or more people)	475	NTS	525
Investigations of food labelling complaints	334	NTS	335
Improvement notices	876	NTS	753
Prohibition orders	10	NTS	16
Product seizures	48	NTS	37
Written warning	215	NTS	176
License cancellations	1	NTS	0
Prosecutions (finalised after hearing or plea of guilty)	53 charges (against 8 defendants)	NTS	120 charges (against 8 defendants)
Penalty notices	229	NTS	249
Use of emergency orders	0	NTS	0
Voluntary food recalls (nation wide)	53	NTS	52
Voluntary food recalls (NSW manufacturers)	19	NTS	26
Shellfish harvest area openings/upgrading	816	NTS	418
Shellfish harvest area closures	844	NTS	381

2009-10 Licence Table Numbers

Business	Number of licensed facilities
Animal Food Field Harvesting	12
Animal Food Field Depot	25
Animal Food Processing Plant	23
Dairy farm	815
Dairy farm (goat)	15
Dairy Processing Factories	134
Farm Milk Collectors	119
Handling Wild Caught Seafood	1,025
Cold Food store (dairy, meat, seafood, plant)	507
Food transport (dairy, meat, seafood, plant)	6,167
Game Meat Field Harvesting	1,155
Game Meat Primary Processing Plant	3
Game Meat Field Depot	143
Knackery	7
Meat Processing Plant	335
Meat Retail	1,857
Non-shellfish aquaculture	46
Oyster farmer	276
Plant Product Processing Plant	45
Poultry abattoir	41
Red meat abattoir	31
Rendering	6
Seafood processing plant	148
Food service to vulnerable persons	1,221
Shellfish wild harvest	24
TOTAL number of licensed facilities (down from 14,254 in 2008-09)	14,180

NTS = no target specified

Inspection of licensed facilities

This figure was below target due to significant inspection resources being diverted into Vulnerable Persons auditing – required to manage the high initial levels of compliance issues in the sector.

Inspections of non-licensed facilities

This figure was less than 2008-09 due to a policy change, which resulted in fewer 'complaint-based' inspections of non-licensed facilities.

Surveys

One of the ways we monitor food safety is by conducting targeted surveys in high-risk food groups. We determine what problems may exist and use science to find a solution. During 2009-10 we were involved in five state based surveys:

1. Savoury bakery goods and handling practices survey

This survey found that 100 per cent of samples were microbiologically 'good' or 'acceptable'.

2. Histamine in anchovies survey

This survey found that 97.8 per cent of anchovies in oil and 97.1 per cent of dried anchovies contained less than 200 mg/kg of *histamine* and were compliant with the Code. *Histamine* is a biogenic amine that can be found in decaying fish and is a cause of foodborne illness – specifically *scrombroid* poisoning. Appropriate enforcement action was taken on samples with levels greater than 200 mg/kg. The Authority initiated one product recall and referred another to Victoria for action.

3. Temperature of domestic refrigerators

Throughout 2009, the Authority recorded the temperatures of 57 different domestic refrigerators over the course of a normal weekend. The aim of this survey was to investigate the temperature range of domestic refrigerators in New South Wales and to provide 'actual use' data for consumer education material. The material was launched on the Authority's website in December 2009 and supported by a media release from the Minister.

4. Take away chicken survey (in conjunction with local councils)

This survey assessed the potential for cross-contamination in take away chicken premises by gathering information on the microbiological quality of food commonly sold at these premises, the hygiene status of the premises and food handling practices across the industry. As at 30 June 2010, 38 local councils were taking part in this survey, which will continue until December 2010.

5. Infant formula survey

To date, there is limited information in Australia on the microbiological quality of powdered infant formula and formulated supplementary food for young children. Infection in infants has occurred internationally and to provide confidence in the product sold in New South Wales, a survey commenced this year to gather information on the microbiological quality of these products. The information collected will supplement the communication message which is predominantly aimed at consumers and caregivers. The survey will be completed in 2011.

Looking ahead

- Preparations will begin in 2010-11 on the first Food Surveillance Champion Awards, which will be open to all New South Wales enforcement agencies, councils, council employees and contractors involved in food surveillance in the state. It will recognise 'best', 'leading' and 'good' practices in local government food surveillance. The inaugural awards will be presented in late 2010.
- A three-year labelling compliance survey will commence in 2010-11. Three types of food products will be assessed each year, based on past issues. This will include fresh noodles, ready-to-eat sliced meat and imported confectionary.
- A voluntary, state-wide 'Scores on Doors' system will be introduced, involving councils and food businesses. A standardised inspection assessment report by councils will form the basis of the system, which is expected to be fully operational by 2011.
- The Authority will collaborate with industry, councils and government agencies to resolve shellfish industry concerns regarding water quality sustainability issues.

“ The Authority has an ongoing commitment to ensuring consumers are provided with timely and accurate information on food safety.



One of the primary roles of the Authority is to provide New South Wales consumers and our food industry colleagues with important information that allows them to make informed decisions about food safety.

Educating & informing



Our aim is to provide consumers with peace of mind when buying or preparing food and dining out.

We do this through targeted education campaigns, our website, newsletters, brochures and ongoing media coverage.

Our relationship with the food industry is consultative and engaging – involving regular meetings with peak food industry bodies, ongoing support and advice, training programs and regular updates to our food safety policies and procedures.

The Authority's education and information programs help to build knowledge and trust, assisting us to achieve our goal of reducing foodborne illness across New South Wales.

KRA Activities

Our ongoing education and information program has three key goals. To:

- 1.** Improve access to food safety information and labelling for consumers and the food industry in NSW
- 2.** Improve the food safety standards knowledge for all food handlers in NSW
- 3.** Ensure food is correctly labelled



1. Improving access to food safety and labelling information for consumers and the food industry in NSW

The Authority provides a wide range of food related information for both consumers and industry – disseminated through our website, brochures, regular circulars, presentations and displays.

While the system is working well, there is always room for improvement.

This year we finished preparatory work on the new 'Scores on Doors' program, which will benefit both the foodservice industry and consumers.

New 'Scores on Doors' program aims to reward good performance

The Authority has an ongoing commitment to ensuring consumers are provided with timely and accurate information on food safety.

One of the most successful mechanisms for doing this during the past two years has been 'name and shame'.

Since it was launched in April 2008, New South Wales consumers have embraced the program, which lists the names of poorly performing food businesses on our website. Visits to the portal have grown steadily, with more than four million hits recorded up to 30 June 2010.

While 'name and shame' reports on poorly performing businesses, there had previously been no system in place that rewards those who follow the rules.

With this in mind, the 'Scores on Doors' program was born, with most of the preparatory work conducted this year.

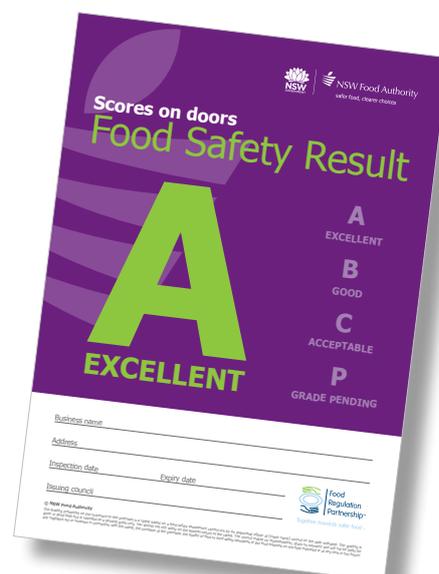
Influenced by similar programs overseas, 'Scores on Doors' is a voluntary system which allows the public to view a 'scorecard' on the door or window of a foodservice business. It rates that business's compliance with food safety and hygiene requirements at the time of inspection.

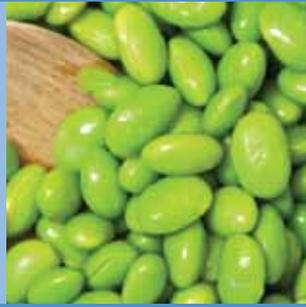
A standardised 'Food Premises Assessment Report' (used by council Environmental Health Officers as part of the Food Regulation Partnership) forms the foundation for the system, ensuring consistency of application and ease of interpretation. A grade for each business is determined based on the result of the inspection.

'Scores on Doors' will be piloted with 20 councils (representing Sydney metropolitan, larger regional and smaller rural councils) from 1 July 2010, with statewide introduction planned for July 2011. The pilot is a means to test the operation of the system, taking into account the views of food businesses, councils and consumers.

As at 30 June 2010, a scaled A-C rating system was being considered. The results of the pilot program and consultation with foodservice operators, councils and consumer attitudes will determine the final format chosen.

- A - Excellent**
- B - Good**
- C - Acceptable**
- P - Pending**





“ The Authority provides a wide range of food safety information for both consumers and industry.

Once awarded, the scorecard will be placed in a conspicuous location within a food business (or on a website), allowing consumers to make more informed choices about where they eat and who they buy their food from. This will in turn encourage businesses (such as restaurants, cafés, takeaway shops, and hotels) to maintain and improve their hygiene standards.

'Scores on Doors' programs are also in place in New Zealand, North America, Asia and Europe and have proved to be a very effective way of communicating food inspection outcomes to consumers.

'Name and shame' attracts more than four million visits

Visits to the Authority's 'name and shame' web portal passed the four million mark this year.

The portal was launched in July 2008 in response to strong public sentiment that food business performance information should be made available to consumers, particularly when food businesses were not doing the right thing.

Since then more than 2,000 food businesses have been issued with more than 3,500 penalty notices and 63 prosecutions for violations.

This represents a small proportion though of the 36,000 food businesses subject to council inspection across New South Wales. Only 204 of the businesses penalised have received penalty notices at subsequent inspections, indicating the program is working.

The majority of entries on 'name and shame' are the result of inspection activities by local councils under the Food Regulation Partnership agreement with the Authority. Once published, penalty notices usually remain on the website for approximately twelve months and are then removed.

Achievements

- Coordinating the rollout of a national hygiene refresher course with other state jurisdictions for the game meat industry.
- Actively working with local councils in the Food Regulation Partnership to improve food safety compliance in the food retail and foodservice sectors.
- Working with industry to enable implementation of new beef labelling laws.



Challenges

- Tailoring educational material for the food industry so it suits their needs.
- Obtaining agreement from all New South Wales councils to adopt the use of standard inspection checklist for use in all food retail and foodservice inspections to increase consistency.
- Developing and implementing an approval system for RTOs so that councils and the Authority can have confidence in the training provided to people seeking to obtain Food Safety Supervisor qualification.



Communication activities

Consumer communications

The Authority worked on a number of key consumer-focused programs during 2009-10, all aimed at providing information about managing the safety of the food consumers prepare for themselves and others.

Activities included:

Safe food temperature information campaign at the Sydney Royal Easter Show – 1 to 14 April 2010

The Authority hosted a booth in the Fresh Food Dome at the Sydney Royal Easter Show in April 2010, with our major theme this year being 'safe food temperatures'.

The booth featured interactive visual displays, including three short animated videos showing how quickly bacteria reproduces at different temperature zones.



We also delivered the safe food temperature message through a recipe book 'bookmark', which featured cooking and storage temperature advice and handy conversion tables for weight, fluid and temperature measurements.

During the two weeks of the show, more than 29,000 bookmarks were distributed to consumers, along with 34,000 fridge thermometers and 4,000 secondary materials on allergies, labelling and safer eating during pregnancy.

The Authority also helped sponsor the 'Taste of the Show' theatre kitchen and took part in 'Celebrity Checkout Challenges' and 'Sweet Sessions on the Couch'.

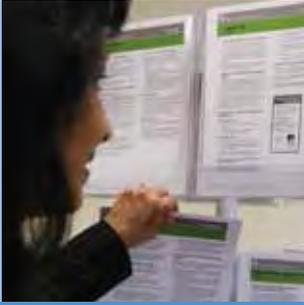
The 'Celebrity Checkout Challenge' was presented in front of a live audience and involved cooking demonstrations that highlighted key food safety messages. The challenges were modelled in the style of the 'Ready, Steady, Cook' television program. Some of the challenges were presented by the Minister for Primary Industries, Hon. Steve Whan MP, or an Authority representative – assisted by a celebrity chef.



'Sweet Sessions on the Couch', which also took place in front of a live audience, involved interviews with specialist Authority staff about food safety practices in the home.

Australian Food Safety Week – 9 to 15 November 2009

Australian Food Safety Week is a national initiative that educates consumers on safe food practices. It is coordinated by the Food Safety Information Council (FSIC) – in partnership with state, local and federal food safety agencies and other stakeholders. The Authority is an executive board member of the FSIC. This year's activities focussed around 'food safety on a budget' – in particular, buying in bulk. To help educate consumers on the best way to store food bought this way, we posted information on our website and generated media coverage across the state.



“ Our aim is to provide consumers with peace of mind when buying or preparing food and dining out.

Recalls and advisories

The Authority publicised 26 food retail recall advisories and three generic food safety advisories this year. This included a warning about high caffeine levels in sports and energy drinks. A survey conducted by the Authority showed that 77 per cent of these drinks did not comply with Food Standards Code requirements.

Seasonal campaigns

The Authority regularly undertakes seasonal campaigns to communicate time-specific food safety messages.

In December 2009, we worked with the media to alert consumers to the increased risk of food poisoning in summer due to higher temperatures.

The campaign also highlighted special precautions to take during the Christmas period after the Authority conducted a domestic fridge survey. The survey revealed that food in fridges can be stored at dangerously high temperatures when fridges are overloaded or frequently opened during parties.

Publications and promotional items

Key publications and promotional items distributed during the year included:

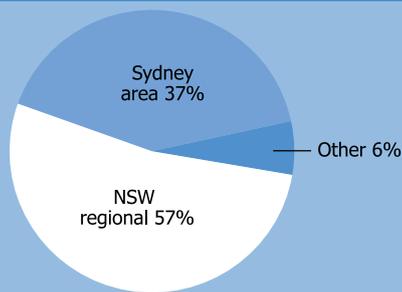
- Consumer-focussed materials for 'Scores on Doors' – including easy reference cards and a merchandise holder for use in the July-Dec 2010 pilot with local councils.
- A 'safe food temperature' bookmark and colouring-in activity sheet for children.
- Updated booklets on food allergies and intolerance.
- Updated booklets on how to read and understand food labels.

Safe food temperature campaign

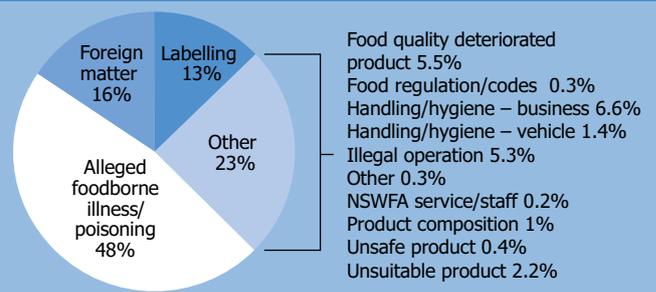


Animated videos presented at the Sydney Royal Easter Show demonstrated how quickly bacteria reproduces at different temperature zones.

Helpline calls by geographic origin



Helpline complaints/reports received



Consumer & Industry Helpline

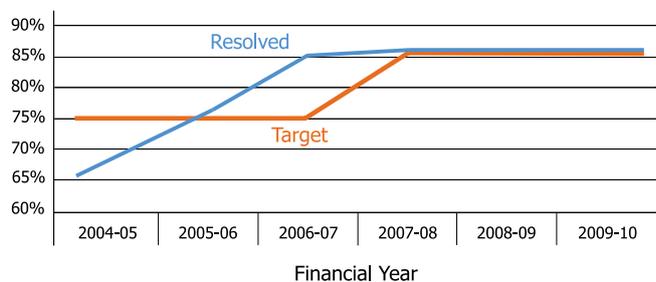
The Authority's Consumer & Industry Helpline is the vital 'first port of call' for most stakeholders who contact us.

Call volumes rose again this year due to increased interest in a number of key issues. These included: the 'name and shame' register, hospitals and aged care facilities, the Vulnerable Persons Food Safety Scheme and upcoming initiatives such as the formal training requirements being introduced for food safety supervisors. See page 41.

Inbound contacts increased by 2,015 to 24,810 (up 9 per cent on the previous year). Approximately 19 per cent of incoming contacts are now via email. Despite the higher overall volume, resolution of calls during the first contact was 87.2 per cent. This exceeded our target of 86 per cent. Allegations relating to foodborne illness/poisoning generated the most number of complaint reports.

As well as assisting callers with their inquiries and complaint reports, the Helpline team also distributes important food safety information – such as brochures, guidelines and newsletters – for people who cannot access material online or prefer a printed copy.

Resolution of inbound contacts (RSP basis ie % of 'resolvable')



Inbound contact	
2008-09	2009-10
22,795	24,810
UP 9%	

Website visits*	
2008-09	2009-10
938,000	652,000
DOWN 30%	

*Website visits returned to a more regular growth pattern after a surge in the previous year when penalty notices for alleged food law breaches were first added to the 'name and shame' portal.

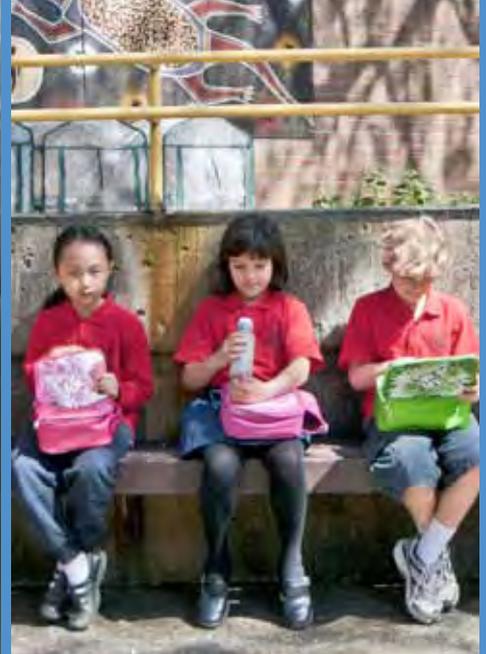
Percentage growth in visits to the food industry standards section of our website

Target	Actual	Variance
+40% pa	+26%	-14%

Visits to industry standards pages grew significantly, albeit at a more regular rate after the previous year's surge in media activity associated with extension of the 'name and shame' data.

Consumer survey reveals 70 per cent of school lunches could be dangerous

To identify and measure trends in foodborne illness, the Authority conducts regular consumer surveys around food preparation and storage. A survey of 766 Sydney primary schools held in 2009 found that more than 70 per cent of students could be at risk of food poisoning for failing to keep their lunches cool. A previous survey had shown that students' sandwiches were up to twelve degrees warmer than they would have been if they were packed with a drink or ice block. Results of the survey were published on our website, along with food safety tips on how to pack a cool, healthy lunch.



Industry communications

Engaging and empowering our industry colleagues is a vital part of how we achieve our goal of reducing foodborne illness in New South Wales.

The ongoing relationships we enjoy with primary producers, manufacturers, processors, wholesalers, distributors and food businesses help us to maintain a consistent approach to food safety and effectively plan for the future.

We do this by maintaining ongoing industry liaison, taking a lead role on industry consultative committees, participating in industry events and forums, producing fact sheets and food business guidelines and supporting industry training programs.

Ongoing industry liaison

The Authority has always enjoyed a consultative relationship with our industry partners.

This includes maintaining regular contact (through meetings, circulars and emails), helping them meet their regulatory requirements and sharing information.

This year a key focus was creating a more user friendly and easier to navigate 'consultative committee' section on our website.

This allowed our industry partners to see – at a glance – who is representing their industry at committee level, the topics being discussed and the frequency of meetings.

Taking a lead role on industry consultative committees

The Authority takes a leading role on six consultative committees. Key activities during 2009-10 included:

Vulnerable Persons Food Safety Scheme Consultative Committee

This new committee comprises members from the peak association bodies from the aged care, hospital, healthcare and meals on wheels sectors in New South Wales. The inaugural meeting was held 16 February 2010. This year the committee began a technical guideline review, which included investigating existing guidelines for sanitising whole fruit, raw storage temperatures for cooked chill foods and storage times for ready-to-eat cold foods. Issues discussed included third party auditing and developing a members' feedback process on how Vulnerable Persons legislation might impact their service provision. Two meetings will be held in 2010-11.

Meat Industry Consultative Committee

A key issue discussed this year was the need to reduce retail meat non-compliance. Failure rates at audit have averaged around 15 per cent for a number of years. As a direct result of committee efforts this year, that figure is now down to 10 per cent (closer to the New South Wales licensed sector average). Committee members also participated in the Beef Labelling Reference Group established by the Minister and chaired by the Authority. Established to address industry concerns with the proposed *Food Amendment (Beef Labelling) Act 2009*, the group was successful in satisfying the majority of industry concerns. Work also commenced on the preparation of consumer education material on the correct handling and cooking of minced meat products.

NSW Dairy Industry Conference

Communications, climate change and industry education dominated discussions this year. An industry flyer was produced, as well as a NSW Dairy Industry Critical Issues Plan. Planning began for a regulatory audit of the industry by the European Union late in 2010 where issues of antibiotic residues and protocols, milking hygiene techniques and registrations of dairy cleaners will be discussed.

NSW Seafood Industry Conference

Key issues discussed this year included country of origin labelling of seafood, wholesaling without a licence (black marketing), theft of oysters from harvest areas, and the integration of industry emergency plans with New South Wales and national plans. Industry and consumer education on the potential side effects following consumption of the fish species escolar (sometimes sold as rudderfish, oilfish or butterfish) also began.

Poultry & Egg Industries Committee

Important focus points for the committee this year included industry consultation around the Egg Food Safety Scheme (which commenced on 18 June 2010), an increase in *Salmonella* in egg products and member input options for the National Primary Production and Processing Standard development for eggs and egg products. Input options for the National Primary Production and Processing Standard development for poultry meat were also discussed.

Peak Oyster Advisory Group (POAG)

During 2009-10, POAG held one meeting of its own and participated in another with the NSW Joint Aquaculture Committee. Issues discussed included septic tank spills, onsite management of septic tanks in estuary harvest areas, the classification of harvest areas and water quality affecting oyster harvest areas.

Participating in industry events and forums

Participating in industry events and forums allows the Authority to interact directly with industry on food safety legislation, guidelines and emerging issues. This assists us to develop policy that is practical and effective.

Key industry activities during the year included:

- Sponsored, and exhibited at, the 2009 oyster industry field days, attended by more than 100 oyster growers in Batemans Bay and Forster. Topics this year included industry benchmarking, innovative oyster marketing and the presentation of 'the most beautiful oyster' award.
- Hosted the 2009 AGM of the Australian Shellfish Quality Assurance Advisory Committee (ASQAAC) at Port Stephens. ASQAAC has an active and continuing role in enhancing the domestic and export potential of Australian shellfish.
- Chaired Program Committee for the 'Food Safety – From Red Tape to Real Value' Conference in September 2010. This committee framed the program for the Conference, which will address how regulators are using science, robust risk analysis and clear policy frameworks to drive cost-effective regulatory interventions.
- Organised the 'Dealing with Listeria in Processed Meats and Poultry Industries' Meat and Poultry Industry Summit (to be presented in August 2010).
- Executive Director, Peter Day, attended the IBM Food Security Workshop, which looked at how the food industry can embrace technology to address food safety issues and improve traceability.
- Assisted Food Standards Australia New Zealand (FSANZ) to participate in, and present at, the 'Managing Food Safety Incidents – Enhanced Sustainability Model of Training' event in Beijing, China in March 2010.
- Attended (as a committee member for Industry & Investment NSW) the 'Sector Strategies – 2020 Project' event, which looked at the food regulatory horizon in 2020 and the challenges for industry.
- Organised a dairy industry roundtable meeting with NSW Royal Agricultural Show visiting international dairy products judge, Mr Yves Boutannat, to discuss the quality of products manufactured in New South Wales and areas for improvement and opportunity.

Information publications

- Foodwise: 4 issues
- Fact sheet series and guidelines for Food Regulation Partnership members, including: 'Food Inspections in Retail Food Businesses', 'Communication with Retail Food Businesses for Authorised Officers', 'Penalty Notices Publication Protocol' and 'Food Service Businesses Grading System Guidelines'.
- Fact sheet: 'Food Safety Tips for Childcare Centres'.
- Booklets: including 'Guide to Implementing a Regulatory Food Safety Auditor System', 'Shelf Life Testing and Use-by-Dates for Food Safety'.
- Reports: including 'Microbiological Quality of Filled Savoury Pastries', 'Domestic Fridge Survey Summary', 'Survey Program Overview' and 'Risk Assessment Policy'.

Program documents and manuals

- Industry guidelines for:
 - businesses seeking approval through alternative compliance provisions within the *Food Standards Code*
 - shelf life determination and interpretation of microbiological results for ready-to-eat food.
- NSW Food Safety Schemes Manual – setting out the food safety testing/sampling requirements for businesses licensed under the *Food Regulation 2010* and actions required where unsatisfactory results are obtained.
- Wild Game Meat Field Depot Food Safety Program (revised from 2009).
- Information sheets on the NSW Egg Food Safety Scheme and egg definitions.



“ Participating in industry events and forums helps us to develop policy that is practical and effective.

- Requirements documents for: notified small egg producers, licensed egg businesses, egg producers, egg graders, egg processors, egg storage facilities and egg transport vehicles.
- *Food Regulation 2010* – as part of the development of the new regulation, a licence fee and auditing costs discussion paper was published on our website for industry to consider. The *Food Regulation 2010* commenced on 18 June 2010 and required a significant revision of the legislation to ensure it remained current. This followed two years of consultation with the relevant industry sectors.
- Approved Regulatory Auditor System documents, including:
 - Regulatory Food Safety Auditor Manual (outlining the minimum requirements to become an auditor under this system);
 - Guide to Implementing a Regulatory Food Safety Auditor System (outlining the process requirements for businesses wishing to utilise the Approved Regulatory Auditor System); and
 - Food Safety Auditor Code of Conduct.

The Authority's industry guideline on 'the shelf life determination and interpretation of microbiological results for ready-to-eat food' has been recognised as a valuable food safety reference in the US, where it is being used as part of the course material at three state universities.

General circulars

- Revised Food Safety Program and commencement of auditing for field depots.
- New requirements for a food safety program and commencement of auditing for field harvesters.
- Regulatory responsibility for seafood processors that export.
- Game harvester refresher training.
- Introduction of *Food Regulation 2010*.

Consultation papers

- *Food Regulation 2010* – Regulatory Impact Statement (Dec 2009). A proposed regulation under the *NSW Food Act 2003* (including a proposal to make the Egg Food Safety Scheme).

Submissions

- Primary Production Standards – we provided submissions on the development of national primary production food safety standards for poultry meat, eggs and egg products, seed sprouts, meat and meat products and raw milk products.

Training programs and ongoing advice

Where possible, the Authority assists our industry partners by providing advice, training and support that will help improve compliance in their sector.

Training programs during the year included:

- 19 training courses on depuration plant operation and environmental sampling techniques – for the shellfish industry.
- 14 refresher courses for licensed kangaroo harvesters – conducted by TAFE and attended by approximately 900 harvesters.
- 2 (x two day) Food Safety Auditor Training Courses – for people interested in becoming approved regulatory auditors.



Media Communications

The Authority continued to build its reputation as a credible, reliable and responsive source of food safety information for media outlets and the wider public during 2009-10.

In a continuing trend, media interest in the Authority's activities continued to grow with a high percentage of neutral-to-positive toned media items.

In conjunction with the Minister for Primary Industries, we issued 55 media releases and statements throughout the year promoting the activities of the Authority and informing and educating consumers.

The Sun Herald (4 April 2010)



The announcement of 'Scores on Doors' made front page in The Sun Herald.

Media highlights in 2009-10

- Record fine of Australia's largest smallgoods manufacturer: charged with falsely labelling imported pork as Australian and fined a record \$233,750 (plus \$200,000 court costs) after the company was found guilty of 46 charges relating to 'misleading or deceptive' conduct in labelling.
- The announcement of the 'Scores on Doors' trial in April 2010 generated significant and continuing media interest including front page coverage in The Sun Herald in Sydney.
- A Sydney supermarket was fined \$45,000 (plus \$15,000 in court costs) after pleading guilty to eleven food law offences and breaching a prohibition order.
- The 'name and shame' web portal continued to attract sustained media and public interest, with more than four million hits to the site recorded since its introduction two years ago.
- The announcement of the NSW Government's inaugural food service report card that detailed the amount of food inspections, fines and prosecutions handed down in every council across the state during 2008-09. The most comprehensive report card of food inspection activity ever compiled in Australia, it revealed that more than 56,000 inspections were carried out at over 36,000 food businesses in one year. The report for 2009-10 is due out late 2010.



“ Food handlers are the critical link between food and consumers.

2. Improving food safety standards knowledge for all food handlers in NSW

Food handlers are the critical link between food and consumers. They have a responsibility to ensure that the food they serve is properly prepared and safely handled.

Statistics show that the poor handling of food is one of the primary causes of foodborne illness.

Under the current Food Standards Code, all food handlers are required to have the appropriate level of food safety skills and knowledge to conduct their work. They are not, however, required to have accredited training – making it difficult for enforcement agencies (such as the Authority) to assess compliance.

This is set to change though with the introduction of the new Food Safety Supervisor (FSS) initiative, which was finalised this year.

Food Safety Supervisor initiative

The Food Safety Supervisor (FSS) initiative aims to address poor food handling practices by mandating food handler training.

The program will ensure that most retail foodservice and hospitality businesses in New South Wales have a designated and appropriately trained ‘food safety supervisor’ – responsible for supervising safe food handling on the premises.

A person holding an FSS certificate will know how to recognise, prevent and alleviate the hazards associated with the handling of food and be able to instruct others on safe handling practices.

Training to nationally-agreed food safety competencies will be carried out by registered training organisations (RTOs). To ensure quality and consistency of training across New South Wales, RTOs will have to meet requirements specified by the Authority and be ‘approved’ before they can provide FSS training.

When implementation begins late in 2010, the FSS initiative will cover more than 26,000 retail foodservice and hospitality businesses that sell hot or cold ready-to-eat food. This includes restaurants, cafes, takeaways, hotels, clubs and supermarkets.

Program development began in January 2009, in consultation with the Hospitality Industry Working Group (representing peak hospitality and food retail associations, local government and registered training organisations). Legislation to establish the program was passed by the NSW Parliament in November 2009.

Training is due to commence in late 2010, with the program expected to be fully operational by 2011.



3. Ensure food is correctly labelled

Labelling provides consumers with information to make informed choices.

The Authority routinely investigates complaints relating to incorrect information on labels and prosecutes individuals and companies who are not following the rules.

To encourage compliance and ensure products are correctly labelled, we undertake regular investigations and surveys. This year we looked at date marking on labels and caffeine information on energy drinks.

Date marking investigation

Date marking, particularly use-by-dates (UBD), provide consumers with valuable information about food safety.

This year the Authority conducted a proactive investigation into retail sales at a range of sites across New South Wales to obtain a snapshot of industry compliance.

Authority officers randomly inspected 123 food businesses across the state. We discovered a high level of compliance – with approximately 81 per cent of food businesses (100 out of 123) meeting UBD and notification requirements.

Of the remaining 19 per cent (23 out of 123):

- 8% (10/123) supplied food past its UBD,
- 8% (10/123) had failed to 'notify',
- 3% (3/123) had altered the UBD or sold a product without one.

Seven of the thirteen identified UBD breaches related to businesses which operated a quality assurance program. Two of these businesses failed to meet their labelling requirements in a 'significant' manner.

All businesses identified as having UBD issues were re-inspected and found to be compliant.

National review of labelling laws aims to make consumer choice clearer

Health protection principles are key drivers for food labelling, but labelling is also a complex issue which affects consumers, industry, regulators and governments.



The Australia and New Zealand Food Regulation Ministerial Council (representing all state and territory governments and the two national governments) this year commissioned a comprehensive review of food labelling law and policy.

Chaired by former Federal Health Minister, Dr Neal Blewett, the review aims to identify ways to improve food labelling law and policies to enable the regulatory system to achieve this. The Authority played a key role in this review – coordinating preparation of a comprehensive 'whole of government' submission for New South Wales.

The NSW Government and the Authority believe that labels should be clear, concise and free of jargon. Labelling should help consumers make informed choices and guide them towards healthy food. This requires clear policy objectives consistent with national dietary guidelines and strategies for food safety and public health.

The NSW Government and the Authority also advocate priority consideration of national arrangements for point of sale information on the total energy (kilojoules), saturated fats, trans fats and salt content of certain fast food products.



“ Labelling provides consumers with information to make informed choices.

Energy drink caffeine survey

In September 2009, the Authority commenced a survey of caffeine levels in 'energy' drinks. The purpose of the survey was to determine the accuracy of labelling and compliance with requirements of the *Food Act 2003*.

Seventy products were assessed under Standard 2.6.4 of the *Food Standards Code* – which limits the level of caffeine in Formulated Caffeinated Beverages (FCB) to between 145mg/L and 320mg/L.

Of these 70 FCB samples:

- 16 contained less than 320mg/L of caffeine
- 30 contained between 320 and 368mg/L of caffeine
- 16 contained between 368 and 416mg/L of caffeine
- 8 contained more than 416mg/L of caffeine.

This sample study indicated that 77 per cent of FCBs currently contained more caffeine than the Code allows.

In response, the Authority instigated enforcement action and consulted with industry to encourage business to comply with the rules. Ongoing compliance will be monitored through further sampling.

Looking ahead

- Consult with other 'equivalent risk' food service sectors (eg delis and school canteens) with a view to extending Food Safety Supervisor requirements to these sectors.
- Working with industry, consumer groups and public health professionals to develop Quick Service Restaurant initiatives designed to assist consumers in making healthier choices.
- State-wide introduction of 'Scores on Doors' initiative.
- Continue to increase the number of retail food and foodservice businesses complying with inspection standards.
- Rebuild of NSW Food Authority website to increase user focus, interactivity and social networking function.
- Commencement of the beef labelling legislation and development of both industry assistance and consumer education materials.
- Implementation of the Food Safety Supervisor program, including RTO approval and educating businesses on the new requirements.

FOOD BACTERIOLOGY

“ The Authority uses a science-based approach to identify, evaluate and manage emerging food safety issues.



The NSW Food Authority is a recognised leader in food safety.

We are Australia's only through-chain food regulator, an advisor to the NSW Minister for Primary Industries and a partner of business and local government.

Leading & improving



Our expertise is sought both locally and internationally where we provide advice and support, scientific analysis of food safety issues and recommendations for policy.

Using science, ongoing research and lessons learned, we are constantly improving the way we do things, working closely with government, business and industry to help reduce foodborne illness.

Our policy development process is evidence based and seeks to clearly identify and address stakeholder needs and concerns.

This approach helps ensure that our regulatory framework is well focussed, proportionate and fair. It also improves community and industry understanding and acceptance of food regulations.

KRA Activities

We lead and improve by:

1. Consistently applying regulatory systems and standards
2. Streamlining regulatory processes
3. Basing our decisions on sound scientific and other evidence
4. Continuing to forge agreements aimed at enhancing service delivery
5. Influencing the national agenda
6. Learning from, and contributing to, the work of international food agencies



1. Consistently applying regulatory systems and standards

Under the *Food Act 2003*, the Authority is responsible for applying a variety of systems and standards across the food industry in New South Wales.

Our priority is to apply these consistently. This helps to remove any confusion for food businesses by addressing priority food safety issues. It also helps to reduce the risk of foodborne illness and create safer, healthier communities.

In the food retail and foodservice area, the Authority works with local councils – sharing responsibility for inspecting food premises and enforcing food safety law. This arrangement is known as the Food Regulation Partnership (FRP).

While the FRP has been operating successfully since July 2008, one area identified for improvement has been inspection reporting.

This year, the development of a new standardised inspection checklist and training assistance for councils' Environmental Health Officers (EHOs) helped address this issue.

New checklist improves consistency of food safety inspections

On occasion, inconsistencies have occurred where one council inspector is seen to interpret food hygiene standards differently to another when determining whether or not a food business should be fined.

This issue was addressed this year through the development of a 'standardised inspection' process across New South Wales – aiming to eliminate any confusion regarding food safety rules.

Known as the Food Premises Assessment Report (FPAR), and developed in consultation with local councils, it is designed to improve inspection consistency and interpretation of food hygiene standards.

During routine inspections of food businesses, council EHOs will assess the compliance of a food business against food safety legislation which is outlined in the FPAR. This has particular emphasis on critical areas of food safety.

The FPAR features nine sections relating to hygiene and food safety and focuses on the most important foodborne illness risk factors that have been identified in numerous studies.

These include inadequate cooling and cold holding temperatures, food prepared ahead of planned service, inadequate hot holding temperatures, poor personal hygiene and infected (sick) food handlers, inadequate reheating and inadequate cleaning of equipment and premises.

The FPAR will be piloted by twenty councils across New South Wales from July 2010.

Training assistance for Environmental Health Officers

Council Environmental Health Officers (EHOs) – responsible for inspecting food premises across New South Wales – are offered special training by the Authority, as part of our goal to improve consistency in food regulation.

During 2009-10, 60 EHO training sessions were held across the state, attended by approximately 300 EHOs. They learned about food legislation changes and updates, food complaint investigation, labelling, allergen awareness, inspection checklist consistency and food seizure protocols.

Training is just one of the core services provided by the Authority to councils under the FRP. Others include:

- on call technical advice
- establishing protocols and guidelines (to ensure consistency throughout the state in food inspection)
- establishing networking opportunities (at local and state level)



“ The introduction of the new standardised checklist (for use by EHOs) will improve the consistency of inspections.

- designing communication forums (newsletters, timely communiqués of contentious issues and a dedicated council-specific website featuring information, tools and templates).

The introduction of the new standardised checklist (for use by EHOs) will improve the consistency of inspections and help to ensure that retail food businesses have safe food handling practices in place.

Initial work in this area has seen ten per cent more businesses passing inspections in the first two years since the FRP began.

2. Streamlining regulatory processes

The Authority develops, and contributes to, policies, standards and programs which ensure that the food industry produces safe, suitable and correctly labelled food. These requirements are expressed through legislation – principally the *Food Act 2003* and the national *Food Standards Code*.

Part of our role is to constantly review how food safety is regulated and streamline processes wherever possible. An example this year was the introduction of *Food Regulation 2010*.

Food Regulation 2010

The *Food Regulation 2004* was repealed and replaced on 18 June 2010 with *Food Regulation 2010* (made under *Food Act 2003**). This followed a comprehensive process to analyse regulatory obligations and functions, along with alternative options to meet these requirements. The Authority also undertook exhaustive assessment of the consequent benefits, costs and regulatory impacts. This was followed by extensive engagement with government agencies, industry stakeholders and the community.

Achievements

- Developed standardised checklist for local government food premise inspections ready for piloting by twenty councils.
- *Food Regulation 2004* repealed and replaced by *Food Regulation 2010* after extensive review, consultation and improvement.
- Implemented enhanced audit, sampling, and foodborne illness reporting practices recommended by internal evaluation.
- Led development of national compliance strategies in several agreed priority areas.
- Provided food safety advice and capacity-building in Laos and China, funded respectively by WHO and APEC.

Challenges

- Working with 152 local councils to develop standardised regulatory tools, policies and procedures.



- Developing collaborative research partnerships to leverage the Authority's scientific resources.
- Reaching agreement in the national arena on priorities and contentious issues.



Food Regulation 2010 is a significant plank in the framework established to deliver our mission of 'safer food, clearer choices'. It provides for food safety schemes which cover the dairy, meat, plant products and seafood sectors, food service to vulnerable persons, and a new food safety scheme for eggs and egg products. It also establishes requirements for production, storage, transportation and sale of certain foods, licensing of higher risk food businesses, and specifies various administrative and statutory matters.

** **The Food Act 2003** provides for regulations to set minimum standards for food safety and this has been done for meat, dairy, seafood and plant products businesses and businesses that prepare food for vulnerable persons in New South Wales. **The Subordinate Legislation Act 1989** requires regulations to be remade every five years, as part of the NSW Government's automatic staged repeal process to ensure regulations remain relevant. The Authority consulted widely with consumers, industry and other stakeholders to provide evidence for this remake process.*

3. Basing our decisions on sound scientific and other evidence

The Authority uses science to identify, evaluate and manage emerging food safety issues.

While there can be no guarantee that foods will be free of hazards, understanding these hazards, and seeking to improve production and food handling methods, makes it possible to minimise the food safety risk to consumers.

Working with the wider scientific community

The Authority provides knowledge and support to research projects that reflect the agency's priorities. This is key to obtaining robust information on difficult scientific issues and ensuring we are prepared for tomorrow's challenges.

During 2009-10, we worked collaboratively with a wide cross section of organisations investigating foodborne illness issues. These included:

The Australian Seafood CRC and the South Australian Research and Development Institute

Developing a molecular method to detect Norovirus in oysters. This method has already assisted in incident management on the Kalang River.

NSW Primary Industries

Investigating the uptake rate of marine biotoxins by various oyster species. This information could assist in managing the risks of algal blooms.

Macquarie University

Conducting a retrospective analysis of algal data to identify trends. This could result in better 'direct testing' efforts and possible savings for industry.



“ The Authority provides knowledge and support to research projects that reflect the agency’s priorities.

An industry-government-academic team (University of Tasmania)

Studying how storage temperatures for Sydney rock oysters and Pacific oysters influence pathogen survival and growth. The findings will help identify safe storage temperatures for these species.

The Institute of Clinical Pathology and Medical Research

Conducting a two year study investigating a DNA-typing method for *Salmonella* (MLVA, multilocus variable number of tandem repeat analysis). It has now become a routine approach for investigating foodborne disease outbreaks associated with this pathogen.

Evaluating and improving

The Authority has a responsibility to continually improve our policies and programs.

To this end, each evaluation we undertake includes the development, and regular review, of an action plan designed to deliver continuous improvement.

An example is the Authority’s recent evaluation of the *Food Regulation 2004* (the industry based food safety scheme regulation). In order to enhance audit consistency, and to improve the quality of future evaluation data (as recommended in the action plan), changes were made this year to audit tools and sample collection and foodborne illness reporting practices.

National study into salt in foods

Diseases such as obesity, diabetes and heart disease are among our most common and expensive problems. Conscious that fats, sugars and salt contribute to the risk of contracting such chronic diseases, the



food industry is actively working to improve the nutritional content of products to provide healthier alternatives. As we consider how the food regulatory system can best contribute to minimising or preventing chronic conditions at a national level, the Authority is working towards building an evidence-base to inform the process.

In February 2010, an \$800,000 National Health and Medical Research Council *Partnership for Better Health* project grant was awarded to the George Institute for Global Health, which aims to answer the question “Are Australians having too much salt?”. The Authority is a partner in this project, along with NSW Health and the Australian Food and Grocery Council.

This nationwide initiative aims to measure levels of salt in the diet, identify the main foods it comes from and put in place plans and policies to reduce it. The evidence generated by this project will enable salt reduction strategies to be tailored – based around the levels of salt consumption, the sources of dietary salt and Australians’ knowledge about the effects of salt on health.



4. Continuing to forge agreements aimed at enhancing service delivery

To achieve our vision of 'safer food, clearer choices', the Authority has continued to maintain effective working relationships with other government agencies.

These can be classified into three areas:

1. **Structured relationships** with relevant New South Wales' state government departments and divisions (eg Health, DPI).
2. **Operational agreements** designed to enable the Authority to effectively fulfill its regulatory and enforcement functions (eg AQIS, Police).
3. **Broad, collaborative agreements** intended to foster productive relationships with similar international organisations (eg NZFSA, Beijing Food Administration).

These relationships allow the Authority to share knowledge and provide support on food safety matters where required. For example, this year we worked closely with the Australian Quarantine Inspection Service (AQIS) to ensure the export dairy industry was prepared and confident with a forthcoming European Review later in 2010.

We also worked (in partnership with AQIS) to address issues in the game meat industry, where some export markets had closed down. Due to the combined efforts of the regulatory agencies and our agreements, the industry is now back on track to regain lost markets in Russia and potentially expand into additional markets such as China.

To ensure the relationships we have remain effective, the agreements we have in place sometimes need to be updated.

During 2009-10, reviews commenced into the Memorandum of Understanding (MoU) agreements we have with two of our partners: the newly created Department of Industry & Investment NSW and AQIS.

When finalised late in 2010, these revamped agreements will enhance information sharing and improve the effectiveness of our working arrangement with both partners.

For example, changes to our MoU with AQIS will enable the scope of the agreement to expand into additional commodity sectors – helping to reduce the duplication of resources in premises where both agencies have regulatory responsibility.

This year we also renewed a rolling three-year service level agreement with Sydney West Area Health Service, Division of Analytical Laboratories (DAL) – for the provision of food analysis. The renewed agreement incorporates some minor operational refinements and clarifications, which reflect efficiencies in service that have been achieved over the past three years.

5. Influencing the national agenda

The Authority is a recognised leader in food safety.

Our advice and support is sought regularly by food agencies around the country where we share resources and ideas to help make food safe.

We also actively participate in forums and subcommittees within the food regulatory system.

The food regulatory system was established through a Food Regulation Agreement (signed by all Australian governments) and a Joint Food Standards Treaty between Australia and New Zealand.

Food regulation policy is made by the Australia and New Zealand Food Regulation Ministerial Council, comprising Ministers from each state and territory and the two national governments. The Authority's Minister (Hon. Steve Whan, MP) is the lead NSW Minister on the Ministerial Council. The Council is advised by the Food Regulation Standing Committee (FRSC), where Authority CEO, Alan Coutts, is the lead member for New South Wales.

Food standards are developed by Food Standards Australia New Zealand (FSANZ), in consultation with relevant jurisdictions and the community. New or amended food standards are included in the *Australia New Zealand Food Standards Code*.

The implementation and enforcement of food standards is the responsibility of the states and territories in partnership with local government councils. The Implementation Sub-Committee (ISC) – part of the Food Regulation Standing Committee (FRSC) – works to achieve a consistent approach in the interpretation and enforcement of food standards across all jurisdictions.

The Authority participates actively in all of these national forums and works closely with FSANZ in the development of food standards.

Challenges working across states and territories

There are a number of challenges in achieving national outcomes for food safety.

Because agency resources for national work are limited, it is essential to agree on priorities for the development of policy, food standards and/or mechanisms for consistent interpretation and enforcement.

Project timeframes are often lengthy due to the need to reach agreement on contentious issues across up to ten jurisdictions. On top of this, stakeholder consultation is usually essential, further straining timeframes and resource requirements.

The Authority plays a lead role in several areas of national work.

We led the development of the FRSC's rolling Strategic Plan and continue to chair its Strategic Planning Working Group. Our first priority is to assist with implementing the food regulation reforms agreed by the Council of Australian Governments (COAG).

The Authority also chairs the FRSC Food Safety Management Working Group, which this year reviewed the 2003 Ministerial Policy Guidelines on Food Safety Management in Australia. It is anticipated that public consultation will commence in late 2010.

COAG's food regulation reform agenda

The Council of Australian Governments (COAG) has identified a national reform agenda covering 27 priority reform areas, including food regulation. As part of this process, three key reforms were substantially progressed during 2009-10.

1. Reform of voting arrangements on the Ministerial Council to promote efficiency and transparency.
2. Commissioning of a national review of food labelling law and policy, chaired by Dr Neal Blewett, with recommendations due to be made in 2010-11.
3. Establishment of a centralised interpretive advice function to promote consistent interpretation of the *Food Standards Code* across all jurisdictions.

The Authority has been highly engaged with the progress of these food regulation reforms this year and will continue to strive to deliver best practice and quality outcomes for New South Wales through this work.

Developing national guidelines and compliance strategies

The Authority plays an integral role in the work of the Implementation Sub-Committee (ISC) – a sub committee of the Food Regulation Standing Committee (FRSC).

The ISC develops national and Trans Tasman guidelines, compliance strategies and templates for regulatory activities (such as inspections) – as a means to achieve a consistent approach.

New South Wales leads the ISC work component, focussed on coordinating local government activities.

During 2009-10, work commenced on a three-year project to develop an agreed national template for local government inspections, a framework for activity reporting and a national 'Scores on Doors' model.

Several national compliance strategies were also developed, including a strategy for managing hydrocyanic acid in cassava chips. New South Wales obtained National Association of Testing Authorities (NATA) accreditation for this test method at the DAL laboratory.

Other projects in development include compliance strategies for caffeinated energy drinks, infant formula labelling, folate and iodine fortification and genetically modified foods.



6. Learning from, and contributing to, the work of international food agencies

Sharing information with similar agencies in other countries enables any agency to improve its policies and procedures, and to meet international benchmarks.

The Authority willingly shares information, facilitates staff exchanges and delivers training programs that may assist agencies to progress or refine food safety programs and systems.

Highlights this year included:

Providing advice and support for the Southeast Asian Games

The Authority was invited by the World Health Organisation to provide technical support and training for the Southeast Asian (SEA) Games, held in Laos in December 2009.

More than 5,000 athletes and support staff, 1,000 media personnel, and several thousand spectators from eleven countries attended the event.

Two representatives from the Authority visited Laos in October and November 2009 to train staff, review food inspection procedures, investigate foodborne illness outbreak procedures and conduct an outbreak investigation scenario. We also provided thermometers for food inspection teams.

Lessons learned during our time there provided valuable information on food safety to the Laos government.

Sharing knowledge on incident management with China

The Authority was invited by Food Standards Australia New Zealand (FSANZ) to participate in, and present at, capacity building workshops in Beijing, China in March and May 2010.

Food industry emergency network plan updated

The NSW Food Industry Emergency Sub Plan – established by the Authority in 2004 – was revised this year, following consultation with a new working group called the Food Industry Emergency Network.



The network comprises representatives from the retail, manufacturing and primary production sectors and relevant government agencies, including health, primary industries and police.

The revised plan more clearly defines the roles and responsibilities of the Authority and supporting networks, updates all contacts and sets in place a framework to deal with food-based emergencies. As a result, the Authority and the food industry are better prepared to respond to an emerging threat or emergency and protect public health.

The Sub Plan is part of the NSW State Disaster Plan, which identifies the Authority as the lead response agency for food-related emergencies. It also sets out guidelines for cooperation between government agencies and the food industry for the protection of public health during a crisis. The plan is available on the Emergency NSW website at www.emergency.nsw.gov.au.

Entitled '*Managing Food Safety Incidents – Enhanced Sustainability Model of Training*', the five-day workshop in March was designed to improve China's food regulatory system by building capacity amongst individuals and relevant organisations (in business and government) to manage food safety incidents.

This was followed by a two-month practical, in-country project that encouraged attendees to apply the skills they learned. It included an assessment of the project outcomes undertaken during the follow-up May workshop.

The workshops are part of the APEC Food Safety Cooperation Forum (FSCF) – co-chaired by FSANZ – that aims to improve the level of food safety in the Asia Pacific region.

Providing food safety advice to the Chinese government

In 2009, the Chinese central government declared that China will operate under a single set of food standards.

To discuss this, and explore more opportunities for food safety collaboration and research, Authority CEO, Mr Alan Coutts and Chief Scientist, Dr Lisa Szabo, spent eight days in Beijing in April 2010.

Nine organisations were visited and each expressed a willingness to, and saw the value in, information on regulatory changes, new initiatives and science. A real need for enhancing skills in the area of standards development, risk assessment and risk management was identified by most agencies.

The Beijing Food Administration (BFA) sought to renew the Memorandum of Understanding (MoU) it had with the Authority leading up to the 2008 Beijing Olympics. The new MoU will broaden the exchange of food safety advice beyond major event management.

Skills building through our Staff Exchange Program

The Authority shares knowledge and skills with other agencies through our Staff Exchange Program. Mr Justin Everard (on secondment from the Food Standards Agency UK) continued in his role as acting Director Consumer Programs and Communications this year, while Ms Samara Kitchener was on maternity leave. His expertise and communication skills were used on a variety of projects including the development of the new 'Scores on Doors' initiative. Mr Everard returned to the UK October 2009 when Ms Kitchener returned to the Authority.

Collaborating with other agencies

The Authority worked closely with the New Zealand Food Safety Authority (NZFSA) this year to develop our 'Scores on Doors' initiative – based on a similar program introduced in New Zealand. When designing our system, we drew on research and program trial information from the NZFSA. 'Scores on Doors' will be piloted with twenty councils from 1 July 2010, with statewide introduction planned for July 2011.

Looking ahead

- Participating in the *Advanced Listeria monocytogenes intervention and control workshop* – to be held by the American Meat Industry Foundation in Chicago, USA.
- Meeting with the US Food and Drug Administration (USFDA) and US Department of Agriculture (USDA) – to discuss developing and using risk assessment in policy for the meat, dairy and seafood industries that is applicable to the industries the Authority regulates.
- Visiting the Emergency Operations Centre for the US Food and Drug Administration (USFDA) in Washington DC – to view the latest systems, databases and integrated information gathering for use on how to best manage food-related emergencies.
- Conducting national public consultation on the review of the 2003 Ministerial Policy Guidelines on Food Safety Management in Australia and leading development of the review's recommendations to the Australia and New Zealand Food Regulation Ministerial Council.
- Leading the engagement of other state regulatory agencies in the development and implementation of a national 'Scores on Doors' system.

Planning & priorities

“ Effective planning is at the heart of everything we do.



Planning

Effective planning is what enables the Authority to conduct our business efficiently and help improve food safety standards across the State.

Our operations are guided internally by our Corporate Plan, which links to the NSW Department of Industry & Investment's Corporate Plan. We also use a Results and Services Plan (see page 59), which is tied to our financial arrangements.

Corporate planning at the Authority underwent a significant overhaul in 2009-10, with a renewed focus on effective strategies, deliverables and milestones – all designed to progress our key outcomes.

To move forward, we have adopted a hierarchical structure to our KRA (Key Result Area) planning. This means that KRA 1 is not only supported by the strategies and key deliverables specific to KRA 1, but also by the various strategies and deliverables contained in KRAs 2-5. See below.

By adopting this method, we have focussed our strategic efforts to create sound links between strategies and deliverables, and a cohesive approach to achieving our overall vision – **safer food, clearer choices**.

Corporate Plan Key Result Areas (KRAs)



Our Corporate Plan is consistently refined to reflect changing circumstances and updated annually through a process of facilitated evaluation and review.

Key Result Areas in this plan link strongly with the NSW Department of Industry & Investment's (I&I NSW)

Corporate Plan – in particular KRA 6: Safe healthy and biosecure industries and KRA 8: Service delivery excellence.

How these KRAs link is explained in the table below.



KRA Table		
I&I NSW Corporate Plan	NSWFA Corporate Plan Linkage	NSWFA Corporate Plan Outcomes
Key Result Area 6 Safe healthy and biosecure industries	Key Result Area 1 Safer food, clearer choices	<ul style="list-style-type: none"> • Reduction in foodborne illness in NSW • Consumers are equipped to make informed choices about the food they eat
	Key Result Area 2 Safe food produced and sold in NSW	<ul style="list-style-type: none"> • All food industry sectors under risk-based surveillance • NSW food industry performance benchmarked and verified • Improvement in compliance of NSW food industry with food regulations
	Key Result Area 3 Well informed industry and consumers	<ul style="list-style-type: none"> • NSW food industry and consumers have improved access to food safety information provided by the NSW Food Authority • Food handlers in NSW have improved knowledge of food safety standards • Food is correctly labelled
	Key Result Area 4 Effective service delivery	<ul style="list-style-type: none"> • Regulatory systems and standards applied consistently • Streamlined and efficient regulatory processes • Government provided with timely, appropriate and reliable advice • The Authority's programs and decisions are based on sound scientific and other evidence • Agreements, aimed at enhancing service delivery, are in place with all relevant parties • NSW Food Authority influences national agenda • NSW Food Authority learns from and contributes to the work of international food agencies
Key Result Area 8 Service delivery excellence	Key Result Area 5 Governance and organisational support	<ul style="list-style-type: none"> • Technology supports the delivery of quality services to staff and stakeholders • Skilled and capable staff attracted, developed and retained to deliver results in a safe environment • Results are achieved through effective financial and asset management • Sound corporate governance and administrative frameworks are in place • Priority government sector-wide policies implemented

NSW Food Authority Corporate Plan 2009 – 2012

Reviewed and updated in June 2010

NSWFA KRA 1: Safer food, clearer choices

Links to I&I NSW KRA 6 – Safe healthy and biosecure industries

Outcomes	Strategies
1.1 Reduction in foodborne illness in NSW	<ul style="list-style-type: none"> • Develop and maintain the Authority's overarching food safety strategy • Implement controls for targeted pathogen reduction • Implement risk management programs for targeted industry sectors • Identify emerging issues and key contributors related to foodborne illness in Australia
1.2 Consumers are equipped to make informed choices about the food they eat	<ul style="list-style-type: none"> • Develop a program of high impact consumer information and health promotion programs • Provide public access to regulatory information • Identify and utilise media opportunities

NSWFA KRA 2: Safe food produced and sold in NSW

Links to I&I NSW KRA 6 – Safe healthy and biosecure industries

Outcomes	Strategies
2.1 All food industry sectors under risk-based surveillance	<ul style="list-style-type: none"> • Undertake inspection and audit programs in accordance with priority risk classifications • Monitor local government compliance with Food Regulation Partnership programs for maintaining surveillance of the food retail sector • Develop and implement food compliance surveys to assist the Authority's and local councils' regulatory activities
2.2 NSW food industry performance benchmarked and verified	<ul style="list-style-type: none"> • Maintain risk management programs for shellfish harvest areas in NSW • Develop and participate in state and national emergency preparedness, response & recovery programs • Develop and implement the third party audit verification program • Utilise inspection and audit information to benchmark industry and regulatory performance • Develop and implement food verification surveys to assist the Authority's regulatory activities
2.3 Improvement in compliance of NSW food industry with food regulations	<ul style="list-style-type: none"> • Refine and implement industry communication plan • Refine industry publications • Improve compliance of poor performing licensed businesses • Implement national ISC policy and protocols

NSWFA KRA 3: Well informed industry and consumers

Links to I&I NSW KRA 6 – Safe healthy and biosecure industries

Outcomes	Strategies
3.1 NSW food industry and consumers have improved access to food safety information, provided by the NSW Food Authority, which is appropriate and useful	<ul style="list-style-type: none"> • Maintain system for all Authority communications to be effective and accessible • Develop and implement a social media strategy • Review and refine communication delivery channels • Identify audiences and develop targeted communication strategies focusing on hard to reach audiences
3.2 Food handlers in NSW have improved knowledge of food safety standards	<ul style="list-style-type: none"> • Implement food safety supervisor program • Develop and publish material to assist in improving food safety knowledge of food businesses
3.3 Food is correctly labelled	<ul style="list-style-type: none"> • Respond to labelling complaints in accordance with the Authority's complaints policy • Implement targeted labelling surveillance program

NSWFA KRA 4: Effective service delivery

Links to I&I NSW KRA 6 – Safe healthy and biosecure industries, KRA 7 Positive business environment, KRA 8 Service delivery excellence

Outcomes	Strategies
4.1 Regulatory systems and standards applied consistently	<ul style="list-style-type: none"> • Lead and/or participate in key ISC projects • Monitor approved auditor practice against 'Regulatory Food Safety Auditor Manual' • Standardise inspection records and processes across local governments • Licensing requirements are administered in accordance with <i>Food Regulation 2010</i> • Maintain the process for approving analysts and laboratories • Implement RTO and FSS program requirements with regard to processing applications and issuing certificates
4.2 Streamlined and efficient regulatory processes	<ul style="list-style-type: none"> • Coordinate red tape reduction commitments • Implement Electronic Service Delivery (ESD) strategy • Review and refine legislative machinery • Review effectiveness and structure of consultative committees in light of I&I NSW • Align NSW Food Safety Scheme requirements with new national Standards • Implement and refine approved food safety auditor program • Monitor and refine Consumer & Industry Helpline service delivery

NSW Food Authority Corporate Plan 2009 – 2012 cont.

Reviewed and updated in June 2010

NSWFA KRA 4: Effective service delivery cont.

Links to I&I NSW KRA 6 – Safe healthy and biosecure industries, KRA 7 Positive business environment, KRA 8 Service delivery excellence

Outcomes	Strategies
4.3 Government provided with timely, appropriate and reliable advice	<ul style="list-style-type: none"> • Monitor performance and refine ministerial and media liaison systems • Develop and implement system to allocate and track Government requests for Authority input
4.4 The Authority's programs and decisions are based on sound scientific and other evidence	<ul style="list-style-type: none"> • Implement research and survey program to meet regulatory needs • Perform risk assessments to provide evidence for regulatory needs • Implement evaluation program • Monitor and undertake research on consumer awareness, beliefs and behaviours
4.5 Agreements, aimed at enhancing service delivery, are in place with all relevant parties	<ul style="list-style-type: none"> • Review relevant MoUs in light of new I&I NSW structure • Review and refine operational agreements • Maintain the delivery of laboratory services • Maintain and review Food Regulation Partnership
4.6 NSW Food Authority influences national agenda	<ul style="list-style-type: none"> • Lead and/or participate in key ANZFRMC/FRSC policy projects • Coordinate NSW input to Food Standards Development • Coordinate NSW input to standards development committees • Build strong relationships with central agencies responsible for NSW input into COAG processes
4.7 NSW Food Authority learns from and contributes to the work of international food agencies	<ul style="list-style-type: none"> • Maintain and implement plan for targeted international activities • Maintain relationships with NZ food safety authorities • Host an international food safety conference

NSWFA KRA 5: Good governance and organisational support

Links to I&I NSW KRA 7 Positive business environment, KRA 8 Service delivery excellence

Outcomes	Strategies
5.1 Technology and business systems support the delivery of quality services to staff, and stakeholders	<ul style="list-style-type: none"> • Establish agreed ICT service levels and support with I&INSW Corporate Services Directorate • Maintain in-house business systems and IT infrastructure to agreed service levels • Seek capital funding for information management and technology • Implement business systems development projects
5.2 Skilled and capable staff attracted, developed and retained to deliver results in a safe environment	<ul style="list-style-type: none"> • Implement outcomes from the 'Building a stronger workplace' project, including values • Implement a performance management system • Develop suitable business cases to address staff freeze policy criteria • Build profile and implement outcomes from OHS committee • Staff are fully informed about Food Authority activities
5.3 Results are achieved through effective financial and asset management	<ul style="list-style-type: none"> • Review and update asset management plan in accordance with NSW Treasury guidelines • Review and update financial management plan • Investigate new/alternative revenue streams • Monitor, report and provide advice on agencies actual performance against budget • Review and update the NSWFA Risk Management Plan • Perform non-outsourced operational and statutory Finance functions in accordance with <i>Public Finance & Audit Act</i>, Treasurers Directions and Accounting Standards
5.4 Sound corporate governance and administrative frameworks are in place	<ul style="list-style-type: none"> • Develop and maintain effective corporate planning and reporting • Review Authority administrative policies for currency and alignment with Government policy • Implement priority government policies
5.5 Priority government sector-wide policies implemented	<ul style="list-style-type: none"> • Assess and monitor Authority compliance with priority government sector-wide policies



Priorities

The Authority's Corporate Plan also aligns our Key Result Areas with key objectives of the NSW Government's State Plan – ie building healthier communities and maintaining a stronger New South Wales economy.

The Authority contributes to these priorities in the following ways:

1. Building healthier communities

The Authority's Key Result Area 1 – **safer food, clearer choices** – directly relates to the government priority of building healthier communities in New South Wales.

Other government departments, principally NSW Health, also contribute. This priority aims at reducing foodborne illness and enables consumers to make informed choices about the food they eat.

To achieve this, food must be correctly labelled and handled properly and safely – by both the food industry and consumers. These aspects are encompassed in the Authority's Key Result Area 3 – **well informed industry and consumers**.

For the food industry, this covers everything from manufacturing, producing, collecting, extracting and processing to storing, transporting, delivering, preparing, treating, preserving and packaging food. It also extends to cooking, thawing, serving and displaying of food.

These processes are defined by the *Australia New Zealand Food Standards Code*, which is administered by the Authority in New South Wales.

2. Maintaining a stronger New South Wales economy

In carrying out our food regulatory functions, the Authority aims to keep compliance costs for the food industry as low as possible and ensure that areas of duplication are

identified and addressed. These elements are incorporated into our Corporate Plan in Key Result Area 4 – **effective service delivery** – and support the government priority of maintaining a stronger New South Wales economy.

Other elements which feed into this priority include cost rationalisation and industry consultation, which form an important part of all the services the Authority delivers. Together, these services help make the food industry safe, competitive and reputable (planned result).

Achieving this planned result requires the industry framework to be aligned with other requirements (eg export requirements) to minimise industry cost and increase market access for New South Wales produce.

Building healthier communities contributes to the Government's 'stronger NSW economy' priority because the annual cost of foodborne illness is substantial when measured in terms of lost productivity and medical costs.

Results and Services Plan

The Results and Services Plan (RSP) is a planning and budgeting tool, required by NSW Treasury, which allows us to demonstrate the impact our services are having on consumers in New South Wales. It complements the Authority's corporate planning and provides a financially linked rationale for what we do and why we do it.

The RSP focuses on our overall vision of reducing foodborne illness while meeting the key objectives of the NSW Government's State Plan – ie building healthier communities and a maintaining a stronger New South Wales economy.

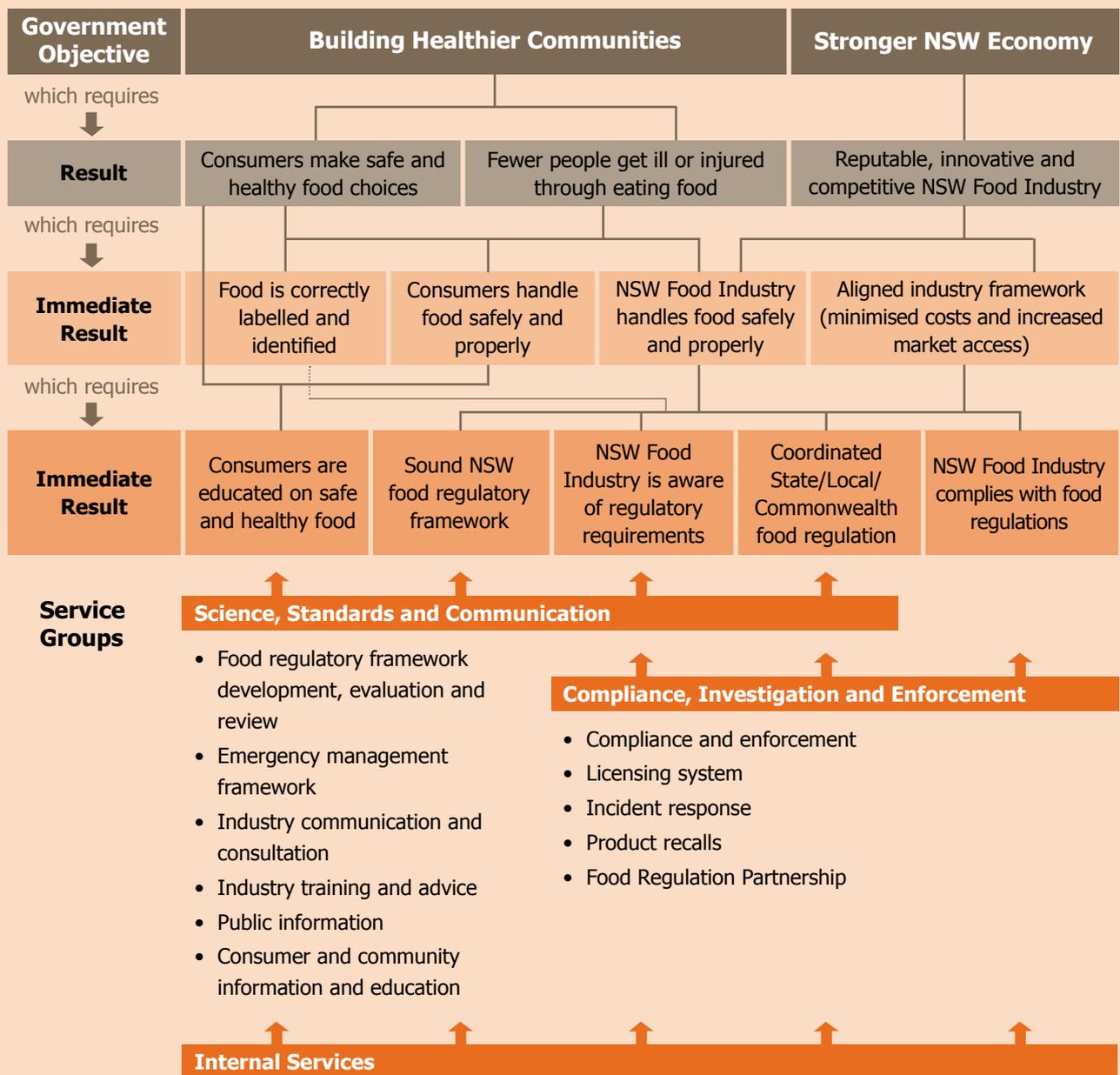
The Authority uses the RSP as a decision-making and planning tool. It allows us to ensure resource allocation is aligned with organisational priorities that achieve results.

Our RSP demonstrates how our three service groups link to these priorities.



“ Our Corporate Plan links our KRAs to the NSW Government’s State Plan.

NSW Food Authority Results and Services Plan



People & systems

The NSW Food Authority has the important responsibility of maintaining food safety across the State.



In order to continue delivering on our promise to provide 'safer food and clearer choices' we need to ensure we have the most efficient people and systems in place.

A team of 128 people work for the Authority, using science and new technology to fulfil our food safety obligations.

In July 2009, the Authority became a partner agency within the Industry & Investment NSW agency cluster. We retain our status as a statutory authority with functions and powers as provided by the *Food Act 2003*.

During 2009-10, we continued to build a better workplace (by developing new policies and practices), we increased staff salaries and successfully transferred the management of our payroll, leave and personal information from ServiceFirst to the Industry & Investment NSW (Orange) Staff Payroll Centre.

Our People

Staff numbers and breakdown

As at 30 June 2010, 128 people worked for the NSW Food Authority (126 staff and 2 Senior Executive Service (SES) Officers). See table below.

Building a stronger workplace

Our 'Building a Stronger Workplace' project continued during the year, with major emphasis placed on policy development through the Joint Consultative Committee (JCC), comprising management and union representatives.

Committee initiatives during 2009-10 included updating our Code of Conduct and Internal Reporting Policies and Procedures and developing a Gifts and Benefits policy by way of a focus group drawn from relevant sections of the agency.

The Authority's JCC activities concluded early in 2010, pending formation of a new Industry & Investment NSW JCC, which will comprise representatives from all Divisions

Staff Numbers by Category

Occupation Group	2009-10	2008-09	2007-08	2006-07
Administration	47	64	47	46
Professional/Technical/Science/Food Safety Officers	79	61	68	72
Total Staff (non-SES)	126	125	115	118
Senior Executive Service	2	2	2	1
TOTAL STAFF (all)	128			

of the new Department. The Industry & Investment NSW JCC is expected to meet in the first quarter of 2010-11.

Training and development

Training in the use of Electronic Self Service (ESS) for payroll and leave information took place at our Newington Head Office in March 2010. Bullying and Harassment Prevention training for all staff commenced in May 2010, while a Safety Leadership Development Day for the Authority's Executive and senior managers was conducted in June 2010.



In addition, three staff members were accepted for the 2010 Public Sector Management Program which is managed by the Institute of Public Administration Australia (IPAA) NSW on behalf of the NSW Department of Premier and Cabinet.

Staff salaries

During the year, eligible staff members covered by the Crown Employees (Public Sector Salaries) Award 2008 received a salary increase of four per cent.

The award provides for three, four per cent wage increases – after 1 July 2008 (retrospectively) and then in 2009 and 2010. The Award expires in June 2011.

Also during the year, representatives from the Industry & Investment NSW (Orange) Staff Payroll Centre visited our Newington Head Office to train and familiarise staff members in the use of Employee Self Service (ESS). The Staff Payroll Centre commenced managing the Authority's payroll and leave administration on, and from, 1 April 2010, taking over from the previous provider ServiceFirst.

Equal Employment Opportunity (EEO)

During 2009-10, continued emphasis was placed on developing policies to enhance equity in the Authority through the Joint Consultative Committee (made up of management and union representatives).

This included updating the Authority's Code of Conduct and Internal Reporting procedures. The Authority's policies and procedures will be taken into consideration when new human resources policies are developed for Industry & Investment NSW next year.

Disability Action Plan formulated

In February 2009, we established a working party to develop a five year Disability Action Plan (DAP). The plan explores ways of improving service delivery to our external stakeholders and members of the public with a disability. It is in line with the "Guidelines for disability action planning by NSW Government agencies" issued by the NSW Department of Ageing, Disability and Home Care.

The program was placed on the Register of Disability Action Plans with the Australian Human Rights Commission during the year.

The Authority will participate next year in developing and implementing a new Disability Action Plan within Industry & Investment NSW.

Statistical information on EEO target groups

As at 30 June 2010, females comprised 54 per cent of the organisation. This represents a significant increase on the 36 per cent recorded in the Authority's first year of operation (June 2004).

The Authority will participate in developing and implementing new EEO policies and programs within Industry & Investment NSW during 2010-11.

Aboriginal Affairs Committee

An Aboriginal Affairs Committee was formed by the Authority in 2006.

During 2009-10, the Authority continued to explore ways of involving Aboriginal and Torres Strait Islander people in our Ministerial Consultative Committees. This included seeking nominations from government agencies and encouraging consultative committee members to actively seek appropriate representatives from within their food industry sector. The involvement of Aboriginal and Torres Strait Islander people in consultative committees is a standing agenda item for the committees.

Indigenous activities held during the year included a morning tea at Taree in July 2009 to promote awareness amongst staff of issues affecting Aboriginal people during NAIDOC (National Aborigines and Islanders Day Observance Committee) week.



Trends in the Representation of EEO Groups

EEO Group	Benchmark or target	% of Total Staff			
		2007	2008	2009	2010
Women	50%	50%	49%	50%	54%
Aboriginal People & Torres Strait Islander	2%	0.8%	0.9%	0.8%	0.9%
People whose first language was not English	20%	17%	15%	15%	16%
People with a disability	12%	6%	4%	4%	3%
People with a disability requiring work-related adjustment	7%	0%	0%	0%	0%

Trends in the Distribution of EEO Groups

EEO Group	Benchmark or target	% of Total Staff			
		2007	2008	2009	2010
Women	100	81	90	87	88
Aboriginal People & Torres Strait Islander	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	98	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	-	-	-	-

A 'distribution index' of 100 indicates that the distribution of the EEO group across salary levels is equivalent to other staff. Values less than 100 indicate that the EEO group tends to be concentrated at lower salary levels than other staff. The more pronounced this tendency is, the lower the index will be. All staff percentages and distribution index figures are as at 30 June 2010.

The Authority encourages staff to use 'Welcome to Country' and 'Acknowledgement of Country' protocols to introduce appropriate Authority events. These include national and international conferences, staff conferences and major meetings.

Occupational Health and Safety (OH&S)

The Authority is committed to maintaining the health, safety and welfare of all our staff and visitors.

To ensure this continues effectively, we operate a dedicated Occupational Health and Safety Committee, which meets bi-monthly.

The committee comprises five elected staff representatives and four management representatives, including a representative from the Chief Executive Officer. A secretary/ executive officer manages committee business. Elections are held every two years.

Key OH&S activities during 2009-10 included:

- Introduction of Executive Director OH&S Reports as a standing agenda item for all Branch meetings.
- Development and implementation of a safe protocol for the use of fridges and freezers in the Authority's Laboratory Room.
- Development of Bullying and Harassment Prevention training for all staff, with training commencing in May 2010.



“ The Authority is committed to maintaining the health, safety and welfare of all our staff and visitors.

- Review and update of the OH&S Consultation Arrangement for 2009-11.
- Completion of staff representative elections and management appointments in November 2009 for a new OH&S Committee for 2009-11.
- Review and update of the Authority's dedicated OH&S page on the intranet.
- Participation in the Industry & Investment NSW Safety Management System (SMS) Review Project Committee to develop and implement a new Policy Framework and SMS for integration of OH&S matters across all divisions of the new Department.
- Conduct of a Safety Leadership Development Day for the Authority's Executive and senior managers in June 2010.

The Authority will participate in developing and implementing OH&S policies and programs within Industry & Investment NSW during 2010-11.

Staff benefits

Gymnasium

Our gym at head office continued to be well supported throughout the year with 52 staff (41 per cent) being members. The gym is one of many measures aimed at maintaining the health and well-being of our employees.

Vaccinations

Any staff potentially exposed to Q Fever at work were vaccinated throughout the year. In addition, 37 staff members (29 per cent) received an influenza vaccination.

Executive Officers

Chief Executive Officer's remuneration and performance

Alan Coutts – Chief Executive Officer, NSW Food Authority & Deputy Director-General, Industry & Investment NSW

Bachelor of Commerce (Majoring in Economics) & Graduate Diploma of Education, University of NSW.

Chief Executive Officer, SES Level 6.

Remuneration package: \$300,800 per annum (includes employment benefits of \$14,461.30).

Engaged on a five year Contract until November 2013.

Mr Coutts joined the Authority (as Director-General) in November 2008. He became Chief Executive Officer and Deputy Director-General Industry & Investment NSW in July 2009 when the Authority became a partner agency of the newly formed Department of Industry & Investment NSW. Prior to joining the Authority, Mr Coutts was Deputy Director-General (Mineral Resources) of the NSW Department of Primary Industries.

This year, Mr Coutts oversaw some significant activity at the Authority, including the introduction of *Food Regulation 2010*, the release of the first full year 'report card' for the Food Regulation Partnership (FRP) with local government, the development of the new 'Scores on Doors' program and the finalisation of preparatory work on a new Food Safety Supervisor initiative.

The FRP report card outlined the extensive food surveillance work undertaken by councils across New South Wales, highlighting that while the program has been successful, more work still needs to be done (mainly regarding the consistency of the assessment process). This has been addressed with the introduction of a new standardised inspection checklist created by the Authority for the council Environmental Health Officers who inspect food premises.



The 'Scores on Doors' program follows in the footsteps of the popular 'name and shame' web portal introduced in 2007. While 'name and shame' reports on poor performing businesses, 'Scores on Doors' rewards businesses that are following the rules. Influenced by similar programs overseas, it allows the public to view a 'scorecard' on the door or window of a foodservice business. 'Scores on Doors' will be piloted by twenty councils from 1 July 2010, with a statewide introduction planned for July 2011.

The Food Safety Supervisor (FSS) initiative – finalised this year – aims to address poor food handling practices by mandating food handler training. The program will ensure that most retail foodservice businesses in New South Wales have a designated and appropriately trained 'food safety supervisor' – responsible for supervising safe food handling on the premises. When implementation begins (anticipated late in 2010), the FSS initiative will cover more than 26,000 retail foodservice and hospitality businesses that sell hot or cold ready-to-eat food.

As a testament to our commitment to enforcement, the Authority pursued 120 prosecutions against eight defendants in the Local Court, achieving a 100 per cent prosecution success rate.

Senior Management for 2009-10

	2009-10	2008-09	2007-08
Total SES	2	2	2
CEO level 6	1	1	1
SES level 4	1	1	1
Female SES	-	-	-

CEO = Chief Executive Officer SES = Senior Executive Service

Administration

The Administration Unit provides office accommodation and procurement services for the Authority, as well as reception and executive support. Of the Authority's 128 staff, 102 are located in the head office in Newington, with 26 working from regional locations across New South Wales. There are eight regional offices, most of which share space with other divisions of Industry & Investment NSW. The Authority owns and maintains the Newington head office, near Sydney Olympic Park.



“ Our functions include strategic financial planning, annual budget coordination and preparation of submissions for government funding.

Systems

Information Management

Information management is critical to the Authority's ability to regulate the approximately 56,000 food businesses throughout New South Wales.

To effectively manage our data requirements we have a relational database system called BYTE. BYTE is used to manage licensing, audit and inspection data and workflows for more than 14,500 licensed businesses. BYTE also records details of inbound calls and complaint investigations, enforcement activities and manages the data flows for the publication of the 'name and shame' register.

During the year, several projects were undertaken to enhance the Authority's business systems, including major projects to change our financial integration of BYTE to I&I NSW's SAP finance system. As part of our corporate service reform, upgrades to BYTE were made to accommodate the new *Food Regulation 2010* provisions and provide records management compliance by integrating with the Authority's TRIM records management system.

These improvements contributed to an ongoing works program which will:

- ensure that the Authority's key business systems remain 'state-of-the-art',
- accommodate new legislative changes as they occur,
- provide wireless access for field staff,
- improve the public's access to the Authority's services electronically.

Financial Management

Financial Operations

The Business Services Branch is responsible for managing the Authority's financial activities, including those of its subsidiary entity, the Office of the NSW Food Authority, and subsidiary companies, Milk Marketing (NSW) Pty Limited and Pacific Industry Services Corporation Pty Limited.

Our role and functions include strategic financial planning (comprising formulation of five-year forward estimates), coordination of annual budget preparation, liaison with NSW Treasury and preparation of submissions for government funding.

The branch also does statutory, management and industry reporting and as well as undertaking some accounts receivable functions.

A key focus of the Authority into the future is the establishment of a secure, appropriate and sustainable funding base. We are also focussing on the further implementation of electronic service delivery and related technology – with a view to catering for significant increases in our licensee and other stakeholder numbers.

Asset management

At 30 June 2010, the Authority's capital asset base totalled \$13.0 million, including our head office building at Newington in Sydney and a regional office at Taree, as well as various other assets. The Finance, Licensing and Property Management sections undertake certain asset management functions in relation to the Authority's assets, including management of our properties and our motor vehicle fleet, maintenance of the asset register, development of the asset management plan and coordination of the annual stocktake of fixed assets.

Science and policy services

The Science and Policy area provides support through its scientific and technical capability, strategic issues management, policy coordination and development, laboratory management and ministerial liaison.

Issues management

Each week, an Issues Management Advisory Group (IMAG) – consisting of a cross-section of staff from key functional areas – reviews technical, operational and media developments in food science and safety relevant to New South Wales, national and international jurisdictions,



stakeholders and the community. IMAG then determines appropriate action in relation to those developments and reports these to the Executive, allowing it to respond quickly and effectively to current and emerging strategic issues.

The Authority also has an internal network of scientists to assist the Chief Scientist in assessing new scientific findings and their implications on the activities of the agency, its stakeholders and the community.

Ministerial Coordination Unit

The Authority reports to the Minister for Primary Industries. A Ministerial Coordination Unit facilitates communication with the Minister's Office to ensure that the Minister and the NSW Government is provided with accurate and appropriate advice and information on food related issues. This role has expanded following the integration of the Authority into the Department of Industry & Investment – to include liaison and coordination with the broader Department.

The Ministerial Coordination Unit also coordinates advice to the Minister in relation to his role as Lead Minister for New South Wales on the Australia and New Zealand Food Regulation Ministerial Council. The Ministerial Council establishes the policy framework for domestic food standards, considers draft food standards (and may ultimately amend or reject them) and oversees the implementation enforcement of standards, including the promotion of consistency and harmonisation.

Laboratory management

The Authority contracts the Division of Analytical Laboratories (DAL) to undertake most of our food testing. The food analysis conducted by DAL includes microbiological and chemical testing as well as molecular biology tests such as identification of viruses, detecting the presence of genetically modified ingredients in foods and DNA fingerprinting of certain bacteria.

Where testing cannot be conducted by DAL, other laboratories are used.

The Authority requires each laboratory used to:

- be accredited by the National Association of Testing Authorities (NATA)
- be involved in proficiency testing programs
- use standards set by Standards Australia Ltd.

2009-10 legislative changes

During 2009-10 the following changes were made to the Authority's legislation:

Amendments to Food Act 2003

1. Food Amendment (Food Safety Supervisors) Act 2009

Passed by Parliament, but not commenced during 2009-10. Set to commence in two stages, with the first commencing on 9 July 2010. Stage one allows the Authority to approve registered training organisations (RTOs), issue food safety supervisor certificates and make associated administrative arrangements. It also makes provision for serving documents under the Act.

The second stage will commence when sufficient RTOs have been approved (anticipated late 2010). It will then require trained food safety supervisors to be appointed to supervise food handling in certain food businesses and that businesses notify these appointments and keep associated certificates on the premises. A twelve month lead-in period will apply to the offences created by these provisions.

2. Public Sector Restructure (Miscellaneous Acts Amendments) Act 2009

From 30 November 2009 replaces references to Director-General of the NSW Food Authority with Chief Executive Officer.



“ A Ministerial Coordination Unit facilitates communication with the Minister’s Office to ensure that the NSW Government is provided with accurate and appropriate advice.

3. *Food Amendment (Beef Labelling) Act 2009*

This was passed by Parliament, but had not commenced during 2009-10. When commenced, it will amend the *Food Act 2003* with respect to the advertising, packaging and labelling of beef. The Authority has consulted extensively with key beef and retail industry representatives regarding arrangements to implement this Act during the subsequent reporting period.

Amendments to Dairy Industry Act 2000

1. *Public Sector Restructure (Miscellaneous Acts Amendments) Act 2009*

From 30 November 2009 replaces references to Director-General of the NSW Food Authority with Chief Executive Officer.

2. *Statute Law (Miscellaneous Provisions) Act 2010*

Passed by Parliament, but had not commenced during 2009-10. From 9 July 2010 replaces an obsolete reference to “General Manager of the Dairy Division of the NSW Food Authority” with “Chief Executive Officer of the NSW Food Authority” or “delegate” as being a member of the NSW Dairy Industry Conference.

Amendment to Food Regulation 2004

1. *Food Amendment (Food Safety Auditors) Regulation 2009*

From 7 August 2009 these amendments set the fee for approval as an independent food safety auditor, the form for reporting audits or assessments, and the approval required for a food business to use an independent food safety auditor.

Amendment to Meat Industry (Meat Industry Levy) Regulation 2006

1. *Statute law (Miscellaneous Provisions) Act 2010*

This was passed by Parliament, but had not commenced during 2009-10. From 9 July 2010 replaces the reference to “Director-General” with “Chief Executive Officer” in prescribed forms.

Staged repeals

1. *Dairy Industry Regulation 2010* made on 4 June 2010 and scheduled to commence on 1 September 2010 to replace and update the Dairy Industry Conference Regulation 2005.

2. *Food Regulation 2004* was repealed and replaced on 18 June 2010 with *Food Regulation 2010* (made under *Food Act 2003*). This involved a comprehensive process to analyse regulatory obligations and functions along with alternative options to meet these requirements. The Authority then undertook an exhaustive assessment of consequent benefits, costs and regulatory impacts followed by extensive engagement with government agencies, industry stakeholders and the community.

Food Regulation 2010 provides for food safety schemes covering dairy, meat, plant products, seafood, food service to vulnerable persons, and a new food safety scheme for eggs and egg products. These schemes set out requirements for production, storage, transportation and sale of certain foods, and licensing of certain higher risk food businesses.

The regulation authorises the Authority to require certain food businesses to operate under an audited food safety program and related inspection and administrative arrangements.

The regulation also makes provision for various fees and approvals necessary for the *Food Act 2003* to operate, prescribes maximum administrative charges for non-licensed food businesses, the form of an auditor’s report and the Lord Howe Island Board as an enforcement agency. It also applies certain primary food production requirements of the *Australia New Zealand Food Standards Code* in New South Wales, and modifies certain provisions of the Code as they apply in New South Wales.

Statutory Reporting

We are committed to delivering appropriate, effective and quality services to our stakeholders.



Subsidiary and controlled entities

The Office of the NSW Food Authority

The Office of the NSW Food Authority is a division of the Government Service, established under the *Public Sector Employment and Management Act 2002*.

The Office of the NSW Food Authority's sole objective is to provide personnel services to the NSW Food Authority and is a not-for-profit entity. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at the Authority, 6 Avenue of the Americas, Newington NSW 2127.

The Office of the NSW Food Authority commenced operations on 17 March 2006, when it assumed responsibility for the employees and employee related liabilities of the Authority. The assumed liabilities were recognised on 17 March 2006, together with an offsetting receivable, representing the related funding due from the former employer.

Pacific Industry Services Corporation Pty Limited

Pacific Industry Services Corporation Pty Limited (PISC) provided laboratory services, and was a subsidiary company of the former SafeFood NSW.

In May 2001, all its assets (excluding land and buildings) were sold. All its land and buildings were subsequently sold in September 2001. PISC will be wound up during 2010-11.

Milk Marketing (NSW) Pty Limited

Milk Marketing (NSW) Pty Limited (Milk Marketing) is a controlled entity of the NSW Food Authority.

The Board of the company (appointed by the Minister) comprises the Chair, Mr George Davey, Deputy Director-General, Industry & Investment NSW, Primary Industries, and Directors, Mr Robert Grey, representing the NSW dairy industry and Mr Peter Sutherland, representing the NSW Food Authority.

The company's funds are applied in the event of an industry emergency and for the general purposes of facilitating information exchange, managing emerging issues and promoting the interests of the New South Wales dairy industry.

During 2009-10 it undertook a number of activities:

- The Board approved a review of the company (Milk Marketing (NSW) Pty Limited) and its constitution regarding the relevance of its stated objectives and functions. The review was responsive to matters raised by the Audit Office of New South Wales in its Statutory Audit Report in October 2009. Additionally, after ten years of operations under the present governance arrangements, the Board also considered it timely for such arrangements to be reviewed to assure the most effective and optimal achievement of its objectives and function. Presently, and as part of the process, the NSW Crown Solicitor has been instructed to advise on a range of governance and corporations law issues relevant to the review.

- A NSW dairy industry deregulation historical record project continued. A public tender sought expressions of interest in the project. A preferred tenderer has been identified and contractual negotiations are in the process of being finalised. The project will chronicle the deregulation of the NSW dairy industry. In particular, emphasis will be placed on the importance of the policy lessons learned from the way the deregulation process was understood, managed and carried out.
- Milk Marketing will again, with the NSW Dairy Industry Conference, provide funding for NSW dairy industry representatives to attend the 2010 IDF World Dairy Summit (8-11 November 2010) in Auckland, New Zealand. Milk Marketing is also planning to hold a symposium to address emergency or crisis management in the dairy industry immediately prior to the IDF summit, to take advantage of international industry experts travelling to Auckland.



- Milk Marketing continued its active participation in the activities of the International Dairy Federation (IDF) during 2009-10. The Chair negotiated with the IDF to have the IDF Dairy Innovation 2010 Marketing Awards announced at the Leaders Forum of IDF World Dairy Summit to be held in Auckland, New Zealand in November 2010.
- As part of an industry leadership development program, Milk Marketing and the NSW Dairy Industry Conference jointly sponsored an industry delegation to the IDF World Dairy Summit held in Berlin, Germany in September 2009. Members of the delegation represented the Australian dairy industry at a number of IDF Standing Committee meetings including dairy economics and policy, farm management, health and nutrition, dairy science and technology, microbiological hygiene and analytical methods.
- The IDF Standing Committee on Marketing (SCM) has been chaired by the Chair of Milk Marketing for the past two years. The SCM committed to assist South Korea conduct a symposium on "Domestic Milk Supply and Demand Systems" in Seoul, April 2011.
- Milk Marketing has become an Associate Member of the Global Dairy Platform. Through its liaison with the IDF and other international contacts, Milk Marketing is now part of an international network. Through these channels Milk Marketing receives regular reports on emerging issues which may have an effect on the NSW dairy industry. The company has developed systems for disseminating information on emerging issues to stakeholders and opinion leaders.
- Milk Marketing hosted two successful industry roundtable meetings. In November 2009, visiting UK dairy expert Michael Lambert briefed industry leaders on developments in the UK and European dairy industries. In March 2010, Milk Marketing provided sponsorship to the Royal Agricultural Society of NSW for Mr Yves Boutonnat to attend from France as the guest international judge for the 2010 Sydney Royal Show Dairy Products Competition. Mr Boutonnat presented his views on the quality of dairy products in Australia and trends in international markets.
- During the year, Milk Marketing took over the position of Governor, Dairy Research Foundation, University of Sydney from the NSW Food Authority. The company continued its support of the Chair of Dairy Science at the University of Sydney, with funding of \$6,600.
- There was continuation of sponsorship for the DIAA (NSW) Annual Conference and Dairy Products Awards Competition for 2009-10. Milk Marketing sponsors an Award for dairy product innovation.
- Work continues on the new design and update of the Milk Marketing website. A design company was engaged to finalise the new website design to ensure that the site continued to be of value to the New South Wales dairy industry. While the new website is constructed, the old website continues to be updated with information as received.



Milk Marketing (NSW) Pty Limited cont.

- The Chair attended the meetings of the IDF Standing Committee on Marketing (SCM) and the International Milk Promotions (IMP) Group both in Berlin, Germany and in Montreal, Canada. The Chair is the sole Australian representative on the SCM and IMP Group, and will continue to provide reports and represent Australia's interests on these committees. A significant standing item on the SCM agenda is the development of a rapid alert mechanism for emerging food safety and bio-security issues to improve communications between member countries. The NSW dairy industry, through Milk Marketing, has played a lead role in this initiative and is already benefiting from informal information exchange mechanisms with the USA and UK. This has proved valuable in regard to issues such as A2 milk health claims, the relationship between *Mycobacterium paratuberculosis* and Johnes and Crohns diseases, animal welfare and obesity.

Consultants

Details of consultants costing \$30,000 or more: two consultants were engaged for more than \$30,000 and fifteen were engaged in total at a cost of \$217,900.

Guarantee of service

The Authority has established internal control processes designed to ensure the achievement of our objectives. We utilise the I&I NSW Internal Audit and Risk Committee, have an established risk management framework and conduct reviews to assess controls. We are committed to delivering appropriate, effective and quality services to our stakeholders.

Enterprise Risk Management and Audit and Risk Committee

The Authority has an Enterprise Risk Management Policy, Procedures, Risk Register and treatment plans for all significant risks identified – based on Australian/New Zealand Standard Risk Management Principles & Guidelines AS/NZS ISO 31000:2009. The Enterprise Risk Management Plan, Risk Register and treatment plans are regularly reviewed by our Executive and the I&I NSW Audit and Risk Committee and updated as appropriate. The purpose of the plan, risk register and treatment plans are to:

- establish an overarching risk management framework that incorporates and links to existing program risk management plans
- identify and assess risks to overall service delivery and corporate strategies
- inform the Authority's internal audit program
- develop strategies and risk treatment plans to mitigate the most serious risks and incorporate these into corporate planning and reporting
- establish a governance structure to manage corporate risks.

Internal audits/reviews were undertaken during 2009-10 by Deloitte Touche Tohmatsu Ltd on GST compliance and RSM Bird Cameron on NSW Food Authority Corporate Services Systems Integration with I&I NSW.

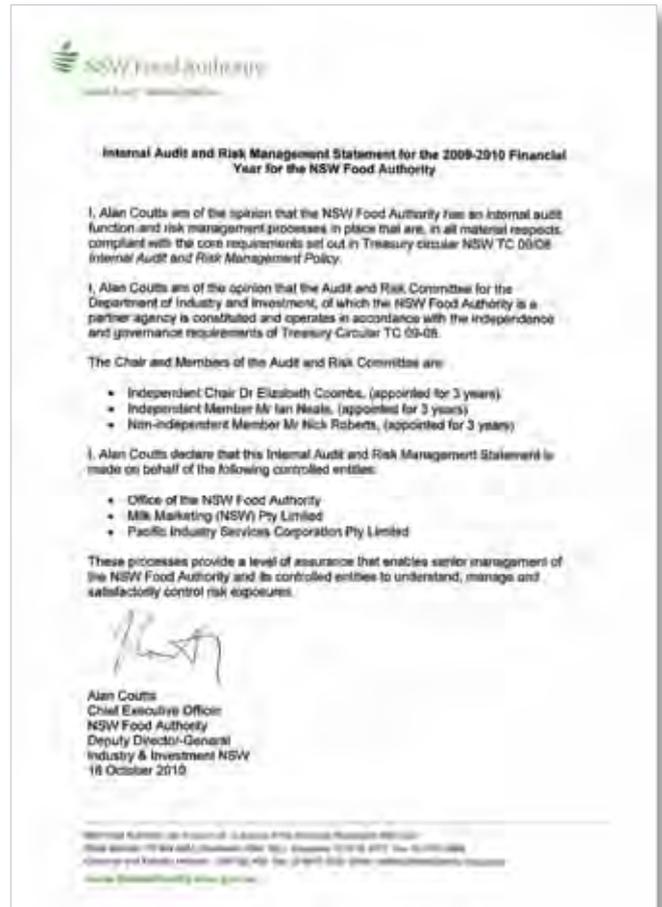
The Authority is a member of the NSW Treasury Managed Fund (TMF) which is a self insurance scheme owned and underwritten by the NSW Government. TMF provides a full range of insurance cover for us, including workers' compensation, property, public liability, comprehensive motor vehicle and miscellaneous risks.

The Authority is also provided certain protection under the *Food Act 2003* – in certain circumstances as provided in the Act. It is also committed to using risk management principles to minimise risk exposure and premium costs.

Risk Management Attestation



Internal Audit and Risk Management Statement



The management of risk has been a key consideration in the development of our strategic plan and issues management is carried out as part of our routine operations.

In 2007, we implemented our Business Continuity Plan and Disaster Recovery Plan. Both plans were successfully tested. The plans comprise a set of processes and procedures that are updated quarterly and tested annually. This ensures that critical business functions can continue during, and after, a disaster, minimising the disruption of services to the public.

Ethnic Affairs Priorities Statement

This statement confirms the Authority's ongoing commitment to the NSW Government's principles of multiculturalism and reflects how services and facilities are accessible to the community in the state.

The Authority undertakes to:

- ensure our safety programs cater for the ethnic diversity of the state's consumers and food industry
- service those from culturally and linguistically diverse backgrounds

- ensure that our staff are acknowledged for their cultural diversity and granted reasonable flexibility in their duties to:
 - accommodate culturally diverse practices, and
 - utilise culturally specific skills
- maintain consistency with Equal Employment Opportunity principles, ensuring that prospective employees at the Authority are treated equally and not disadvantaged by virtue of any community membership or cultural belief or practice.

This assists industry by ensuring that all food industry participants:

- have adequate access to the Authority's consultation processes, regulatory programs and advisory services
- have a better understanding of the Authority's structure and practices relating to culturally diverse communities and food industry participants, including the incorporation of culturally diverse and traditional methods of food preparation into food regulatory programs.

The Authority's Ethnic Affairs Priority Statement and multicultural activities are also incorporated in the Industry & Investment NSW Multicultural Plan.



Ethnic Affairs Action Plan

To implement the Ethnic Affairs Priorities Statement, the Authority developed an Ethnic Affairs Action Plan that defines our strategy and corresponding actions.

Strategy/Action Report

We are required to report on our action plan every three years. The next one is due in 2011-12. The triennial timeframe is because of our 'small agency' status – as defined in the *Annual Reports (Departments) Amendment Regulation 2007* and the *Annual Reports (Statutory Bodies) Amendment Regulation 2007*.

For 2009-10 achievements see the Ethnic Affairs Strategy and Action Report on page 75.

The Authority has established a core set of community languages for translation of our most important materials. Languages are included in the set where the incidence of consumers who speak a language other than English at home (or have difficulty with English) is highest.

Other resources are translated as appropriate. Languages include Arabic, Chinese, Greek, Italian, Japanese, Khmer, Korean, Macedonian, Serbian, Spanish, Thai, Turkish and Vietnamese.

Code of conduct

The Authority is committed to meeting the expectations of the community to conduct our work with efficiency, economy, fairness, impartiality and integrity. These principles are inherent in our Code of Conduct.

Annual Report production

Production of the NSW Food Authority Annual Report 2008-09 cost \$21,900 + GST. Two hundred and fifty (250) hard copies were printed. This report is also available for free download from www.foodauthority.nsw.gov.au.

Freedom of Information (FOI)

During 2009-10, the Authority received fifteen new requests for documents under the Freedom of Information (FOI) Act 1989, compared with ten in 2008-09. We received one request for internal review. There were no applications carried over from the 2008-09 reporting period.

Of the fifteen applications processed:

- One was granted in full
- Two were granted partial access
- Four were refused access because they were held to be exempt
- Five applications were withdrawn at the applicant's request
- No applications were transferred to another agency
- Two were discontinued due to non payment
- One sought access to documents not held by the Authority
- One internal review was sought where the original determination was upheld.

As in 2008-09, no applications were received for an amendment or notation of personal records, nor were any Ministerial certificates issued.

Relevant Authority policy documents are published in the *Government Gazette* in the Summary of Affairs, as required under the *Freedom of Information Act 1989 (FOI Act)*.

These documents are available for inspection at the Authority. Some documents are available free, while there is a fee for larger manuals.

Information about these policy documents can be obtained through our Consumer & Industry Helpline.

Hours: Weekdays 8:30am to 5:30pm
Phone: 1300 552 406 Fax: (02) 9647 0026
Email: contact@foodauthority.nsw.gov.au

The *Freedom of Information Act 1989* is due to be replaced on 1 July 2010 by the *Government Information (Public Access) Act 2009* (GIPA). The Authority has implemented arrangements for orderly transition to GIPA on that date.

Further information about accessing documents under GIPA can be located at www.foodauthority.nsw.gov.au

An application to make a formal request to access documents, or amend a record concerning an individual's personal affairs, may be made by completing the application form at www.industry.nsw.gov.au

The form, together with a cheque or money order covering the \$30 application fee, should be submitted to:

The Right to Information Coordinator
Industry & Investment NSW
PO Box K220
HAYMARKET NSW 1240

Privacy management

The *Food Act 2003* imposes particular obligations on those administering or executing the Act not to disclose certain confidential information obtained by them in the course of their duties.

Matters relating to more general collection, disclosure and use of personal information by the Authority are governed by provisions of the *Privacy and Personal Information Act 1998*. Personal information which contains information or an opinion about an individual's health or disability is also subject to provisions of the *Health Records and Information Privacy Act 2002*.

We are reviewing our privacy management arrangements to reflect the integration of administrative functions with Industry & Investment NSW.

Energy performance

Corporate commitment

The Authority is committed to minimising our impact on the environment by:

- achieving energy savings
- incorporating sustainable energy management practices (where cost effective)
- using whole-of-government energy contracts to achieve cost savings
- purchasing green power to reduce greenhouse gas emissions.

Electricity is supplied to our offices through the State Contract Control Board electricity contracts C777. This includes the purchase of six per cent green power.

Planning

An Energy Manager and Energy Coordinator have accountability and responsibility for energy management. Where feasible and cost effective, the Authority will endeavour to reduce energy consumption in buildings and our vehicle fleet, reducing our carbon footprint. To encourage staff to reduce energy use and reinforce sustainability, we send out regular emails and update them on environmental promotions via the intranet.

Future direction

The Energy Management Plan includes the Authority's policy directions; monitoring, targeting and reporting mechanisms; and energy management strategies. Apart from using whole-of-government energy contracts, we purchase GreenPower and products with recycled content where feasible. Our vehicle fleet is being progressively downsized to use four-cylinder and hybrid cars, and smarter travel plans are being introduced where possible. Staff awareness and participation in lowering gas emissions is promoted via posters and the intranet.

Waste reduction

The Authority operates in accordance with the NSW Government Waste Reduction and Purchasing Policy (WRAPP).

Our policy is to continue to reduce waste by increasing recycling and purchasing recycled content products where possible. All copy paper purchased has a minimum 50 per cent recycled content and remanufactured laser printer and fax toner cartridges are purchased when available.

Initiatives for waste reduction have included increasing the replacement of paper documents with electronic documents. This includes email, e-newsletters and electronic record keeping. Double-sided printing and copying is also used where appropriate.

We also recycle all toner cartridges, light globes and fluorescent tubes, and recycle and/or donate redundant IT equipment and mobile phones.

Ethnic Affairs Strategy and Action Report 2009-10

Strategy 2009-12	Achievements 2009-10
<p>Identify cultural groups within each industry that has a food safety scheme in place and determine the best way to manage specific food safety risks.</p>	<ul style="list-style-type: none"> • Membership of the following industry consultative committees span diverse backgrounds: <ul style="list-style-type: none"> - poultry and egg - seafood. • Central Sydney Regional Food Group was provided with \$5,000 in funding to generate consumer materials for culturally diverse food businesses in the Sydney CBD.
<p>Take cultural/traditional methods of food preparation into account when considering risk management options for particular food products and make industry resources available in appropriate languages.</p>	<p>Currently available translated industry guidelines and fact sheets cover:</p> <ul style="list-style-type: none"> • doner kebabs (Arabic, Turkish) • food business notification (designated community languages) • powers of authorised officers (Chinese, Vietnamese) • seafood retailers guide (Chinese, Vietnamese) • seafood substitution (Chinese, Vietnamese) • sulphur dioxide in meat (Chinese, Vietnamese) • sushi handling (Japanese, Korean) • unpackaged seafood (Chinese, Vietnamese).
<p>Provide access to an interpreter service for the Consumer & Industry Helpline & Compliance, Inspection and Enforcement staff.</p>	<ul style="list-style-type: none"> • An accredited on-demand interpreter service is available for non-English speakers who wish to contact the Authority. A direct number is provided for the interpreter, who then calls our Helpline. Our interpreter service was utilised in most months throughout the year. • Authority Helpline and field staff utilised the same service when they wish to communicate with non-English speakers. • Three staff members are currently accredited in speaking languages other than English and receive a Community Language Allowance Scheme (CLAS) allowance.
<p>Target ethnic media with relevant media releases, including through the Community Relations Commission's ethnic media contacts.</p>	<ul style="list-style-type: none"> • The Authority provided nine articles to the <i>Australian Chinese Daily</i> with food safety information on topical food issues, which the publication translated for its readers. • The Authority translated a media release about an allergy risk in gingili sesame paste and distributed the release to relevant Chinese media contacts.
<p>Take the needs of people from culturally and linguistically diverse backgrounds into account when developing consumer information and education program proposals.</p>	<ul style="list-style-type: none"> • Translated consumer resources include: <ul style="list-style-type: none"> - allergy and pregnancy information (in designated community languages) - borax (Chinese, Vietnamese) - complaints handling (in designated community languages) - raw meat, safe eating (Arabic) - recreational harvest of shellfish (Chinese, Vietnamese). • Navigation paths to Chinese and Vietnamese consumer content on our website – available entirely within each language.

Overseas travel by Authority staff in 2009-10

Date	Name of officer	Destination	Purpose of travel	Source of funds
August 2009				
5-7 August	Mr Alan Coutts & Mr Craig Sahlin	New Zealand	Attend FRSC, meet with Executive at NZFSA to include signing of a revised MoU between agencies	NSW Food Authority
September 2009				
21-24 September	Mr Corey Stoneham	New Zealand	Attend regional meeting NZFSA Food Regulation Partnership, meet with NZ councils who have implemented scores on doors system and share common FRP experiences with NZFSA	Airfare NSWFA other costs NZFSA
Nov-Dec 2009				
9 Nov- 4 Dec	Mr Paul Crick & Dr Craig Shadbolt	Laos	Consultation, training and facilitation of Food Inspection Program for Laos Ministry of Health before South East Asian Games	Funded by World Health Organisation
February 2010				
2-4 February	Mr Craig Sahlin	New Zealand	Attend the Implementation Subcommittee (ISC) and meet with the Executive of the NZ Food Safety Authority	NSW Food Authority
2-5 February	Mr Peter Day	New Zealand	Attend the Implementation Subcommittee (ISC) and meet with the Executive of the NZ Food Safety Authority	NSW Food Authority
March 2010				
22-26 March	Mr Peter Day	Beijing, China	To conduct with FSANZ a Food Safety Capacity Building Workshop	Federal Dept Agriculture Fisheries Forests (DAFF) Project Funding
April 2010				
19-23 April	Mr Edward Jansson	Singapore	Present at the Food and Hotel Asia 2010 Food Safety Forum	Singapore Exhibition Services, Singapore
20-28 April	Mr Alan Coutts & Dr Lisa Szabo	Hong Kong China	Discussions with Hong Kong and Chinese government agencies, I&I NSW international offices and universities on food regulation and food safety collaboration and research projects. Renew MOU with Beijing Food Administration. Mr Coutts also participated in an International Mine Safety Committee meeting	NSW Food Authority
May 2010				
17-21 May	Ms Christine Tumney	New Zealand	Review third party auditor and internal verification systems (currently implemented by NZFSA), attend workshop on 19-20 May on verification activities (conducted by NZFSA), review NZFSA Food Control Program and gain information that will assist NSW with the implementation of the Regulatory Gaps program	NSW Food Authority
23-27 May	Mr Peter Day	Beijing, China	To conduct (with FSANZ) the final phase of a Food Safety Capacity Building Workshop	Nil all costs met by FSANZ as part of project, Federal DAFF project funding
June 2010				
17-19 June	Mr Craig Sahlin	New Zealand	To present to the Pacific Accreditation Cooperation conference 18 June 2010	JAS – ANZ and the Authority
28-29 June	Mr Alan Coutts & Mr Craig Sahlin	New Zealand	New Zealand	NSW Food Authority

International Committees

Committee	Representative
2013 International Conference on Mollusc Shellfish Safety Organising Committee	Anthony Zammit

National Committees

Committee	Representative
Food Regulation Standing Committee (FRSC):	Alan Coutts
<i>Food Regulation Standing Committee Working Groups:</i>	
Strategic Planning	Craig Sahlin (Chair)
Principles and Protocols	Lisa Lake
Infant Formula	Samantha Torres
Food Safety Management	Craig Sahlin (Chair) & Catherine Bass
Ad hoc Working Group on Development of Centralised Interpretative Advice Function	Samantha Torres
Food Regulation Standing Committee Implementation Sub-Committee (ISC):	Peter Day & Craig Sahlin
<i>ISC Working Groups:</i>	
Enhancing Linkages between Human, Food and Animal Surveillance Activities	Craig Shadbolt
Chemical Response Plan	Lisa Szabo (Chair)
Food Safety Management Working Group	Craig Sahlin & Catherine Bass
Consistent Implementation Sub-group – Incident Response	David Miles
Enforcement Policy	Christine Tumney (Chair)
Food Industry Support and Education Working Group	Peter Sutherland
Government Food Communicators Group	Craig Morony
Health Claims Watchdog Working Group	Christine Tumney
International Interference	Christine Tumney (Chair)
Performance Measurement Framework Working Group	Kelly Collins
Consistent Principles for Environmental Investigation of Foodborne Illness	Craig Shadbolt (Chair)
Advisory Committee on Novel Foods	Michael Apollonov
Food Analysis & Implementation Working Group	Peter Day
<i>Food Standards Australia New Zealand (FSANZ) Standard Development/Implementation Committees/Working Groups:</i>	
Food Safety Programs for Catering	Catherine Bass
Poultry Meat	Peter Day (Chair) & David Miles
Egg Standards Development Committee	Peter Day & Catherine Bass
Fortification Technical Advisory Group	Alan Edwards
Food Surveillance Network	Edward Jansson, Themy Saputra & Victoria Stitt
Raw Milk Dairy Products Standard Development Committee	Peter Sutherland
Sprout Products	Catherine Bass & John Fallon
Meat	Peter Day & David Miles
Standards Australia:	
<i>Standards Australia Committees:</i>	
FT-21 Committee – Meat for Human and Animal Consumption	Peter Day
FT-25 Committee – Detergents and Sanitisers in the Food Industry	David Miles
FT-032 Organic and Biodynamic Products	Craig Sahlin (Chair)



“ The NSW Food Authority was an active participant in 49 national food regulatory committees.

National Committees cont.

Committee	Representative
Other Standards Committees:	
Australia and New Zealand Dairy Authorities Standards Committee	Anne McIntosh
Australian Institute of Food Science and Technology:	
Australian Institute of Food Science and Technology – National Council	David Cusack (Vice-Chair of NSW Branch)
Australian Institute of Food Science and Technology – Food Microbiology Group	Edward Jansson & Rod McCarthy
Other National Committees/Forums:	
Australian Institute of Food Science and Technology – National Council	David Cusack
Australian Shellfish Quality Assurance Advisory Committee	Anthony Zammit
Industry Compliance Committee of Australian Fruit Juice Association	Janine Curll
National Association of Testing Authorities, Biological Accreditation Advisory Committee	Lisa Szabo
National Livestock Identification System Advisory Committee	Peter Day
National Gastroenteritis Survey Project Steering Committee	Craig Shadbolt & Lisa Szabo
Food Safety Information Council	Craig Morony
Public Health Nutrition Network	Samantha Torres
National Measurement Institute Food Sector Advisory Committee	Edward Jansson
Complementary Healthcare Council of Australia – Complaints Resolution Committee	Michael Apollonov & Janine Curll
3rd Australian Food Safety Conference	Peter Sutherland (Chair Program Committee)
Food Export Regulators Steering Committee	Peter Day and David Hook
National Working Group Evaluating the Effect of Time from Harvest on the Microbiological Quality of Field Harvested Kangaroo Carcasses	Lisa Szabo (chair) & David Miles

Papers published in 2009-10

E. A Szabo, E. Jansson, D. Miles, T. Hambridge, G. Stanley, J. Baines, P. Brent. 2009. Responding to incidents of low level chemical contamination in food. In: Christine E. Boisrobert, Aleksandra Stjepanovic, Sangsuk Oh and Huub L.M. Lelieveld, editors, Ensuring Global Food Safety. Oxford: Academic Press, 2009, pp. 411-437.

K.C. Richardson & **W.R. Porter** 2009. Development of Food Legislation around the world – Australia and New Zealand. In: Christine E. Boisrobert, Aleksandra Stjepanovic, Sangsuk Oh and Huub L.M. Lelieveld, editors, Ensuring Global Food Safety. Oxford: Academic Press, 2009, pp. 5-70.

Mannes T, Gupta L, Craig A, Rosewell A, McGuinness CA, Musto J, **Shadbolt C**, Biffin B. A large point-source outbreak of *Salmonella* Typhimurium phage type 9 linked to bakery in Sydney, March 2007. *Commun Dis Intell.* 2010 Mar;**34**(1):41-8.



State Committees

Committee	Representative
Industry Consultative Committees:	
Meat Industry Consultative Council	Alan Coutts
NSW Dairy Industry Conference	Alan Coutts
NSW Seafood Industry Conference	Alan Coutts
NSW Shellfish Committee	Anthony Zammit
Peak Oyster Associations Group (POAG)	Anthony Zammit
Poultry and Egg Industries Committee	Alan Coutts
NSW Vulnerable Persons Food Safety Scheme Consultative Committee	Peter Sutherland (Chair)
Intensive Agriculture Consultative Committee	Peter Day
Milk Marketing (NSW) Pty Ltd	Peter Sutherland (Director)
Seafood Industry Advisory Committee	Alan Coutts
Retail Food Service Industry	Peter Sutherland
Interagency Committees:	
Food Regulation Forum	Peter Day, Craig Sahlin & Peter Sutherland
Interagency Working Group on Pesticide Management	Craig Sahlin, Greg Vakaci & Edward Jansson
NSW Health/Food Authority Strategic Liaison Group	Samantha Torres
FA/DAL Service Level Agreement Management Committee	Lisa Szabo, Craig Shadbolt & Edward Jansson
FA/DAL Operations Committee	Edward Jansson, Craig Shadbolt, Vicki Stitt & Themy Saputra
State Algal Advisory Group	Bruce Nelan
Other State Committees:	
NSW Population Health, Healthy Weight Network	Craig Morony
Kalang River Working Group	Anthony Zammit
NSW Beef Labelling Reference Group	Peter Day (Chair) & Samantha Torres
NSW Government Nanotechnology Policy Coordination Committee	Lisa Szabo
Ministerial Advisory Council for Primary Industries Sciences NSW	Lisa Szabo
DPI Land Based Aquaculture Consultative Committee	Anthony Zammit

Presentation Register

Conference/Meeting	Presentation title	Representative
July 2009		
RFG: Northern Sydney, Western Sydney South Western Sydney, South East	Allergens Awareness	Ruth Davis
Clubs NSW	Rapid Response Team Initiative	Christine Turney
August 2009		
New EHO: Sydney, Dubbo, Wagga Wagga	Seizures	Ruth Davis
AIFST – Listeria in the food industry	Incidence and control of Listeria – challenges in the factory environment	Peter Sutherland
AIFST – Listeria in the food industry	Listeria and food safety regulations	David Miles
University of Sydney – Vet faculty, lecture	Food Regulations Part 1 and Part 2 – International context	David Miles
Pastoral & Agricultural Crime Working Group	Food Authority overview	Christine Turney
September 2009		
Environmental Health Australia Food Surveillance School	Food Sampling and Swabbing for Microbiological Testing	Brett Campbell
Environmental Health Australia Food Surveillance School	Foodborne Illness: Trends and Overview	Craig Shadbolt
Environmental Health Australia Food Surveillance School	Name and shame – The great debate	Josie Rizzo
Institute of Hospitality in HealthCare National Conference	Public Offence Registers	Christine Turney
New EHO: Sydney	Food Complaint Investigations	Ruth Davis
RFG: Murray, Murrumbidgee	BBQ Duck Enforcement Scenario	Josie Rizzo
RFG: Central	BBQ Duck Enforcement Scenario	Ruth Davis
October 2009		
RFG: Northern, South Eastern Sydney, Hunter	BBQ Duck Enforcement Scenario	Ruth Davis
Presentation to NSW Food Industry Training Council	Food Safety Supervisor, Local Govt Cert IV and third party audit	Peter Sutherland
Industry and Investment NSW Productivity and Food Security Symposium	Collaboration, innovation and regulation	Lisa Szabo
RFG: Central West	BBQ Duck Enforcement Scenario	Corey Stoneham
New EHO: Dubbo	Food Complaint Investigations	Ruth Davis
November 2009		
RFG: Illawarra, Northern Sydney, Western Sydney, South Western Sydney, South East	BBQ Duck Enforcement Scenario	Ruth Davis
New EHO: Sydney	Food Complaint Investigations	Ruth Davis
Changsha Municipal People's Congress and Municipal Government	Food Regulation in NSW	Josie Rizzo
December 2009		
New EHO: Wagga Wagga	Food Complaint Investigations	Josie Rizzo
February 2010		
Presentation to IINSW Edutraining staff from Murrumbidgee College and Tocal	Overview of NSW Food Authority, current policy issues, training requirements, RTO	Peter Sutherland
OzFoodNet Face-to-Face	Utilising OzFoodNet Data: NSW Food Authority and external stakeholders	Craig Shadbolt
National Food Distributors Association	Australia's Food Regulatory System	Peter Day
March 2010		
New EHO: Sydney, Coffs Harbour, Dubbo, Wagga Wagga	Regulatory Framework	Ruth Davis



Presentation Register *cont.*

Conference/Meeting	Presentation title	Representative
March 2010 cont.		
FSANZ Managing Food Safety Incidents Workshop	Overview of Australian Food Regulatory System	Peter Day
FSANZ Managing Food Safety Incidents	Regulatory Monitoring	Peter Day
FSANZ Managing Food Safety Incidents Workshop	Implementation of risk management measures	Peter Day
April 2010		
RFG: Central Sydney, Northern Sydney, Hunter, South Western Sydney, Illawarra	Food Safety Supervisor	Ruth Davis & Katrina Lau
RFG: Northern Rivers, Mid North Coast, South East Sydney, Western Sydney	Food Safety Supervisor	Josie Rizzo & Angie Antzoulatos
Food Hotel Asia 2010	A case study on Australia's response to melamine in dairy-based products	Edward Jansson
Rapid methods update, Food Microbiology Group, NSW Branch, AIFST	Rapid methods and legislation	Edward Jansson
May 2010		
RFG: Northern West, Central West	Food Safety Supervisor	Josie Rizzo & Kirsty Patterson
RFG: Murray, Murrumbidgee	Food Safety Supervisor	Josie Rizzo & Jane Verwoerd
EDAP conference	Strengthening food surveillance in the retail sector in NSW	Josie Rizzo
RFG: Northern	Food Safety Supervisor	Ruth Davis & Katrina Lau
RFG: South East	Food Safety Supervisor	Ruth Davis & Angie Antzoulatos
RFG: Far West	Food Safety Supervisor	Ruth Davis
June 2010		
Dairy Industry Association of Australia 2010 NSW Dairy Conference	Food Safety Challenges over the Next Decade	Lisa Szabo
NSW Health Bug Breakfast	Controlling Listeriosis: Role of the NSW Food Authority	Craig Shadbolt
Pacific Accreditation Cooperation 2010 Plenary	Introducing AS6000/MP100	Craig Sahlin
New EHO: Sydney	Enforcement Agency Roles and Responsibilities	Ruth Davis
RFG: Central, Illawarra	Inspection Checklist and Scores on Doors	Ruth Davis



“ The Authority takes a leading role on six consultative committees.

Consultative Register – POAG 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Terrance Healey	Chairperson	2 of 2*	\$5000 per year	1-Jan-07	1-Jan-10	3 years
Mark Bulley	NSW Farmers' Association	2 of 2*	No payment	1-Jan-07	NA	NA
Kevin McAsh	NSW Farmers' Association	2 of 2*	No payment	1-Jan-07	NA	NA
Steve Jones	NSW Farmers' Association	2 of 2*	No payment	1-Jan-07	NA	NA
Richard Widows	NSW Farmers' Association	2 of 2*	No payment	1-Jan-07	NA	NA
Bill Talbot	Industry & Investment NSW	1 of 1	No payment	NA	NA	NA
Ian Lyall	Industry & Investment NSW	2 of 2*	No payment	NA	NA	NA
Tim Gippel	Industry & Investment NSW	2 of 2*	No payment	NA	NA	NA
Steve McOrrie	Industry & Investment NSW	2 of 2*	No payment	NA	NA	NA
Jane Frances	Industry & Investment NSW	2 of 2*	No payment	NA	NA	NA
John Timmins	Industry & Investment NSW	2 of 2*	No payment	NA	NA	NA
Glenn Tritton	Industry & Investment NSW	0 of 1	No payment	NA	NA	NA
Anthony Zammit	NSW Food Authority	2 of 2*	No payment	NA	NA	NA

* Included a meeting with NSW Joint Aquaculture Committees May 2010.

Consultative Register – Meat Industry Consultative Council 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Terry Charlton	Chairperson	2 of 2	\$171 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Bill Barton	Meat processors (AMIC)	1 of 2	\$104 per half day meeting attended plus travel expenses	16-Jun-06	11-May-10	2 years
Gary Burridge	Meat processors (AMIC)	1 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Ted Byers	NSW Farmers' Association (Goats)	2 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Kevin Cottrill	Smallgoods producers (AMIC) (Deputy Chairperson)	2 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Alan Coutts	NSW Food Authority	1 of 2	No payment	18-Nov-08	NA	NA
Kath Evans	Employees	0 of 2	\$104 per half day meeting attended plus travel expenses	Apr-09	NA	NA
Felicity Henderson	State Council of Livestock Health and Pest Authorities	0 of 2*	\$104 per half day meeting attended plus travel expenses	7-Aug-07	11-May-10	2 years
Brian Hickey	Allied industries	2 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Andy Madigan	Livestock agents	0 of 2	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Andrew Martel	NSW Farmers' Association (Sheep)	2 of 2	\$104 per half day meeting attended plus travel expenses	28-Nov-06	11-May-10	2 years
Phyllis Miller	Consumers	1 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	NA	NA
Greg Bates	Game meat industry	0 of 2**	\$104 per half day meeting attended plus travel expenses	12-May-09	11-May-10	1 year
Neil Roberts	Meat retailers (AMIC)	1 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years
Roger Toffolon	Industry & Investment NSW	1 of 2	No payment	28-Nov-06	NA	NA
Dugald Walker	NSW Farmers' Association (Pigs)	2 of 2	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
John Warre	NSW Farmers' Association (Cattle)	2 of 2	\$104 per half day meeting attended plus travel expenses	12-May-04	11-May-10	2 years

* Resigned from LHPA December 2009.

** Appointed for remainder of term.

Consultative Register – NSW Dairy Industry Conference

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Albert Vidler	Chairperson	4 of 4	\$20,000 per annum (\$13,000 from DICON and \$7,000 from NSW DPI)	Sep-05	NA	NA
Joy Allen	Retailers	1 of 1*	\$207 per meeting attended plus travel expenses	Aug-00	3-Mar-09	NA
Tim Burfitt	Industry & Investment NSW	4 of 4	No payment	Sep-05	NA	NA
Ken Garner	Milk and dairy product processors	4 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Alan Coutts	NSW Food Authority	4 of 4	No payment	18-Nov-08	NA	NA
George Davey	Industry & Investment NSW	4 of 4	No payment		18-Nov-08	NA
Adrian Drury	Dairy producers (Deputy Chairperson)	4 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Kath Evans	Employees	0 of 4	\$207 per meeting attended plus travel expenses	30-Apr-09	NA	NA
Tristan Harris	Retailers	2 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	NA
Charles Ng	Consumers	2 of 3**	\$207 per meeting attended plus travel expenses	Sep-05	NA	NA
Lina Melero	Milk and dairy product processors	0 of 1*	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Janet Moxey	Dairy producers	3 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Bob Paton	Dairy distributors	4 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Joe Russo	Milk and dairy product processors	3 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Terry Toohey	Dairy producers	4 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Paul Timbs	Dairy producers	2 of 4	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Ian Foote	Milk and dairy product processors	0 of 1*	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Ruth Kydd	Dairy producers	2 of 3	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Rob Randall	Milk and dairy product processors	0 of 3	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Gavin Schroter	Milk and dairy product processors	1 of 3	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years
Jamie Drury	Dairy producers	2 of 3	\$207 per meeting attended plus travel expenses	Oct-09	AGM 2011	2 years

* Term ended 2009.

** Charles Ng resigned February 2010.



Consultative Register – NSW Seafood Industry Conference 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Hans Heilpern	Chairperson	1 of 1	\$171 per half day meeting attended plus travel expenses	5-May-04	4-May-10	2 years
Geoff Blackburn	Fishing co-operatives	0 of 1	\$104 per half day meeting attended plus travel expenses	5-May-08	4-May-10	2 years
Mark Bulley	NSW Farmers' Association (Oyster Committee)	1 of 1	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Alan Coutts	NSW Food Authority	1 of 1	No payment	18-Nov-08	NA	NA
George Davey	Industry & Investment NSW	1 of 1	No payment	NA	18-Nov-08	NA
Norm Grant	Seafood importers	0 of 1	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Graeme Hillyard	Commercial fishers	0 of 1	\$104 per half day meeting attended plus travel expenses	5-May-04	11-May-10	2 years
Eric McCarthy	Seafood industry education	1 of 1*	\$104 per half day meeting attended plus travel expenses	5-May-04	11-May-10	2 years
Robert B McCormack	Non-shellfish aquaculture	1 of 1	\$104 per half day meeting attended plus travel expenses	5-May-04	11-May-10	2 years
Peter Marczan	Department of Environment and Climate Change	1 of 1	No payment	5-May-04	NA	NA
Bryan Skepper	Seafood marketing	1 of 1	\$104 per half day meeting attended plus travel expenses	11-May-05	11-May-10	2 years
Kerry Strangas	Fish merchants	1 of 1	\$104 per half day meeting attended plus travel expenses	5-May-04	11-May-10	2 years
Vacant	Seafood industry workers	0 of 1	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years
Vacant	Community interests and consumers of seafood	0 of 1	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years
Vacant	Indigenous fishers	0 of 1	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years

* John Manson attended on behalf of Eric McCarthy (21/10/09).



“ 21 Consultative committees were held during 2009-10.

Consultative Register – Poultry and Egg Industries Committee 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Bill Sweeney	Chairperson	3 of 3	\$171 per half day meeting attended plus travel expenses	27-Mar-06	NA	NA
Stephen Carroll	Poultry growers	2 of 3	\$104 per half day meeting attended plus travel expenses	28-Jul-06	26-Mar-10	2 years
Alan Coutts	NSW Food Authority	2 of 3	No payment	18-Nov-08	NA	NA
Joe Damjanovic	Egg producers	1 of 1	\$104 per half day meeting attended plus travel expenses	27-Mar-06	30-Jun-09	2 years
Andreas Dubs	NSW Chicken Meat Council	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Kath Evans	Employees	1 of 3	\$104 per half day meeting attended plus travel expenses	30-Apr-09	26-Mar-10	2 years
John Houston	Poultry meat processors (Duck)	2 of 3	\$104 per half day meeting attended plus travel expenses	28-Jul-06	26-Mar-10	2 years
James Kellaway	Australian Egg Corporation Ltd	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Brett Langfield	Egg industry	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Margaret MacKenzie	Poultry meat processors	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Kevin McBain	Poultry meat processors	1 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Charles Ng	Consumers	2 of 3**	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Frank Pace	Egg processors	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Paul Pace	NSW Farmers' Association (Egg Producers Committee)	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Franko Pirovic	Egg producers and processors	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-06	26-Mar-10	2 years
Ian Roth	Industry & Investment NSW	2 of 3	No payment	27-Mar-06	NA	NA
Jorge Ruiz	Poultry meat processors	3 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Maurice Velcich	Poultry meat processors	3 of 3	\$104 per half day meeting attended plus travel expenses	28-Jul-06	26-Mar-10	2 years

** Charles Ng resigned February 2010.

Consultative Register – NSW Shellfish Committee 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
John Dawson	Licensed shellfish farmers	4 of 4	\$207 per meeting attended plus travel expenses	26-Jun-05	21-Oct-10	3 years
Anthony Sciacca	Licensed shellfish farmers	2 of 4	\$207 per meeting attended plus travel expenses	25-Nov-09	25-Nov-12	3 years
Tony Troup	Licensed shellfish farmers	4 of 4	\$207 per meeting attended plus travel expenses	25-Nov-09	25-Nov-12	3 years
Kevin McAsh	Licensed shellfish farmers	4 of 4	\$207 per meeting attended plus travel expenses	25-Nov-09	25-Nov-12	3 years
Mark Boulter	Independent expert/ Chairperson	2 of 4	No Payment	10-Jun-08	10-Jun-11	3 years
Mark Phelps	Licensed wild shellfish collectors (estuarine areas)	4 of 4	\$207 per meeting attended plus travel expenses	13-Feb-08	13-Feb-11	3 years
Phil Baker	NSW Food Authority - CEO's delegate	4 of 4	No payment	11-Jun-08	NA	3 years
Anthony Zammit	NSW Shellfish Program (Program Manager)	4 of 4	No payment	2-Sep-05	NA	3 years

Consultative Register – NSW Vulnerable Persons Food Safety Scheme Consultative Committee 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Peter Sutherland	Chairperson	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Peter Day	NSW Food Authority	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Sue Atkins	Delivered meals organisations (NSW Meals on Wheels Association)	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Arthur Faulks	Private Hospitals (Private Hospitals Association of NSW Inc)	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Glenn Hadfield	Health Support Services	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Janine Lundie	Aged and Community Services (Aged & Community Services Association of NSW & ACT Incorporated)	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Christopher Moss	Institute of Hospitality in Health Care	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years
Kay Richards	Aged Care (Aged Care Association Australia – NSW)	1 of 1	No payment	16-Feb-10	16-Feb-12	2 years

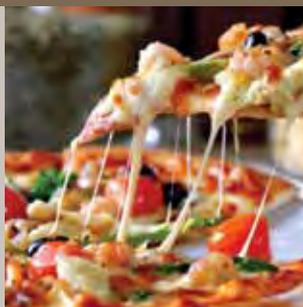


“ The Food Regulation Forum opened dialogue with food retail and foodservice sectors.

Consultative Register – Food Regulation Forum 2009-10

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Phyllis Miller	Chairperson	3 of 3	\$342 per meeting attended plus travel expenses	24-Nov-08	24-Nov-10	2 years
Paul Braybrooks	Local Government Shires Association (LGSA)	3 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Allan Ezzy	Local Government Shires Association (LGSA)	2 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Noel Baum	Local Government Shires Association (LGSA)	1 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Shannon McKiernan	Environmental Health Australia – NSW (EHA)	2 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Andrew Spooner	The Development and Environmental Professionals' Association	3 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Les Green	The Development and Environmental Professionals' Association	2 of 3	No payment	24-Nov-08	24-Nov-10	2 years
John Burgess	Local Government Managers Association (LGMA)	3 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Stephen Davidson	Environmental Health Australia	1 of 3	No payment	24-Nov-08	24-Nov-10	2 years
Craig Sahlin	NSW Food Authority	3 of 3	No payment	24-Nov-08	NA	NA
Peter Day	NSW Food Authority	3 of 3	No payment	24-Nov-08	NA	NA
Peter Sutherland	NSW Food Authority	3 of 3	No payment	24-Nov-08	NA	NA

Glossary



AQIS	Australian Quarantine Inspection Service
COAG	Council of Australian Governments
CRC	Cooperative Research Centre
EHO	Environmental Health Officer
FBI Unit	Foodborne Illness Investigation Unit of the NSW Food Authority
FRP	Food Regulation Partnership
FSIC	Food Safety Information Council
FPAR	Food Premises Assessment Report
FRSC	Food Regulation Standing Committee – official committee that advises the Australia and New Zealand Food Regulation Ministerial Council
FSANZ	Food Standards Australia New Zealand
FSC	Food Standards Code
FSS	Food Safety Supervisor

GM	Genetically Modified
HACCP	Hazard Analysis Critical Control Point
I&I NSW	Department of Industry & Investment NSW
IMAG	Issues Management Advisory Group
ISC	Implementation Sub-Committee of the Food Regulation Standing Committee (FRSC)
MoU	Memorandum of Understanding
NATA	National Association of Testing Authorities
OH&S	Occupational Health and Safety
PIN	Penalty Infringement Notice
RTO	Registered Training Organisation
SDAC	Standards Development Advisory Committee of Food Standards Australia New Zealand (see FSANZ)

Financial information

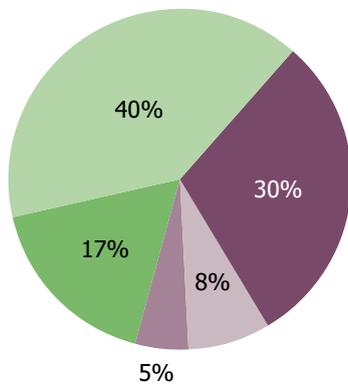
2009-10



Financial Summary 2009-10

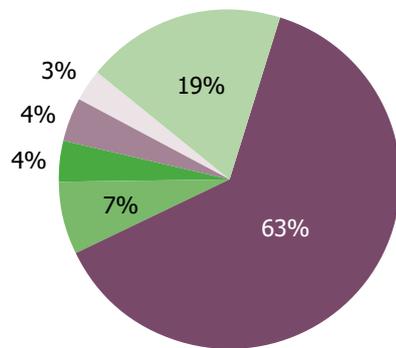
NSW Food Authority Income and Expenditure

**NSW Food Authority
2009-10 actual expenses
by function/branch**



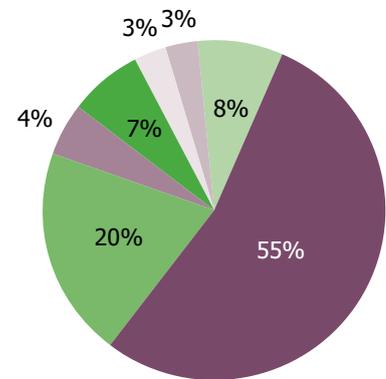
- Science and Policy
- Industry Liaison
- Communications
- Business Services
- Compliance Investigation & Enforcement

**NSW Food Authority
2009-10 actual expenses
by category**



- Employee related expenses
- Depreciation & amortisation
- Grants & subsidies
- Information technology costs
- Laboratory services
- Other operating expenses

**NSW Food Authority
2009-10 actual income**



- Grants & contributions
- Industry levies
- Other income
- Interest income
- Increments on revaluation of non-current investments
- License fees
- Audit & inspection fees



Statement by Chief Executive Officer of NSW Food Authority

Pursuant to requirements of the *Public Finance and Audit Act 1983*, I, Alan William Coutts, Chief Executive Officer of NSW Food Authority declare that in my opinion:

1. The accompanying Consolidated Financial Statements consisting of the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows and the Notes thereto of the NSW Food Authority and its group, consisting of the NSW Food Authority, its controlled entities, Office of the NSW Food Authority, Pacific Industry Services Corporation Pty Limited and Milk Marketing (NSW) Pty Limited, for the financial year ended 30 June 2010 exhibit a true and fair view of the financial position and transactions of the economic entity and NSW Food Authority.
2. The Consolidated Financial Statements have been prepared in accordance with applicable Australian Accounting Standards which include the Australian equivalents to International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations; and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions. The consolidated and parent entity Financial Statements also comply with International Financial Reporting Standards.
3. Further, I am not aware of any circumstances which would render any particulars included in the Consolidated Statements to be misleading or inaccurate.

Alan Coutts
Chief Executive Officer

20 October 2010



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

NSW Food Authority and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of NSW Food Authority (the Authority), which comprises the statements of financial position as at 30 June 2010, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2010, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.


A Oyetunji
Director, Financial Audit Services

20 October 2010
SYDNEY

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statements of Comprehensive Income for the Year Ended 30 June 2010

	Notes	Consolidated		Parent Entity	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue from continuing operations					
Industry levies and licence fees	2	5,227	6,290	5,227	6,290
Grants and contributions	3	11,461	11,747	11,461	11,747
Miscellaneous income and fees for services	4	2,295	2,390	2,295	2,353
Investment revenue	5	652	909	621	860
Increment/(decrement) on revaluation of non-current assets	12(b)	834	-	834	-
Increment/(decrement) on revaluation of non-current investment		618	1,032	(105)	(92)
Total revenue from continuing operations		21,087	22,368	20,333	21,158
Expenses from continuing operations					
Employee related expenses	7	12,946	12,373	-	-
Personnel services	7	-	-	12,946	24,049
Other operating expenses	8	5,787	7,616	5,651	7,438
Maintenance		167	172	167	172
Depreciation and amortisation	9	740	714	740	714
Grants and subsidies		691	438	691	438
Loss on disposal of plant, equipment and furniture	6	74	216	74	216
Total expenses from continuing operations		20,405	21,529	20,269	33,027
Net surplus(deficit) for the year	19	682	839	64	(11,869)
Other comprehensive income					
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	12(b)	1,862	-	1,862	-
Actuarial (losses)/gains on defined benefit superannuation	16(d)	(1,698)	(11,675)	-	-
Total comprehensive income/(loss) for the year	19	846	(10,836)	1,926	(11,869)

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statements of Financial Position as at 30 June 2010

	Notes	Consolidated		Parent Entity			
		2010 \$'000	2009 \$'000	2008 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
ASSETS							
Current Assets							
Cash and Cash Equivalents	10	12,189	11,821	12,736	7,165	7,187	8,058
Receivables	11	1,548	2,444	2,634	1,557	2,485	2,572
Total Current Assets		13,737	14,265	15,370	8,722	9,672	10,630
Non-Current Assets							
Property, Plant and Equipment							
- Land and Buildings	12	8,600	6,087	6,271	8,600	6,087	6,271
- Plant and Equipment	12	1,921	2,047	1,986	1,921	2,047	1,986
Total Property, Plant and Equipment	12	10,521	8,134	8,257	10,521	8,134	8,257
Intangible Assets	14	2,437	2,177	1,810	2,437	2,177	1,810
Other Financial Assets :							
Investment in Controlled and Associated companies	13	-	-	-	942	1,047	1,140
Superannuation Prepaid	16(d)	-	-	1,580	-	-	-
Total Non-Current Assets		12,958	10,311	11,647	13,900	11,358	11,207
TOTAL ASSETS		26,695	24,576	27,017	22,622	21,030	21,837
LIABILITIES							
Current Liabilities							
Payables	15	925	1,241	1,591	911	1,218	1,557
Provisions	16	5,105	4,569	4,613	-	-	-
Other	24	28	55	330	28	55	330
Total Current Liabilities		6,058	5,865	6,534	939	1,273	1,887
Non-Current Liabilities							
Superannuation Provision	16(d)	10,144	9,064	-	-	-	-
Other	18(c)	-	-	-	11,676	11,676	-
Total Non-Current Liabilities		10,144	9,064	-	11,676	11,676	-
TOTAL LIABILITIES		16,202	14,929	6,534	12,615	12,949	1,887
NET ASSETS		10,493	9,647	20,483	10,007	8,081	19,950
EQUITY							
Reserves		1,862	-	-	1,862	-	-
Contributed Equity		8,631	9,647	20,483	8,145	8,081	19,950
Total Equity	19	10,493	9,647	20,483	10,007	8,081	19,950

The above statements of financial position should be read in conjunction with the accompanying notes.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statements of Changes in Equity for the Year Ended 30 June 2010

		Consolidated		
		Contributed Equity \$'000	Reserves \$'000	Total Equity \$'000
Balance at 1 July 2008		18,391	-	18,391
Adjustment on change in accounting policy	1(r)	2,092	-	2,092
Restated total equity at the beginning of the financial year		20,483	-	20,483
Total comprehensive income for the year as reported in the 2009 financial statements		(10,984)	-	(10,984)
Adjustment on change in accounting policy	1(r)	148	-	148
Balance at 30 June 2009		9,647	-	9,647
Total comprehensive income for the year				
Net surplus(deficit) for the year		682	-	682
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		-	1,862	1,862
Actuarial (losses)/gains on defined benefit superannuation		(1,698)	-	(1,698)
Balance at 30 June 2010		8,631	1,862	10,493

The above statements of changes in equity should be read in conjunction with the accompanying notes.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statements of Changes in Equity for the Year Ended 30 June 2010

		Parent Entity		
		Contributed Equity \$'000	Reserves \$'000	Total Equity \$'000
Balance at 1 July 2008		17,858	-	17,858
Adjustment on change in accounting policy	1(r)	2,092	-	2,092
Restated total equity at the beginning of the financial year		19,950	-	19,950
Total comprehensive income for the year as reported in the 2009 financial statements		(12,017)	-	(12,017)
Adjustment on change in accounting policy	1(r)	148	-	148
Balance at 30 June 2009		8,081	-	8,081
Total comprehensive income for the year				
Net surplus(deficit) for the year		64	-	64
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		-	1,862	1,862
Actuarial (losses)/gains on defined benefit superannuation		-	-	-
Balance at 30 June 2010		8,145	1,862	10,007

The above statements of changes in equity should be read in conjunction with the accompanying notes.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statements of Cash Flows for the Year Ended 30 June 2010

	Notes	Consolidated		Parent Entity	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(19,291)	(21,266)	(19,649)	(21,167)
Grants and subsidies		(691)	(438)	(691)	(438)
Milk industry fund payments		1	1	1	1
Industry levies, licences and other		8,999	9,306	8,999	9,301
Grants and contributions received		11,461	11,747	11,461	11,747
Interest received		654	911	622	861
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	17	1,133	261	743	305
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		344	501	344	501
Payment for property, plant and equipment		(540)	(1,047)	(540)	(1,047)
Payment for intangible assets		(569)	(630)	(569)	(630)
NET CASH (OUTFLOW) INFLOW FROM INVESTING ACTIVITIES		(765)	(1,176)	(765)	(1,176)
CASH FLOWS FROM FINANCING ACTIVITIES					
NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES		-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		368	(915)	(22)	(871)
Opening cash and cash equivalents		11,821	12,736	7,187	8,058
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	12,189	11,821	7,165	7,187

The above statements of cash flows should be read in conjunction with the accompanying notes.

NSW FOOD AUTHORITY

ABN 47 080 404 416

**Notes to the Financial Statements
30 June 2010****Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting Entity**

The Financial Statements are consolidated financial statements and incorporates the financial statements of the NSW Food Authority (the Authority) and entities controlled by the Authority (referred to as "the entity" in these financial statements). The Authority is a statutory body under Schedule 2 of the *Public Finance and Audit Act 1983*.

The Authority was established on 5 April 2004 as a result of the proclamation of the *Food Legislation Amendment Act 2004*. It was established by merging Safe Food Production NSW (Safe Food) with the food regulatory activities of the NSW Department of Health. It is responsible for ensuring that food safety standards are implemented in an integrated and consistent way at all points in the food supply chain.

Pacific Analysis Pty Limited was incorporated on 16 December 1994 and commenced operations on 1 March 1995. It changed its name to Pacific Industry Services Corporation Pty Limited on 9 July 1996. The company was established for the purpose of providing laboratory services. These were discontinued in February 2000. On 15 May 2000 all assets except land and buildings were sold to Microtech Laboratories (NSW) Pty Ltd in consideration for a 35% share in that entity. On 1 May 2001, the company's interest in Microtech Laboratories (NSW) Pty Ltd was sold.

Milk Marketing (NSW) Pty Limited was incorporated on 27 June 1989 and began trading at that date. Its principle activity was the promotion of milk and dairy products in NSW on behalf of SafeFood. The company ceased all marketing activities at 30 June 2000 and continues as a subsidiary of the Authority. All remaining funds continue to be used for the benefit of the NSW dairy industry.

Milk Marketing (NSW) Pty Limited is in the process of being wound up and its remaining funds being transferred to a trust to be held by the Primary Industries Division at the Department of Industry and Investment NSW.

Pacific Industry Services Corporation Pty Limited and Milk Marketing (NSW) Pty Limited are controlled by their respective boards of directors.

Pacific Industry Services Corporation is in the process of being wound up. It is expected that this entity will be fully wound up during 2010/2011.

The Office of the NSW Food Authority commenced operations on 5 April 2004. It assumed all responsibility for the employees and employee-related liabilities of the Authority on that date.

The financial statements was authorised for issue by the Chief Executive Officer on the date on which accompanying statement by the Chief Executive Officer was signed.

(b) Statement of preparation

The Authority prepares its financial statements as general purpose financial statements on an accrual basis to comply with:

- applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and Treasurer's Directions.

Where these requirements are inconsistent, the Authority applies the legislative provisions. There were no inconsistencies in the years covered in these financial statements.

Where there was no specific Accounting Standard, other authoritative pronouncements of the AASB or Australian Accounting Interpretations, the Authority considered the hierarchy of other pronouncements as outlined in AASB 108 – *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Authority uses historical cost convention to prepare its financial statements unless otherwise stated.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and expressed in Australian Currency.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Notes to the Financial Statements 30 June 2010

(i) Financial statement presentation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re presented so that it is also in conformity with the revised standard.

(c) Segment reporting

The Authority operates in one geographical segment (New South Wales) and in one industry. The Authority's principal activity is to regulate all food industries in New South Wales.

(d) Principles of consolidation

The consolidated financial statements incorporate the financial statements of all the entities that comprise the consolidated entity, being the parent entity and its subsidiaries. Subsidiaries are all entities over which the parent entity has the power to govern the financial and reporting policies. The Authority is the parent entity and its controlled entities are Pacific Industry Services Corporation Pty Limited, Milk Marketing (NSW) Pty Limited and the Office of the Authority.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. All inter-entity balances and transactions have been eliminated.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Authority and specific criteria have been met for each of the Authority's activities as described below. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the business activities as follows:

(i) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the authority will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in surplus or deficit over the period necessary to match them with the costs that they are intended to compensate.

(ii) Contributions and grants from other bodies

Grants and contributions from other bodies are generally recognised as revenues when the Authority obtains control over the asset comprising the contribution. Control over grants and contributions are normally obtained upon receipt of the cash.

(iii) Interest Income

Interest revenue is accrued on a time basis using the effective interest method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

NSW FOOD AUTHORITY

ABN 47 080 404 416

**Notes to the Financial Statements
30 June 2010****(iv) Sale of Goods and Services**

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

(v) Industry levies and licence fees

Industry levies and licence fees are recognised as revenue at the time the levy and licence fees are issued.

(vi) Infringement charges and fines

Infringement charges and fines are recognised as revenue when the revenue is received.

(f) Employee benefits**(i) Salaries and wages, annual leave and sick leave**

Liabilities for salaries and wages including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised as short term employee benefits and measured at undiscounted amounts expected to be paid when the liabilities are settled.

The Authority does not recognise a liability for unused non-vested sick leave entitlement because the Authority estimates that, on average, the sick leave taken each year is less than the entitlement accrued.

(ii) Long service leave

The Authority recognises our long service leave liability as a long-term employee benefit. The provision for long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specific in NSWTC 09-4) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

(iii) Superannuation

The Superannuation Schemes for the Authority are:

- the State Superannuation Scheme (SSS)
- the State Authorities Superannuation Scheme (SASS)
- the State Authorities Non Contributory Superannuation Scheme (SANCS – Basic Benefits Scheme)
- the First State Super Scheme (FSS) and other schemes to receive Superannuation Guarantee Contributions (SGC).

The first three benefits are defined benefit schemes, which are closed to new entrants. AASB 119 – *Employee Benefits* requires the defined benefit obligation to be discounted using the government bond rate at each reporting date. Note 16(d) details the reserves, overfunding, provisions and other disclosures provided by the scheme actuary.

The Authority has an ongoing liability for the First State Superannuation (FSS) and the other SGC schemes because they are accumulation schemes.

(g) Accounting for the Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Notes to the Financial Statements 30 June 2010

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(h) Property, plant and equipment

The Authority shows plant and equipment at historic cost less accumulated depreciation, which the Authority consider as an acceptable surrogate for fair value of these assets. This is because the difference between fair value and depreciated cost is considered immaterial.

Land and buildings are valued at their fair value in accordance with *AASB 116 Property, Plant & Equipment*. Fair value is determined on the basis of an independent valuation prepared by external valuations experts, based on discounted cash flows or capitalisation of net income (as appropriate). The fair values are recognised in the financial statements of the consolidated entity and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

The last valuation of land and buildings was in regard to Authority's properties at Newington and Taree as at 30 June 2010 by First State Property Valuers and Crown Valuation Service Pty Ltd.

As a not-for-profit entity, the Authority is effectively exempted from AASB 136 – *Impairment of Assets* and impairment testing.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued buildings is recognised in the Statement of Comprehensive Income.

The Authority capitalise items costing \$5,000 or more. The Authority depreciates these assets on a straight line basis over their estimated useful lives. The rates the Authority uses are:

Leasehold Improvements	16.67%
Motor Vehicles	10.00% to 12.50%
Computer Equipment	10.00%
Other Equipment	10.00% to 20.00%
Furniture & Fittings	10.00%
Buildings	2.50% to 3.33%

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimates. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

The gain or loss on disposal or retirement of an item is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

The costs of maintenance are charged as expenses incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(i) Intangible Assets

The Authority uses computerised software and has capitalised the licences and associated costs. The Authority has classified these items as intangible assets in accordance with AASB 138 – *Intangible Assets*. The Authority shows these assets at historical cost less accumulated amortisation. The Authority considers the cost of acquisition as its fair value.

NSW FOOD AUTHORITY

ABN 47 080 404 416

**Notes to the Financial Statements
30 June 2010**

The Authority amortises its intangible assets on a straight line basis over their estimated useful lives. The rate the Authority uses is:

Intangibles	10.00%
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(j) Receivables

The Authority recognises receivables initially at fair value, based on the invoice amount. Because our receivables are due for settlement within 30 days from the date of the issue of the invoice, the Authority is not required to amortise or discount their value.

These receivables are reviewed on an ongoing basis. When there is objective evidence that the Authority will not be able to collect all amounts due, an allowance for doubtful debts is established. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective rate. Bad debts are written off. All amounts due at 30 June 2010 are considered to be collectable other than the amounts provided for in the allowance for impairment at note 11.

(k) Payables

The Authority carries liabilities for trade creditors and other payables, which are initially recognised at fair value, usually based on the transaction cost or face value. These payables are subsequently measured at an amortised cost using the effective interest rate method.

Trade payables with no stated interest rate are measured at the original invoice amount where the effect of the discounting is immaterial. Amounts owing to suppliers (which are unsecured) are settled in accordance with Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received.

(l) Provisions

The Authority recognises provisions when there are legal or constructive obligations as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Authority recognises provisions for employee benefits.

(m) Financial Instruments

Financial instruments generate financial assets or liabilities (or equity instruments) for the Authority or another party. These include cash and cash equivalents, receivables and payables. Note 25 discloses the credit risk, liquidity risk and market risk of financial instruments.

(n) Insurance

The Authority has arranged ongoing insurance to cover all aspects of normal commercial risk over assets and potential liabilities. The Authority's wholly owned subsidiaries, Pacific Industry Services Corporation Pty Limited and Milk Marketing (NSW) Pty Limited, have made arrangements for insurance cover similar to that of the Authority.

(o) Income Tax

Pacific Industry Services Corporation Pty Limited was, in prior years, the only Corporation in the Economic Entity subject to income tax. It has been ruled to be a State/Territory body (STB) exempt from Commonwealth Income Tax pursuant to section 24AM *Income Tax Assessment Act 1936* in *Private Ruling Authorisation Number 6968 for the purposes of Part IVAA of the Taxation Administration Act 1953*. The ruling was given on 1 October 2001 and had retrospective application from the year ended 30 June 1995 to the year ending 30 June 2004.

Private Ruling for exemption from Commonwealth income tax for the years ending 30 June 2005 to 30 June 2009 lodged with the Australian Taxation Office has been granted.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Notes to the Financial Statements 30 June 2010

An application for an additional Private Ruling for Exemptions from Commonwealth income tax for the years ending 30 June 2010 to 30 June 2011 was lodged with the Australian Taxation Office.

Milk Marketing (NSW) Pty Limited is exempt from Commonwealth income tax pursuant to section 24AO of the *Income Tax Assessment Act 1936*. Under this exemption, the company is classified as a State / Territory Body.

(p) Leases

The Authority leases assets using operating leases. The Authority recognises operating lease payments in the Statement of Comprehensive Income in the periods the Authority incurs them, using a straight line basis over the period of the lease. Our major operating leases are for office accommodation and motor vehicles.

(q) Comparatives

Where necessary, the Authority has reclassified and repositioned comparatives to be consistent with current year disclosures except when an Australian Accounting Standard permits or requires otherwise.

(r) Change in accounting policy

(i) Policy on recognition of superannuation actuarial gains and losses

In accordance with NSW Treasury policy, both the Economic Entity and the Parent Entity have changed their policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised in the Statement of Comprehensive Income. Previously, actuarial gains and losses were recognised through profit or loss. Both options are permissible under AASB 119 – *Employee Benefits*.

The change in policy was made by NSW Treasury on the basis that recognition of actuarial gains and losses in the Statement of Comprehensive Income provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains/losses are re-measurements based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

In respect of the Economic Entity the change in accounting policy reduces expenses for 2009-10 by \$1,698,000 to \$20,405,000 (2009: by \$11,675,000 to \$21,529,000), by excluding from the result the superannuation actuarial loss line item. This item is now recognised in the Statement of Comprehensive Income.

In respect of the Parent Entity, the change has no effect as it is still paying to Office of Authority the total costs of employment services received.

(ii) Policy on recognition of revenue

The Authority has changed its accounting policy for industry levies and license fees. Previously, the revenue was recognised over the period of license.

The purpose of the change is to increase the reliability and relevance of the revenue figures recognised in the financial statements as the change in policy better reflects the nature of revenue transactions. The new policy has been applied retrospectively from 1 July 2008 and comparative information in relation to the 2009 financial year has been restated accordingly. It was impracticable to restate the revenue figures prior to 1 July 2008.

NSW FOOD AUTHORITY

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**Notes to the Financial Statements
30 June 2010**

The following adjustments were made as a result of the change in accounting policy to the Statements of Comprehensive Income and Statements of Financial Positions for the year ended 30 June 2008 and 30 June 2009:

	Consolidated			Parent		
	Reported Balance for the year ended 30 June 2008 \$000	Increase/ (Decrease) \$000	Restated Balance for the year ended 30 June 2008 \$000	Reported Balance for the year ended 30 June 2008 \$000	Increase/ (Decrease) \$000	Restated Balance for the year ended 30 June 2008 \$000
Statement of Comprehensive Income (extract)						
Industry Levies and Licence Fees	5,602	2,092	7,694	5,602	2,092	7,694
Total revenue from continuing operations	21,153	2,092	23,245	19,488	2,092	7,694
Net surplus(deficit) for the year	349	2,092	2,441	(1,085)	2,092	7,694
	Consolidated			Parent		
	Reported Balance as at 1 July 2008 \$000	Increase/ (Decrease) \$000	Restated Balance as at 1 July 2008 \$000	Reported Balance as at 1 July 2008 \$000	Increase/ (Decrease) \$000	Restated Balance as at 1 July 2008 \$000
Statement of Financial Position (Extract)						
Receivables	1,400	1,234	2,634	1,338	1,234	2,572
Total Current Assets	14,136	1,234	15,370	9,396	1,234	10,630
Total Assets	25,783	1,234	27,017	19,783	1,234	21,017
Current Liabilities						
Other-Income received in advance	1,163	(858)	330	1,163	(858)	330
Total Current Liabilities	1,188	(858)	330	1,188	(858)	330
Total Liabilities	7,392	(858)	6,534	2,745	(858)	1,887
Net Assets	18,391	2,092	20,483	17,858	2,092	19,950
Accumulated Funds	18,391	2,092	20,483	17,858	2,092	19,950
Total Equity	18,391	2,092	20,483	17,858	2,092	19,950

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Notes to the Financial Statements 30 June 2010

	Consolidated			Parent		
	Reported Balance for the year ended 30 June 2009 \$000	Increase/(Decrease) \$000	Restated Balance for the year ended 30 June 2009 \$000	Reported Balance for the year ended 30 June 2009 \$000	Increase/(Decrease) \$000	Restated Balance for the year ended 30 June 2009 \$000
Statement of Comprehensive Income (extract)						
Industry levies and Licence Fees	6,142	148	6,290	6,142	148	6,290
Total revenue from continuing operations	22,220	148	22,368	21,010	148	21,158
Net surplus(deficit) for the year	691	148	839	(12,017)	148	(11,869)
Total comprehensive income/(loss) for the year	(10,984)	148	(10,836)	(11,721)	148	(11,869)
	Consolidated			Parent		
	Reported Balance as at 30 June 2009 \$000	Increase/(Decrease) \$000	Restated Balance as at 30 June 2009 \$000	Reported Balance as at 30 June 2009 \$000	Increase/(Decrease) \$000	Restated Balance as at 30 June 2009 \$000
Statement of Financial Position (extract)						
Receivables	1,197	1,247	2,444	1,238	1,247	2,485
Total Current Assets	13,018	1,247	14,265	8,425	1,247	9,672
Total Assets	23,329	1,247	24,576	19,783	1,247	21,030
Current Liabilities						
Other-Income received in advance	1,048	993	55	1,048	993	55
Total Current Liabilities	6,858	993	5,865	2,266	993	1,273
Total Liabilities	15,922	993	14,929	13,942	993	12,949
Net Assets	7,407	2,240	9,647	5,841	2,240	8,081
Accumulated Funds	7,407	2,240	9,647	5,841	2,240	8,081
Total Equity	7,407	2,240	9,647	5,841	2,240	8,081

In respect of the consolidated entity and the parent entity, the impact of the change in accounting policy for industry levies and licence fees revenue for year ending 30 June 2010 was not material compared to the recognition of revenue under the previous accounting policy. This is a result of deferring the issuing of licence fee invoices this year to July 2010 (for the next 12 months) compared to May in the previous years.

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**Notes to the Financial Statements
30 June 2010****Note 2. Industry levies and licence fees**

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Industry Levies	942	1,146	942	1,146
Licence Fees	4,285	5,144	4,285	5,144
Total Industry Levies and Licence Fees	5,227	6,290	5,227	6,290

Note 3. Grants and contributions

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Grants and Contributions received from:				
Department of Industry and Investment NSW	11,461	11,747	11,461	11,747
Total Grants and Contributions	11,461	11,747	11,461	11,747

Note 4. Miscellaneous income and fees for services

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Audit and inspection fees (from the food industry)	1,594	1,239	1,594	1,239
Rent and Property Income (from sub-tenants)	61	22	61	22
Infringement charges and fines	142	258	142	258
Other income	498	871	498	834
Total Miscellaneous Income and Fees	2,295	2,390	2,295	2,353

Note 5. Investment revenue

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Interest Revenue	653	910	622	861
Less:				
Interest allocation to:-				
- Dairy Deregulation Assistance Fund	(1)	(1)	(1)	(1)
Net Interest Revenue	652	909	621	860

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Notes to the Financial Statements 30 June 2010

Note 6. Gain / loss on disposal of plant and equipment

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Gain / (loss) on disposal of plant & equipment				
Proceeds from disposal	344	501	344	501
Written down value of assets disposed	(418)	(717)	(418)	(717)
Gain / (loss) on disposal of plant and equipment	(74)	(216)	(74)	(216)

Note 7. Employee Related Expenses / Personnel Services

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Salaries and allowances	9,441	9,115	(305)	(185)
Superannuation	1,061	1,195	-	-
Workers Compensation	66	52	-	-
Fringe Benefit Tax	44	27	-	-
Other Employee Related Expenses	102	151	-	-
Annual and Long Service Leave	1,454	1,217	-	-
Payroll Tax	778	616	-	-
Personnel Services	-	-	13,251	24,234
Total Employee Related Expenses / Personnel Services	12,946	12,373	12,946	24,049

Note 8. Other operating expenses

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
External Audit Fees - Current year	80	81	76	77
Bad & Doubtful Debts	-	168	-	168
Consultancy (a)	218	141	218	116
Contractors	437	865	392	838
Information Technology Costs	741	984	741	984
Financial Duty and Charges	11	11	11	10
Laboratory Services	1,437	1,335	1,437	1,335
Legal Fees	536	1,321	536	1,321
Miscellaneous Expenses	458	590	407	579
Producer Levy Administration Fee	85	82	85	82
Public Relations and Advertising	-	13	-	13
Rent	95	123	90	119
Staff Training	174	178	174	178
Temporary Staff	34	166	34	166
Stakeholder Liaison	182	166	163	152
Stores, Stationery & Printing	358	255	358	255
Postage & Telephone	282	258	282	258
Travel	659	879	647	787
Total Other Operating Expenses	5,787	7,616	5,651	7,438

(a) Consultancy

During the year, NSW Food Authority engaged 15 consultants at a total cost of \$217,900. This compares with 8 consultants last year at a cost of \$116,128.

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**Notes to the Financial Statements
30 June 2010****Note 9. Depreciation and amortisation expense**

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	183	183	183	183
Equipment	33	41	33	41
Computers	54	52	54	52
Furniture	26	26	26	26
Motor Vehicles	135	150	135	150
Depreciation expense	431	452	431	452
Amortisation				
Intangibles	309	262	309	262
Amortisation expense	309	262	309	262
Total depreciation and amortisation	740	714	740	714

Note 10. Cash and cash equivalents

For the purposes of the Statements of Cash Flows, the Authority considers cash to be cash at bank, cash advances and short term deposits as follows:

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Cash at Bank	2,291	1,997	(2,045)	(1,971)
Cash Advances	54	59	54	59
Total Cash	2,345	2,056	(1,991)	(1,912)
Short Term Deposits	9,844	9,765	9,156	9,099
Total Cash	12,189	11,821	7,165	7,187

Note 11. Receivables

	Consolidated			Parent Entity		
	2010	2009	2008	2010	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	1,868	2,835	2,866	1,877	2,876	2,804
Allowance for impairment of receivables	(320)	(391)	(232)	(320)	(391)	(232)
Total Receivables	1,548	2,444	2,634	1,557	2,485	2,572

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Notes to the Financial Statements 30 June 2010

Note 12. Property, plant and equipment

12 (a) Net carrying amount less accumulated depreciation

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Land:				
At fair value	1,725	1,470	1,725	1,470
Net carrying amount	1,725	1,470	1,725	1,470
Buildings:				
Gross carrying amount	6,875	6,014	6,875	6,014
Accumulated depreciation and impairment	-	(1,397)	-	(1,397)
Net carrying amount at fair value	6,875	4,617	6,875	4,617
Total Land and Buildings:				
Gross carrying amount	8,600	7,484	8,600	7,484
Accumulated depreciation and impairment	-	(1,397)	-	(1,397)
Net carrying amount at fair value	8,600	6,087	8,600	6,087
Motor vehicles:				
At cost	1,393	1,406	1,393	1,406
Accumulated depreciation and impairment	(190)	(153)	(190)	(153)
Net carrying amount	1,203	1,253	1,203	1,253
Computer equipment:				
At cost	836	976	836	976
Accumulated depreciation and impairment	(427)	(541)	(427)	(541)
Net carrying amount	409	435	409	435
Other equipment:				
At cost	481	659	481	659
Accumulated depreciation and impairment	(336)	(470)	(336)	(470)
Net carrying amount	145	189	145	189
Furniture & Fittings:				
At cost	481	981	481	981
Accumulated depreciation and impairment	(317)	(811)	(317)	(811)
Net carrying amount	164	170	164	170
Total Plant and Equipment:				
At cost	3,191	4,022	3,191	4,022
Accumulated depreciation and impairment	(1,270)	(1,975)	(1,270)	(1,975)
Net carrying amount	1,921	2,047	1,921	2,047
Net Carrying Amount	10,521	8,134	10,521	8,134

Valuation of Land and Buildings as at 30 June 2010 has been confirmed by First State Property Valuers and Crown Valuation Service Pty. Ltd.

Management is of the view that the market value of the remaining assets is assessed as being the written down value at 30 June 2010.

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**Notes to the Financial Statements
30 June 2010****12 (b) Reconciliation of carrying amounts**

The following table shows reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years

2010	Consolidated		Parent Entity	
	Land and Buildings \$'000	Plant and Equipment \$'000	Land and Buildings \$'000	Plant and Equipment \$'000
Net carrying amount at 1 July 2009	6,087	2,047	6,087	2,047
Additions	-	540	-	540
Disposals	-	(520)	-	(520)
Net revaluation increment less revaluation decrement	2,696	-	2,696	-
Depreciation expense	(183)	(248)	(183)	(248)
Depreciation written back on assets disposed	-	102	-	102
Net carrying amount at 30 June 2010	8,600	1,921	8,600	1,921
				10,521
				8,134
				540
				(520)
				2,696
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Notes to the Financial Statements 30 June 2010

Note 13. Other financial assets

Investment in controlled and associated companies

13 (a) Non-current other financial assets

	Parent Entity	
	2010	2009
	\$'000	\$'000
Controlled companies at fair value	942	1,047
Total Non-Current Other Financial Assets	942	1,047

13 (b) Reconciliation of carrying amounts

2010	Milk Marketing (NSW) Pty Limited \$'000	Pacific Industry Services Corporation Pty Limited \$'000	Total \$'000
Carrying amount at 1 July 2009	842	205	1,047
Operating surplus/(deficit)	(101)	(4)	(105)
Carrying amount at 30 June 2010	741	201	942

Note 14. Intangibles

14 (a) Net carrying amount less accumulated depreciation

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Intangible Assets				
Software				
Cost	5,180	4,614	5,180	4,614
Accumulated amortisation and impairment	(2,743)	(2,437)	(2,743)	(2,437)
Net Carrying Amount	2,437	2,177	2,437	2,177

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**Notes to the Financial Statements
30 June 2010****14 (b) Reconciliation of carrying amounts**

The following table shows reconciliation of carrying amounts of intangibles at the beginning and end of the current and previous financial years

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Net carrying amount at 1 July 2009	2,177	1,810	2,177	1,810
Additions	569	629	569	629
Disposals	-	-	-	-
Amortisation expense	(309)	(262)	(309)	(262)
Depreciation written back on assets disposed	-	-	-	-
Net carrying amount at 30 June 2010	2,437	2,177	2,437	2,177

Note 15. Payables

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Accrued salaries, wages and on-costs	160	136	160	136
Creditors	765	1,105	751	1,082
Total Payables	925	1,241	911	1,218

Note 16. Provisions

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
16 (a) Current provisions				
Annual leave	1,294	1,476	-	-
Long Service leave	3,811	3,093	-	-
Provision for redundancy	-	-	-	-
Total Current Provisions	5,105	4,569	-	-
Total Provisions	5,105	4,569	-	-

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Notes to the Financial Statements 30 June 2010

16 (b) Annual leave

The liability at 30 June 2010 was \$1,293,896 (2009 - \$1,476,238). This is based on leave entitlements at 30 June and presented at year-end remuneration rates at nominal value given there is no material difference from the present value.

The value of annual leave expected to be taken within twelve months is \$970,422 (2009 - \$1,107,178) and \$323,474 (2009 - \$369,060) after twelve months.

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Leave taken and entitlement for the year are as follows:				
Balance at beginning of the financial year	1,476	1,497	-	-
Less: Value of leave taken during the year	(1,026)	(912)	-	-
	450	585	-	-
Add: Value of increased entitlement during the year	844	891	-	-
Balance at the end of the financial year	1,294	1,476	-	-

The total amount of the annual leave provision as disclosed above includes oncosts.

16 (c) Long Service Leave

The total liability at 30 June 2010 was \$3,811,273 (2009 - \$3,092,843).

The value of long service leave expected to be taken within twelve months is \$3,620,709 (2009 - \$2,938,201) and \$190,564 (2009 - \$154,642) after twelve months.

This liability comprises:

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Short term - expected to be settled within 12 months	3,621	2,938	-	-
Long term - not expected to be settled within 12 months	190	155	-	-
Balance at the end of the financial year	3,811	3,093	-	-

The total amount of the long service leave provision as disclosed above includes oncosts.

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**Notes to the Financial Statements
30 June 2010****Note 16 (d) Superannuation****Fund information**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at beginning of the year	3,221	3,097	899	876	41,873	35,817
Current service cost	133	125	44	46	113	98
Interest cost	178	200	48	54	2,278	2,277
Contributions by Fund participants	68	65	-	-	117	153
Actuarial (gains) / losses	195	(420)	62	(26)	1,670	6,414
Benefits paid	(64)	153	(150)	(51)	(1,634)	(2,886)
Past service cost	-	-	-	-	-	-
Curtailments	-	-	-	-	-	-
Settlements	-	-	-	-	-	-
Business Combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	3,731	3,220	903	899	44,418	41,873

Reconciliation of the fair value of Fund assets

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year	2,435	2,330	670	740	33,824	40,135
Expected return on Fund assets	212	192	57	58	2,820	3,186
Actuarial gains/(losses)	39	(416)	1	(127)	188	(7,000)
Employer contributions	125	111	42	50	157	236
Contributions by Fund participants	68	65	-	-	117	153
Benefits paid	(64)	153	(150)	(51)	(1,634)	(2,886)
Settlements	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
Fair value of Fund assets at end of the year	2,815	2,435	620	670	35,472	33,824

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Notes to the Financial Statements 30 June 2010

Reconciliation of the assets and liabilities recognised in the statements of financial position

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year	3,731	3,221	903	899	44,418	41,873
Fair value of Fund assets at end of year	(2,815)	(2,435)	(620)	(670)	(35,472)	(33,824)
Subtotal	916	786	283	229	8,945	8,049
Unrecognised past service cost	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	-
Net Liability/(Asset) recognised in the statements of financial position at end of year	916	786	283	229	8,945	8,049

Expense recognised in the statements of comprehensive income

Components Recognised in the Statements of Comprehensive Income	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current service cost	133	125	44	46	113	98
Interest cost	178	200	48	55	2,278	2,276
Expected return on Fund assets (net of expenses)	(212)	(191)	(57)	(59)	(2,820)	(3,186)
Actuarial losses/(gains) recognised in year	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Movement in adjustment for limitation on net assets	-	-	-	-	-	-
Curtailment on settlement (gain)/loss	-	-	-	-	-	-
Expense (income) recognised	99	134	36	42	(429)	(812)

Amounts recognised in the statements of comprehensive income

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial (gains)/losses	156	(4)	60	101	1,482	13,414
Adjustment for limit on net asset	-	-	-	-	-	(1,836)

Cumulative amount recognised in the statements of comprehensive income

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cumulative amount of actuarial (gains)/losses	791	635	177	117	8,559	7,078
Cumulative adjustment for limitation on net asset	-	-	-	-	-	-

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**Notes to the Financial Statements
30 June 2010****Fund assets**

The percentage invested in each asset class at the end of reporting period:

	30-Jun-10	30-Jun-09
Australian equities	31.0%	32.1%
Overseas equities	26.8%	26.0%
Australian fixed interest securities	6.1%	6.2%
Overseas fixed interest securities	4.3%	4.7%
Property	9.5%	10.0%
Cash	9.6%	8.0%
Other	12.7%	13.0%

Fair value of Fund assets

All Fund assets are invested by STC at arm's length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual return on Fund assets

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actual return on Fund assets	230	(228)	58	(69)	3,051	(3,909)

Valuation method and principal actuarial assumptions at the balance sheet date

a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic Assumptions

	30-Jun-10	30-Jun-09
Salary increase rate (excluding promotional increases)	3.5% pa	3.5% pa
Rate of CPI increase	2.5% pa	2.5% pa
Expected rate of return on assets	8.6% pa	8.13% pa
Discount rate	5.17% pa	5.59% pa

c) Demographic Assumptions

The demographic assumptions at 30 June 2010 are those that will be used in the 2009 triennial actuarial valuation. The triennial report will be available from the NSW Treasury website.

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Notes to the Financial Statements 30 June 2010

Historical information

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	3,731	3,221	903	899	44,418	41,873
Fair value of Fund assets	(2,815)	(2,435)	(620)	(670)	(35,472)	(33,824)
(Surplus)/Deficit in Fund	916	786	283	229	8,945	8,049
Experience adjustments – Fund liabilities	195	(420)	62	(26)	1,670	6,414
Experience adjustments – Fund assets	(39)	416	(1)	127	(188)	7,000

	SASS		SANCS		SSS	
	30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	3,096	2,740	876	844	35,817	36,965
Fair value of Fund assets	(2,330)	(2,494)	(740)	(813)	(40,135)	(45,520)
(Surplus)/Deficit in Fund	766	246	136	31	(4,318)	(8,555)
Experience adjustments – Fund liabilities	298	87	3	28	(709)	(3,602)
Experience adjustments – Fund assets	260	(171)	122	(46)	6,322	(2,632)

	SASS	SANCS	SSS
	30-Jun-06	30-Jun-06	30-Jun-06
	\$'000	\$'000	\$'000
Present value of defined benefit obligation	2,400	845	39,121
Fair value of Fund assets	(2,059)	(785)	(40,569)
(Surplus)/Deficit in Fund	341	60	(1,448)
Experience adjustments – Fund liabilities	(363)	(29)	(5,314)
Experience adjustments – Fund assets	214	(49)	(2,334)

Expected contributions

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	128	123	50	52	188	244

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**Notes to the Financial Statements
30 June 2010**

Funding arrangements for employer contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2010 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS		SANCS		SSS	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued benefits	3,393	2,977	808	821	32,275	31,856
Net market value of Fund assets	(2,815)	(2,435)	(620)	(670)	(35,472)	(33,824)
Net (surplus)/deficit	578	542	188	151	(3,197)	(1,968)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS		SANCS		SSS	
30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
multiple of member contributions		% member salary		multiple of member contributions	
1.90	1.90	2.50	2.50	1.60	1.60

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-Average Assumptions		
	30-Jun-10	30-Jun-09
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.3% pa
Expected salary increase rate	4.0% pa	4.0% pa
Expected rate of CPI increase	2.5% pa	2.5% pa

Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

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Notes to the Financial Statements 30 June 2010

Note 17. Reconciliation of net cash provided by operating activities to operating result

	Consolidated		Parent Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating surplus/(deficit) for the year	682	839	64	(11,869)
(Increment) / Decrement on Revaluation of Non-Current Investments	(618)	(1,032)	105	92
(Increment) / Decrement on Revaluation of Non-Current Assets	(834)	-	(834)	-
Depreciation and amortisation	740	714	740	714
Loss on Sale of Non-Current Assets	74	216	74	216
Doubtful Debts Written Off	(70)	158	(70)	158
(Increase) / Decrease in Receivables	966	(131)	998	(265)
(Decrease) / Increase in Other Payables	(316)	(380)	(307)	(338)
(Decrease) / Increase in Industry Funds	-	1	-	1
(Decrease) / Increase in Provisions	536	(44)	-	-
(Decrease) / Increase in Other Non-Current Liabilities	-	-	-	11,676
(Decrease) / Increase in Income Received in Advance	(27)	(80)	(27)	(80)
Net Cash Flows From Operating Activities	1,133	261	743	305

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**Notes to the Financial Statements
30 June 2010****Note 18. Related Parties****18 (a) Wholly-owned group**

Details of wholly-owned controlled entities are set out at notes 1 (a) and 13 (a). Details of dealings with these entities are set out below:

18 (b) Consolidation summary

2010	Total Income	Operating result	Total assets
	\$'000	\$'000	\$'000
NSW Food Authority	20,333	64	22,622
Pacific Industry Services Corporation Pty Limited	6	(4)	209
Milk Marketing (NSW) Pty Limited	25	(101)	766
Office of the NSW Food Authority	13,869	618	15,734
Consolidation eliminations	(13,146)	105	(12,636)
Total	21,087	682	26,695

2009	Total Income	Operating result	Total assets
	\$'000	\$'000	\$'000
NSW Food Authority	21,158	(11,869)	21,030
Pacific Industry Services Corporation Pty Limited	11	(18)	218
Milk Marketing (NSW) Pty Limited	75	(75)	902
Office of the NSW Food Authority	25,266	12,708	15,198
Consolidation eliminations	(24,142)	93	(12,772)
Total	22,368	839	24,576

18 (c) Related party transactions

The terms and conditions of the transactions with wholly-owned entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to entities on an arm's length basis. The following disclosures are made in respect of related parties:

Outstanding balances

Aggregate amounts receivable from, and payable to related parties as at balance date are as follows:

	2010	2009
	\$'000	\$'000
<i>Current Receivables</i>		
Pacific Industry Services Corporation Pty Limited	4	9
Milk Marketing (NSW) Pty Limited	15	40
The Office of the NSW Food Authority	-	-
	<u>19</u>	<u>49</u>
<i>Non-Current Payables</i>		
The Office of the NSW Food Authority	<u>11,676</u>	<u>11,676</u>

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Notes to the Financial Statements 30 June 2010

Note 19. Equity

19 Changes in equity

	Consolidated						Parent Entity					
	Accumulated Funds		Asset Revaluation Reserve		Total Equity		Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	9,647	20,483	-	-	9,647	20,483	8,081	19,950	-	-	8,081	19,950
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	-	-	1,862	-	1,862	-	-	-	1,862	-	1,862	-
Superannuation	(1,698)	(13,511)	-	-	(1,698)	(13,511)	-	-	-	-	-	-
Actuarial gains (losses)	-	1,836	-	-	-	1,836	-	-	-	-	-	-
Adjustment for limit on net assets	(1,698)	(11,675)	1,862	-	164	(11,675)	-	-	1,862	-	1,862	-
Other comprehensive income	682	839	-	-	682	839	64	(11,869)	-	-	64	(11,869)
Profit (loss) for the period	8,631	9,647	1,862	-	10,493	9,647	8,145	8,081	1,862	-	10,007	8,081
Closing Balance	9,647	20,483	1,862	-	10,493	9,647	8,145	8,081	1,862	-	10,007	8,081

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**Notes to the Financial Statements
30 June 2010****Note 20. Expenditure Commitments****Contractual commitments**

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Not later than one year	1,752	1,941	1,752	1,941
Later than one year and not later than 5 years	-	-	-	-
Total (including GST)	1,752	1,941	1,752	1,941

Representing non cancellable contracts:

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Business Continuity Plan	32	32	32	32
Computer Systems Maintenance	106	139	106	139
Consultants	13	5	13	5
Contract Laboratory Services	1,502	1,458	1,502	1,458
Human Resources	5	165	5	165
Maintenance	94	102	94	102
Sponsorship	-	40	-	40
Total (including GST)	1,752	1,941	1,752	1,941

The total expenditure commitments above include input tax credits of \$159,258 (\$176,474 in 2008/2009) that are expected to be recoverable from the Australian Taxation Office.

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Notes to the Financial Statements 30 June 2010

Note 21. Contingent assets and contingent liabilities

(a) NSW Food Authority

(i) As at balance date 30 June 2010, the Authority has no material contingent liabilities (2008/09 - seven contingent liabilities, \$398,427).

(ii) As at balance date 30 June 2010 (and 30 June 2009), the Food Authority has no material contingent assets.

(b) Milk Marketing

Milk Marketing has no material contingent assets or contingent liabilities at 30 June 2010 (2008/2009 nil).

(c) Pacific Industry Services Corporation

Pacific Industry Services Corporation has no material contingent assets or contingent liabilities at 30 June 2010 (2008/2009 nil).

(d) The Office of the NSW Food Authority

The Office of the NSW Food Authority has no material contingent assets at 30 June 2010 (2008/2009 nil).

At balance date 30 June 2010, the Office of the NSW Food Authority has no material contingent liabilities.

Note 22. Segment information

The Authority operates predominantly in one industry, being the food safety industry and in one geographical location, being New South Wales.

Note 23. Events subsequent to balance date

There were no significant events subsequent to 30th June 2010 and prior to the date of these statements.

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**Notes to the Financial Statements
30 June 2010****Note 24. Other current liabilities**

	Consolidated			Parent Entity		
	2010 \$'000	2009 \$'000	2008 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Milk Industry Funds	28	27	25	28	27	25
Income Received in Advance	-	28	305	-	28	305
Total Other Current Liabilities	28	55	330	28	55	330

24 (a) Milk industry funds

There was one fund in operation during the period. The Deregulation Assistance Fund established to assist the dairy industry in paying costs associated with Farm Gate Deregulation. The Contingency Fund which allowed NSW Food Authority to pay abnormal industry costs operated until fully paid out during the year 2006/07.

Balances and movements on these funds during the period were as follows:

	Consolidated		Parent Entity			2009 \$'000
	2010 \$'000	2009 \$'000	Total 2010 \$'000	Contingency Fund 2010 \$'000	Dairy Assistance Fund 2010 \$'000	
Balance at 1 July 2009	27	25	27	-	27	25
Add:						
Interest received	1	2	-	-	1	2
	28	27	27	-	28	27
Less:						
Payments/transfers between funds	-	-	-	-	-	-
Milk Industry Funds Balance at 30 June 2010	28	27	27	-	28	27

24 (b) Income received in advance

	Consolidated			Parent Entity		
	2010 \$'000	2009 \$'000	2008 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Licence Fees	-	-	-	-	-	-
Other Income	-	28	305	-	28	305
Total Income Received in Advance	-	28	305	-	28	305

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Notes to the Financial Statements 30 June 2010

Note 25. Financial instruments

The Authority's and the consolidated entity's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The Authority and the consolidated entity do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statements.

The Authority's Executive have overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

(i) Financial instrument categories : Parent Entity

Financial Assets	Note	Category	Carrying Amount	
			2010 \$'000	2009 \$'000
Class:				
Cash and cash equivalents	10	N/A	7,165	7,187
Receivables ¹	11	Loans and receivables (at amortised cost)	1,590	2,639
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:				
Payables ²	15	Financial liabilities measured at amortised cost	911	1,218

(ii) Financial instrument categories : Consolidated

Financial Assets	Note	Category	Carrying Amount	
			2010 \$'000	2009 \$'000
Class:				
Cash and cash equivalents	10	N/A	12,189	11,821
Receivables ¹	11	Loans and receivables (at amortised cost)	1,592	2,595
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:				
Payables ²	15	Financial liabilities measured at amortised cost	925	1,241

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

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**Notes to the Financial Statements
30 June 2010****(a) Credit Risk**

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees. Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority's deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

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Notes to the Financial Statements 30 June 2010

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions and the *Food Act 2003* are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2010: \$1,513,000; 2009: \$2,576,000) and not less than 6 months past due (2010: \$271,000 ; 2009: \$388,000) are not considered impaired and together these represent 100% of the total trade debtors. Most of the Authority's debtors have a AAA credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

(i) Parent Entity

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2010			
< 3 months overdue	1,512	1,512	-
3 months - 6 months overdue	73	73	-
> 6 months overdue	198	198	-
2009			
< 3 months overdue	2,619	2,619	-
3 months - 6 months overdue	1	1	-
> 6 months overdue	388	388	-

(ii) Consolidated

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2010			
< 3 months overdue	1,513	1,513	-
3 months - 6 months overdue	73	73	-
> 6 months overdue	198	198	-
2009			
< 3 months overdue	2,576	2,576	-
3 months - 6 months overdue	1	1	-
> 6 months overdue	388	388	-

Notes

1. Each column in the table reports 'gross receivables'.

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statements of Financial Position.

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**Notes to the Financial Statements
30 June 2010***NSW Food Authority and Consolidated Entity Deposits*

The Authority has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 4.46% (2009– 4.45%), while over the year the weighted average interest rate was 4.19% (2009 – 5.36%) on a weighted average balance during the year of \$1,285,740 (2009 – \$1,125,779). None of these assets are past due or impaired.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was applied during the year (2008/09 – 0%).

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

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Notes to the Financial Statements 30 June 2010

Maturity analysis and interest rate exposure of financial liabilities

(i) Parent Entity	Weighted Average Effective Int. Rate	Nominal Amount	Interest Rate Exposure			Maturity Dates			
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs	
2010 Payables		911	-	-	1,218		911	-	-
		911	-	-	1,218		911	-	-
2009 Payables		1,218	-	-	1,218		1,228	-	-
		1,218	-	-	1,218		1,228	-	-

Maturity analysis and interest rate exposure of financial liabilities

(ii) Consolidated	Weighted Average Effective Int. Rate	Nominal Amount	Interest Rate Exposure			Maturity Dates			
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs	
2010 Payables		925	-	-	1,241		925	-	-
		925	-	-	1,241		925	-	-
2009 Payables		1,241	-	-	1,241		1,241	-	-
		1,241	-	-	1,241		1,241	-	-

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**Notes to the Financial Statements
30 June 2010****(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk is very limited as it has no borrowings and all its deposits are at call. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the year end. The analysis is performed on the same basis for 2009. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk is minimal as the Authority has no interest bearing liabilities or borrowings. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

(i)	Parent Entity				
	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2010					
<i>Financial assets</i>					
Cash and cash equivalents	7,165	(72)	-	72	-
Receivables	1,590	-	-	-	-
<i>Financial liabilities</i>					
Payables	911	-	-	-	-
2009					
<i>Financial assets</i>					
Cash and cash equivalents	7,187	(72)	-	72	-
Receivables	2,639	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,218	-	-	-	-

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Notes to the Financial Statements 30 June 2010

(ii)	Consolidated				
	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2010					
<i>Financial assets</i>					
Cash and cash equivalents	12,189	(122)	-	122	-
Receivables	1,592	-	-	-	-
<i>Financial liabilities</i>					
Payables	925	-	-	-	-
2009					
<i>Financial assets</i>					
Cash and cash equivalents	11,821	(118)	-	118	-
Receivables	2,595	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,241	-	-	-	-

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2010 \$'000	2009 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years (pre-June 2008 - Up to 2 years)	1,314	1,258

The unit price of the facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

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**Notes to the Financial Statements
30 June 2010**

NSW TCorp is trustee for the above facility and is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the investment facility, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

Parent Entity and Consolidated

	Change in unit price	Impact on profit/loss	
		2010 \$'000	2009 \$'000
Hour Glass Investment - Cash facility	+/-1%	+/-13	+/-13

(d) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statements of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

(e) Fair value recognised in the statement of financial position

The Authority uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- o Level 1 - Derived from quoted prices in active markets for identical assets/liabilities.
- o Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- o Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2010 Total \$'000
Financial assets at fair value				
Tcorp Hour-Glass Inv. Facility	-	1,314	-	1,314

(The table above only includes financial assets, as no financial liabilities were measured at fair value in the statements of financial position.)

There were no transfers between level 1 and 2 during the period ended 30 June 2010.

END OF AUDITED FINANCIAL STATEMENTS

NSW FOOD AUTHORITY

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Supplementary Financial Information

1. NSW FOOD AUTHORITY CONSOLIDATED ECONOMIC ENTITY PERFORMANCE AGAINST BUDGET

	Budget	Actual	Budget
	2010	2010	2011
	\$'000	\$'000	\$'000
Income			
Industry levies	1,000	942	1,000
License fees	5,443	4,285	5,568
Grants and contributions	11,398	11,461	12,233
Audit and inspection fees	1,319	1,594	1,732
Rent and property income	20	61	30
Fines and penalties	250	142	250
Interest Income	1,100	652	750
Increment on revaluation of non-current investments	-	1,452	-
Miscellaneous	340	498	300
Total Income	20,870	21,087	21,863
Expenditure			
Employee related expenses	13,586	12,980	14,133
Consultancy	175	218	179
Contractors	628	437	291
External audit fees - current year	94	80	96
Bad & doubtful debts	-	-	-
Financial duty and charges	10	11	10
Grants and subsidies	400	691	-
Information technology costs	764	741	750
Laboratory services	1,406	1,437	1,500
Legal fees	102	536	104
Loss on disposal of non-current assets	-	74	0
Maintenance	429	167	439
Miscellaneous expenses	563	458	751
Postage & telephone	277	282	283
Producer levy administration fee	82	85	85
Public relations and advertising	14	-	14
Rent	60	95	62
Staff training	186	174	200
Stakeholder Liaison	235	182	250
Stores, stationery & printing	282	358	370
Travel	867	659	853
Depreciation and amortisation	683	740	683
Total Expenditure	20,843	20,405	21,053
SURPLUS FOR THE YEAR	27	682	810

NSW Food Authority Consolidated Economic Entity

Supplementary Financial Information

2. 2009/10 INCOME AND EXPENDITURE BUDGET

The 2009/10 budget information represents the original operating budget for the NSW Food Authority for the period, depicting a small surplus of \$27,000.

Actual total Food Authority income is \$21,087,000 and exceeds budgeted income of \$20,870,000 by \$217,000 due for the most part to the recognition of an increment which was not forecast of \$1,452,000 on revaluation of the NSW Food Authority's Newington based land and office building.

Actual total Food Authority expenditure is \$20,405,000 and is below budgeted expenditure of \$20,843,000 by \$438,000 due mainly to an underspend on employee related expenditure of \$606,000 compared to budget. This underspend resulted from positions which were temporarily vacant.

3. ACCOUNTS PAYABLE

NSW Food Authority payment performance indicators.

	1st Quarter 30 Sep 09 \$	2nd Quarter 31 Dec 09 \$	3rd Quarter 31 Mar 10 \$	4th Quarter 30 Jun 10 \$
Current i.e. Within due date	5,439,918	6,094,021	4,548,257	5,009,330
Less than 30 days overdue	-	-	-	-
Between 30 and 60 days overdue	-	-	-	-
Total dollar amount of accounts paid	5,439,918	6,094,021	4,548,257	5,009,330
Percentage of accounts paid on time	100.00%	100.00%	100.00%	100.00%

4. MAJOR ASSETS

Property held by the NSW Food Authority

	At Cost 2010 \$'000	At Valuation 2010 \$'000	WDV 2010 \$'000	WDV 2009 \$'000
Taree Office	-	600	600	460
Sydney Office	-	8,000	8,000	5,627
Total property held	-	8,600	8,600	6,087

5. CREDIT CARD USE

I certify that credit card use in the NSW Food Authority and Milk Marketing (NSW) Pty Limited in 2009/10 has been in accordance with Premier's Memoranda and Treasurer's Directions.



A W Coutts
Chief Executive Officer
NSW Food Authority

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