

Driving up standards

NSW Food Authority Annual Report 2008-09

Celebrating 100 years of food regulation



NSW Food Authority

safer food, clearer choices

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

Our Minister

The NSW Food Authority continues to raise the bar on food safety standards across our State.

It is now five years since the Authority commenced operation and since then it has achieved considerable success, thanks to strong leadership and the dedication of a highly skilled team of scientists, food safety officers and regulatory experts.

This year saw the introduction of a range of new initiatives and programs designed to reduce foodborne illness and protect and reassure consumers.

This included a major update of the Authority's 'name and shame' web portal, the launch of the Food Regulation Partnership with local councils, a new Food Safety Scheme for vulnerable persons and a food safety strategy for World Youth Day.

The **name and shame** web portal has been a tremendous success, registering more than 2.9 million hits during 2008-09. The site now features a list of food businesses from across the State that have received penalty notices for food breaches. This allows consumers to make more informed choices about where they eat and encourages food businesses to do the right thing.





The **Food Regulation Partnership** (FRP) became law on 1 July, 2008 – the culmination of three years of hard work by the Authority and its local government partners. As a result of the partnership, each of the 152 councils in New South Wales are now food safety enforcement agencies under the *Food Act 2003*. The NSW Government allocated \$1.179 million to this project this year, so it is great to see the partnership is underway and operating successfully.

The new **Vulnerable Persons Food Safety Scheme** – launched by the Authority in August 2008 – seeks to improve safety controls in food businesses serving 'vulnerable' persons (such as children and the elderly). I commend the Authority for its initiative, as this sector is much more susceptible to the debilitating effects of food poisoning.

During the year, the Authority also played a major role at national and international events – including Australian Food Safety Week and World Youth Day.

The Authority's work as food safety advisers to **World Youth Day** in July 2008 was outstanding. More than 223,000 pilgrims from 170 nations attended the event, consuming more than 3.5 million meals. I am pleased to say the event was incident free with no reported cases of foodborne illness.

The Authority's founding Director-General, Mr George Davey, left in November 2008 to take up a new role at Industry & Investment NSW.

I congratulate George for his efforts and welcome Mr Alan Coutts who will lead the NSW Food Authority into the next decade. Mr Coutts was formerly Deputy Director-General (Mineral Resources) of the former NSW Department of Primary Industries.

I invite you to learn more about the Authority and its achievements in the 2008-09 Annual Report.

The Hon. Ian Macdonald MLC
NSW Minister for Primary Industries

Letter of submission



Industry &
Investment

31 October 2009

The Hon. Ian Macdonald MLC
NSW Minister for Primary Industries
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 private subsidiary corporations, Milk Marketing (NSW) Pty Limited and Pacific Industry Services Corporation Pty Limited for the year ended 30 June, 2009.

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 Director-General



The NSW Food Authority celebrated two major milestones this year – our fifth birthday and 100 years of food regulation in the state.

These events are significant because they reflect an ongoing commitment by the Authority, and past and present governments, to maintain the high level of food safety standards in New South Wales.

In the century since food regulation began it has evolved from a disparate collection of laws and regulators to a unified, efficient and robust consumer-focused system.

Since the Authority was established on 5 April, 2004 (through the merger of SafeFood NSW with the food regulatory activities of NSW Health), we have led the way in food safety.

We are Australia's only through-chain food regulatory agency, meaning we play a key role at every stage of the food cycle. We are also a strong contributor to national food policy and standards.

During the past five years, the Authority has gone from strength to strength, marked by achievements which include the consolidation of food safety schemes across key industries and the development of the most comprehensive information management tool for the food industry.

I am pleased to say this record of achievement has continued in 2008-09.



Mr Coutts joined the Authority in November 2008, replacing Mr George Davey as Director-General.

Prior to that Mr Coutts was Deputy Director-General (Mineral Resources) of the NSW Department of Primary Industries. From 1 July, 2009 Mr Coutts' title will change to Chief Executive Officer as the Authority becomes a partner agency in the new NSW Department of Industry & Investment.

Milestones this year included the launch of the Food Regulation Partnership (with local government), the publishing of penalty notices for the first time on our 'name and shame' web portal and the launch of an important new Food Safety Scheme for vulnerable persons.

We also responded to some major foodborne illness emergencies, embraced new technologies to improve our testing procedures and undertook a detailed evaluation of the *Food Regulation 2004* (due to be remade later in 2009).

These activities all contributed to our ongoing goal of reducing foodborne illness in the State.

We could not do this without the support of the NSW Government, our industry and local government partners and, of course, the 127 dedicated staff members who work at the Authority.

In everything we do, we aim to drive up standards – in food safety, quality, research, compliance and consumer education.

“We celebrated two major milestones this year – our fifth birthday and 100 years of food regulation in NSW”

We do this by:

- Empowering consumers
- Using science to improve food safety
- Working closely with our partners
- Protecting the community
- Leading the way

This report outlines in detail our achievements and challenges in each of these key areas.

Looking ahead

As we move into the next decade, a lot remains to be done. Our strategic plan (page 64) identifies eight high-level outcomes which we are striving to achieve by 2011.

We can only achieve this with the ongoing support of our partners. They include NSW Health, the NSW Department of Primary Industries, local councils, industry groups, the media and our Minister, The Hon. Ian Macdonald MLC.

Preventing foodborne illness and improving food safety will remain the Authority's primary focus as we work more collaboratively with our partners and stakeholders, and protect and empower consumers.

Alan Coutts
Director-General

Our year in review

driving up standards

'Name & shame'

- Penalty notice listings commence
- 2.9 million hits recorded
- Website search functionality improved

Enforcement

- 11 successful prosecutions
- Almost 3 tonnes of seafood seized
- Audits of Vulnerable persons food safety scheme commences

Communication

- Website visits up 173%
- Egg safety campaign launched
- Record 677 media items published

Issues management

- Milk powder (melamine) scare
- Ice cream contamination
- Norovirus threat

Leadership

- Alan Coutts replaces George Davey as Director-General
- Key food safety role at World Youth Day

Food Regulation Partnership (FRP)

- FRP becomes law
- Inaugural food regulation forum held
- First FRP (enforcement) report released



Food Regulation Remake

- Evaluation and risk assessment undertaken
- Industry consultation conducted
- Evaluation and risk assessment results document published

Business Plans

- Strategic plans for the meat, dairy, seafood and poultry & egg industries updated

Food handler training

- Extensive consultation with foodservice sector
- Program details developed
- Pilot program conducted



Food Safety Schemes

- New vulnerable persons scheme introduced
- Work continued on childcare safety scheme

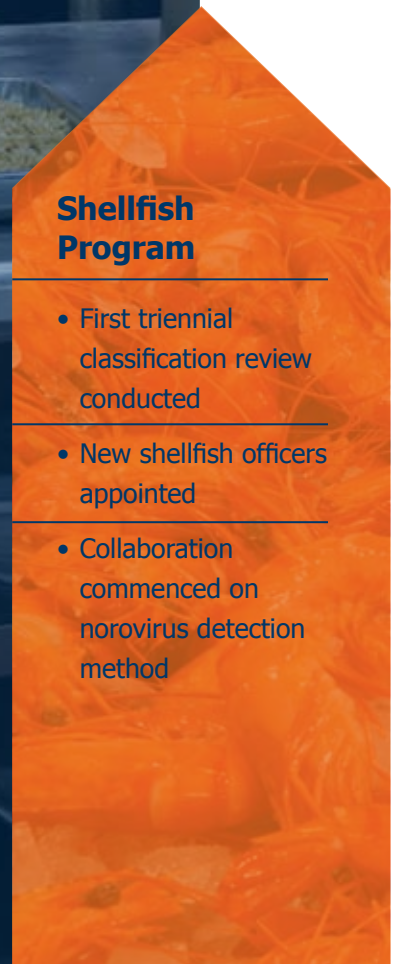


Surveys

- National gastroenteritis survey completed
- Raw chicken meat, trans fatty acid, ready-to-eat meat and sushi quality surveys conducted

Shellfish Program

- First triennial classification review conducted
- New shellfish officers appointed
- Collaboration commenced on norovirus detection method



About us



Achievements

2009
'Name and shame' enhancement

2008
Food Regulation Partnerships with local councils commences

2007
Major restructure undertaken

2006
Food Safety Scheme regulation consolidated across all key industries

2005
BYTE information management system introduced

2004
NSW Food Authority established April 5

The NSW Food Authority is a government agency that works to ensure food sold in the State is safe and correctly labelled.

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.

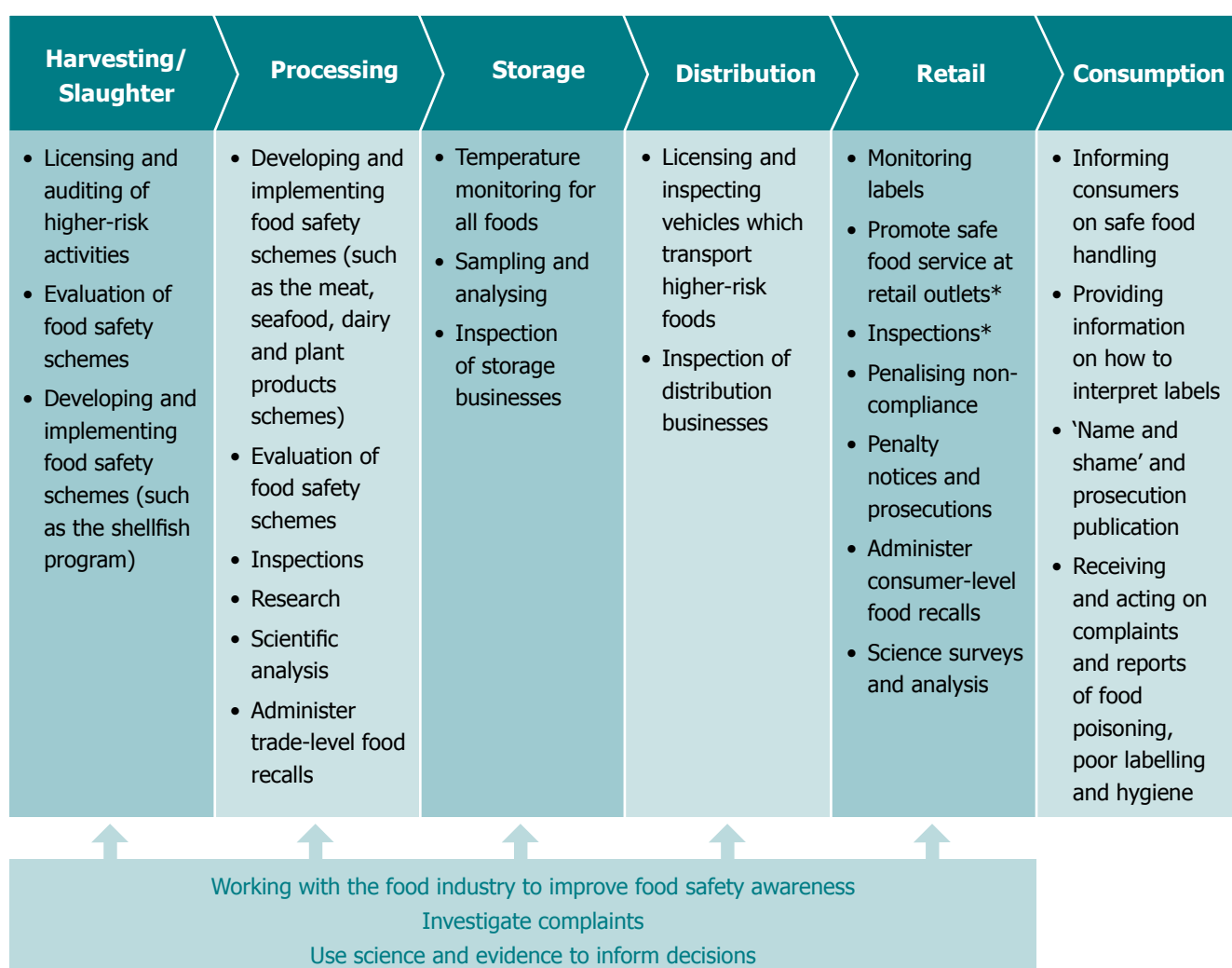
This includes the national Food Standards Code and the *NSW Food Act 2003*, as well a range of food safety schemes, which regulate key industry sectors of the food industry.

In April 2009 the Authority celebrated five years of service to the food industry and consumers.

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

Our contribution to food safety

The NSW Food Authority has a key role at every stage of the food cycle – from the day the food is harvested/slaughtered to the moment it arrives on the dinner table.



*with local government

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

- 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 role is to help ensure the safety and integrity of the food supply in NSW”

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 NSW Health, the NSW Department of Primary Industries, AQIS, 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 this year – the Authority and local councils now more work more closely together to enforce the *NSW 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 focused directly on food safety outcomes.

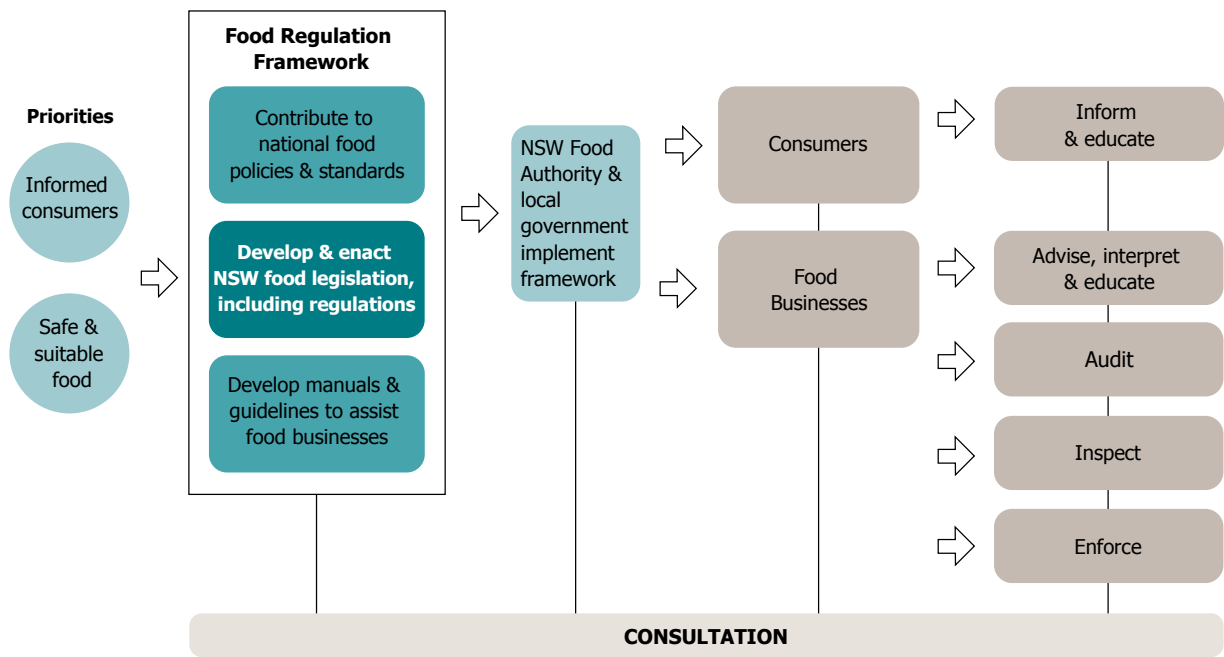
Our operating structure

The Authority operates under three key branches:

- Science and Policy
- Compliance, Investigation and Enforcement
- Communication and Corporate Resources

The **Science and Policy Branch** is accountable for the research and development of scientifically sound policies and procedures to ensure the effective regulation of food industries in accordance with Australian and international best practice. The branch provides technical support for compliance, investigation and enforcement activities and is

The NSW Food Regulation Framework





responsible for establishing and managing programs and schemes to regulate food production and ensure food safety throughout NSW.

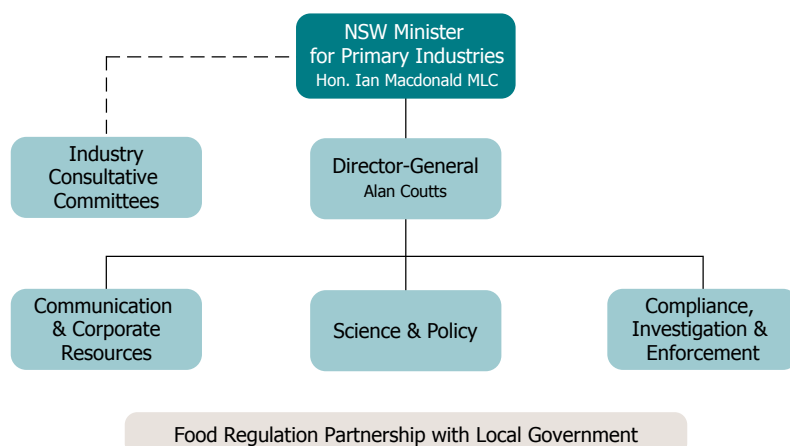
The role of the **Compliance, Investigation and Enforcement Branch's** is to implement measures to ensure compliance with food safety regulations, investigate outbreaks and alleged breaches and enforce food safety regulations through audits, inspections and taking appropriate action where there is evidence of non-compliance with regulations. The branch has a strong relationship with Local Government for their provision of food safety inspection services as part of the Food Regulation Partnership

through the Local Government Unit. The branch also works jointly with the Science and Policy Branch to develop and review food safety risk management programs.

The **Communication and Corporate Resources Branch** is responsible for the public interface of the Authority, including communications and public affairs and the Consumer & Industry Helpline – the principal interface with consumers. The branch is also responsible for human resources management, administrative support to the executive, records, facilities management, procurement and business systems.

On 15 June, 2009 the NSW Government announced the formation of 13 new agencies, designed to deliver more integrated services, ensure a greater client focus and cut Government red tape. From 1 July, 2009 the Authority will be a partner Agency of the new Department of Industry & Investment. The new Department opens up exciting opportunities for the Authority. For front line activity it will be business as usual. We will keep our statutory role and will continue to support licensees and stakeholders.

Operating structure



Our management team

Alan Coutts,
Director-General
(from Nov 2008)



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

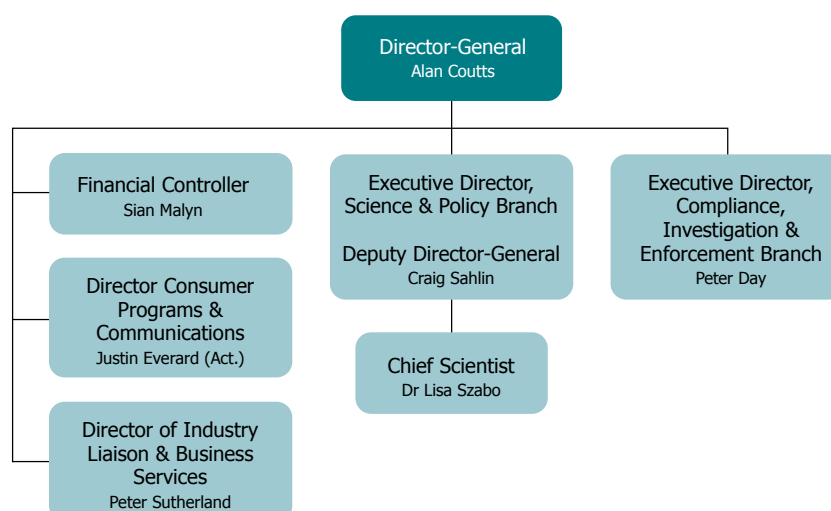
Mr Coutts joined the Authority in November 2008, replacing George Davey as Director-General. He reports directly to the NSW Minister for Primary Industries on all agency activities. Prior to joining the Authority, Mr Coutts was Deputy Director-General (Mineral Resources) of the NSW Department of Primary Industries. Previous roles included Director-General of the Department of Mineral Resources and Director-General of the Department of Transport.

George Davey,
Director-General
(until Nov 2008)



Bachelor of Science (Honours) & Master of Science in Food Technology Fellow, Australian Institute of Food Science and Technology

After almost five years as the Authority's first Director-General, Mr Davey left the agency in November 2008 to take up the role of Deputy Director-General and Executive Director, Fisheries, Compliance and Regional Relations for the NSW Department of Primary Industries. Under Mr Davey's leadership, the Authority developed and delivered a number of innovative food safety measures and maintained a strong compliance focus across the state's food supply chain.



Craig Sahlin,
Deputy Director-General and
Executive Director Science
and Policy



Bachelor of Arts (Honours), LLB

Mr Sahlin is responsible for advising on strategic direction, undertaking risk assessment, policy 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 Director-General, Mr Sahlin supports the Director-General 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. Diploma in Food Technology, Chisholm Institute. Assoc. Diploma Applied Science (Stock and Meat Inspection), Queensland Agricultural College

Mr Day is responsible for the enforcement of the *NSW Food Act 2003*, *Food Standards Code*

and the *Food Regulation 2004*, including labelling and advertising compliance, inspections, auditing and investigating consumer and food industry complaints. It is his first year in this role. Mr Day has been a regulator with various Commonwealth and NSW State Government food safety agencies for more than 20 years. He has contributed extensively to national policies on food safety, enforcement and auditing and is also the Implementation Subcommittee member (NSW) for the National Food Standards Policy.

Peter Sutherland,
Director,
Industry Liaison
and Business
Services



Bachelor of Science (Honours) Microbiology/Immunology

Mr Sutherland directs and manages strategic and corporate planning activities and is responsible for the ongoing engagement of the Authority's key stakeholders within the food industry and government. Mr Sutherland, a food microbiologist with more than 25 years' experience, has written for text books and presented papers both nationally and internationally.



**Sian Malyn,
Financial
Controller**



Bachelor of Business Accounting

Ms Malyn is responsible for the Authority's Finance, Licensing, IT, Asset Management, Procurement and Legal functions. This includes managing the Authority's financial planning, 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 14,000 facilities in New South Wales.

**Samara Kitchener,
Director, Consumer
Programs and
Communications
(on maternity leave
from Sep 2008)**



Bachelor of Science Food Science and Technology (Honours) MBA

Ms Kitchener is responsible for the Authority's public affairs, consumer and industry communication functions and business systems. She was awarded the 2005 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.

**Justin Everard,
Acting Director,
Consumer
Programs and
Communications
(from Oct 2008)**



*Bachelor of Arts (Honours)
University of York*

Mr Everard assumed the role of Acting Director, Consumer Programs and Communications in October 2008 to temporarily replace Samara Kitchener during her maternity leave. He joined from the UK where he was Head of Media Relations at the Food Standards Agency. In that role, he media managed a number of major food emergencies including the recall of more than one million chocolate bars across the UK. Prior to joining the Food Standards Agency UK, Mr Everard worked as a Senior Press Officer for Shell International and for BBC News.

**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.

Empowering consumers

May 2009

Surveyed consumers about food regulation options

Apr 2009

Food safety messages promoted at Royal Easter Show

Mar 2009

Vulnerable persons food safety scheme audits commenced

Mar 2009

Food handler training initiative announced

Feb 2009

Egg safety campaign launched

Jul 2008

'Name and shame' enhanced and information expanded

“We empower consumers by helping them make more informed choices”



The NSW Food Authority empowers consumers by providing timely access to important food safety information – allowing them to make informed choices about food selection, food preparation and dining out.

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

The information we provide is guided by research, consumer and industry feedback, inspections and audits, surveys, and trends in foodborne illness.

We also protect and reassure consumers by developing and maintaining food safety schemes and guidelines, giving them confidence in the food produced in the state.

During 2008-09 we published penalty notices on our 'name and shame' web portal for the first time, progressed several important new food safety schemes, witnessed a significant boost in media interest and accepted a record number of enquiries to our Helpline. We also saw a 173 per cent increase in traffic to our website.

“The response to our ‘name and shame’ web portal has been overwhelming”

‘Name and shame’ website publishes first penalty notices

A significant milestone for the Authority this year was the publishing of penalty notices for the first time on the ‘name and shame’ website portal.

The updated site, which went live on 1 July 2008, features a list of food businesses around the State that have received penalty notices or convictions for alleged food breaches from local councils and the Authority.

The response to the site has been overwhelming.

Traffic to our main website increased during the year by a record 173 per cent to 938,000 visits in 2008-09, with hits exceeding 5.4 million. Of those visits, more than 570,000 visited the ‘name and shame’ web portal, directly generating 2.9 million hits.

The ‘name and shame’ web portal was developed in response to strong public sentiment that food business performance information be made available to consumers, particularly when food businesses were not doing the right thing.

Some of the more extreme breaches of food safety standards featured on ‘name and shame’ and covered by the media during the year included:

- a bakery that sold a loaf of bread with a cockroach in it;
- a fish market that was storing live crabs in a toilet cubicle;
- a bakery that sold a loaf of bread containing a cigarette butt; and
- a takeaway outlet that sold a pizza with a bandaid in it.

Offenders’ names are published on the ‘name and shame’ web portal for a maximum of 12 months. Prosecutions are published for two years.

New food safety schemes and guidelines established

The Authority develops and maintains food safety schemes and guidelines to protect and reassure consumers, and to ensure the food industry does the right thing.

During 2008-09 we launched the Vulnerable Persons Food Safety Scheme, published our seafood guidelines in two more languages, began preparatory work on a new food handler training scheme and continued work on the Childcare Food Safety Scheme.

These food safety schemes supplement those already in place for the meat, seafood, plant products and dairy industries. The framework of these schemes is often guided by consumer feedback, sourced during ongoing surveys and communication programs.

Vulnerable Persons Food Safety Scheme

The Vulnerable Persons Food Safety Scheme was launched in August 2008. It seeks to improve food safety controls in food businesses serving ‘vulnerable’ persons in aged care facilities, hospitals and delivered meals organisations.

The elderly and the sick are more susceptible to the debilitating effects of food poisoning. This scheme aims to provide them with important protection.

As part of the new law, hospitals and aged care facilities must:

- have mandatory food safety programs in place governing how food is handled, prepared, stored and transported;
- be licensed with the Authority; and
- undergo regular safety audits.

Although the scheme began in August 2008, the first audits did not take place until March 2009, allowing businesses six months to comply with the requirements of the scheme.

Childcare Food Safety Scheme

Work continued during the year on a proposed Childcare Food Safety Scheme designed to improve food safety controls in this sector. The Authority is working on implementing a national standard that requires additional food safety controls for childcare centres. Implementation steps include ongoing consultation with stakeholder groups.

Food Handler Training Program

Preparatory work began this year on tough new food safety training requirements for all food outlets across the state.

The Food Handler Training Program is part of the ongoing effort of the Authority and the NSW Government to help safeguard consumers from foodborne illnesses. It was developed in response to strong consumer demand.

The program outlines mandatory training requirements to ensure each hospitality business in New South Wales has a designated and appropriately trained ‘food



safety supervisor' – responsible for implementing safe food handling on the premises.

The initiative was developed in collaboration with a working group, which included the Australian Hotels Association, Clubs NSW and Restaurants and Caterers NSW.

A successful pilot – involving 22 participants – was held in June 2009, in conjunction with Auburn Council. Those involved reported finding the training course very informative and relevant to their business.

The program is due to become law in 2010.

Seafood guidelines

Our *Guidelines for Seafood Retailers* was published in Chinese and Vietnamese for the first time this year – part of our ongoing campaign to improve food safety within ethnic groups.

The guidelines give Chinese and Vietnamese speaking retail seafood shop owners and businesses accurate and practical advice on how to comply with the *Food Standards Code*, in their own language.

The guidelines were developed in consultation with the seafood industry, including the NSW Seafood Industry Conference, Master Fish Merchants Association, Sydney Fish Market,

Profish, Seafood Importers Association of Australasia, NSW Silver Perch Growers Association and the NSW Aquaculture Association.

Consumer education programs reach wider audience

An important aspect of empowering consumers is to equip them with information to manage the safety of the food they prepare themselves and for others. It is estimated by the Authority that between 5 per cent and 10 per cent of foodborne illness is a direct result of consumers handling their own food. The Authority focuses on information formats and events that consumers will find most engaging, useful and memorable. To be cost effective, we integrate and coordinate messages in news media and via our website, helpline and distributed resources.

Key consumer activities

Food Safety Week – November 2008

Australian Food Safety Week is an annual national initiative that provides advice to consumers on how to avoid becoming ill. The Authority is a member of the executive board of the Food Safety Information Council, which coordinates the week. This year we sponsored the production of a series of television community service announcements, which ran for three months from November 2008.

During the year, 1,180 penalty notices were issued and the names of 671 food premises were published on the 'name and shame' web portal. Enquiries to our Helpline increased by a record 26 per cent, largely due to public interest in the site.

“The Authority’s website is our major communication interface with the consumer”

We help drive up standards in food safety by providing timely access to important information and focussing our research efforts on higher-risk food sectors.



Food safety & pregnancy resources

The Authority revised and planned a refresh of our popular wallet cards and 12-page brochure on food safety for pregnant women and those considering motherhood. The cards encourage eating low-mercury fish and freshly cooked foods when pregnant. Safety messages on potential *Listeria* infection will be added when the cards are produced in an expanded format later in 2009. They will be available from retail fish merchants, antenatal clinics and obstetricians.

Publications and promotional items

Key publications and promotional items distributed to consumers during the year included:

- fact sheets and website content on potential *Salmonella* infection in young children (distributed through childcare facilities)
- more than 30,000 egg safety fridge magnets (distributed at the Sydney Royal Easter Show)
- pocket-cards and website content on safe picnics and barbecues
- web-based food safety tips for the festive season.

The Authority distributed more than 100,000 pieces of printed information during 2008-09.

More improvements to our website

The Authority’s website is our major communication interface with the consumer.

It features detailed and timely information on food safety, the Authority’s operations, food emergencies and a list of non-complying food businesses (in the ‘name and shame’ web portal).

During 2008-09, we made several additions and enhancements to the site, many of them based on visitor feedback. Highlights included updates to ‘name and shame’ and the expansion of our science section.

Website visits	
2007-08	2008-09
344,000	938,000
UP 173%	

Search function for ‘name and shame’

In March 2009 we enhanced the ‘name and shame’ web portal to make it more user friendly.

Penalty notice data is now fully searchable, with options to search by business or recipient name, suburb, council area, postcode, and/or keyword. The list can now also be browsed by trading name and period of publication.

Science section expanded

Demands for access to more of the scientific underpinnings of NSW food regulation prompted us to expand the science section of our website.



The section now includes information on:

- the risk framework the Authority uses to assess food safety hazards
- food safety assessments of higher-risk food sectors and studies of specific food types eg potentially hazardous foods requiring temperature control and vegetables in oil
- analysis of the food market and surveys of compliance with standards
- evaluations of the effectiveness of existing regulations and food safety schemes.

The Authority's website can be found at: www.foodauthority.nsw.gov.au

Record enquiries for Helpline

The Authority's Consumer & Industry Helpline plays a vital role as a 'first port of call' for most stakeholders who contact us.

Call volumes increased by a record 20% and enquires by 26% in 2008-09, driven primarily by our high profile 'name and shame' activity.

Inbound enquiries	
2007-08	2008-09
8,477	10,657
UP 26%	

Recognition of the Authority increased, and consumers were more likely to contact the Authority about hygiene and standards in food outlets. In some cases this was due to media outlets having promoted the Helpline number to listeners/viewers.

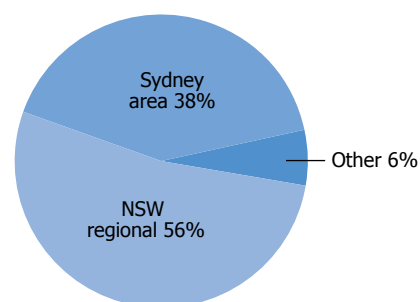
Helpline staff assisted in some major program rollouts during the year – including 'name and shame' and the new Food Regulation Partnership (FRP) with local government.

Under the FRP councils now have a more defined role as food safety regulators, which includes handling public inquiries and complaints about local food businesses.

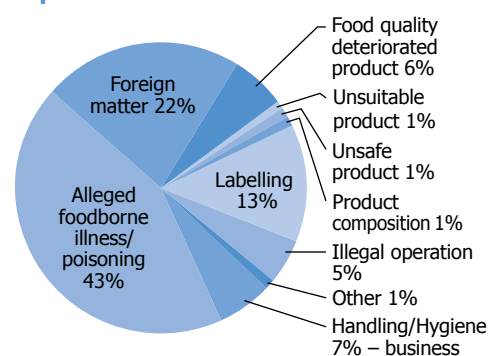
The Helpline began smoothly transferring appropriate calls to the responsible council, helping ensure the enforcement agency best placed to follow up a potential issue had direct contact with the consumer from the start.

Inbound contacts	
2007-08	2008-09
19,069	22,795
UP 20%	

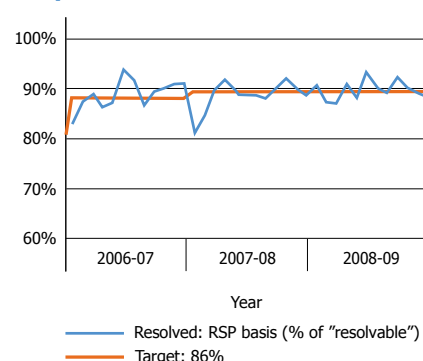
Helpline calls by geographic origin



Helpline complaints/reports received



Helpline first call resolution



“It was one of our biggest years yet media wise, attracting a record 677 separate media items”

Food Regulation remake

As part of our preparations for the remake of the Food Regulation 2004, we conducted a survey in November 2008 to establish how consumers felt about the scope of the existing regulation. Of the 500 people surveyed, 93 per cent agreed that food regulators should be able to issue on-the-spot fines to businesses that flout food laws. The survey also found that 84 per cent of respondents believed additional controls should be required for food businesses that produce ready-to-eat hot and cold foods. These comments, along with those from industry stakeholders, have been included in the remake process.*

* The Food Regulation 2004 sets minimum standards for food safety for all meat, dairy, seafood and plant products businesses and businesses that prepare food for vulnerable persons in NSW. It must be remade every five years, as part of the NSW Government's automatic staged repeal process to ensure regulations remain relevant. To provide evidence for the remake process, the Authority consulted widely with consumers, industry and other stakeholders.

Egg consumer education program

The Authority launched an egg education program in February 2009 to alert consumers to the dangers of dirty and cracked eggs and provide tips on the best ways to handle, store and cook them.

The campaign, which included market research, literature and a public display, was prompted by some statistics and events related to the safe handling of eggs.

Between 1996 and 2008, there were 33 multi-person, egg-related food poisoning outbreaks in New South Wales, more than half of those occurring since 2005.

In January 2009, a couple was fined \$42,000 for causing New South Wales' worst food poisoning outbreak – affecting 319 people. It was caused by poor handling and storage of raw egg mayonnaise used in Vietnamese-style pork and chicken rolls.

Consumer survey

To determine consumer understanding of the dangers posed by cracked, dirty and poorly handled eggs, the Authority conducted a survey in December 2008.

The results raised a number of concerning issues relating to how little some consumers know about eggs and their safe handling.

For example, almost half of the 505 people surveyed believed it was safe to eat foods that contained raw or lightly cooked eggs. This is contrary to expert health advice and could cause illness, particularly in vulnerable groups.

The survey also found:

- 52 per cent of NSW consumers don't check to see if eggs are clean before purchasing
- 52 per cent would serve foods containing raw or undercooked eggs to adults over 65
- 42 per cent believe raw or undercooked eggs are as safe to eat as cooked eggs
- 38 per cent will use an egg with a dirty shell, while 51 per cent would wash it first, then use it
- 35 per cent don't store their eggs in the carton
- 29 per cent believed using an egg with a cracked shell was okay if you broke it first to check then used it.

More information (including why these are high-risk behaviours) is available at: www.foodauthority.nsw.gov.au/eggs

These results, along with the high incidence of egg handling-related illness, prompted the Authority to start spreading the egg safety message far and wide, including basing its stand at Sydney's Royal Easter Show around safer egg handling.

Royal Easter Show display

Egg safety was our primary consumer education focus at the 2009 Royal Easter Show in Sydney.

The 14-day show was seen as a way of reaching out to the public and promoting our egg safety message in a clear and accessible way.

Our stand featured six giant, half-metre high eggs in a carton.



Three eggs were 'clean' while the other three were cracked and dirty. This helped to reinforce the fact that care needed to be taken only to consume eggs that are not cracked and are free from dirt.

During the show we distributed more than 30,000 fridge magnets displaying

egg safety messages. We also worked with the Australian Egg Corporation (AECL), which distributed NSW Food Authority material from its stand.

We also promoted a competition which encouraged visitors to explore the egg pages of our website to win an omelette maker.

LOOKING AHEAD

- Work will continue on the egg handling consumer health campaign.
- Our 'name and shame' web portal will remain under constant review to ensure it continues to provide relevant and useful information to consumers.
- Further website enhancements are planned to encourage visitors to explore the content on the site and pilots of social media technologies are in plan, to make cost-effective use of emerging technologies.

Media communication

The Authority continued to build on our status as a credible and responsive source of food safety information during 2008-09.

It was one of our busiest years yet media wise, attracting a record 677 separate media items. Of those, 83 per cent were of a neutral-to-positive tone.

This was due mainly to media interest in our high profile 'name and shame' web portal, a series of food emergencies and a food contamination controversy at a major Sydney hotel.

We issued 43 media releases and statements (in conjunction with the Minister for Primary Industries), promoting Authority activities, responding to outbreaks and educating consumers.

Major media events during the year included

July 2008 – June 2009

- Several high-profile prosecutions for breaches of the *Food Act* – resulting in substantial fines.

July – August 2008

- Investigations into a suspected foodborne illness at a Blue Mountains nursing home – linked to the death of 10 elderly residents.

October 2008

- Investigations into an alleged intentional ice-cream contamination incident at a popular Sydney hotel – conducted in conjunction with NSW Police.

Using science to improve food safety

Mar 2009

Systematic evaluation of existing NSW regulation completed

Jan 2009

National gastroenteritis survey results completed

Jan 2009

Scientific risk assessment food safety scheme review completed

Sep 2008

Collaboration on norovirus detection method commenced



“As a food regulator, the Authority uses science to develop food safety schemes that guide industry and help reduce foodborne illness”



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

There are a variety of hazards that might be present in food with the potential to cause human illness – ranging from very mild, through to severe or life threatening.

Preventing foodborne illness and improving food safety are major priorities for the Authority, and for our partners in industry and local government.

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

As a food regulator, the Authority uses science to develop food safety schemes that guide industry and allow us to:

- minimise risks;
- evaluate the effectiveness of regulation and industry commitment to food safety;
- justify the establishment of food standards;
- steer the management of emerging issues;
- develop better analytical tools; and
- communicate to the community.

During 2008-09, we actively applied our science-based approach to food safety by evaluating existing food regulations – as part of the remake of the *Food Regulation 2004*.

This legislation sets minimum food safety standards for meat, dairy, seafood and plant products businesses, as well as businesses that prepare food for vulnerable persons. It needs to be reassessed every five years as part of the NSW Government’s automatic staged repeal process, to ensure regulations remain relevant.

“Our evaluation of the *Food Regulation 2004* revealed that 83% of food businesses were performing well”

Using science to assess food safety risks

The Authority uses science-based risk assessment techniques to identify biological, chemical and physical hazards associated with food or food ingredients.

Doing this allows us to determine any potential risks to consumers and helps guide our approach, as a food regulator, to managing and communicating these risks.

During 2008-09, the Authority conducted a risk assessment review for industry sectors covered by the food safety schemes contained in the *Food Regulation 2004*.

This included assessing potential hazards and risks from the dairy, meat, plant products and seafood sectors, as well as reviewing the Egg and Egg Products Food Safety Scheme (pending regulation) and the Vulnerable Persons Food Safety Scheme (introduced in October 2008). We did this to ensure that our schemes are current, necessary and take into account emerging science and technology.

There are many potential hazards in food that can impact human health, including biological hazards (pathogens or disease-causing microorganisms), chemical residues and physical hazards.

Our risk assessment review found that biological hazards (such as *Salmonella* spp., *Listeria monocytogenes* and pathogenic *E. coli*) were likely to have the most significant impact on human health. It also found that physical

hazards (eg metal and glass) are rarely detected in foods and chemical hazards (eg pesticides and cleaning chemicals) are very unlikely to be present at levels that can cause ill health.

Other findings from our risk assessment review included:

- Some dairy products (such as soft cheese, dairy dessert and fresh cheeses) support the growth of pathogenic microorganisms
- Sliced, ready-to-eat meats and poultry products present an ongoing food safety challenge
- High-risk plant products (such as sprouts, unpasteurised juice, and fresh leafy vegetables) continue to be implicated in foodborne illness internationally
- Food service establishments catering to vulnerable populations (eg people over 65, children under five, pregnant women and people with lower immunity) need to take considerable care when sourcing, preparing, storing and serving foods
- *Salmonella* remains the main hazard associated with eggs and egg products.

The risk assessment review supported the continuation of food safety control measures and programs – introduced via regulatory requirements (such as food safety schemes) or through industry sponsored Codes of Practice or programs.

Taking a systematic approach to evaluate the effectiveness of regulation

Over the past five years, the Authority has established and refined a science-based and evidence-focused evaluation methodology that measures the effectiveness of food safety programs and helps to manage risk.

This has enabled us to review systematically the existing *Food Regulation 2004* to determine its effectiveness across the industries it regulates. The regulation is being remade as part of the NSW Government's automatic staged repeal process.

Although the new regulation will not be in place until the 2009-10 financial year, the research we completed in 2008-09 provided valuable feedback on how industry is performing within the existing regulatory framework.

Notably, it revealed that 83 per cent of food businesses surveyed were performing well. It also showed that the Authority and the food industry are 'effective' joint food safety managers.

Five projects were conducted to evaluate the existing food regulation:

1. **Consumer survey** (500+) – this revealed strong consumer support for food regulation and confidence in the safety of food produced in New South Wales.
2. **Business licence holder survey** (1094) – the majority of businesses surveyed felt that regulation was important for their reputation and competitiveness.



3. **An onsite study of licence holder practices** (300 businesses)
– this study (which investigated how businesses discuss and resolve food safety issues) showed a strong industry commitment to food safety.
4. **Food Safety Officer survey** (27)
– most officers surveyed indicated that industry required assistance to keep up to date with their regulatory requirements.
5. **Review of microbiological hygiene and safety of products**
– this study (which included verification program results since 2005 and product survey data since 2003) showed good overall compliance.

These projects identified some business categories with apparent below-average performances. The Authority will focus on these areas during 2009-10 to determine if the observations common across the category are 'real', or due to the very small sample size included in the study. Where necessary, we will assist industry to improve its performance.

According to business licence holders consulted during our evaluation, these are the top three benefits of food regulation.

1. **Safer products**
2. **Happy customers**
3. **Public confidence in the food supply**

Taking an evidence-led, science-based approach to food safety allows the Authority to:

- *help ensure fewer people become ill or injured through eating food*
- *assist the NSW food industry to stay safe and competitive*
- *provide valuable information to consumers to allow them to make informed choices*
- *build a sustainable workforce with a strong knowledge focus.*

Surveys	
Target	Actual
5	5

Food samples analysed	
Target	Actual
5,697	4,620

“One of the ways we monitor food safety is by conducting targeted surveys in higher-risk food groups”

The Authority helps reduce foodborne illness through:

- Monitoring and evaluation
- Research collaboration
- Issues management
- Standards and regulation development
- Industry engagement
- Consumer education



Using food testing and surveys to gather vital food safety data

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

Assessing this data allows us to identify key food safety issues and develop the 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 2008-09, 575 samples were randomly purchased and submitted for microbiological testing, pH and water activity. This represented a 120 per cent increase from 2007-08 – primarily due to additional data being collected for the remake of *Food Regulation 2004*.

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).

During 2008-09, DAL's food microbiology and chemistry department conducted tests on 4,620 samples. Around 7,500 tests were conducted for microbial contamination and approximately 25,000 for chemical composition or contaminations.

Chemical testing showed an increase from previous years due to the trans fatty acid survey of food (see Annual Laboratory Utilisation graph).

We also engaged DAL's specialist human forensics department for the first time – to conduct tests required during an ice cream contamination controversy at a Sydney hotel.

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 2008-09 we were involved in two national surveys and two state-based 'follow up' surveys.

Raw chicken meat survey

This national baseline survey (July 2008) investigated the prevalence of *Salmonella* and *Campylobacter* in raw chicken meat on-farm and at primary processing facilities.

We established a baseline level for these common pathogens in New South Wales prior to the introduction of the National Primary Production and Processing Standard for Poultry.



MICROBIOLOGICAL VERIFICATION PROGRAM SAMPLES (2008-09)

Scheme	Products	Total samples
Meat (103)	Smallgoods/RTE meats	103
Dairy (276)	Milk	32
	Cream/butter	17
	Ice cream	28
	Dairy dessert	13
	Yoghurt/yoghurt based products	31
	Dip/sauces	24
	Cheese	131
Plant Products (134)	Seed sprouts	27
	Cut fruit/veg	25
	Veg in oil	33
	Unpasteurised juice	49
Seafood (62)	Cooked Crustacean	26
	RTE bivalve molluscs	13
	RTE processed finfish	21
	RTE seafood	2
TOTAL		575

Our food regulation evaluation showed that licence holders regard the Authority as a 'trusted and primary source of food safety and regulatory information'.

Key findings included:

- 95 per cent of the poultry surveyed was found to be contaminated with *Campylobacter* and 21 per cent with non-Sofia serovars of *Salmonella*. This was a similar result to the retail baseline microbiological survey carried out in New South Wales in 2005-06 where 88 per cent tested positive for *Campylobacter* and 19 per cent for non-Sofia serovars of *Salmonella*.
- The results were similar to overseas studies for *Salmonella*, but higher for *Campylobacter*. Differences in design, methodology and sample sizes for the overseas surveys should be taken into account when considering this result.

“By embracing new technologies, we help to reduce turnaround times and extend the capabilities of our testing procedures”

We communicate our science-focused activities to a wide range of stakeholders, including consumers. During 2008-09 we did this by:

- launching new science pages on our website
- publishing six food survey reports, three evaluation reports and one risk assessment report
- developing guideline documents for industry and food safety officers (covering acid-based foods and potentially hazardous food)
- engaging with the media on issues including food colourings, illness in nursing homes, the food regulatory system, egg safety, date marking and pesticides

We expect the prevalence and concentration of *Salmonella* and *Campylobacter* in raw poultry meat to reduce following the introduction of the National Primary Production and Processing Standard for Poultry. This survey will provide a benchmark for measurement.

Trans fatty acid (TFA) survey

This survey (October 2008) was a follow up to surveys conducted in 2005 and 2007 where food manufacturers volunteered to reduce the level of TFA in certain foods.

This survey reassessed the level of trans fatty acid (TFA) in a range of processed and takeaway foods sold in Australia and New Zealand. The results were benchmarked against standards from Denmark, as it is the only country to set a limit for TFA in certain foods.

Of the samples surveyed:

- 82 per cent had TFA levels equal to, or less than, the (Danish) benchmark limit of 2 grams of TFA per 100 grams of fat
- 62 per cent showed a decrease in TFA content (per 100g of food) – ranging from 12 per cent to 100 per cent – compared to the samples tested in 2005 and 2007.

The results from this survey were provided to Food Standards Australia New Zealand (FSANZ) and will be presented to the relevant Ministers in both countries later in 2009.

Ready-to-eat meat survey

This survey (August 2008) sought to establish the microbiological quality of pre-packaged, sliced, ready-to-eat meat in New South Wales.

Of the samples surveyed:

- 96 per cent (147 out of 154) met the requirements of the Food Standards Code
- None showed signs of *Salmonella*, verotoxigenic *E. coli*, *C. perfringens* and *Staphylococcus*, but six were found to contain very low levels of *L. monocytogenes*.

Sushi quality survey

In 2006-07, the Authority completed a microbiological survey of sushi products. This survey (February 2009) was a follow-up to the initial survey – to determine if product quality had changed.

The survey found that:

- 98.4 per cent of sushi samples were microbiologically acceptable (consistent with results from the 2006-07 national survey)
- Sushi sellers were continuing to provide good quality product to consumers.

The results from these surveys will be used in the following ways:

- **Raw chicken meat survey:** the results will be used as a future benchmark to measure the effectiveness of the new national poultry meat standard once it is introduced
- **TFA survey:** the results will be used to form a TFA in foods policy in Australia and New Zealand
- **RTE meat and sushi surveys:** the results support the Authority's current strategy of recommending that vulnerable groups (eg pregnant women) avoid these products.



Using technology to improve response times to food safety emergencies

We continued to build our food testing capabilities during 2008-09 by embracing new technologies which help to improve accuracy, reduce turnaround times and extend the capabilities of our testing procedures.

Salmonella typing

One of the most significant applications was the molecular typing (MLVA) of *Salmonella*.

Between October 2008 and April 2009, there were 1956 cases of salmonellosis reported in New South Wales – the highest ever recorded over a six month period.

Thanks to the use of new molecular typing technology (which links salmonellosis cases to a defined food source), the Authority was able to quickly implement corrective action to prevent further illness.

Molecular typing was also used to provide powerful evidence in prosecutions against food businesses not complying with food safety measures.

One example was the matching of *Salmonella* strains from both food and human isolates during an investigation of a *Salmonella* outbreak attributed to the consumption of Asian-style pork rolls.

Molecular typing was developed at the Centre for Infectious Diseases & Microbiology (CIDM) at Westmead Hospital. Its *Salmonella* Typhimurium tool has become essential in the investigation of foodborne disease associated with this pathogen.

Norovirus detection methodology

Developing an effective detection method for norovirus in environmental and food samples has always proved scientifically challenging.

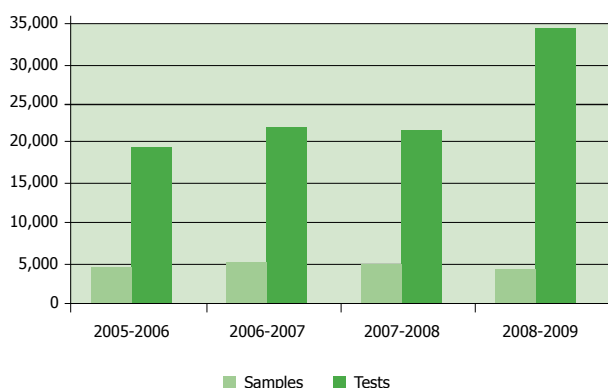
However, thanks to advances made by the Australian Seafood Cooperative Research Centre during the year, there are now laboratory methods for detecting viruses in oysters.

This new methodology is assisting with an on-going investigation of norovirus contamination at the Kalang River (20km south of Coffs Harbour), where the oyster harvest area has been closed since July 2008.

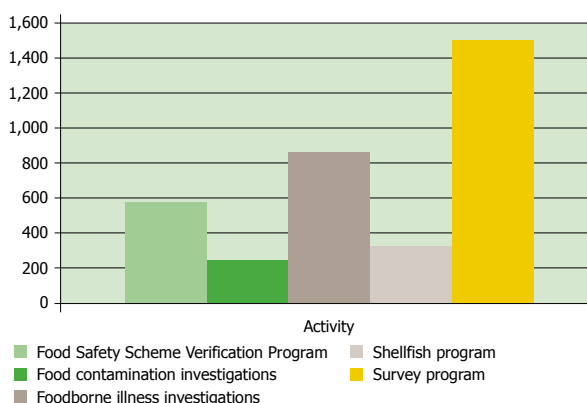
The testing confirmed that the Kalang River is subject to contamination by human sewage and is guiding the focus of remediation efforts.

In June 2009, our supplier for food testing services – the Division of Analytical Laboratories (DAL) – purchased equipment that will broaden the range of analytical tests (including viral detection and molecule/peptide analysis) available to us, as well as reducing testing time.

Annual Laboratory Utilisation (2005-2009)



Food samples tested by the NSW Food Authority 2008-09



Responding quickly to incidents

Effectively responding to food emergencies is a core responsibility of the Authority.

To manage these, we have in place a Food Industry Emergency sub-plan, as well as tools from other government agencies (such as the National Food Incident Response Protocol).

During 2008-09 we responded to five high profile incidents, including a milk powder contamination scare and norovirus contamination in the Kalang River.

Milk powder contamination

In September 2008, Chinese authorities notified Food Standards Australia New Zealand (FSANZ) of the deliberate contamination of milk powder with melamine* in China.

It caused the deaths of four infants and the hospitalisation of tens of thousands of others in that country.

Although the affected product was not sold in Australia, it was being used as an ingredient in many other foods.

The Authority responded by collecting these products and undertaking immediate testing. Within two days of the Authority being notified of the issue, 49 items had been sent for testing.

As a result of these tests, seven products sold in Australia were temporarily withdrawn from sale. They included milk tea, chocolate éclairs, biscuits and a vanilla milk drink.

The Authority actively contributed to the development of a risk management strategy and a national consumer advisory program on the melamine contamination.

** Melamine is a compound traditionally used in the manufacturing of bench tops, kitchenware, glue and fertiliser. It has high nitrogen content, which can falsely inflate the measure of protein in food. Melamine consumed in high levels can lead to kidney disease.*

Tests for chemicals	
Target	Actual
9,996	25,382

Norovirus contamination in the Kalang River

In July 2008, two foodborne illness incidents were linked to the consumption of Kalang River oysters. The Kalang River oyster harvest area (20km south of Coffs Harbour) was immediately placed under a precautionary closure.

At the time of harvest, the area was 'open status', meaning all environmental conditions were well within established guidelines, and no pollution events were reported.

However, tests commissioned by the Authority – after the illness events were reported – confirmed the on going presence of norovirus in oysters from the river, indicating human faecal pollution.

A NSW Industry-Government Working Group (including Authority representatives) was established to identify and remediate the source of the pollution. Utilising expertise at the Australian Seafood CRC, a comprehensive oyster sampling and testing regime was developed and implemented.

At least three consecutive clear rounds of norovirus testing under adverse conditions (eg following heavy rain) are required before the Authority can consider reopening the area to oyster harvest. This will ensure that pollution sources have been effectively controlled.

As at 30 June, 2009, three clear results had still not been achieved.

Significant work is still being undertaken by the working group to identify and remediate sources of human faecal pollution in the Kalang River catchment.



National gastroenteritis survey completed

Work on a 12-month national gastroenteritis survey was completed in January 2009.

The Authority and the Commonwealth Department of Health and Ageing (DoHA) were joint project leaders on the survey and responsible for its design and implementation.

The aim of the survey was to estimate the baseline level of gastroenteritis in the Australian community and determine how much is attributable to food poisoning.

A person is defined as suffering from gastroenteritis if they experience three or more loose stools and/or vomit twice in a 24-hour period.

Of the 7,590 surveyed, there were 411 survey respondents who met this definition.

Final estimates from the survey are yet to be published as further data analysis is being undertaken by the DHA. The results will establish a baseline level of illness that regulators can use to establish the effectiveness of new food safety interventions.

The release of this data will assist the Authority to focus on improving the hygienic production and handling of food where it is most required.

LOOKING AHEAD

- A targeted pathogen reduction strategy will be developed and implemented – to ensure fewer people get ill from eating food.
- A risk-based review of food testing requirements will be conducted – to reduce the regulatory burden on industry.
- Further studies, estimating the amount of foodborne gastroenteritis in NSW, will be undertaken to provide a baseline to measure the success of interventions.
- Collaborative research will continue, improving and widening the range of analytical tests available to us.
- Our ongoing evaluation of food regulatory schemes will assist in improving industry performance.

Working closely with our partners



May 2009

First FRP
(enforcement)
report released

Jan 2009

Industry feedback
sought for remake
of Food Regulation
2004

Nov 2008

Inaugural Food
Regulation Forum
held

Sep 2008

Listeria
management
program launched
with meat industry

Jul 2008

Food Regulation
Partnership
becomes law

“Maintaining close working relationships with our industry partners allows us to take a consultative approach to food regulation”



To effectively manage and monitor food safety in the state, the Authority seeks the support of partners in industry and local government.

Maintaining close working relationships with our industry partners allows us to take a consultative approach to food regulation and constantly refine and update our processes and policies.

During 2008-09, our industry-related activities included:

- the establishment of new food safety schemes
- the commencement of formal consultative arrangements with food businesses licensed under the new Vulnerable Persons Food Safety Scheme
- consulting with industry to seek its input into the remake of the *Food Regulation 2004*.

We also forged a new consultative relationship with the food retail and foodservice sector and strengthened our collaboration with local government through the commencement of the Food Regulation Partnership (FRP).

As a result of these new initiatives and activities, we now work with our partners in a much more strategic and structured way.

“Participating in industry events and forums allows the Authority to directly interact with industry on food safety legislation, guidelines and emerging issues”

WORKING WITH INDUSTRY

The Authority enjoys ongoing relationships with primary producers, manufacturers, processors, wholesalers, distributors and retailers across the food chain. This helps us maintain a consistent approach to food safety and plan effectively for the future.

We also work closely with all the key food industry groups and associations in New South Wales, helping them to communicate regulatory requirements to their members and maintain and improve food safety standards.

We do this by:

- Offering ongoing consultation and support
- Developing strategic business plans for our statutory committees
- Participating in industry events and forums
- Maintaining regular industry communication.

Offering ongoing consultation and support

During 2008-09 we continued to engage key industry stakeholders through ongoing consultation and attending and convening targeted food sector meetings.

The Authority convened 20 meetings across the following statutory committees:

- Meat Industry Consultative Council;
- NSW Dairy Industry Conference;
- NSW Peak Oyster Association Group;

- NSW Shellfish Committee;
- NSW Seafood Industry Conference; and
- Poultry and Egg Industries Committee.

These meetings allow the Authority to provide information on compliance and enforcement activities, as well as consulting on changes to legislation affecting industry members. They also allow industry to provide feedback on changes to policy or legislation and issues relating to public health and food safety.

Developing strategic business plans

In 2007-08 the Authority helped develop a series of strategic business plans for industry.

Further updates and refinements were made to these plans during 2008-09 across four key industry consultative committees:

- Meat Industry Consultative Council;
- NSW Dairy Industry Conference;
- NSW Seafood Industry Conference; and
- Poultry and Egg Industries Committee.

The plans encourage a more cohesive and proactive approach to industry decision-making and help strengthen relationships with the Authority, government, their peers, the media and consumers.

Examples of typical strategies from those plans tabled during 2008-09 included:

- Establishment of a peak industry body for the seafood industry
- Implementation of an action plan to address inspection failure rates in retail meat premises
- Developing a communication strategy for the NSW Dairy Industry Conference
- Implementation of the proposed Egg and Egg Products Food Safety Scheme.

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

- **Thai seafood trade mission (May 2009)** – the Authority’s Director-General, Alan Coutts, and Executive Director Compliance, Investigation & Enforcement, Peter Day, joined Norm Grant, Chief Executive of the Seafood Importers Association of Australasia, to inspect Thailand’s seafood industry – including processing factories and laboratories. The tour gave us a first-hand look at the seafood quality systems in place in Thailand, where we sought assurances that product was being produced under strict regulatory control.



- **Australian Dairy Industry Critical Issues Management and Recovery Plan Workshop (November 2008, March 2009)**

– the Authority's Director Industry Liaison, Peter Sutherland, participated in the planning and workshops for this Dairy Australia event, which formulated an issues management plan for the dairy industry – outlining how best to deal with emergencies such as floods, bushfires, cyclones, power cuts and food safety issues. As a result of this workshop, the NSW industry updated its issues management plans and the Authority updated our NSW Food Industry Emergency sub plan.

- **National Workshop on Food Chain Pandemic Planning (February 2009)** – the Authority's Senior Technical Officer, Dr David Miles, had a key role in this workshop, which finalised the first editions of the AUSFOODPLAN – Pandemic and the Food Industry Contingency Plan.

Maintaining regular industry communication

The Authority communicates with industry in many ways – through fact sheets, newsletters (printed and electronic), conferences, training programs, sponsorships and through our website.

We provide them with updates on important regulatory issues, industry trends, new food safety techniques and scientific breakthroughs.

Information publications

- Foodwise – 4 issues
- Canadian Dairy Industry Report – March 2009
- Canadian Dairy Industry Report: New approaches to food safety in the dairy industry – March 2009
- UK Dairy Industry Study Tour: Final Report and Report on IDF Climate Change Conference – September 2008

General circulars

- Listeria management program booklet – September 2008
- Dairy farm audit program (all dairy farm licensees) – November 2008

Consultation papers

- Consultation paper on the proposed changes to the NSW Food Authority's licence / audit fees and audit frequencies – January 2009

Submissions

The Authority makes submissions on food regulations and food standards reviews that are undertaken both nationally and internationally. We also accept submissions from industry on any proposed legislation or policy it is introducing.

Food Regulation 2004 remake

Face-to-face meetings with 36 key industry stakeholders were held in December 2008 and January 2009 as part of the remake of the Food Regulation 2004. The Authority sought their views on proposed changes to audit and licence fees and audit frequency. We also met with representatives from NSW Health who are key stakeholders in the new Vulnerable Persons Food Safety Scheme (covering hospitals, aged-care and childcare facilities).

** The Food Regulation 2004 sets minimum standards for food safety for all meat, dairy, seafood and plant products businesses and businesses that prepare food for vulnerable persons in NSW. It must be remade every five years, as part of the NSW Government's automatic staged repeal process to ensure regulations remain relevant. To provide evidence for the remake process, the Authority undertook a formal evaluation of the Regulation in 2008 and consulted widely with industry and other stakeholders.*

Above: (L-R) The Authority's Peter Sutherland, Auburn Council's General Manager John Burgess and Restaurant & Catering NSW/ACT former CEO Robert Goldman organised the 'Safe Food Handler Training' pilot course on 18-19 June. Ms Nuray Tolunay, the owner of Food Alert, Newington, was a course participant.

“Councils in New South Wales help us to monitor and regulate more than 36,000 food retail and foodservice businesses across the state”

We now work with our partners in industry and local government in a much more strategic and structured way. This helps to drive up food safety standards and reduce foodborne illness.



We work closely with them to review and table their concerns whenever possible.

Examples during 2008-09 included:

Submission from NSW egg industry

Following consultation with the egg industry on the proposed Egg and Egg Products Food Safety Scheme, changes were made to address the industry's concerns. As a direct result of this consultation, the sale of unpasteurised egg pulp and cracked and dirty eggs to bakeries and the foodservice industry will not be allowed under the new scheme. The Egg and Egg Products Food Safety Scheme is expected to be finalised in the second half of 2009.

Senate inquiry into allegations of lamb substitution

This inquiry began following industry complaints that lamb was being substituted (with inferior sheep and hogget rolled as lamb) and distributed into Sydney from Victorian processors. The Authority provided a written submission and made appearances at hearings during this inquiry – detailing how we deal with lamb substitution complaints. An interim report was published by the Standing Committee on Rural and Regional Affairs and Transport Meat Marketing in September 2008.

The key recommendations were:

- The harmonisation of national standards for domestic meat slaughtering and processing establishments, including maintenance of dentition for classifying lamb; and
- Control of lamb branding.

Program documents and manuals

- Seafood Guidelines – launched in Chinese and Vietnamese
- *Listeria* Management Program booklet for retail meat premises – detailing compliance options available and including monitoring forms to record results
- NSW Retail Meat Food Safety Program (updated)
- Oyster Farmers Food Safety Program (updated)
- Shelf stable acid preserved foods – Factors affecting the shelf stability of acid foods: Condiments, sauces and salad dressings paper
- Food Safety Risk Assessment of NSW Food Safety Schemes
- Potentially hazardous foods (foods that require temperature control for safety) paper

Sponsorships

- Dairy Research Foundation (University of Sydney) – \$6,000 towards the Chair of Dairy Science
- Dairy Science Award – \$1,000 to the Dairy Research Foundation for this award. The 2008 winner was Tony Dowman from the NSW Department of Primary Industries.

Industry training programs conducted	
Target	Actual
12	24



WORKING WITH LOCAL GOVERNMENT

Councils in New South Wales help us to monitor and regulate more than 36,000 food retail and foodservice businesses across the State.

Until this year, there had been no formal mechanism in place for interaction in food regulatory activity between local government and the Authority. This changed with the introduction of new food legislation to define the roles of councils and the Authority and the commencement of the Food Regulation Partnership.

Food Regulation Partnership

The Food Regulation Partnership (FRP) was a major milestone for 2008-09, and one of the most significant pieces of legislation in food regulation in 100 years.

It became law on 1 July, 2008, seeing each of the 152 councils in NSW appointed as a food safety enforcement agency under the *Food Act 2003*.

The FRP is the culmination of three years' work by the Authority, councils, various government agencies and other stakeholders. The new legislation enshrines into law councils' involvement in food regulation, clearly defining their role and the Authority's role as co-regulatory partners.

Council participation in the FRP operates over three levels:

Category A

1 council (urgent response only, routine inspection services provided for by the NSW Food Authority on a cost recovery basis until this council can form an alliance with another to provide routine services)

Category B

149 councils (all of category A plus routine food inspections, food complaint investigations and enforcement of regulations)

Category C

3 councils (all of categories A&B plus inspections of food manufacturers and wholesalers, where authorised by the Authority)

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

FRP Forum created

To manage the new consultative arrangement between the Authority and local government, the 'Food Regulation Forum' was established in July 2008.

The FRP provides for a more coordinated approach – through agreed food safety inspection protocols and guidelines – and aims to provide improved consistency and transparency of food inspection to the food retail and foodservice sector.



**Food
Regulation
Partnership™**

Together towards safer food

“A key outcome of the first meeting of the Food Regulation Forum was the establishment of a new working relationship between the Authority and the food retail and foodservice sector”

The Authority met regularly with councils and provided 41 training programs statewide, covering:

- enforcement guidelines
- evidence collection
- foodborne illness investigation techniques
- food labelling
- critical food handling practices (eg hand washing)



It has an independent chair, Cr Phyllis Miller OAM (appointed by the Minister), and aims to assist, evaluate and advise the Authority on the best way to share regulatory functions between the two partners.

The Forum comprises representatives from the Local Government and Shires Associations, Local Government Managers Australia (NSW) and professional organisations representing interests in local government food regulation – eg Development and Environmental Professionals, Environmental Health Australia and the NSW Food Authority.

The Food Regulation Forum meets three times a year. The inaugural meeting was held in November 2008.

New working relationship established with the food retail and foodservice sector

A key outcome of the first meeting of the Food Regulation Forum was the establishment of a new working relationship between the Authority and the food retail and foodservice sector.

This sector comprises supermarkets, retail food outlets, restaurants, hotels, cafes, clubs and catering businesses.

Traditionally, our interaction with this group has been in a regulatory capacity only – through inspections, audits and complaint investigation (in conjunction with our local government partners). However, as a result of the Food Regulation Forum, the food retail and foodservice sector now has a voice.

At its inaugural meeting in November 2008, the Forum established a

Food Retailers and Foodservice Advisory Session – to coincide with scheduled meetings of the Forum. The session focuses on food regulatory implementation issues, allowing participants to identify issues directly affecting their business and advise on how the FRP is progressing.

One of the key challenges of the FRP is to improve compliance of the food retail and foodservice sector. It also aims to improve consistency in interpreting and applying food regulation by local government. Industry feedback can help us achieve this.

Initial FRP reporting results

The Authority tracks the success of the FRP by processing and reviewing progress reports submitted by the participating councils.

These reports provide information on how many inspections were undertaken, compliance rates, the number and type of complaints, and enforcement activity undertaken by councils.

We released the first report (covering July-December 2008) in April 2009.

This report did not provide the complete activity for councils as most conduct their inspections over an annual cycle. The 12-month report, due later in 2009, will provide a more comprehensive and accurate view

Fact Sheets	
Target	Actual
12	30

of council activities. It provides the Authority with information to better target areas requiring additional support and assistance. Future reports will be published every 12 months.

Key results from the first report included:

- 23,326 food businesses were inspected by councils
- 1 in 10 food businesses failed some part of their food inspection (most infringements were minor)
- 1,933 food complaints were received and 1,886 investigated (98 per cent)
- 3,444 warning letters were issued
- 834 improvement notices were issued
- 729 fines were issued.

Based on report data and feedback, the Authority took steps to rectify consistency and interpretation issues relating to the way inspections are conducted by councils.

For example, some breaches were minor but were recorded as failures even though they would not lead to a food safety risk. A food regulatory activity package will be developed to improve the consistency of inspection and regulatory data from councils and enhance public understanding of the report outcomes.

Targeted intervention to improve food safety skills and knowledge within food businesses is planned for the future.

Ongoing FRP support framework created

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.

Consultation and support

The Authority provides ongoing advice and support to FRP participants. In 2008-09 activities included:

- Regular meetings and training (41 in total) with 15 regional food groups across NSW – providing feedback and input into the partnership. Attendance: 500+
- Provided 24/7 technical support – assisting in the interpretation of regulations and advising on other technical areas. We responded to approx 1000 requests for technical advice.
- Held three meetings of the State Liaison Group – producing input on operational protocols, advisory guidelines and new Environmental Health Officer training.
- Conducted a UWS Scholarship pilot for Environmental Health Officers
- Development of a Special Grants Program model for councils, allowing them to apply for funding assistance for food safety and hygiene projects.

FRP Highlights: Year 1

- *New training model for council Environmental Health Officers introduced*
- *Foodborne illness monitoring system developed for the retail sector*
- *Collaborative state-wide food standards/hygiene survey model created*
- *Food Regulation Forum established (including participation from food retail and foodservice sector)*
- *Inaugural council food inspection activity report released*
- *Food Regulation Partnership web portal for local government launched*

“Of all the industries the Authority partners with, the shellfish industry remains one of the most high-risk sectors”

Communication and networking

Our strategic communications plan included the following activities in 2008-09:

- An FRP web portal (launched in August 2008). The website provides online resources and food safety news for Environmental Health Officers (EHO).
- The assessment and publication of 1,180 penalty notices on the 'name and shame' *Register of offences*.
- Sponsored the LGSA conference in Broken Hill (November 2008).
- Issued the FRP Update on a bi-monthly basis. Issue 1 was published in July 2008.
- The inaugural Trainee EHO Retreat was held in Orange in February 2009.

Training

Supporting the new FRP was an ongoing training and development program for council officers. During 2008-09 this included:

- 20 new Environmental Health Officer (EHO) network training sessions held in Sydney, Dubbo, Wagga Wagga and Coffs Harbour. Attendance: 200+
- 41 regional food group training sessions held. Training topics included: penalty notices, FBI case study, hand-washing, improvements notices and prohibition orders. Attendance: 500+
- The development of a Certificate IV in Food Surveillance course.

NSW Shellfish Program

Of all the industries the Authority partners with, the shellfish industry remains one of the most high-risk 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.

This year we undertook the first triennial (three year) classification review for 35 of the 77 harvest areas

in New South Wales. Our findings supported the original classifications for these areas (made in 2005), with no harvest area being demoted.

Other key activities during the year included:

- Ongoing training in depuration and sampling for operators in the NSW shellfish industry – conducting six (6) depuration courses and five (5) sampler training courses at regional coastal locations.
- Chaired the Australian Shellfish Quality Assurance Advisory Committee (ASQAAC) – the peak national body dealing with technical issues in the shellfish sector.
- Attended the International Conference of Molluscan Shellfish Safety

SHELLFISH HARVEST AREAS IN NSW (TOTAL 77 – AS AT 30 JUNE 2009)		
APPROVED [27]	RESTRICTED [45]	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 [2]		

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



- The appointment of two new shellfish officers (one south, one north) to assist in the ongoing management of the program across New South Wales.
- Assistance in the development of specialised laboratory testing capabilities in South Australia for norovirus and other human enteric

viruses. Previously all samples were sent to New Zealand for testing. The assistance was done in collaboration with the South Australian Research and Development Institute. Once the new testing capability has been developed it will be implemented into the NSW government laboratory.

Listeria management program for retail meat premises

In September 2008, more than 400 meat industry personnel attended a series of *Listeria* management training courses organised by the Australian Meat Industry Council (AMIC) and supported by the NSW Food Authority.

The State-wide program informed butchers and meat processors of how to comply with new *Listeria* control guidelines (issued by the Meat Standards Committee and effective from October 2008). The program was conducted by TAFE and attended by Authority representatives who assisted with training and answered questions.

Courses and workshops were held in Tamworth, Coffs Harbour, Newcastle, Sydney, Orange, Wagga Wagga, Queanbeyan and Wollongong.

Topics covered included:

- the dangers of *Listeria* in ready-to-eat (RTE) meat products
- recent outbreaks and recalls that led to the new requirements
- how to cook and chill RTE meat products correctly
- how processes can be implemented to ensure all RTE products that are produced and sold are safe
- how to conduct environmental and product testing correctly.

To help licensed meat premises comply with these new testing requirements the Authority issued General Circular 04-2008 in September 2008.

LOOKING AHEAD

- Planning is underway to establish a new NSW Food Industry Emergency Network. Led by the Authority, and made up of key players in government and industry, the Network aims to provide input into the planning and preparation for managing a major food emergency in New South Wales. This network will be used to advise us on the NSW Food Industry Emergency Sub Plan of the State Disaster Plan.
- An amendment to the *Food Regulation 2004* – allowing qualified and competent food safety auditors that are not employed by the NSW Food Authority to become approved regulatory food safety auditors – is due for gazettal later in 2009.
- The establishment of a Vulnerable Persons Food Safety Scheme consultative committee is planned, with key stakeholders in the sector (eg hospital and aged-care facilities) being asked to participate and advise on the new vulnerable persons food safety scheme.

Protecting the community



Mar 2009

First audit conducted under the Vulnerable Persons Food Safety Scheme

Oct 2008- Apr 2009

Investigated record number of *Salmonella* outbreaks

Oct-Dec 2008

Joint food inspection project conducted with City of Sydney Council

Jul-Aug 2008

Investigated gastroenteritis outbreak at aged care facilities

“Our aim is to prevent misleading or unsafe conduct relating to the production or sale of food in the State”

To protect the community and maintain food safety, the Authority must enforce the requirements of the *NSW Food Act 2003*.

This includes monitoring all levels of industry – from primary production through to point-of-sale. Our aim is to prevent misleading or unsafe conduct relating to the production or sale of food, and meet our goal of reducing foodborne illness.

Our inspectorate resources are directed to those high-risk food businesses that produce ready-to-eat food and those serving vulnerable persons (such as children and the elderly) who are more susceptible to food poisoning.

The Authority protects the community by:

- Applying the food standards code, including labelling and advertising compliance
- Inspecting food premises, vehicles and equipment used for the handling of food
- Auditing and verifying statutory food safety requirements.

Whilst most food businesses follow the rules, we are vigilant in pursuing those that don't.

In 2008-09 we inspected 3,248 licensed food businesses, conducted 5,975 audits (including facilities serving food to vulnerable persons), seized more than 9.9 tonnes of non-compliant food and issued 876 improvement notices.

We also responded to a record number of foodborne emergencies, including five separate outbreaks of *Clostridium perfringens* causing diarrhea in nursing homes and numerous *Salmonella* outbreaks.



“The Authority responds to urgent complaints about food safety within 24-hours”

Investigating foodborne illness outbreaks

The Authority received a record 1,156 complaints alleging foodborne illness during the year – 681 individual cases and 475 incidents affecting two or more people.

Salmonella outbreaks

Salmonella was the most common pathogen in outbreaks we investigated, with *Salmonella* Typhimurium being the most prevalent serotype.

The number of *Salmonella* cases reported to the NSW Department of Health this year was 2,626 – one of the largest recorded (37 per cent higher than last financial year).

From October 2008 to April 2009, we partnered with NSW Health to investigate jointly *Salmonella* Typhimurium outbreaks associated with the consumption of raw or lightly-cooked egg products. Poor food handling and unclean premises were also factors in these outbreaks.

The Authority investigated more than 10 separate egg-related *Salmonella* outbreaks affecting 231 people, with many cases requiring hospitalisation.

DNA fingerprinting of clinical *Salmonella* isolates (obtained from hospital patients) and food/environmental isolates (obtained by the NSW Food Authority) indicated that many outbreaks were linked to a common farm or business.

Nursing home gastroenteritis outbreaks

In July and August 2008, the Authority teamed with NSW Health to jointly investigate five separate outbreaks of *Clostridium perfringens* causing significant foodborne illness symptoms in residents of nursing homes in the Blue Mountains and western Sydney.

Stool samples from affected residents revealed high levels of *C. perfringens* and the presence of *Enterotoxin type A*.

Despite thorough investigations, no specific food type or process was identified as a likely cause. Food suppliers and commodities were cross-checked against all facilities and no common links were found.

The Authority and NSW Health continue to maintain a watching brief on gastroenteritis affecting aged care facilities. All such facilities are now licensed and have audited food safety programs as part of the new Vulnerable Persons Food Safety Scheme.

Food business prosecutions

The Authority has in place tough enforcement strategies to ensure that food sold in New South Wales is safe and correctly labelled.

As the agency responsible for investigating breaches of the *NSW Food Act 2003*, our trained officers routinely undertake investigations of food businesses across the State. These sometimes result in enforcement action and prosecutions through the courts.

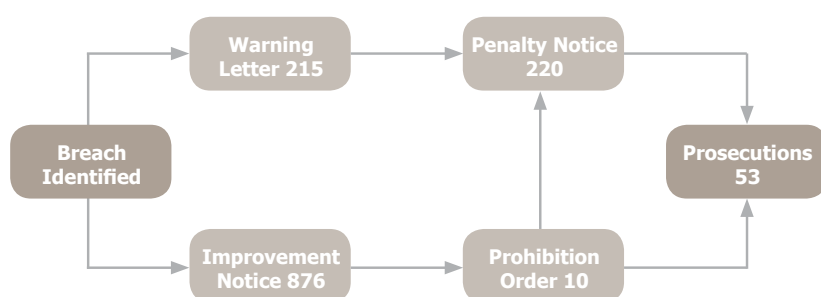
During 2008-09, we pursued 11 successful prosecutions (for 53 charges) in the Local Court.

High profile offenders this year included:

- **A sushi manufacturing business** – charged with six offences relating to serious and continued breaches of the food safety standards and one offence of failing to comply with a prohibition order. The company was fined a total of \$61,250 and ordered to pay \$58,000 in costs.
- **A hot bread business** – fined \$42,000 plus \$20,000 in costs for serving Vietnamese pork and chicken rolls containing mayonnaise made with unpasteurised/non-heat treated raw egg yolks infected with *Salmonella*. It was determined that an outbreak of gastroenteritis occurred (affecting 319 people) as a result of food eaten from these premises.
- **A fast-food chicken chain (2 stores)** – charged with a total of 11 offences and fined \$73,125 plus costs for failing to comply with improvement notices relating to cleanliness and maintenance of the premises and food equipment.

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.



The Authority uses a graduated enforcement approach when taking corrective action with food businesses. In most cases, offenders correct their mistake on receiving an infringement notice, thereby avoiding further action. Of the 876 improvement notices issued in 2008-09, only 10 prohibition orders were issued, representing an 88 percent compliance rate.

Each food business must identify the risks involved when handling and producing food and implement appropriate systems to manage them (as required under the *Food Regulation 2004*).

Our officers regularly check the overall effectiveness of food safety schemes in the meat, dairy, seafood, plant products and vulnerable persons sectors. During 2008-09 this resulted in 5,975 audits being conducted.

Auditing of vulnerable persons' facilities commences

The Authority began auditing vulnerable persons' facilities in March 2009.

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. Improving food safety controls in food service to these groups is therefore a priority.

Auditing began following the launch (in August 2008) of the new Vulnerable Persons Food Safety Scheme, which seeks to improve food safety controls in businesses serving persons in aged cared facilities, hospitals and delivered meals organisations.

The new law requires these businesses to hold a NSW Food Authority licence and to have an audited food safety program in place. Childcare centres are currently excluded from this scheme.

By 30 June, 2009, 242 audits had been completed. Of those, 25 food businesses failed the audit and improvement notices were issued.

More than 2000 non-compliant salami sticks seized

In August 2008, the Authority seized and destroyed 194 salami sticks from a licensed meat processor who was manufacturing uncooked fermented comminuted meat (UCFM) without permission. Penalty notices were also issued.

A further 1934 salamis were seized from another manufacturer in November 2008 for not meeting the requirements of the Meat food safety scheme. This salami was returned to the manufacturer to be reworked into other products (under the supervision of the Authority).

“During the year we conducted 3,248 inspections of sundry food facilities”

Our inspectorate resources are directed at those high-risk businesses that produce ready-to-eat food and those servicing vulnerable persons.

This year we conducted 5,975 audits.



Prior to the start of 'official' auditing in March 2009, the Authority conducted 546 voluntary 'advisory' audits to assist food businesses to implement measures to comply with the new scheme.

Further assistance was also provided through the Vulnerable Persons Food Safety Scheme Manual. It contains detailed information on which businesses need to be licensed, licence fees, how to develop a food safety program, minimum compliance requirements and technical information on serving safe food.

Compliance inspection programs

While many food businesses licensed by the Authority require a food safety program and are audited, some facilities (known as non-Food Safety Program businesses) do not require auditing. Instead, their compliance with the *Food Regulation 2004* is verified by regular inspection.

These include cold stores, vehicles and fishing vessels.

In accordance with the Priority Risk Classification tool used by the Authority to determine audit/inspection frequency, these non-FSP businesses are inspected at least once every three years. Where performance in industry sectors is found to be outside the Authority compliance targets, inspection frequencies are adjusted accordingly.

To minimise disruption to business operations, we conduct these inspections at agreed times.

During the year we conducted 3,248 inspections, involving cold stores, game meat harvesters, fishing boats and food transporters (dairy, meat, seafood and plant product).

Routine inspections under new Food Regulation Partnership

With the formal commencement of the Food Regulation Partnership* (FRP) this year, the Authority assumed responsibility for routine inspection and complaint investigation for retail food premises in 'unincorporated' and 'Category A' council areas.

Of the 152 councils participating in the FRP across New South Wales, only Bombala Council, in the State's south-west, chose a Category A function (ie they agreed to respond to urgent food emergencies, but not to conduct food business inspections).

As a consequence, the Authority was required to take on the inspection role in this area.

During the year we conducted 29 inspections (primarily covering food businesses in Bombala and Delegate), with all premises deemed as fulfilling their food regulation requirements.

The 'unincorporated' area (stretching from Broken Hill to Camerons Corner) is also not covered by a local council under the Food Regulation Partnership. During the year, we conducted 10 inspections in this area – involving food businesses in Silverton, Tibooburra, Milparinka and Packsaddle. All businesses complied with our inspection requirements.

** The FRP is the culmination of three years work by the Authority, councils, various government agencies and other stakeholders. It clearly defines the roles of both the Authority and councils' as co-regulatory partners.*



2008-09 COMPLIANCE AND ENFORCEMENT STATISTICS

Activity	2007 – 08 (actual)	2008 – 09 (target)	2008 – 09 (actual)
Audits	5,956	5,376	5,975
Failed audits	814	<10% (<538 audits)	763
Inspections of licensed facilities	2,454	3,660	3,248
Failed inspections of licensed facilities	108	<10% (<366 inspections)	147
Inspections of non-licensed facilities	0	NTS	3,914
Failed inspections of non-licensed facilities	0	NTS	465
Investigations of unlicensed businesses	87	NTS	126
Complaint investigations	2,897	NTS	1,165
Investigations of foodborne disease incidents (single case)	553	NTS	681
Investigations of foodborne disease incidents (involving two or more people)	358	NTS	475
Investigations of food labelling complaints	324	<538	334
Improvement notices	1,245	NTS	876
Prohibition orders	17	NTS	10
Product seizures	30	NTS	48
Written warning	252	NTS	215
Licence cancellations	1	NTS	1
Prosecutions (finalised after hearing or plea of guilty)	58 charges (against 7 defendants)	NTS	53 charges (against 11 defendants)
Penalty notices	229	NTS	220
Use of Emergency Orders	0	NTS	0
Voluntary food recalls (nation-wide)	53	NTS	54
Voluntary food recalls (NSW manufacturers)	19	NTS	18
Shellfish harvest area openings	816	NTS	381
Shellfish harvest area closures	844	NTS	392

NTS = No target specified

Food Regulation 2004 remake

As part of the remake of the Food Regulation 2004, the Authority completed a review of its licence fee structure this year to make it more equitable.

The current structure of licence fees in NSW reflects the arrangements of earlier commodity-based primary production regulators and has resulted in inconsistent licence fees between industries.

In light of this, the Authority plans to move towards a more equitable fee structure – based on the type of activity conducted and the size of the food business.

In addition, the 28 different licence classes currently governing NSW meat businesses will be consolidated into one licence, which can specify up to 13 categories of activity.

The proposed changes will make the system more transparent and simpler for all stakeholders in terms of compliance and enforcement.

“The biggest single seizure of items this year was in the seafood industry”

Non-compliant food seizures

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, labelled incorrectly, out of date 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 2008-09, we made 18 different product seizures totalling 9.944 tonnes. This represents a decrease of approximately nine tonnes compared to 2007-08.

The biggest single seizure of items this year was in the seafood industry with 2,938kg seized. This is a significant increase on the 56kg of oysters seized in 2007-08.

In addition to the products listed in the Seizure Summary table, we also seized 21 pieces of equipment including dairy product manufacturing equipment, exercise books, business cards, a chicken bleeding cone, de-feathering machine and knives – due to evidence of unlicensed activity.



2008-09 ANNUAL SEIZURE SUMMARY

Commodity	Est. quantity	Reasons for seizure
GAME MEAT (Kangaroo, Feral Pig & Rabbits)	491 kg	No Harvester Identification tags.
	31 kg	Unlicensed game meat harvester.
	176 kg	Handle food in a manner that contravened the provision of a food safety scheme.
	1,188 kg	Product in off condition, carcasses mouldy, product to be condemned and disposed of.
Total 1,886 kg		
MEAT PRODUCTS		
Beef	62 kg	Unfit for human consumption.
UCFM Product	2,000 kg	Evidence of unlicensed production of Salami.
	120 kg	Evidence of unlicensed production of Nem Chua meat product.
Total 2,182 kg		
POULTRY		
Eggs	9 kg	Evidence that cracked eggs were sold to food premises contrary to Standard 2.2.2 of Food Standards Code.
Chicken Carcasses	65 kg	Evidence of illegal slaughter and unlicensed activity.
Chicken Meat	20 kg	Potentially hazardous food not stored under temperature control and not protected from likelihood of contamination.
Chicken Offal	13 kg	Evidence of illegal slaughter and unlicensed activity.
Quail	1,260 kg	Evidence of illegal operation / unlicensed activity.
Total 1,367 kg		
DAIRY PRODUCTS		
Goats Milk	142 kg	Evidence of unlicensed activity.
	5 kg	Evidence of unlicensed activity.
Total 147 kg		
SEAFOOD PRODUCTS		Total 2,938 kg
OTHER PRODUCTS		
Tripe	1,275 kg	Evidence of unlicensed activity.
Ice Tea Beverage	144 kg	Evidence that a breach of the Food Act 2003 in relation to labelling has occurred.
Fruit Salad	5 kg	Evidence of unlicensed activity.
Total 1,424 kg		
TOTAL = 9.944 tonnes (down from 18.95 tonnes in 2007-08)		



2008-09 LICENCE TABLE NUMBERS

Business	Number of licensed facilities (eg premises, vehicles and vessels)
Animal food store	31
Animal meat processing plant	19
Dairy farm	864
Dairy farm (goat)	14
Dairy product factories	113
Farm milk collectors	110
Fishers	940
Food store (dairy, meat, seafood, plant)	536
Food transport (dairy, meat, seafood, plant)	7,446
Game meat processing plant	154
Goat dairy product factories	6
Knackery	7
Meat processing plant	323
Meat retail	1,821
Milk factories	11
Non-shellfish aquaculture	46
Oyster farmer	284
Plant product processing plant	47
Poultry abattoir	45
Red meat abattoir	33
Rendering	20
Seafood processing plant	135
Unpasteurised goat milk producers	5
Food service to vulnerable persons	1,218
Shellfish wild harvest	26
TOTAL number of licensed facilities (up from 12,644 in 2007-08)	14,254

LOOKING AHEAD

- Our efforts to reduce the burden of *Salmonella* will continue into 2009-10 as we further strengthen our efforts to prevent the disease by implementing intervention strategies in *Salmonella* prevalent industries.
- External auditors will start conducting regulatory food safety audits (on behalf of the Authority) to reduce the duplication of resources.
- We will fill regulatory 'gaps' by investigating and implementing resource effective compliance verification programs for food safety inspections of the manufacturing sector in New South Wales.

Leading the way



Jun 2009

International
Conference on
Molluscan Shellfish
Safety

Nov 2008

WHO Pacific Food
Safety and Quality
Legislation Expert
Group

Oct 2008

AIFST Innovation
Network seminar

Jul 2008

Managed food
safety for more than
223,000 pilgrims at
World Youth Day



“The Authority acts as a food safety advisor to many national and international events. This year included a key role at World Youth Day in Sydney”



The Authority is a recognised world leader in food safety.

We continue to play an active role in the development of food safety strategies and programs that have been adopted nationally and internationally.

Because of this, our people are regularly sought to chair industry committees, sit on advisory panels and present and attend conferences and training seminars.

We also play a key role as food safety advisors (either directly or indirectly) for many national and international events, such as the Sydney 2000 Olympic Games, 2008 Beijing Olympic Games, Rugby World Cup, APEC and World Youth Day.

During 2008-09, our Director-General and executive staff presented at major industry conferences in Australia and around the world.

We also convened key industry events, participated again in Australian Food Safety Week and assumed a major role at World Youth Day in Sydney.

“We provide ongoing advice and support on important matters of food safety through representation on key national and international bodies”

Playing an active role in major events

Since our inception in 2004, the Authority has played an important and active role in some of the world's major events.

We have participated (either directly or indirectly) as food safety advisors for the Sydney 2000 Olympic Games, Beijing 2008 Olympic Games, the Rugby World Cup and APEC.

We continued the tradition this year by participating in one of the world's biggest events – World Youth Day – held in Sydney from 15-20 July 2008.

World Youth Day was attended by more than 223,000 pilgrims from 170 nations.

During the week-long celebrations more than 3.5 million meals were served and consumed in a crowded, and potentially high-risk environment.

Our role included frontline food inspections, guidance on the most risk adverse food to serve and the development of foodborne illness response strategies.

We worked closely with local councils in the lead up to the event to ensure all went to plan.

Authority officers spent more than 440 hours conducting food inspections at six event sites located at Randwick and throughout the Sydney CBD.

The event was incident free with no reported cases of foodborne illness.

Committee representation

The Authority is represented on key national and international bodies, where we offer advice and support on important matters of food safety. Our officials also participate in working groups and committees associated with the national food regulatory system. Senior Authority officials chair several of these groups.

INTERNATIONAL COMMITTEES

Committee	Representative
2008 Beijing Olympics Expert Board on Food Safety	George Davey
International Dairy Federation Standing Committee on Marketing	George Davey (Chair)
International Milk Promotion Group	George Davey
2013 International Conference on Mollusc Shellfish Safety Organising Committee	Anthony Zammit

NATIONAL COMMITTEES

Committee	Representative
Food Regulation Standing Committee (FRSC)	George Davey/Alan Coutts
<i>Food Regulation Standing Committee Working Groups:</i>	
- FSANZ Board Appointments Selection Advisory Committee	George Davey
- Strategic Planning	Craig Sahlin (Chair)
- Principles and Protocols	Lisa Lake
- Addition of Substances Subgroup	Bill Porter
- Special Purpose Foods	Bill Porter
- Infant Formula	Bill Porter
- Food Safety Management	Catherine Bass
- Primary Production and Processing	Craig Sahlin



NATIONAL COMMITTEES <i>cont.</i>	
Committee	Representative
<i>Food Regulation Standing Committee Working Groups cont:</i>	
- Primary Production and Processing	Craig Sahlin
- Oversee the Survey of Antimicrobial Resistance in Food	Lisa Szabo
- Front of Pack Labelling	Samara Kitchener/Justin Everard
Food Regulation Standing Committee Implementation Sub-Committee (ISC)	George Davey, Craig Sahlin and Peter Day
<i>ISC Working Groups:</i>	
- Consistent Implementation Working Group, Survey Group	Lisa Szabo and Ed Jansson
- Enhancing Linkages between Human, Food and Animal Surveillance Activities	Craig Shadbolt
- Chemical Response Plan	Lisa Szabo (Chair)
- Consistent Implementation (Overarching Strategy)	Craig Sahlin
- Consistent Implementation Sub-group – Food Safety Management Group	Craig Sahlin and Catherine Bass
- Consistent Implementation Sub-group – Incident Response	David Miles
- Enforcement Policy	Christine Turney (Chair)
- Environmental Health Officers (EHO) Workforce Shortage Working Group	Phillip Bird and David Hook (Co-chair)
- Food Industry Support and Education Working Group	David Hook
- Food Medicine Interface Working Group	Michael Apollonov
- Food Medicine	Michael Apollonov
- Government Food Communicators Group	Craig Morony
- Health Claims Watchdog Working Group	Christine Turney
- Intentional Interference	Christine Turney (Chair)
- Performance Measurement Framework Working Group	Peter Sutherland
- Egg Industry and Jurisdiction Conference	Peter Sutherland (Chair)
- Consistent Principles for Environmental Investigation of Foodborne Illness	Craig Shadbolt (Chair)
- Implementation Strategy for Mandatory Fortification Standards	Bill Porter
- Advisory Committee on Novel Foods	Michael Apollonov

continued next page

NATIONAL COMMITTEES *cont.*

Committee	Representative
<i>Food Standards Australia New Zealand (FSANZ) Standard Development/ Implementation Committees/Working Groups:</i>	
- Food Safety Programs for Catering	Catherine Bass
- Poultry	David Miles
- Egg Standards Development Committee	Catherine Bass and Peter Day
- FSANZ Jurisdictional Forum	Bill Porter
- Fortification Technical Advisory Group	Alan Edwards
- Food Surveillance Network	Edward Jansson, Themy Saputra and Victoria Stitt
- Raw Milk Dairy Products Standard Development Committee	Peter Sutherland
- Sprout Products	Catherine Bass
- Meat	David Miles and Peter Day
Standards Australia	
Honorary Member of Council	George Davey
Standards Australia Food Sector Board	George Davey (Chair)
Australia New Zealand Joint Standards Development Board	George Davey
<i>Standards Australia Committees:</i>	
- FT-024 – Food Products	George Davey (Chair)
- FT-024-00-01 – Food Microbiology	George Davey (Chair)
- 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)
Other Standards Committees	
Australia New Zealand Dairy Authorities Standards Committee	Peter Sutherland and Anne McIntosh
Australian Institute of Food Science and Technology	
Australian Institute of Food Science and Technology – National Council	David Cusack (also Chair of NSW Branch)
Australian Institute of Food Science and Technology – Food Microbiology Group	Edward Jansson and Rod McCarthy
Australian Institute of Food Science and Technology – Technical Committee for the 41st Annual AIFST Convention	David Miles and David Cusack (Convention Chair)
Other National Committees/Forums	
Australian Food and Grocery Council Allergen Labelling Forum	Bill Porter/Bruce Nelan
Australian Shellfish Quality Assurance Advisory Committee	Anthony Zammit (Chair)
Industry Compliance Committee of Australian Fruit Juice Association	Bill Porter
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 and Lisa Szabo
Food Safety Information Council	Craig Morony
Public Health Nutrition Standards	Bill Porter and Janine Cull
Dairy Research Foundation, University of Sydney	George Davey
Australia Academy of Technological Sciences and Engineering, Crawford Fund	George Davey
National Measurement Institute Food Sector Advisory Committee	Edward Jansson
Complementary Healthcare Council of Australia – Complaints Resolution Committee	Michael Apollonov

STATE COMMITTEES	
Committee	Representative
Industry Consultative Committees	
Meat Industry Consultative Council	George Davey/Alan Coutts
NSW Dairy Industry Conference	George Davey/Alan Coutts
NSW Seafood Industry Conference	George Davey/Alan Coutts
NSW Shellfish Committee	Anthony Zammit
Peak Oyster Associations Group (POAG)	George Davey/Peter Sutherland and Anthony Zammit
Poultry and Egg Industries Committee	George Davey/Alan Coutts
NSW Meat Chemical Residue Consultative Committee	Peter Day
Milk Marketing (NSW) Pty Limited	George Davey (Chair)
Seafood Industry Advisory Committee	George Davey/Alan Coutts
Interagency Committees	
Food Regulation Partnership Steering Committee	Craig Sahlin (Chair)
Food Regulation Forum	Peter Day, Craig Sahlin and Peter Sutherland
Interagency Working Group on Pesticide Management	Craig Sahlin, Jenine Ryle, Greg Vakaci and Edward Jansson
NSW Health/Food Authority Strategic Liaison Group	Bill Porter (Co-chair)
NSW Primary Industries/Food Authority Strategic Liaison Group	Craig Sahlin
FA/DAL Service Level Agreement Management Committee	Lisa Szabo, Peter Day and Edward Jansson
FA/DAL Operations Committee	Edward Jansson, Craig Shadbolt, Vicki Stitt and Themy Saputra
State Algal Advisory Group	Bruce Nelan
Other State Committees	
NSW Health Anaphylaxis Working Party	Bill Porter/Bruce Nelan
NSW Population Health Healthy Weight Network	Craig Morony
Kalang River Working Group	Anthony Zammit
Seafood Industry Advisory Committee	Alan Coutts

PRESENTATION REGISTER		
Conference/Meeting	Presentation title	Representative
June 2009		
Allergen Bureau/FACTA	Allergen Standards	Bill Porter
International Conference on Molluscan Shellfish Safety	Remediation of Shellfish Harvest Areas	Anthony Zammit
International Conference on Molluscan Shellfish Safety	Bid to Host the ICMSS in Sydney in 2013	Anthony Zammit (& Catherine McLeod, SARDI)
University of Sydney, Nutrition Faculty – lecture	Food Microbiology and Food Safety	David Miles
May 2009		
Food & Beverage workshop for Department of State & Regional Development	Food Authority overview	Christine Turney
NZ Food Safety Authority Delegation	Overviews of food standards compliance activities, complaints process & system, and offence registers initiative	David Hook, Anne McIntosh, Corey Stoneham, Craig Morony
NSW Organic Ministerial Advisory Council	Update on the Draft Australian Standard for Organic and Bio-Dynamic Products	Craig Sahlin

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PRESENTATION REGISTER *cont.*

Conference/Meeting	Presentation title	Representative
April 2009		
CIA Workshop		Michael Apollonov
Sprout SDAC	How NSW regulates sprout processors	Catherine Bass
Central West Food Surveillance Group	FBI Case Study	Corey Stoneham
March 2009		
University of Western Sydney – Food Safety lecture	Food Regulatory Role and Food Safety	Josie Rizzo
North West Food Surveillance Group	FBI Case Study	Corey Stoneham
Food Regulation Forum	Public Register of Offences – Update	Corey Stoneham
Retail and Food Service Advisory Group	Public Register of Offences	Corey Stoneham
South African Limpopo Delegation	Overview of the NSW Food Authority and its Compliance Investigation and Enforcement Activities	Kelly Collins, David Hook
Food Microbiology Conference	Case study in co-regulation: shellfish	Lisa Szabo
UWS – presentation to Environmental Practice students	The NSW Food Authority (Food Regulation Partnership) Scholarship in Environmental Health	Josie Rizzo
Murrumbidgee Regional Food Surveillance Group	FBI Case Study	Corey Stoneham
Murray Regional Food Surveillance Group	FBI Case Study	Corey Stoneham
Country Women's Association of NSW Agricultural and Environmental Seminar	Quality Assurance for the NSW Oyster Industry	Anthony Zammit
Nutrition Society of Australia	Trans fats and the Australian Food Supply	Lisa Szabo
New EHO Network	Labelling Workshop	Corey Stoneham
Mid North Coast Food Surveillance Group	FBI Case Study	Corey Stoneham
Northern Rivers Food Surveillance Group	FBI Case Study	Corey Stoneham
Lake Macquarie City Council – Forum	Food Regulation in NSW	Josie Rizzo
February 2009		
Papua New Guinea Delegation (hosted by Peter Sutherland)	Program Development and Evaluation at the Food Authority	Catherine Bass
DAFF delegation from the Thailand Department of Fisheries	Overview of the NSW Shellfish Program	Anthony Zammit
January 2009		
Shanghai University Delegation	Overview of Compliance Investigation and Enforcement Activities	Paul Crick
November 2008		
Hospitality Teachers Briefing	Food Safety Basics, Graduated Enforcement Policy, Food Legislation History	Mark Mackie
World Health Organisation – Pacific Food Safety and Quality Legislation Expert Group	Building fisheries product auditing capacity in the Pacific	Peter Day
October 2008		
South Western Sydney TAFE – Hospitality Teachers Briefing	Food Safety Basics, Graduated Enforcement Policy, Food Legislation History	Mark Mackie
Dairy Performance Assessment Project Technical Working Group	The Food Authority's Evaluation Framework	Catherine Bass
AIFST Innovation Network seminar	Issues surrounding the development by Standards Australia of a national Australian Standard for organic and bio-dynamic products	Craig Sahlin
Seminar – NSW Food Authority Requirements	NSW Food Safety Scheme for Vulnerable Persons	Angie Antzoulatos

PRESENTATION REGISTER <i>cont.</i>		
Conference/Meeting	Presentation title	Representative
October 2008 <i>cont.</i>		
KU Long Day Care Directors Meeting	Update Implementation of Standard 3.3.1 for Children's Services in NSW	Angie Antzoulatos
September 2008		
University of Sydney, Vet Faculty – lecture	Practical food safety in the meat industry	David Miles
NZFSA Conference	Changing the regulatory environment	George Davey
AFGC Committee on Health Nutrition and Scientific Affairs	Public Health Intervention in the Food Supply to Address Population Level Health Outcomes, and the Role of Industry and Government in Regulating the Requirements of Food Composition and Consumer Use	George Davey
August 2008		
University of Sydney, Vet Faculty – lecture	"Part I – Food Safety – an Introduction Part II – Microbiology of food"	David Miles
July 2008		
AIFST conference	NSW Food Authority's Risk Management Approach – Egg & Egg Products Sector	Michelle Keygan
AIFST conference	How do we know food regulation works?	Catherine Bass

CONSULTATIVE REGISTER – Meat Industry Consultative Council						
Member name	Representing	Meetings attended / meetings held	Remuneration	Term start	Term end	Tenure
Terry Charlton	Chairperson	3 of 3	\$171 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Bill Barton	Meat processors (AMIC)	2 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Gary BurrIDGE	Meat processors (AMIC)	0 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Ted Byers	NSW Farmers' Association (Goats)	2 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Kevin Cottrill	Smallgoods producers (AMIC) (Deputy Chairperson)	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Alan Coutts	NSW Food Authority	2 of 2	No payment	18-Nov-08	NA	NA
George Davey	NSW Food Authority	1 of 1*	No payment	12-May-04	18-Nov-08	NA
Kath Evans	Employees	1 of 1	\$104 per half day meeting attended plus travel expenses	Apr-09	NA	NA
Felicity Henderson	State Council of Livestock Health and Pest Authorities	1 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Brian Hickey	Allied industries	2 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Andy Madigan	Livestock agents	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Andrew Martel	NSW Farmers' Association (Sheep)	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Phyllis Miller	Consumers	2 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	NA	NA
Mike Mulligan	Game meat industry	1 of 2 **	\$104 per half day meeting attended plus travel expenses	12-May-08	21-Apr-09	2 years

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CONSULTATIVE REGISTER – Meat Industry Consultative Council *cont.*

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Neil Roberts	Meat retailers (AMIC)	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
Roger Toffolon	NSW DPI	3 of 3	No payment	12-May-08	NA	NAv
Dugald Walker	NSW Farmers' Association (Pigs)	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years
John Warre	NSW Farmers' Association (Cattle)	3 of 3	\$104 per half day meeting attended plus travel expenses	12-May-08	11-May-10	2 years

Notes: * Peter Day attended on behalf of George Davey (23.08.09) ** Mike Mulligan resigned 21.04.09

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	2 of 3	\$207 per meeting attended plus travel expenses	AGM 2007	3-Mar-09	2 years
Tim Burfitt	NSW DPI	4 of 4	No payment	Sep-05	NA	NA
Michael Byrnes	Milk and dairy product processors	4 of 4 *	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Alan Coutts	NSW Food Authority	2 of 2	No payment	18-Nov-08	NA	NA
George Davey	NSW Food Authority	2 of 2	No payment	Sept-05	18-Nov-08	NA
Adrian Drury	Dairy producers (Deputy Chairperson)	4 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Kath Evans	Employees	1 of 1	\$207 per meeting attended plus travel expenses	30-Apr-09	NA	NA
Tristan Harris	Retailers	3 of 4	\$207 per meeting attended plus travel expenses	Feb-08	AGM 2009	NA
Kate James	Dairy producers	2 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Charles Ng	Consumers	3 of 4	\$207 per meeting attended plus travel expenses	Sep-05	NA	NA
Lina Melero	Milk and dairy product processors	2 of 4 **	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Janet Moxey	Dairy producers	3 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Bob Paton	Dairy distributors	4 of 4 ***	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Joe Russo	Milk and dairy product processors	4 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Terry Toohey	Dairy producers	4 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years
Paul Timbs	Dairy producers	3 of 4	\$207 per meeting attended plus travel expenses	AGM 2007	AGM 2009	2 years

Notes: * Ken Garner attended on behalf of Michael Byrnes ** Finnoula Malone-McGrath attended on behalf of Lina Melero (18.08.09)

*** Robert Young (12.02.09) and Col Lawson (26.05.09) attended on behalf of Bob Paton

CONSULTATIVE REGISTER – NSW Seafood Industry Conference

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Hans Heilpern	Chairperson	3 of 3	\$171 per half day meeting attended plus travel expenses	5-May-08	4-May-10	2 years
Geoff Blackburn	Fishing co-operatives	0 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	4-May-10	2 years
Mark Bulley	NSW Farmers' Association (Oyster Committee)	3 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Alan Coutts	NSW Food Authority	2 of 2	No payment	18-Nov-08	NA	NA
George Davey	NSW Food Authority	1 of 1	No payment	5-May-08	18-Nov-08	NA
Norm Grant	Seafood importers	3 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Graeme Hillyard	Commercial fishers	1 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Eric McCarthy	Seafood industry education	1 of 3 *	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Robert B McCormack	Non-shellfish aquaculture	3 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Peter Marczan	Department of Environment and Climate Change	2 of 3 **	No payment	5-May-08	NA	NA
Bryan Skepper	Seafood marketing	3 of 3 ***	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Kerry Strangas	Fish merchants	3 of 3	\$104 per half day meeting attended plus travel expenses	5-May-08	11-May-10	2 years
Vacant	Seafood industry workers	0 of 3	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years
Vacant	Community interests and consumers of seafood	0 of 3	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years
Vacant	Indigenous fishers	0 of 3	\$104 per half day meeting attended plus travel expenses	NA	NA	2 years

Notes: * John Manson attended on behalf of Eric McCarthy (17.06.09) ** Rob Hogan attended on behalf of Peter Marczan (10.02.09)
*** Mark Boulter attended on behalf of Bryan Skepper (10.02.09)

CONSULTATIVE REGISTER – Poultry and Egg Industries Committee

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Bill Sweeney	Chairperson	2 of 3	\$171 per half day meeting attended plus travel expenses	27-Mar-06	NA	NA
Stephen Carroll	Poultry growers	1 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Alan Coutts	NSW Food Authority	2 of 2	No payment	18-Nov-08	NA	NA
George Davey	NSW Food Authority	1 of 1*	No payment	27-Mar-08	18-Nov-08	NA
Joe Damjanovic	Egg producers	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	21-Sept-09	18 months
Andreas Dubs	NSW Chicken Meat Council	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Kath Evans	Employees	1 of 1	\$104 per half day meeting attended plus travel expenses	30-Apr-09	26-Mar-10	2 years
John Houston	Poultry meat processors (Duck)	3 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years

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CONSULTATIVE REGISTER – Poultry and Egg Industries Committee *cont.*

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
James Kellaway	Australian Egg Corporation Ltd	3 of 3**	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Brett Langfield	Egg industry	1 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Margaret MacKenzie	Poultry meat processors	0 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Kevin McBain	Poultry meat processors	3 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Megan McGhie	Poultry meat processors	3 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Charles Ng	Consumers	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Frank Pace	Egg processors	1 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	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	2 of 3	\$104 per half day meeting attended plus travel expenses	27-Mar-08	26-Mar-10	2 years
Ian Roth	NSW DPI	2 of 3	No payment	27-Mar-08	NA	NA
Jorge Ruiz	Poultry meat processors	2 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	27-Mar-08	26-Mar-10	2 years

Notes: * Peter Day attended on behalf of George Davey (15.09.08) ** Jacqueline Baptista attended on behalf of James Kellaway (15.09.08)

CONSULTATIVE REGISTER – NSW Shellfish Committee

Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
John Dawson	Chairperson	3 of 3	\$342 per meeting (\$1026 total) plus travel expenses	22-Oct-07	21-Oct-10	3 years
Anthony Sciacca	Licensed shellfish farmers	2 of 3	\$207 per meeting (\$414 total) plus travel expenses	14-Sep-06	19-Sep-09	3 years
Tony Troup	Licensed shellfish farmers	3 of 3	\$207 per meeting (\$621 total) plus travel expenses	14-Sep-06	19-Sep-09	3 years
Kevin McAsh	Licensed shellfish farmers	3 of 3	\$207 per meeting (\$621 total) plus travel expenses	14-Sep-06	19-Sep-09	3 years
Mark Boulter	Independent expert	3 of 3	Nil	10-Jun-08	10-Jun-11	3 years
Mark Phelps	Licensed wild shellfish collectors (estuarine areas)	3 of 3	\$207 per meeting (\$621 total) plus travel expenses	13-Feb-08	13-Feb-11	3 years
Phil Baker	NSW Food Authority	3 of 3	Nil	11-Jun-08	NA	NA
Anthony Zammit	NSW Shellfish Program (Program Manager)	3 of 3	Nil	2-Sep-05	NA	NA

CONSULTATIVE REGISTER – Food Regulation Forum						
Member name	Representing	Meetings attended/ meetings held	Remuneration	Term start	Term end	Tenure
Phyllis Miller	Chairperson	2 of 2	\$342 per meeting attended plus travel expenses	24-Nov-08	24-Nov-10	2 years
Paul Braybrooks	Local Government Shires Association (LGSA)	2 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Allan Ezzy	Local Government Shires Association (LGSA)	2 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Noel Baum	Local Government Shires Association (LGSA)	1 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Shannon McKiernan	Environmental Health Australia – NSW (EHA)	1 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Andrew Spooner	The Development and Environmental Professionals' Association	2 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Les Green	The Development and Environmental Professionals' Association	2 of 2	No payment	24-Nov-08	24-Nov-10	2 years
John Burgess	Local Government Managers Association (LGMA)	2 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Stephen Davidson	Environmental Health Australia	1 of 2	No payment	24-Nov-08	24-Nov-10	2 years
Corey Stoneham	NSW Food Authority	2 of 2	No payment	25-Nov-08	25-Nov-10	2 years

2008-09 papers published

Katina Karamandis, Stephen J. Corben and Anthony Zammit '2009 NSW Public Health Bulletin', *State Health Publication*

Roberts-Witteveen AR, **Campbell BA**, Merritt TD, Massey PD, **Shadbolt CT**, Durrheim DN 'Egg-associated Salmonella outbreak in an aged care facility, New South Wales, 2008' *Communicable Diseases Intelligence* 2009; 33(1): 49-52

Planning and priorities

PLANNING

Effective planning is at the heart of everything we do. It's what enables the Authority to conduct our business efficiently and help improve food safety standards across the State.

Our operations are guided by our Results and Services Plan, Strategic Plan and Corporate Report.

Results and Services Plan

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

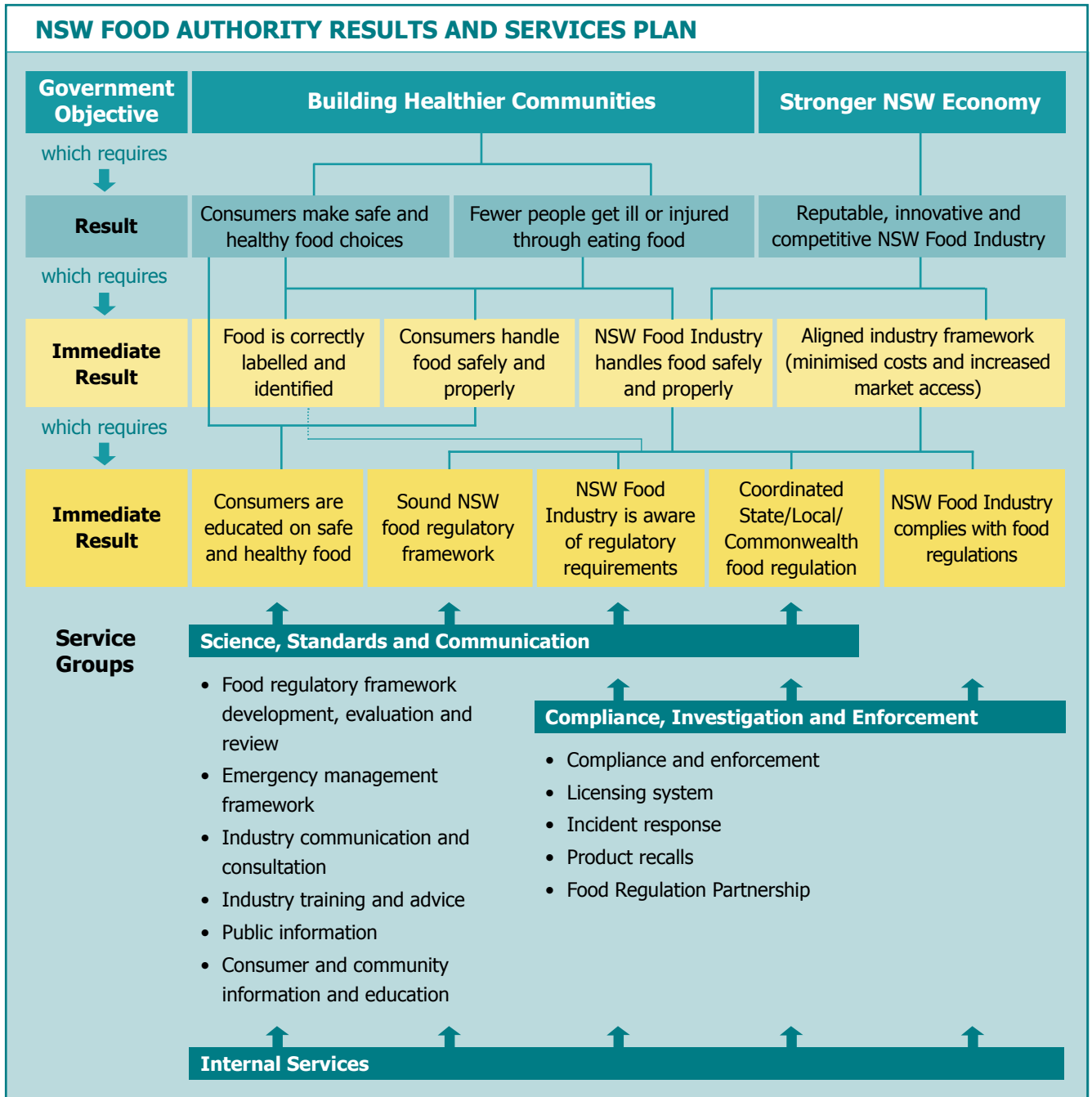
The RSP focuses on our overall vision of reducing foodborne illness while meeting the key objectives of the NSW Government's State Plan – ie building healthier communities and a maintaining a stronger New South Wales economy.

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 2008-09 RSP (see facing page) demonstrates how our three service groups link to these priorities.



“Effective planning is what is enables us to efficiently conduct our business and help improve food safety standards”



“To deliver the strategic plan, we have eight strategic pathways we must action”

Strategic plan

The Authority also has a rolling three-year strategic plan and a corporate plan, each of which is linked to the RSP.

The RSP explains what we do and the strategic plan explains where we are going.

The Authority's current strategic plan (2008-11) identifies eight high-level outcomes, which we seek to achieve by mid-2011.

1. Reduce foodborne illness
2. Have strategies in place for a culture of compliance in the food industry
3. Empower consumers to make safe and healthy food choices
4. Have an effective and nationally aligned NSW regulatory framework
5. Be a trusted source of food information
6. Provide state-of-the-art service delivery
7. Create a sustainable workforce with a knowledge culture
8. Establish a secure and diverse funding framework.

Our strategic plan is reviewed every 90-days by the Executive, project leaders and a cross-section of other staff. Progress is assessed and new 90-day deliverables are set and the plan recalibrated.

Strategic pathways

To deliver the strategic plan, we have eight strategic pathways we must action. These are:

Effectively managing emerging risks

- Proactively detecting emerging risks through effective stakeholder management
- Basing our approach to issues management on risk analysis principles: risk assessment, risk management, risk communication relationships and horizon scanning
- Utilising risk analysis principles to manage known and emerging risks
- Developing plans and protocols to efficiently coordinate resources to manage risks.

Maintaining an effective partnership approach

- Proactively consulting with industry and other stakeholders
- Continuing to build partnerships with local government and approved auditors
- Enhancing partnerships with other government agencies
- Creating a learning organisation that is supported by knowledge management
- Retaining staff through flexible working arrangements, which meet lifecycle needs.

Focusing on sustaining resources

- Linking our workforce development and review framework to the regulatory model
- Repositioning our workforce culture
- Aligning our recruitment, training programs and succession planning with the regulatory model
- Ensuring our infrastructure supports staff roles
- Creating a learning organisation that is supported by knowledge management
- Retaining staff through flexible working arrangements, which meet lifecycle needs.

Building and using science and evidence base

- Ensuring our foodborne illness data analysis informs regulatory process and priorities
- Supporting the regulatory process through current science and best practice
- Conducting a survey program that targets problem areas
- Maximising the use of laboratory services
- Building science partnerships
- Reviewing decisions in light of emerging science
- Being transparent and open in communicating science.



Pursuing a proactive food safety role – nationally and internationally

- Participating actively in national regulatory forums, focussing on areas relevant to 2011 targets
- Participating actively in FSANZ processes
- Coordinating input from relevant New South Wales agencies
- Tapping into Australia's work in international forums
- Enhancing the Authority's network in regional New South Wales.

Embracing technology

- Moving to remote audit and inspection reporting for field staff
- Building internal capacity to provide electronic service delivery to customers
- Keeping abreast of developments within technology sectors to identify opportunities for developing business solutions
- Aligning our technology needs with the NSW Government Information and Communications Technology (ICT) Strategic Plan.

Communicating proactively

- Encouraging open and responsive communications practices
- Communicating changes to the regulatory model to stakeholders
- Ensuring communications meet audience needs
- Sharing issues management outcomes with stakeholders
- Ensuring communications mechanisms are linked and diverse
- Disseminating live information on our website
- Maximising the use of media to deliver key messages.

Actively engaging stakeholders

- Developing, maintaining and enhancing consultative committees for all regulated industry sectors
- Regularly communicating in industry journals, newsletter and forums
- Supporting consultative committees to deliver on their strategic business plans
- Seeking support and assistance from stakeholders in their areas of expertise.

This year was the first operating under our realigned internal structure which saw our seven service groups reduced to three.

- *Science, Standards and Communication*
- *Compliance, Investigation and Enforcement*
- *Internal Services*

The Authority has been operating much more efficiently under this new structure.

“We review our strategic plan every 12 months to ensure we are performing appropriately”

Corporate Report

The corporate report is linked to the RSP and reports monthly on the Result Indicators and Service Measures within the Plan. It informs the Executive on performance against targets set for the Authority's other day-to-day activities in achieving our corporate business objectives.

PRIORITIES

The operation of the Authority is focused around fulfilling 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 contributes to these priorities in the following ways:

1. Building healthier communities

The Authority is responsible for ensuring that food for sale is safe, suitable for human consumption and correctly labelled. This responsibility 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 enabling 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. 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.

Our Results and Services Plan shows four basic (lower-level intermediate) results which link to the Authority's food regulatory responsibilities.

These results are: that the regulatory framework is sound (ie it is science-based and practical); that industry is aware of the regulatory requirements; that industry complies; and that the Authority coordinates with other agencies which have food regulatory responsibilities.

The remaining (basic) result requires that consumers are educated on safe and healthy food. This links into foods being correctly labelled and identified, which ultimately results in consumers making informed food choices.

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. This supports 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.

Meeting the June 2009 milestones

We review our strategic plan every 12 months to ensure we are performing appropriately. Our performance is detailed in the table opposite.

JUNE 2009 MILESTONES	ACHIEVEMENTS AGAINST JUNE 2009 MILESTONES
1. Targeted pathogen reduction intervention strategy development	This project aims to bring together risk profiling, risk management and risk communication into one strategy for the management of <i>Salmonella</i> . By 30 June, 2009, we had developed an internal discussion paper and sought guidance from the NZ Food Safety Authority on its targeted pathogen reduction strategy for <i>Salmonella</i> .
2. Food Regulation 2009 finalised for gazettal	The <i>Food Regulation 2004</i> is being remade in line with NSW State Government policy. Our involvement in this project included the establishment of 10 working groups covering the following areas: governance, policy, consultation and communication, legislation, evaluation, change process, regulation impact statement, manuals, risk assessment, licence fee review & third party audit. As at 30 June, 2009, the risk assessment and evaluation components had been finalised.
3. Knowledge strategy developed and approved	This project was delayed due to resourcing issues.
4. Building a better workplace phase II implemented	<p>Phase II built on existing work by introducing measures to assist staff in the areas of: organisational values, culture, and grievance and bullying in the workplace. The following was achieved during 2008-09:</p> <ul style="list-style-type: none"> • Policies for grievance and bullying and harassment approved by the Executive and implemented on a three-month trial basis. Training will be offered to all staff during October and November 2009. • Our Code of Conduct was updated and an Internal Reporting Policy was tabled for comment with the Joint Consultative Committee. • A communication plan for a values workshop was approved by the Executive. • A 'Methods of Filling Vacant Positions Policy' was drafted. • The second draft of induction procedures was close to being finalised. • The 'HR Delegations Manual' framework was drafted.
5. Regulatory gaps proposal developed	<p>The NSW Food Authority is responsible for assessing the compliance of large manufacturers, packers, distributors, wholesalers and food transport vehicles that are not regulated under the <i>Food Regulation 2004</i> and not providing food directly for sale to the general public. There are more than 550 in this category. To bridge this regulatory gap, we undertook to develop a special compliance and enforcement strategy for this sector.</p> <p>At the end of June 2009, 18 different major food manufacturing groups had been identified and their risk classification determined using the Priority Risk Classification System. The number and spread of these businesses was identified through a survey. Our strategy to manage this issue will feature in our 2009-10 corporate plan.</p>
6. Food Handler Training (FHT) initiative	<p>This food handler training initiative was implemented following an announcement from the Minister in March 2009. He announced that a program requiring all hospitality businesses (such as restaurants, clubs, hotels and takeaways) to have a designated 'food safety supervisor' (FSS) trained in safe food handling, will be implemented from March 2010. Work completed (as at 30 June, 2009) by the Authority in preparation for this new initiative included:</p> <ul style="list-style-type: none"> • Investigating similar food safety supervisor models in Queensland and Victoria. • Conducting in a Food Handler Training pilot program with Auburn Council and the Restaurant and Caterers Association. • Establishing a key Government stakeholder relationship with VETAB (Vocational Education and Training Accreditation Board), the organisation responsible for approving Registered Training Organisations.

People and 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 127 people work for the Authority, using science and new technologies to fulfil our food safety obligations.

During 2008-09, we developed new equal opportunity initiatives (such as the Disability Action Plan), we continued to build a better workplace (by developing new policies and practices), we increased staff salaries and introduced a new dedicated OH&S page on our intranet.

STAFF NUMBERS BY CATEGORY				
Occupation Group	2008-09	2007-08	2006-07	2005-06
Administration	64	47	46	42
Technical/Science/Food Safety Officers	61	68	72	40
Total Staff (non-SES)	125	115	118	113
Senior Executive Service	2	2	1	2
TOTAL STAFF (all)	127			

OUR PEOPLE

Staff numbers and breakdown

As at 30 June 2009, 127 people worked for the NSW Food Authority (125 staff and 2 Senior Executive Service (SES) Officers). *See table above.*

Building a stronger workplace

Our 'Building a Stronger Workplace' project continued this year, with major emphasis placed on policy development through the Joint Consultative Committee (JCC), comprising management and union representatives. The project commenced in 2007 to identify strategies that will help us achieve our desired organisational values and culture. A key feature is to improve equity and transparency in work practices and the allocation of resources.

Committee initiatives during 2008-09 included new policies and procedures on Bullying & Harassment Prevention and Management & Grievance Management.

The JCC is also updating our Code of Conduct and Internal Reporting Policies and Procedures for recommendation to the Executive.

These were nearing final draft stage at the close of 2008-09.

Training and development

Following the 'Skills for Success' foundation learning program for managers conducted during 2006-07, and the 'Structured Leadership' program in 2007-08 (which included a 360-degree feedback process, mentoring and skills training), a series of Executive Workshops were conducted during the year. These dealt with contemporary leadership challenges in the public sector – such as leading and driving organisational change, performance measures and resource planning, and financial management for executives.

Staff salaries

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

This was in line with the new Crown Employees (Public Sector – Salaries 2008) Award, made by the NSW Industrial Commission in October 2008.

The award provides for three 4 per cent wage increases – after 1 July 2008 (retrospectively) and then in 2009 and 2010. The award expires in June 2011.

Equal Employment Opportunity (EEO)

Major EEO policies/programs conducted in 2008-09

During 2008-09, 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 new policies and procedures on Bullying & Harassment Prevention and Management & Grievance Management, and updating the Authority's Code of Conduct and Internal Reporting Procedures.

TRENDS IN THE REPRESENTATION OF EEO GROUPS

% of Total Staff					
EEO Group	Benchmark or target	2006	2007	2008	2009
Women	50%	46%	50%	49%	50%
Aboriginal People & Torres Strait Islander	2%	0.9%	0.8%	0.9%	0.8%
People whose first language was not English	20%	17%	17%	15%	15%
People with a disability	12%	3%	6%	4%	4%
People with a disability requiring work-related adjustment	7%	0%	0%	0%	0%

TRENDS IN THE DISTRIBUTION OF EEO GROUPS

% of Total Staff					
EEO Group	Benchmark or target	2006	2007	2008	2009
Women	100	87	81	90	87
Aboriginal People & Torres Strait Islander	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	98	98	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.

During the year we identified nine staff (6.9 per cent) with a disability and made workplace adjustments for eight (6.2 per cent). This included adjustments to work stations and ergonomic equipment and 'return to work plans' for staff members with a disability (eg working from more convenient locations for short periods).

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.

Statistical information on EEO target groups

As at 30 June 2009, females comprised 50.4 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).

Major EEO policies/programs planned for 2009-10

The Authority's new Disability Action Plan (developed during 2008-09) will be implemented before the end of 2009.

Some key features of the Plan include:

- Establishing a DAP working party that will examine the type of information that can be communicated to people with a disability and how it should be distributed. This may include ASCII format, audio, large print, braille, easy English and pictorial.
- Conducting an audit of the Authority's Newington Head Office to assess its compliance with Australian standards for access and mobility

- Ensuring that public forums are conducted in venues that are accessible to people with a disability
- Liaising with disability groups or peak organisations to explore if people with a disability have a formal connection or interest in the food industry
- Conducting a survey to ascertain the level of disabilities that exist within our staff.

During the five-year life of the plan, we will continue to examine our options for employing people with a disability, including those people requiring a work-related adjustment. This will include reviewing recruitment methods to ensure they are non-discriminatory and accessible, and exploring ways of assisting staff with writing difficulties.

Aboriginal Affairs Committee

An Aboriginal Affairs Committee was formed by the Authority in 2006 and is chaired by the Director-General.



During 2008-09, the Authority continued to explore ways of involving Aboriginal and Torres Strait Islander people in the Authority's 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.

A testing program has been developed which, if implemented, will enable the indigenous community of Twofold Bay (south of Eden) to harvest and sell wild-grown mussels.

Indigenous activities held during the year included a morning tea at Taree in July 2008 to promote awareness amongst staff of issues affecting Aboriginal people during NAIDOC (National Aborigines and Islanders Day Observance Committee) week.

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 six elected staff representatives and five management representatives, including a representative from the Director-General. A secretary/executive officer manages committee business. Elections are conducted every two years.

Key OH&S activities during 2008-09 included:

- The launch of a dedicated OH&S page on our Intranet site (FoodLoops) – providing staff with direct access to policies, procedures, forms, OH&S Committee members' contact details and links to other OH&S related sites
- Monthly OH&S Status Reports – submitted to monthly executive meetings as a standing agenda item
- The establishment of an Audit team which reviewed our OH&S and Injury Management System. The audit was benchmarked against the twelve OH&S Improvement

Standards developed by the Department of Premier and Cabinet. The Authority achieved a rating between 50 per cent and 100 per cent in ten of the twelve standards

- The development of a Bullying & Harassment Prevention and Management Policy & Procedure with the Joint Consultative Committee
- Introduced or updated a further nine policies relating to Occupational Health and Safety (eg a safety procedure for working at the Royal Easter Show).

Staff benefits

Gymnasium

Our gym at head office continued to be well supported throughout the year with 43 staff (33 per cent) becoming members since it opened in June 2008. 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, 40 staff members (31 per cent) received influenza vaccinations. Emergency procedures were in place in case of an outbreak of swine flu.

Executive Officers

Director-General's remuneration and performance

Alan Coutts – Director-General
(from November 2008)

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

Director-General, SES Level 6

Remuneration package: \$292,050 per annum (includes employment benefits of \$13,744.80). Engaged on a five year Contract until November 2013.

Mr Coutts commenced with the Authority on 18 November 2008 – replacing Mr Davey as Director-General. Prior to joining the Authority, Mr Coutts was Deputy Director-General (Mineral Resources) of the NSW Department of Primary Industries.

In his first eight months, Mr Coutts oversaw some major milestones for the Authority. This included the implementation of the new Food Regulation Partnership with local government, updates to the popular 'name and shame' web portal and the commencement of work on the remake of the *Food Regulation 2004* and a new food-handler training program.

The Food Regulation Partnership (FRP) was a major milestone for 2008-09, and one of the most significant pieces of legislation in food regulation in 100 years. It became law on 1 July, 2008, seeing each of the 152 councils in NSW appointed as a food safety enforcement agency under the *Food Act 2003*.

Our popular 'name and shame' website portal was updated this year and now features a list of food businesses around

SENIOR MANAGEMENT FOR 2008-09			
	2008-09	2007-08	2006-07
Total SES	2	2	1
CEO level 6	1	1	1
SES level 4	1	1	-
Female SES	-	-	-

CEO = Chief Executive Officer SES = Senior Executive Service

the state that have received penalty notices or convictions for food breaches. The response to the site has been overwhelming, with traffic to our main website increasing by a record 173 per cent.

Under Mr Coutt's leadership, we also undertook a detailed evaluation of food regulation in the State – as part of the remake of the *Food Regulation 2004*. We consulted widely with stakeholders and it was determined that while the existing regulation is effective, there is room for improvement. The remake is scheduled for completion early in 2010.

The Authority also commenced work this year on a new food-handler training program. This outlines mandatory training requirements to ensure each hospitality business in New South Wales has a designated and appropriately trained 'food safety supervisor' – responsible for implementing safe food handling on the premises. It will become law in 2010.

As a testament to our ongoing rigour in enforcement, we successfully concluded 11 prosecutions in the courts.

George Davey – Director-General
(until November 2008)
B Sc (Hons), M Sc (Food Technology)

Director-General, SES Level 6

Remuneration package: \$284,950 per annum (includes employment benefits of \$17,573.26).

Mr Davey left the Authority on 15 November, 2008 to begin a new role as Deputy Director-General of the NSW Department of Primary Industries. Prior to leaving, he had been Director-General of the NSW Food Authority since its establishment in April 2004. He worked under a performance agreement with the NSW Minister for Primary Industries and a five-year contract of employment which had been in place since 7 July, 2004.

Administration

The Administration Unit provides all of the office accommodation and procurement services for the Authority, as well as reception and executive support. Of the Authority's 127 staff, 105 are located in the head office in Newington, with 22 working from regional locations across New South Wales. There are eight regional offices, most of which share space with the NSW Department of Primary Industries. The Authority owns and maintains the Newington head office, near Sydney Olympic Park.

SYSTEMS

Information Management

Information management is critical to the Authority's ability to regulate the 55,000 food businesses across New South Wales.

To effectively manage our data requirements we have a relational database system called BYTE. It is used to manage licensing, audit and inspection data for more than 14,000 licensed businesses.

During the year, several projects were undertaken to enhance the Authority's business systems.

These improvements contributed to an ongoing works program which:

- manages interactions with the remaining 42,000 food businesses in NSW
- manages enforcement activity for all food businesses
- enables transition to the Food Regulation Partnership
- enables transition to a Third Party Audit program
- improves internal management of, and access to, information
- provides the IT infrastructure to support and manage electronic information service delivery; wireless access for auditors; and access for local government and private sector auditors.

Financial Management

Financial Operations

The Finance Section 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.

The role and functions performed in relation to financial management 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 section also does statutory, management and industry reporting and management of taxation issues, as well as undertaking accounts payable and receivable functions.

A key focus of the Authority in relation to financial management and sustainability into the future is the establishment of a secure, appropriate and sustainable funding base. Other areas of focus include improving the efficiency and effectiveness of financial and purchasing processes through continuous process review and improvement. With a view to catering for significant increases in the Authority's licensee stakeholder numbers, we are also focusing on further implementation of electronic service delivery and related technology.

The Authority has a Corporate Risk Management Plan and treatment plans for all significant risks identified – based on Australian Risk Management Standard AS/NZS 4360:2004. The Corporate Risk Management Plan and treatment plans are regularly reviewed by the Risk Management Committee and updated as appropriate. The purpose of the plan 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
- establish a corporate risk register
- 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.

Asset management

At 30 June, 2009, the Authority's capital asset base totalled \$10.3 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, Property Management sections undertake certain asset management functions in relation to the Authority's assets, including management of its properties and its 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 – meets to review national and international developments and to recommend action in relation to those developments.

The IMAG chair reports outcomes and recommended actions to the Executive, which allows it to respond quickly and effectively to current and emerging strategic issues.

Key issues discussed at IMAG during 2008-09 included:

- The ongoing management of the Authority's 'name and shame' initiative
- The Authority's management and response to the international intentional contamination of food products with melamine
- A comprehensive review of international and national management strategies in relation to trans fatty acids in food, food colours and Bisphenol A
- Ongoing implementation of 'Operation Trident', a NSW Government cross-agency initiative involving the Food Authority, DPI and NSW Police, which aims to

reduce the level of oyster thefts from NSW oyster farmer's leases.

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

Issues the network discussed included:

- Collaborative research opportunities
- Developing a decision tree for choosing analytical methods
- Scientific input into issues management – such as the detection of melamine in imported milk-based products
- Reviewing action taken following foodborne illness investigations
- Reviewing and recommending action as a result of data gathered for Authority surveys
- Undertaking a risk assessment to support the remaking of food regulation in NSW.

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 are provided with accurate and appropriate advice and information on food regulatory issues.

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 its 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.

2008-09 legislative changes

During 2008-09 the following changes were made to the Authority's legislation:

Food Regulation 2004

1. On 18 August, 2008 *Food Regulation 2004* was amended by Food Amendment (Vulnerable Persons Food Safety Scheme) Regulation 2008. This amendment created a



new food safety scheme known as the "Vulnerable Persons Food Safety Scheme". It also created a new class of food business known as a "vulnerable persons food business" to mean a business to which Standard 3.3.1 of the Food Standards Code applied from its commencement on 5 October, 2008.

Under Standard 3.3.1, a food business that engages in certain activities in relation to the processing or serving of food for, or within, an acute care hospital, a psychiatric hospital, a nursing home for the aged, a hospice, a same day establishment for chemotherapy and renal dialysis service, a respite care establishment for the aged, a same-day aged care establishment, or a low care aged care establishment is required to develop and implement a food safety program and subject it to audit by an approved auditor.

Further, a food business that is a delivered meals organisation that engages in certain activities in relation to the processing of food is also required to develop and implement a food safety program and subject it to audit by an approved auditor.

The regulation requires a "vulnerable persons food business" to be licensed with the NSW Food Authority.

2. On 31 October, 2008 *Food Regulation 2004* was amended by Food Amendment (Dairy and Meat Food

Safety Schemes) Regulation 2008. This amendment updated certain references to the *Food Standard Code* in the Dairy Food Safety Scheme and certain references to the Australian Standards in the Meat Food Safety Scheme and also removed the references to "goat's cream" in the exemption to the requirement for pasteurisation in the Dairy Food Safety Scheme.

3. On 26 June, 2009 *Food Regulation 2004* was amended by Food Amendment (Food Authority Maximum Amount and Application Fee) Regulation 2009. This amendment prescribes a formula for calculating the "maximum amount" of penalties and fines to be retained by the Authority, and prescribes a fee in the sum of \$55 for applications for changes to a Register of offences or Register of information about penalty notices (the 'name and shame' registers).

Meat Industry Act 1978

On 10 December, 2008, the *Rural Lands Protection Act 1998* was amended by *Rural Lands Protection Amendment Act 2008*. Of relevance to the Authority, the *Meat Industry Act 1978* was consequentially amended (from 1 January, 2009) to remove references to Rural Lands Protection Boards and replace it with references to Livestock Health and Pest Authorities and, from 1 January, 2010, omit the method for the calculation of

Food Regulation 2004 remake

During 2008-09, work began on the remake of the Food Regulation 2004. The regulation sets minimum standards for food safety for all meat, dairy, seafood and plant products businesses and businesses that prepare food for vulnerable persons in NSW. It must be remade every five years, as part of the NSW Government's automatic staged repeal process to ensure regulations remain relevant. To provide evidence for the remake process, the Authority consulted widely with consumers, industry and other stakeholders.

the meat industry levy from the Act and replace it with a clause stating that the sum is to be calculated in a manner prescribed by the regulations. The maximum sum payable for the levy will be prescribed as \$130 (which is the current prescribed maximum), or such other amount as may be prescribed.

Statutory reporting

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 2009-10.



Milk Marketing (NSW) Pty Limited

Milk Marketing (NSW) is a controlled entity of the NSW Food Authority. The board of the company comprises George Davey, Deputy Director-General Primary Industries, Industry & Investment NSW (Chair), Robert Grey, representing the dairy industry and Peter Sutherland, representing the Authority.

The company's funds are to be 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.

Through its liaison with the International Dairy Federation and other international contacts, Milk Marketing (NSW) is now part of an international network. The company receives regular reports on emerging issues, which may have an effect on the New South Wales dairy industry. It develops strategies for the management of issues and crises, such as the experiences in the UK with Bovine spongiform encephalopathy, foot and mouth disease, mycobacterium paratuberculosis, enterobacter sakazakii as well as issues such as A2 milk, obesity, animal welfare and climate change.

The company has developed systems for disseminating information on emerging issues to stakeholders and opinion leaders and will significantly enhance its website next year to improve information dissemination.

Response to significant matters raised in the statutory audit report of the Audit Office of NSW

Milk Marketing (NSW) Pty Ltd is a controlled entity of the NSW Food Authority. As a controlled entity the company undertakes a range of activities that are in line with the interests of the NSW dairy industry. Post dairy deregulation, available funds are utilised for the benefit of the New South Wales dairy industry to deal with emerging issues, information exchange and crisis management.

The company's activities are considered an adjunct to the core food regulatory and food safety responsibilities of the NSW Food Authority. Additionally the operational separation of promotional and regulatory functions removes the potential for conflicts of interest.

In line with the recommendation of the Audit Office of NSW the company will institute a review of its constitution regarding the relevance of its stated objectives and functions and to clarify its role in the current environment.

George R. Davey

Chairman, Milk Marketing (NSW) Pty Limited

Some examples of the notable activities Milk Marketing (NSW) organised or participated in during the year were:

- Sponsorship of the Dairy Industry of Australia (NSW Division) Annual Conference Sponsorship Dairy Products competition (Dairy Product Innovation Award).

- Continued board membership and financial sponsorship for the Dairy Research Foundation, University of Sydney and the Chair of Dairy Science.
- Hosted two meetings in Sydney with visiting representatives from the Global Dairy Platform and Dairy Marketing Inc., both based in Chicago USA. The first meeting was on nutrient profiling and dairy products. The second meeting was on environmental sustainability.
- Co-sponsored with Dairy Industry Association of Australia (NSW Division) a technical seminar on functional dairy foods, bioactives and dairy nutrition with Professor Bruce German, University of California, USA.
- Hosted Mr Michael Lambert, UK Dairy Industry, for a meeting with NSW dairy industry leaders on the current situation of UK and EU dairy prices and future outlook as the world economic crisis began to take hold.
- Hosted Mr Neil Willman, Chief Dairy Judge, NSW Royal Agricultural Society, for a seminar on innovation in dairy manufacture, cheese making and the quality of dairy products produced in Australia.
- Contracted Ms Jan Todd, Industrial and Science Historian, to undertake research and writing of the history of the NSW dairy industry around deregulation. A steering committee from the dairy industry was established to oversee the project.

- Provided information from the international dairy community activities and news to the NSW dairy industry via email circulation.
- Continued a watching brief on the status of the bacterium *Mycobacterium paratuberculosis* in the dairy industry and provided updates to the industry. The Scientific Committee of the Food Safety Authority of Ireland released a formal review of research and opinion on *Mycobacterium paratuberculosis* and the possible links to Crohn's disease in May 2009. This is a follow up on an initial report published in 2000. The Committee concluded that "the balance of available evidence does not support a causal relationship between Map and the incidence of Crohn's disease."
- Chair attended the IDF World Dairy Summit in Mexico City, chairing a meeting of the IDF Standing Committee on Marketing, participating in the IMP group meeting, chairing the opening session of the IDF Marketing Conference and attending as a representative of the Australian National Committee of IDF at the IDF Forum and General Assembly. The Chair also attended the Annual General meeting of Global Dairy Platform. The Chair was also nominated by the Australian National Committee for the position of IDF President. The subsequent election saw Mr Richard Doyle, of Canada, elected IDF President.
- The Chair attended the IDF Standing Committee on Marketing and the

IMP group meeting held in Norway in June 2009.

- The Chair presented an invited keynote speech on a marketing case study at a seminar on agri-marketing held by the University of Ulster, School of Management in June 2009.
- The Chair received letters from the Chair, NSW Dairy Industry Conference, the Chair, Dairy Committee, NSW Farmers Association and Secretary, AMVA expressing support for his continuing involvement in the IDF for the benefit of the NSW dairy industry.
- Agreement made to significantly enhance and upgrade the Milk Marketing (NSW) website and domain. The proposal will see Milk Marketing (NSW) have its own domain name for easier access and create a more user-friendly resource portal for industry.
- Milk Marketing Chair, Mr George Davey, was awarded life membership of the DIAA for services to the DIAA.
- The Board appointed Mr Peter Sutherland as a Director in April 2009.

Consultants

Details of consultants costing \$30,000 or more: one Consultants engaged for less than \$30,000: seven were engaged at a total cost of \$116,128.

Guarantee of service

The Authority has established internal control processes designed to ensure the achievement of its objectives. The internal audit and risk management

committee conducts a review program to assess these controls. The Authority is committed to delivering appropriate, effective and quality services to its stakeholders.

Overseas travel by Authority staff in 2008-09

Craig Sahlin (9-12 August 2008) to New Zealand to participate in an industry stakeholder meeting and present the strategic planning segment of the NZ Food Regulation stakeholder forum. *Funding source – 10 & 11 August paid by NZFSA. Accommodation and incidentals on 9 August paid by C. Sahlin*

George Davey, Peter Day and Liz Coombs (13-15 August 2008) to New Zealand to visit agencies in different jurisdictions to obtain information as part of the licence fee review and remake of NSW Regulation 2004. *Funding source – NSW Food Authority*

Phil Bird (15-19 September 2008) to New Zealand to present at the NZ Food Safety Authority (NZFSA) annual conference on the Food Regulation Partnership. *Funding source – NZFSA*

Marianne Tegel and Janine Curll (16-19 September 2008) to New Zealand to attend the by NZ Food Safety Authority annual conference and to meet with NZFSA discussions on food regulatory programs and food incident management. *Funding source – NSW Food Authority*

George Davey (16-19 September 2008) to New Zealand to present at the New Zealand Food Safety Authority annual conference. *Funding source – NSW Food Authority*

George Davey (23-30 September 2008) to China to meet with the World Health Organisation (WHO) to establish a China National University of Food Safety; to attend an international food safety and quality conference in Beijing; to meet with the Beijing Food Safety Administration and to attend a meeting with Shanghai Municipal Food and Drug Administration to discuss safety for Shanghai 2010 World Expo. *Funding source – NSW Food Authority*

Craig Shadbolt (16-18 November 2008) to New Zealand to participate in a NZFSA foodborne pathogen reduction meeting and a NZFSA meeting on a strategy for performance monitoring of industry reduction of foodborne pathogens. *Funding source – NSW Food Authority*

Deborah Brookfield (26-29 November 2008) to New Zealand to attend Australia and New Zealand School of Government (ANZSOG) Executive Masters of Public Administration (EMPA) program and visit NZFSA. *Funding source – NSW Food Authority*

Peter Sutherland (9-14 March 2009) to Canada to participate in a conference regarding a new approach to food safety: integrated chain management for food safety from the farm to the consumer's plate; and to attend meetings with Canadian Milk and dairy products regulators – Health Canada and Canadian Inspection Agency. *Funding source – NSW Dairy Industry Conference*

Christine Tumney and Paul Crick (10-12 March 2009) to Lord Howe Island to inspect and review primary

production food businesses that may require a NSW Food Authority licence to operate and to meet with the Lord Howe Island Board CEO to discuss legislative requirements and the outcome of inspections. *Funding source – NSW Food Authority*

Alan Coutts and Peter Day (11-16 May 2009) to Thailand to participate in an industry study tour of the Thailand prawn industry. *Funding source – Thai Government*

Anthony Zammit (11-22 June 2009) to France to attend the 7th International Conference on Molluscan Shellfish Safety. *Funding source – NSW Food Authority*

Risk management and insurance activities

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

The Authority is also provided certain protection under the *NSW Food Act 2003* under certain circumstances as provided in the Act. It is also committed to using risk management principles to minimise risk exposure and premium costs. The management of risk has been a key consideration in the development of the Authority's strategic plan and issues management is carried out as part of its routine operations.

In 2007, the Authority implemented its 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, to ensure that critical business functions can continue during and after a disaster, minimising disruption of services to the public.

Ethnic Affairs Priorities Statement

This statement confirms the Authority's ongoing commitment to the NSW 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.

Ethnic Affairs Action Plan

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

Strategy/Action Report

The Authority is required to report on its action plan triennially because it is a 'small agency' – as defined in the Annual Reports (Departments) Amendment Regulation 2007 and the Annual Reports (Statutory Bodies) Amendment Regulation 2007. See report on page 75.

The Authority has established a core set of community languages for translation of its 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

The NSW Food Authority Annual Report 2008-09 cost \$21,900 + GST to produce 250 printed copies. This report is available for free download from www.foodauthority.nsw.gov.au.

Freedom of Information (FOI)

All the Authority's 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 our offices. Some documents are free, while larger manuals incur a fee. Information about these policy documents can be obtained through the Authority's Consumer and Industry Helpline.

Phone: 1300 552 406

Fax: (02) 9647 0026

Hours: Weekdays 8:30am to 5:30pm

Email: contact@foodauthority.nsw.gov.au

A request to access documents or amend a record concerning an individual's personal affairs may be made by completing the application form which is found on the website www.premiers.nsw.gov.au. The form,

together with a cheque or money order covering the appropriate application fee, should be submitted to:

The FOI Officer, NSW Food Authority, PO Box 6682, Silverwater NSW 1811

Applications will be assessed in accordance with the provisions of the FOI Act.

During 2008-09, the Authority received 10 new requests for documents under the FOI Act, compared with nine in 2007-08. There were no applications carried over from the 2007-08 reporting period. Of the nine requests completed, five were granted in full. Two applications were withdrawn, one was transferred to another agency and one was refused as a result of processing fees incurred not being paid.

The trend of increasing media requests for information under the FOI Act, identified in the 2007-08 Annual Report, was evident again in 2008-09. Applications lodged by media organisations accounted for 60 per cent of all applications received during the reporting period.

The Authority received no applications for an internal review of a FOI determination in the reporting period, nor were there any appeals to the Office of the Ombudsman finalised in the reporting period. There was one appeal to the Administrative Appeals Tribunal finalised in this period.

The appeal to the Administrative Decisions Tribunal related to an application received in 2007-08. A third party to an application had objected to a determination which

ETHNIC AFFAIRS STRATEGY AND ACTION REPORT 2008-09

STRATEGY	2008-09 ACTIONS	2009-10 TARGETTED ACTIONS
Identify ethnic groups within each industry that has a food safety scheme in place and determine the best way to manage specific food safety risks.	<ol style="list-style-type: none"> 1. 3-yearly risk assessments of all food safety schemes conducted as part of Regulation Remake project. 2. Membership of Industry Consultative Committees span a diverse range of cultural backgrounds. 3. NSW Seafood Industry Conference includes a position designated for a member with an indigenous background. 	<ol style="list-style-type: none"> 1. Food safety risk management for ethnic groups within industries kept under review. 2. Diverse backgrounds for membership of Industry Consultative Committees maintained. 3. Position on the Seafood Industry Conference designated for a member with an indigenous background maintained.
Take ethnic/traditional methods of food preparation into account when considering risk management options for particular food products and make industry resources available in appropriate languages.	<ol style="list-style-type: none"> 1. A survey on the usefulness of guidelines issued for seafood retailers was made available via the Authority's website throughout the year in Chinese and Vietnamese. The guidelines were also translated. 2. Currently available translated industry guidelines and fact sheets cover: <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). 3. Navigation to resources on website in Chinese and Vietnamese possible wholly in those languages. 	<ol style="list-style-type: none"> 1. Keep methods of food preparation under review. 2. Need for translations of new materials kept under review. 3. Navigation paths to translated industry content on website to be available entirely within the relevant language for further languages.
Provide access to an interpreter service for the Consumer and Industry Helpline.	<ol style="list-style-type: none"> 1. 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. 2. Two staff are currently accredited in speaking languages other than English and receive a Community Language Allowance Scheme (CLAS) allowance. 	<ol style="list-style-type: none"> 1. Availability and use of interpreter service to be kept under review. 2. Authority Helpline and field staff utilise the same service when they wish to communicate with non-English speakers. 3. Staff with suitable language skills encouraged to seek accreditation under CLAS, and utilise staff for translations and interpreting.
Target ethnic media with relevant press releases, including through the Community Relations Commission's ethnic media contacts.	<ol style="list-style-type: none"> 1. Each month the Authority provides the <i>Australian Chinese Daily</i> with food safety information on topical food issues, which the publication translates for its readers. 	<ol style="list-style-type: none"> 1. Distribution of press releases to ethnic media and specific publications to be kept under review.
Take the needs of people from culturally and linguistically diverse backgrounds into account when developing consumer information and education program proposals.	<ol style="list-style-type: none"> 1. Translated consumer resources include: <ul style="list-style-type: none"> • allergy and pregnancy information, major initiatives for the Authority (in designated community languages) • borax (Chinese, Vietnamese) • complaints handling (in designated community languages) • raw meat, safe eating (Arabic) • recreational harvest of shellfish (Chinese, Vietnamese). 2. Navigation paths to Chinese and Vietnamese consumer content on website available entirely within each language. 	<ol style="list-style-type: none"> 1. To be kept under ongoing review. 2. Navigation paths to translated consumer content on website to be built entirely within the relevant language for further languages.

granted the applicant access to documents. The third party believed that the release of the documents involved an 'unreasonable disclosure' of their business affairs. The original determination to release the documents was upheld in a subsequent internal review and appeal to the Office of The Ombudsman. The third party subsequently appealed to the Administrative Decisions Tribunal. However, before the Tribunal heard the matter the appeal was withdrawn. Consequently, the disputed documents were released to the applicant.

No applications were received for the amendment or notation of records, nor were any Ministerial certificates issued. The Authority met all requests within the time limits prescribed by the *FOI Act*.

Privacy management

The *NSW Food Act 2003* imposes particular obligations on officers of the NSW Food Authority in relation to the non-disclosure of certain confidential information obtained by them in the course of their duties.

Further, in the collection, disclosure and use of personal information the Authority is governed by the provisions of the *Privacy and Personal Information Act 1998* and, if the personal information contains information or an opinion about an individual's health or disability, then the provisions of the *Health Records and Information Privacy Act 2002* also apply.

During 2008-09, the Authority's Executive signed off on a plan to update the Authority's Privacy Management Plan, taking into account

recommendations by a privacy consultant and adding provisions regarding new functions of the Authority (such as the 'name and shame' web portal) and future developments (such as the use of third-party auditors and food handler training).

Energy performance

Corporate commitment

The NSW Food Authority is committed to minimising its 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 its vehicle fleet.

To encourage staff to reduce energy use and reinforce sustainability, they are sent regular emails and are updated on environmental promotions via our Sustainability intranet page.

Future Direction

The Energy Management Plan includes the NSW Food 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.

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 percent 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.

Glossary



AFSC	Australian Food Standards Committee
ANZFA	Australia New Zealand Food Authority
ANZF AAC	Australia New Zealand Food Authority Advisory Committee
ANZFSC	Australia New Zealand Food Standards Council
AQIS	Australian Quarantine Inspection Service
COAG	Council of Australian Governments
CRC	Cooperative Research Centre
FBI Unit	Foodborne Illness Investigation Unit of the NSW Food Authority
FRP	Food Regulation Partnership
FRSC	Food Regulation Standing Committee – an advisory group of the Australia and New Zealand Food Regulation Ministerial Council
FSANZ	Food Standards Australia New Zealand
FSC	Food Standards Code Australian
GM	Genetically Modified
HACC	Home and Community Care
HACCP	Hazard Analysis Critical Control Point
ISC	Implementation Sub-Committee of the Food Regulation Standing Committee
NAFSIS	National Food Information System
NFSC	National Food Standards Council
NSFWG	National Safe Food Working Group
OH&S	Occupational Health and Safety
PIN	Penalty Infringement Notice
SDAC	Standards Development Advisory Committee of Food Standards Australia New Zealand (see FSANZ)

Financial information 2008-09



Financial Summary 2008/09

NSW Food Authority and Consolidated Economic Entity Income and Expenditure

NSW Food Authority Income and Expenditure

Income for the period ended 30 June 2009 was \$21.0 million. Major sources of income included:

- \$11.7 million in grants and contributions from government toward food regulatory activities, policy and standard setting, enforcement, overhead, program development costs of the Food Authority and continued implementation of the Food Regulation Partnership model with local government,
- \$6.1 million in industry levies and license fees charged by the Food Authority,
- \$1.2 million from fees for audit and inspection services performed,
- \$0.9 million in interest earned on cash deposits, and
- \$0.3 million in fines and penalties collected, and
- \$0.8 million from the supply of miscellaneous goods and services.

Operating expenditure for the period was \$33.0 million. Major expenditure items included:

- \$24 million incurred for personnel services, \$11.7 million of which related to an expense recognised for devaluation of superannuation deposits,
- other operating expenses of \$7.5 million,
- \$0.7 million in depreciation and amortisation of non-current assets of the Food Authority,
- \$0.4 million in grants paid including most of which was paid to the shellfish industry for shellfish program costs,
- \$0.2 million in maintenance expenses, and
- \$0.2 million recognised as losses on the disposal of plant, equipment and furniture.

The operating deficit was \$12.0 million and was chiefly the result of the large superannuation expense referred to above.

Economic Entity Consolidated Income and Expenditure

The consolidated financial statements comprise the financial statements of the NSW Food Authority, being the chief entity, and its controlled entities, the Office of the NSW Food Authority, Milk Marketing (NSW) Pty Limited and Pacific Industry Services Corporation Pty Limited. The NSW Food Authority owns 100% of the issued share capital of Milk Marketing (NSW) Pty Limited and Pacific Industry Services Corporation Pty Limited.

The consolidated income of the entity for the period ended 30 June 2009 was \$22.2 million and the consolidated expenditure was \$21.5 million, resulting in an operating surplus of \$0.7 million.

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 Reports consisting of the Balance Sheets, Income Statements, Statements of Recognised Income and Expense, Cash Flow Statements 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 2009 exhibit a true and fair view of the financial position and transactions of the economic entity and NSW Food Authority.
2. The Consolidated Financial Reports 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 2005*, and the Treasurer's Directions. The consolidated and parent entity financial reports also complies with International Financial Reporting Standards.
3. Further, I am not aware of any circumstances which would render any particulars included in the Consolidated Reports to be misleading or inaccurate.



Alan Coutts
Chief Executive Officer

20 October 2009



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 report of the NSW Food Authority (the Authority), which comprises the balance sheets as at 30 June 2009, the income statements, statements of recognised income and expense and cash flow statements 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 report:

- presents fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2009, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

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

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report 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 report that is 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 report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 report.

I believe that 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, and
- 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 2009
SYDNEY

NSW FOOD AUTHORITY

ABN 47 080 404 416

Income Statement for the Year Ended 30 June 2009

	Notes	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Revenue from continuing operations					
Industry levies and licence fees	2	6,142	5,602	6,142	5,602
Grants and contributions	3	11,747	11,462	11,747	11,462
Miscellaneous income and fees for services	4	2,390	1,510	2,353	1,411
Investment revenue	5	909	1,145	860	1,068
Increment/(decrement) on revaluation of non-current investment		1,032	1,434	(92)	(55)
Total revenue from continuing operations		22,220	21,153	21,010	19,488
Expenses from continuing operations					
Employee related expenses	7	12,373	12,260	-	-
Personnel services	7	-	-	24,049	12,260
Other operating expenses	8	7,616	7,086	7,438	6,861
Maintenance		172	227	172	227
Depreciation and amortisation	9	714	644	714	644
Grants and subsidies		438	513	438	507
Loss on disposal of plant, equipment and furniture	6	216	74	216	74
Total expenses from continuing operations		21,529	20,804	33,027	20,573
Net surplus(deficit) from continuing operations	19	691	349	(12,017)	(1,085)

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

NSW FOOD AUTHORITY

ABN 47 080 404 416

Balance Sheet as at 30 June 2009

	Notes	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
ASSETS					
Current Assets					
Cash and Cash Equivalents	10	11,821	12,736	7,187	8,058
Receivables	11	1,197	1,400	1,238	1,338
Total Current Assets		13,018	14,136	8,425	9,396
Non-Current Assets					
Property, Plant and Equipment					
- Land and Buildings	12	6,087	6,271	6,087	6,271
- Plant and Equipment	12	2,047	1,986	2,047	1,986
Total Property, Plant and Equipment	12	8,134	8,257	8,134	8,257
Intangible Assets	14	2,177	1,810	2,177	1,810
Other Financial Assets :					
Investment in Controlled and Associated companies	13	-	-	1,047	1,140
Superannuation Prepaid	16(d)	-	1,580	-	-
Total Non-Current Assets		10,311	11,647	11,358	11,207
TOTAL ASSETS		23,329	25,783	19,783	20,603
LIABILITIES					
Current Liabilities					
Payables	15	1,241	1,591	1,218	1,557
Provisions	16	4,569	4,613	-	-
Other	24	1,048	1,188	1,048	1,188
Total Current Liabilities		6,858	7,392	2,266	2,745
Non-Current Liabilities					
Superannuation Provision	16(d)	9,064	-	-	-
Other	18(c)	-	-	11,676	-
Total Non-Current Liabilities		9,064	-	11,676	-
TOTAL LIABILITIES		15,922	7,392	13,942	2,745
NET ASSETS		7,407	18,391	5,841	17,858
EQUITY					
Reserves		-	-	-	-
Accumulated Funds		7,407	18,391	5,841	17,858
Total Equity	19	7,407	18,391	5,841	17,858

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

NSW FOOD AUTHORITY

ABN 47 080 404 416

Statement of Recognised Income and Expense for the Year Ended 30 June 2009

	Notes	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Actuarial (losses)/gains on defined benefit superannuation	16(d)	(11,675)	(1,585)	-	-
Net Income recognised directly in equity		(11,675)	(1,585)	-	-
Profit/(loss) from continuing operations		691	349	(12,017)	(1,085)
Total recognised income and expense for the year	19	<u>(10,984)</u>	<u>(1,236)</u>	<u>(12,017)</u>	<u>(1,085)</u>
Effect of change in accounting policy					
Profit (loss) for the period as reported in 2008			(1,236)		
Change of policy - actuarial losses and adjustment for limit on net assets			1,585		
Restated profit for the period			<u>349</u>		

The above statement of recognised income and expense should be read in conjunction with the accompanying notes

NSW FOOD AUTHORITY

ABN 47 080 404 416

Cash Flow Statement for the Year Ended 30 June 2009

	Notes	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Payments to suppliers and employees		21,266	21,177	21,167	21,374
Grants and subsidies		438	513	438	507
Milk industry fund payments		(1)	(2)	(1)	(2)
Total Payments		21,703	21,688	21,604	21,879
Receipts					
Industry levies, licences and other		9,306	7,962	9,301	7,952
Grants and contributions		11,747	11,462	11,747	11,462
Interest received		911	1,146	861	1,069
Total Receipts		21,964	20,570	21,909	20,483
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	17	261	(1,118)	305	(1,396)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		501	322	501	322
Payment for property, plant and equipment		(1,047)	(477)	(1,047)	(477)
Payment for intangible assets		(630)	(501)	(630)	(501)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,176)	(656)	(1,176)	(656)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-	-
NET INCREASE / (DECREASE) IN CASH		(915)	(1,774)	(871)	(2,053)
Opening cash and cash equivalents		12,736	14,510	8,058	10,111
CLOSING CASH AND CASH EQUIVALENTS	10	11,821	12,736	7,187	8,058

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

NSW FOOD AUTHORITY

ABN 47 080 404 416

Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

The NSW Food 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 NSW Food Authority. All remaining funds continue to be used for the benefit of the NSW dairy industry.

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 2009/2010.

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 NSW Food Authority on that date.

The financial report 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 NSW Food Authority prepares its financial report as a general purpose financial report 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 2005* and Treasurer's Directions.

Where these requirements are inconsistent, we apply the legislative provisions. There were no inconsistencies in the years covered in this financial report.

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

The NSW Food 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 and Forming Part of the Financial Report For the Year Ended 30 June 2009

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Segment reporting

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

(e) Principles of consolidation

The consolidated financial report incorporates the financial reports of all the entities that comprise the consolidated entity, being the parent entity and its subsidiaries as defined in Accounting Standard AASB 127 – *Consolidated and Separate Financial Statements*. The NSW Food 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 NSW Food Authority.

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

(f) Revenue recognition

Revenue is measured at fair value of the consideration or contribution received or receivable and represents amounts receivable for services rendered in the normal course of our operation, net of GST.

(i) Contributions by government

Treasury contributions are recognised in the income statement over the period necessary to match them with related costs.

(ii) Contributions and grants from other bodies

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

(iii) Interest Revenue

Interest revenue is accrued on a time basis using the effective interest method as set out in AASB 139 – *Financial Instruments: Recognition and Measurement*.

(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 over the period of the licence.

(vi) Infringement charges and fines

Infringement charges and fines are recognised as revenue when the penalty has been applied to the extent of expected recovery determined in accordance with past experience.

NSW FOOD AUTHORITY

ABN 47 080 404 416

Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

(g) 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.

We do not recognise a liability for unused non-vested sick leave entitlement because we estimate that, on average, the sick leave taken each year is less than the entitlement accrued.

(ii) Long service leave

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

(h) Accounting for the Goods and Services Tax (GST)

We recognise revenues, expenses and assets net of GST, except for:

- the GST the NSW Food Authority incurs as a purchaser that we cannot recover from the Australian Taxation Office, which is recognised as part of the cost of buying an asset or as part of an item of expense.
- receivables and payables, which include GST.

Cash flows are included in the Cash Flow Statement on a gross basis. We classify the GST component of cash flows from investing and financing activities which is recoverable from, or payable to, the taxation authority as operating cash flows.

(i) Property, plant and equipment

We show plant and equipment at historic cost less accumulated depreciation, which we 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.

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The last valuation of land and buildings was in regard to NSW Food Authority's properties at Newington and Taree as at 30 June 2006 by NSW Department of Commerce Property Valuation Services and Crown Valuation Service Pty Ltd.

As a not-for-profit entity, the NSW Food 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 income statement 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 Income Statement.

We capitalise items costing \$5,000 or more. We depreciate these assets on a straight line basis over their estimated useful lives. The rates we use are:

Leasehold Improvements	16.67%
Motor Vehicles	10.00%
Computer Equipment	10.00%
Other Equipment	20.00% to 33.33%
Furniture & Fittings	10.00% to 14.33%
Buildings	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 Income Statement.

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.

(j) Intangible Assets

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

We amortise our intangible assets on a straight line basis over their estimated useful lives. The rate we use is:

Intangibles	10.00%
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(k) Receivables

The NSW Food 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, we are not required to amortise or discount their value.

These receivables are reviewed on an ongoing basis. When there is objective evidence that the NSW Food 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 2009 are considered to be collectable other than the amounts provided for in the allowance for impairment at note 11.

(l) Payables

The NSW Food 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.

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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.

(m) Provisions

The NSW Food 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 NSW Food Authority recognises provisions for employee benefits.

(n) Financial Instruments

Financial instruments generate financial assets or liabilities (or equity instruments) for the NSW Food 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.

(o) Insurance

The NSW Food Authority has arranged ongoing insurance to cover all aspects of normal commercial risk over assets and potential liabilities. NSW Food 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 NSW Food Authority.

(p) 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.

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

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.

(q) Leases

The NSW Food Authority leases assets using operating leases. We recognise operating lease payments in the Income Statement in the periods we incur them, using a straight line basis over the period of the lease. Our major operating leases are for office accommodation and motor vehicles.

(r) Comparatives

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

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

(s) Change in accounting policy

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 outside the annual result in the Statement of Recognised Income and Expense. 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 Recognised 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 2008-09 by \$11,675,000 to \$21,529,000 (2008: by \$1,585,000 to \$20,804,000), by excluding from the result the superannuation actuarial loss line item. This item is now recognised in the Statement of Recognised Income and Expense rather than the Income Statement.

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

(t) Accounting standards and interpretations issued, but not yet effective.

At the date of authorisation of the financial report, the following Standards which are expected to be relevant to NSW Food Authority were in issue but not yet effective.

The NSW Food Authority Executive anticipate the adoption of these Standards will have no material financial impact on the financial report of the NSW Food Authority.

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 101 'Presentation of Financial Statements' and consequential amendments to other accounting standards resulting from its issue	1 January 2009	30 June 2010

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 2. Industry levies and licence fees

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Industry Levies	1,146	1,074	1,146	1,074
Licence Fees	4,996	4,528	4,996	4,528
Total Industry Levies and Licence Fees	6,142	5,602	6,142	5,602

Note 3. Grants and contributions

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Grants and Contributions received from:				
NSW Department of Primary Industries	11,747	11,462	11,747	11,462
Total Grants and Contributions	11,747	11,462	11,747	11,462

Note 4. Miscellaneous income and fees for services

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Audit and inspection fees (from the food industry)	1,239	890	1,239	890
Rent and Property Income (from sub-tenants)	22	44	22	44
Infringement charges and fines	258	29	258	29
Other income	871	547	834	448
Total Miscellaneous Income and Fees	2,390	1,510	2,353	1,411

Note 5. Investment revenue

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Interest Revenue	910	1,146	861	1,069
Less:				
Interest allocation to:-				
- Dairy Deregulation Assistance Fund	(1)	(1)	(1)	(1)
Net Interest Revenue	909	1,145	860	1,068

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 6. Gain / loss on disposal of plant and equipment

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Gain / (loss) on disposal of plant & equipment				
Proceeds from disposal	501	322	501	322
Written down value of assets disposed	(717)	(396)	(717)	(396)
Gain / (loss) on disposal of plant and equipment	(216)	(74)	(216)	(74)

Note 7. Employee Related Expenses / Personnel Services

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Salaries and allowances	9,115	8,745	(185)	(195)
Superannuation	1,195	1,156	-	-
Workers Compensation	52	51	-	-
Fringe Benefit Tax	27	43	-	-
Other Employee Related Expenses	151	188	-	-
Annual and Long Service Leave	1,217	1,462	-	-
Payroll Tax	616	615	-	-
Personnel Services	-	-	24,234	12,455
Total Employee Related Expenses / Personnel Services	12,373	12,260	24,049	12,260

Note 8. Other operating expenses

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
External Audit Fees - Current year	81	81	77	77
Bad & Doubtful Debts	168	-	168	-
Consultancy (a)	141	71	116	66
Contractors	865	791	838	745
Information Technology Costs	984	483	984	483
Financial Duty and Charges	11	14	10	14
Laboratory Services	1,335	1,367	1,335	1,367
Legal Fees	1,321	1,288	1,321	1,288
Miscellaneous Expenses	590	404	579	391
Producer Levy Administration Fee	82	82	82	82
Public Relations and Advertising	13	10	13	10
Rent	123	106	119	102
Staff Training	178	173	178	172
Temporary Staff	166	205	166	205
Stakeholder Liaison	166	441	152	386
Stores, Stationery & Printing	255	266	255	266
Postage & Telephone	258	344	258	344
Travel	879	960	787	863
Total Other Operating Expenses	7,616	7,086	7,438	6,861

(a) Consultancy

During the year, NSW Food Authority engaged 8 consultants at a total cost of \$116,128. This compares with 5 consultants last year at a cost of \$66,312.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 9. Depreciation and amortisation expense

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	183	183	183	183
Equipment	41	50	41	50
Computers	52	44	52	44
Furniture	26	31	26	31
Motor Vehicles	150	134	150	134
Depreciation expense	452	442	452	442
Amortisation				
Intangibles	262	202	262	202
Amortisation expense	262	202	262	202
Total depreciation and amortisation	714	644	714	644

Note 10. Cash and cash equivalents

For the purposes of the Cash Flow Statement, the NSW Food Authority considers cash to be cash at bank, cash advances and short term deposits as follows:

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Cash at Bank	1,997	2,797	(1,971)	(1,036)
Cash Advances	59	73	59	58
Total Cash	2,056	2,870	(1,912)	(978)
Short Term Deposits	9,765	9,866	9,099	9,036
Total Cash	11,821	12,736	7,187	8,058

Note 11. Receivables

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Receivables	1,588	1,632	1,629	1,570
Allowance for impairment of receivables	(391)	(232)	(391)	(232)
Total Receivables	1,197	1,400	1,238	1,338

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 12. Property, plant and equipment

12 (a) Net carrying amount less accumulated depreciation

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Land:				
At fair value	1,470	1,470	1,470	1,470
Net carrying amount	1,470	1,470	1,470	1,470
Buildings:				
Gross carrying amount	6,014	6,014	6,014	6,014
Accumulated depreciation and impairment	(1,397)	(1,213)	(1,397)	(1,213)
Net carrying amount at fair value	4,617	4,801	4,617	4,801
Total Land and Buildings:				
Gross carrying amount	7,484	7,484	7,484	7,484
Accumulated depreciation and impairment	(1,397)	(1,213)	(1,397)	(1,213)
Net carrying amount at fair value	6,087	6,271	6,087	6,271
Motor vehicles:				
At cost	1,406	1,261	1,406	1,261
Accumulated depreciation and impairment	(153)	(145)	(153)	(145)
Net carrying amount	1,253	1,116	1,253	1,116
Computer equipment:				
At cost	976	932	976	932
Accumulated depreciation and impairment	(541)	(489)	(541)	(489)
Net carrying amount	435	443	435	443
Other equipment:				
At cost	659	659	659	659
Accumulated depreciation and impairment	(470)	(429)	(470)	(429)
Net carrying amount	189	230	189	230
Furniture & Fittings:				
At cost	981	981	981	981
Accumulated depreciation and impairment	(811)	(784)	(811)	(784)
Net carrying amount	170	197	170	197
Total Plant and Equipment:				
At cost	4,022	3,833	4,022	3,833
Accumulated depreciation and impairment	(1,975)	(1,847)	(1,975)	(1,847)
Net carrying amount	2,047	1,986	2,047	1,986
Net Carrying Amount	8,134	8,257	8,134	8,257

Valuation of Land and Buildings as at 30 June 2006 has been confirmed by NSW Department of Commerce Property Valuation Services 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 2009.

The NSW Food Authority has determined that the value of fully depreciated non-current assets still being used is not material.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

12 (b) Reconciliation of carrying amounts

The following table shows how we reconciled our carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years

2009	<u>Consolidated</u>			<u>NSW Food Authority</u>		
	Land and Buildings	Plant and Equipment	Total	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at 1 July 2008	6,271	1,986	8,257	6,271	1,986	8,257
Additions	-	1,047	1,047	-	1,047	1,047
Disposals	-	(859)	(859)	-	(859)	(859)
Net revaluation increment less revaluation decrement	-	-	-	-	-	-
Depreciation expense	(184)	(268)	(452)	(184)	(268)	(452)
Depreciation written back on assets disposed	-	141	141	-	141	141
Net carrying amount at 30 June 2009	6,087	2,047	8,134	6,087	2,047	8,134

2008	Land and Buildings	Plant and Equipment	Total	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at 1 July 2007	6,454	2,162	8,616	6,454	2,162	8,616
Additions	-	477	477	-	477	477
Disposals	-	(470)	(470)	-	(470)	(470)
Net revaluation increment less revaluation decrement	-	-	-	-	-	-
Depreciation expense	(183)	(259)	(442)	(183)	(259)	(442)
Depreciation written back on assets disposed	-	76	76	-	76	76
Net carrying amount at 30 June 2008	6,271	1,986	8,257	6,271	1,986	8,257

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 13. Other financial assets

Investment in controlled and associated companies

13 (a) Non-current other financial assets

	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Controlled companies at fair value	1,047	1,140
Total Non-Current Other Financial Assets	1,047	1,140

13 (b) Reconciliation of carrying amounts

2009	Milk Marketing (NSW) Pty Limited \$'000	Pacific Industry Services Corporation Pty Limited \$'000	Total \$'000
Carrying amount at 1 July 2008	917	223	1,140
Operating surplus/(deficit)	(75)	(18)	(93)
Carrying amount at 30 June 2009	842	205	1,047

Note 14. Intangibles

14 (a) Net carrying amount less accumulated depreciation

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Intangible Assets				
Software				
Cost	4,614	3,985	4,614	3,985
Accumulated amortisation and impairment	(2,437)	(2,175)	(2,437)	(2,175)
Net Carrying Amount	2,177	1,810	2,177	1,810

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

14 (b) Reconciliation of carrying amounts

The following table shows how we reconciled our carrying amounts of intangibles at the beginning and end of the current and previous financial years

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Net carrying amount at 1 July 2008	1,810	1,511	1,810	1,511
Additions	629	501	629	501
Disposals	-	-	-	-
Amortisation expense	(262)	(202)	(262)	(202)
Depreciation written back on assets disposed	-	-	-	-
Net carrying amount at 30 June 2009	2,177	1,810	2,177	1,810

Note 15. Payables

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	136	87	136	87
Creditors	1,105	1,504	1,082	1,470
Total Payables	1,241	1,591	1,218	1,557

Note 16. Provisions

	Consolidated	Consolidated	NSW Food Authority	NSW Food Authority
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
16 (a) Current provisions				
Annual leave	1,476	1,497	-	-
Long Service leave	3,093	3,099	-	-
Provision for redundancy	-	17	-	-
Total Current Provisions	4,569	4,613	-	-
Total Provisions	4,569	4,613	-	-

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16 (b) Annual leave

The liability at 30 June 2009 was \$1,476,238 (2008 - \$1,496,529). 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 \$1,107,178 (2008 - \$1,122,397) and \$369,060 (2008 - \$374,132) after twelve months.

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Leave taken and entitlement for the year are as follows:				
Balance at beginning of the financial year	1,497	1,270	-	-
Less: Value of leave taken during the year	(912)	(1,035)	-	-
	585	235	-	-
Add: Value of increased entitlement during the year	891	1,262	-	-
Balance at the end of the financial year	1,476	1,497	-	-

The total amount of the annual leave provision as disclosed above includes oncosts.

16 (c) Long Service Leave

The total liability at 30 June 2009 was \$3,092,843 (2008 - \$3,098,667).

The value of long service leave expected to be taken within twelve months is \$2,938,201 (2008 - \$2,943,734) and \$154,642 (2008 - \$154,933) after twelve months.

This liability comprises:

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Short term - expected to be settled within 12 months	2,938	2,944	-	-
Long term - not expected to be settled within 12 months	155	155	-	-
Balance at the end of the financial year	3,093	3,099	-	-

The total amount of the long service leave provision as disclosed above includes oncosts.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

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-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at beginning of the year	3,097	2,740	876	844	35,817	36,965
Current service cost	125	115	46	47	98	147
Interest cost	200	173	54	52	2,277	2,297
Contributions by Fund participants	65	60	-	-	153	164
Actuarial (gains) / losses	(420)	298	(26)	3	6,414	(709)
Benefits paid	153	(290)	(51)	(70)	(2,886)	(3,047)
Past service cost	-	-	-	-	-	-
Curtailments	-	-	-	-	-	-
Settlements	-	-	-	-	-	-
Business Combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	3,220	3,096	899	876	41,873	35,817

Reconciliation of the fair value of Fund assets

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year	2,330	2,494	740	813	40,135	45,520
Expected return on Fund assets	192	193	58	64	3,186	3,523
Actuarial gains/(losses)	(416)	(260)	(127)	(123)	(7,000)	(6,322)
Employer contributions	111	133	50	56	236	297
Contributions by Fund participants	65	60	-	-	153	164
Benefits paid	153	(290)	(51)	(70)	(2,886)	(3,047)
Settlements	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
Fair value of Fund assets at end of the year	2,435	2,330	670	740	33,824	40,135

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Reconciliation of the assets and liabilities recognised in the balance sheet

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year	3,221	3,096	899	876	41,873	35,817
Fair value of Fund assets at end of year	(2,435)	(2,330)	(670)	(740)	(33,824)	(40,135)
Subtotal	786	766	229	136	8,049	(4,318)
Unrecognised past service cost	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	1,836
Net Liability/(Asset) recognised in balance sheet at end of year	786	766	229	136	8,049	(2,482)

Expense recognised in income statement

Components Recognised in Income Statement	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current service cost	125	115	46	47	98	147
Interest cost	200	173	55	52	2,276	2,297
Expected return on Fund assets (net of expenses)	(191)	(193)	(59)	(64)	(3,186)	(3,523)
Past service cost	-	-	-	-	-	-
Curtailment on settlement (gain)/loss	-	-	-	-	-	-
Expense (income) recognised	134	95	42	35	(812)	(1,079)

Amounts recognised in the statement of recognised income and expense

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial (gains)/losses	(4)	558	101	126	13,414	5,613
Adjustment for limit on net asset	-	-	-	-	(1,836)	(4,711)

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Cumulative amount recognised in the statement of recognised income and expense

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cumulative amount of actuarial (gains)/losses	635	639	117	15	7,079	(6,336)
Cumulative adjustment for limitation on net asset	-	-	-	-	-	1,836

Fund assets

The percentage invested in each asset class at the balance sheet date:

	30-Jun-09	30-Jun-08
Australian equities	32.1%	31.6%
Overseas equities	26.0%	25.4%
Australian fixed interest securities	6.2%	7.4%
Overseas fixed interest securities	4.7%	7.5%
Property	10.0%	11.0%
Cash	8.0%	6.1%
Other	13.0%	11.0%

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-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actual return on Fund assets	(228)	(186)	(69)	(58)	(3,909)	(2,821)

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

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-09	30-Jun-08
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	8.13% pa	8.3%
Discount rate	5.59% pa	6.55% pa

c) Demographic Assumptions

The demographic assumptions at 30 June 2009 are those that will be used in the 2009 triennial actuarial valuation. The triennial report will be available from the NSW Treasury website, after it is tabled in Parliament in December 2009.

Historical information

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	3,221	3,096	899	876	41,873	35,817
Fair value of Fund assets	(2,435)	(2,330)	(670)	(740)	(33,824)	(40,135)
(Surplus)/Deficit in Fund	786	766	229	136	8,049	(4,318)
Experience adjustments – Fund liabilities	(420)	298	(26)	3	6,414	(709)
Experience adjustments – Fund assets	416	260	127	122	7,000	6,322

Expected contributions

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	123	114	52	53	244	263

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Funding arrangements for employer contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2008 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS		SANCS		SSS	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued benefits	2,977	3,099	821	880	31,856	32,800
Net market value of Fund assets	(2,435)	(2,330)	(670)	(740)	(33,824)	(40,135)
Net (surplus)/deficit	542	769	151	140	(1,968)	(7,335)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS		SANCS		SSS	
30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
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

The method used to determine the employer contribution recommendations in the 2006 triennial actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(d) Economic assumptions

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-Average Assumptions		
	30-Jun-09	30-Jun-08
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	7.7% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.0% 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 and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 17. Reconciliation of net cash provided by operating activities to operating result

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Operating surplus/(deficit) for the year	691	349	(12,017)	(1,085)
(Increment) / Decrement on Revaluation of Non-Current Investments	(1,032)	(1,434)	92	55
Depreciation and amortisation	714	644	714	644
Loss on Sale of Non-Current Assets	216	74	216	74
Doubtful Debts Written Off	158	(14)	158	(14)
(Increase) / Decrease in Receivables	77	151	(57)	280
(Decrease) / Increase in Other Payables	(380)	(1,281)	(338)	(1,336)
(Decrease) / Increase in Industry Funds	1	2	1	2
(Decrease) / Increase in Provisions	(44)	407	-	-
(Decrease) / Increase in Other Non-Current Liabilities	-	-	11,676	-
(Decrease) / Increase in Income Received in Advance	(140)	(16)	(140)	(16)
Net Cash Flows From Operating Activities	261	(1,118)	305	(1,396)

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

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

2009	Total Income \$'000	Operating result \$'000	Total assets \$'000
NSW Food Authority	21,010	(12,017)	19,783
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	22,220	691	23,329

2008	Total Income \$'000	Operating result \$'000	Total assets \$'000
NSW Food Authority	19,488	(1,085)	20,603
Pacific Industry Services Corporation Pty Limited	15	(7)	228
Milk Marketing (NSW) Pty Limited	161	(48)	1,022
Office of the NSW Food Authority	13,888	1,434	5,146
Consolidation eliminations	(12,399)	55	(1,216)
Total	21,153	349	25,783

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:

	2009 \$'000	2008 \$'000
<i>Current Receivables</i>		
Pacific Industry Services Corporation Pty Limited	9	-
Milk Marketing (NSW) Pty Limited	40	75
The Office of the NSW Food Authority	-	-
	49	75
<i>Non-Current Payables</i>		
The Office of the NSW Food Authority	11,676	-

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 19. Equity

19 Changes in equity

	Consolidated						NSW Food Authority					
	Accumulated Funds		Asset Revaluation Reserve		Total Equity		Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	18,391	19,627	-	-	18,391	19,627	17,858	18,943	-	-	17,858	18,943
Superannuation:												
Actuarial gains (losses)	(13,511)	(6,296)	-	-	(13,511)	(6,296)	-	-	-	-	-	-
Adjustment for limit on net assets	1,836	4,711			1,836	4,711	-	-	-	-	-	-
Net income (loss) recognised directly in equity	(11,675)	(1,585)	-	-	(11,675)	(1,585)	-	-	-	-	-	-
Profit (loss) for the period	691	349	-	-	691	349	(12,017)	(1,085)	-	-	(12,017)	(1,085)
Closing Balance	7,407	18,391	-	-	7,407	18,391	5,841	17,858	-	-	5,841	17,858

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Note 20. Expenditure Commitments

20 (a) Operating lease commitments

	Consolidated	Consolidated	NSW Food	NSW Food
	2009	2008	Authority	Authority
	\$'000	\$'000	2009	2008
			\$'000	\$'000
Not later than one year	-	41	-	41
Later than one year and not later than 5 years	-	-	-	-
Total (including GST)	-	41	-	41

Representing non cancellable leases:

	Consolidated	Consolidated	NSW Food	NSW Food
	2009	2008	Authority	Authority
	\$'000	\$'000	2009	2008
			\$'000	\$'000
Premises	-	41	-	41
Motor Vehicles	-	-	-	-
Total (including GST)	-	41	-	41

20 (b) Contractual commitments

	Consolidated	Consolidated	NSW Food	NSW Food
	2009	2008	Authority	Authority
	\$'000	\$'000	2009	2008
			\$'000	\$'000
Not later than one year	1,941	1,761	1,941	1,761
Later than one year and not later than 5 years	-	-	-	-
Total (including GST)	1,941	1,761	1,941	1,761

Representing non cancellable contracts:

	Consolidated	Consolidated	NSW Food	NSW Food
	2009	2008	Authority	Authority
	\$'000	\$'000	2009	2008
			\$'000	\$'000
Business Continuity Plan	32	-	32	-
Communications	-	33	-	33
Computer Systems Maintenance	139	104	139	104
Consultants	5	35	5	35
Contract Laboratory Services	1,458	1,353	1,458	1,353
Software Upgrade	-	-	-	-
Human Resources	165	152	165	152
Maintenance	102	40	102	40
Sponsorship	40	44	40	44
Total (including GST)	1,941	1,761	1,941	1,761

The total expenditure commitments above include input tax credits of \$176,474 (\$163,764 in 2007/2008) that are expected to be recoverable from the Australian Taxation Office.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 21. Contingent assets and contingent liabilities

(a) NSW Food Authority

(i) As at balance date 30 June 2009, NSW Food Authority has seven material contingent liabilities.

There are currently seven outstanding prosecution matters which the NSW Food Authority is engaged in with a total estimated costs of \$398,427.

(ii) As at balance date 30 June 2009 (and 30 June 2008), NSW Food Authority has no material contingent assets.

(b) Milk Marketing

Milk Marketing has no material contingent assets or contingent liabilities at 30 June 2009 (2007/2008 nil).

(c) Pacific Industry Services Corporation

Pacific Industry Services Corporation has no material contingent assets or contingent liabilities at 30 June 2009 (2007/2008 nil).

(d) The Office of the NSW Food Authority

The Office of the NSW Food Authority has no material contingent assets at 30 June 2009 (2007/2008 nil).

At balance date 30 June 2009, the Office of the NSW Food Authority has no material contingent liabilities.

Note 22. Segment information

The NSW Food 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 2009 and prior to the date of this report.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 24. Other current liabilities

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Milk Industry Funds	27	25	27	25
Income Received in Advance	1,021	1,163	1,021	1,163
Total Other Current Liabilities	1,048	1,188	1,048	1,188

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 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority Total 2009 \$'000	NSW Food Authority Contingency Fund 2009 \$'000	NSW Food Authority Dairy Assistance Fund 2009 \$'000	NSW Food Authority 2008 \$'000
Balance at 1 July 2008	25	24	25	-	25	24
Add :						
Interest received	2	1	2	-	2	1
	27	25	27	-	27	25
Less:						
Payments/transfers between funds	-	-	-	-	-	-
Milk Industry Funds Balance at 30 June 2009	27	25	27	-	27	25

24 (b) Income received in advance

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	NSW Food Authority 2009 \$'000	NSW Food Authority 2008 \$'000
Licence Fees	993	859	993	859
Other Income	28	304	28	304
Total Income Received in Advance	1,021	1,163	1,021	1,163

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

Note 25. Financial instruments

NSW Food 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. NSW Food Authority and the consolidated entity do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The NSW Food 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 report.

The NSW Food Authority 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 Committee on a continuous basis.

(a) Financial instrument categories : NSW Food Authority

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2009	2008
			\$'000	\$'000
Class:				
Cash and cash equivalents	10	N/A	7,187	8,058
Receivables ¹	11	Loans and receivables (at amortised cost)	2,639	2,512
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:				
Payables ²	15	Financial liabilities measured at amortised cost	1,218	1,557

(b) Financial instrument categories : Consolidated Entity

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2009	2008
			\$'000	\$'000
Class:				
Cash and cash equivalents	10	N/A	11,821	12,736
Receivables ¹	11	Loans and receivables (at amortised cost)	2,595	2,622
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:				
Payables ²	15	Financial liabilities measured at amortised cost	1,241	1,591

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 and Forming Part of the Financial Report For the Year Ended 30 June 2009

(b) Credit Risk

Credit risk arises when there is the possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity. 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 entity, including cash, receivables, and authority deposits. No collateral is held by the entity. The entity has not granted any financial guarantees. Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Entity'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 and Forming Part of the Financial Report For the Year Ended 30 June 2009

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 entity 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 entity 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 (2009: \$2,619,000; 2008: \$2,281,381) and not less than 6 months past due (2009: \$388,141 ; 2008: \$407,082) are not considered impaired and together these represent 100% of the total trade debtors. Most of the entity's debtors have a AAA credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

(a) NSW Food Authority

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2009			
< 3 months overdue	2,619	2,619	-
3 months - 6 months overdue	1	1	-
> 6 months overdue	388	388	-
2008			
< 3 months overdue	2,512	2,512	-
3 months - 6 months overdue	176	176	-
> 6 months overdue	-	-	-

(b) Consolidated Entity

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2009			
< 3 months overdue	2,576	2,576	-
3 months - 6 months overdue	1	1	-
> 6 months overdue	388	388	-
2008			
< 3 months overdue	2,512	2,512	-
3 months - 6 months overdue	176	176	-
> 6 months overdue	-	-	-

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 balance sheet.

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

NSW Food Authority and Consolidated Entity Deposits

NSW Food 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 4.45% (2008 – 7.92%), while over the year the weighted average interest rate was 5.36% (2008 – 6.81%) on a weighted average balance during the year of \$1,225,779 (2008 – \$1,155,464). None of these assets are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due. The entity 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 entity'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 (2007/08 – 0%).

The table below summarises the maturity profile of the NSW Food Authority's financial liabilities, together with the interest rate exposure.

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Maturity analysis and interest rate exposure of financial liabilities

(a) NSW Food Authority

		\$'000				Maturity Dates		
		Interest Rate Exposure						
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2009								
<i>Payables</i>		1,218	-	-	1,218	1,218	-	-
		1,218	-	-	1,218	1,218	-	-
2008								
<i>Payables</i>		1,557	-	-	1,557	1,557	-	-
		1,557	-	-	1,557	1,557	-	-

Maturity analysis and interest rate exposure of financial liabilities

(b) Consolidated entity

		\$'000				Maturity Dates		
		Interest Rate Exposure						
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2009								
<i>Payables</i>		1,241	-	-	1,241	1,241	-	-
		1,241	-	-	1,241	1,241	-	-
2008								
<i>Payables</i>		1,591	-	-	1,591	1,591	-	-
		1,591	-	-	1,591	1,591	-	-

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(d) 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 entity's exposures to market risk is very limited as it has no borrowings and all its deposits are at call. The entity 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 entity 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 balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk is minimal as the entity has no interest bearing liabilities or borrowings. The entity 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 entity's exposure to interest rate risk is set out below.

(a) NSW Food Authority

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2009					
<i>Financial assets</i>					
Cash and cash equivalents	7,187	(72)	-	72	-
Receivables	1,238	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,218	-	-	-	-
2008					
<i>Financial assets</i>					
Cash and cash equivalents	8,058	(81)	-	81	-
Receivables	1,338	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,557	-	-	-	-

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

(d) 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 entity's exposures to market risk is very limited as it has no borrowings and all its deposits are at call. The entity 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 entity 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 balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk is minimal as the entity has no interest bearing liabilities or borrowings. The entity 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 entity's exposure to interest rate risk is set out below.

(a) NSW Food Authority					
	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2009					
<i>Financial assets</i>					
Cash and cash equivalents	7,187	(72)	-	72	-
Receivables	1,238	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,218	-	-	-	-
2008					
<i>Financial assets</i>					
Cash and cash equivalents	8,058	(81)	-	81	-
Receivables	1,338	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,557	-	-	-	-

NSW FOOD AUTHORITY

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Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2009

(b) Consolidated entity

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2009					
<i>Financial assets</i>					
Cash and cash equivalents	11,821	(118)	-	118	-
Receivables	1,197	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,241	-	-	-	-
2008					
<i>Financial assets</i>					
Cash and cash equivalents	12,736	(127)	-	127	-
Receivables	1,400	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,591	-	-	-	-

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 entity has no direct equity investments. The entity holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2009 \$'000	2008 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years (pre-June 2008 - Up to 2 years)	1,258	1,194

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 and Forming Part of the Financial Report For the Year Ended 30 June 2009

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 entity'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).

NSW Food Authority and Consolidated Entity

	Change in unit price	Impact on profit/loss	
		2009 \$'000	2008 \$'000
Hour Glass Investment - Cash facility	+/-1%	(13)	(6)

(e) Fair Value

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 entity'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 balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

END OF AUDITED FINANCIAL REPORT

NSW FOOD AUTHORITY

ABN 47 080 404 416

Supplementary Financial Information

1. NSW FOOD AUTHORITY CONSOLIDATED ECONOMIC ENTITY PERFORMANCE AGAINST BUDGET

	Budget	Actual	Budget
	2009	2009	2010
	\$'000	\$'000	\$'000
Income			
Industry levies	1,000	1,146	1,000
License fees	5,221	4,996	5,443
Grants and contributions	11,747	11,747	11,398
Audit and inspection fees	1,472	1,239	1,319
Rent and property income	22	22	20
Fines and penalties	162	258	250
Interest income	1,100	909	1,100
Increment on revaluation of non-current investments	-	1,032	-
Miscellaneous	115	871	340
Total Income	20,839	22,220	20,870
Expenditure			
Employee related expenses	13,055	12,539	13,474
Consultancy	239	141	175
Contractors	704	865	628
External audit fees - current year	97	81	94
Bad & doubtful debts	-	168	-
FBT, financial duty and charges	73	11	132
Grants and subsidies	507	438	504
Information technology costs	426	984	650
Laboratory services	1,429	1,335	1,406
Legal fees	298	1,321	102
Loss on disposal of non-current assets	-	216	-
Maintenance	224	172	429
Miscellaneous expenses	611	590	563
Postage & telephone	339	258	277
Producer levy administration fee	82	82	82
Public relations and advertising	79	13	14
Rent	64	123	60
Staff training	210	178	186
Stakeholder Liaison	197	166	235
Stores, stationery & printing	316	255	282
Travel	1,154	879	867
Depreciation and amortisation	720	714	683
Total Expenditure	20,824	21,529	20,843
SURPLUS FOR THE YEAR	15	691	27

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Supplementary Financial Information

2. 2008/09 INCOME AND EXPENDITURE BUDGET

The 2008/09 budget information represents the original operating budget for the NSW Food Authority for the period, depicting a small surplus of \$15,000.

Actual total Food Authority income is \$22,220,000 and exceeds budgeted income of 20,839,000 by \$1,381,000 due for the most part to the recognition of an increment which was not forecast of \$1,032,000 on revaluation of superannuation deposits (non-current investments) held by the Authority.

Actual total Food Authority expenditure is \$21,529,000 and exceeds budgeted expenditure of \$20,824,000 by \$705,000 due entirely to an overspend on legal fees \$1,023,000 compared to budget.

Actual expenditure on legal fees was \$1,321,000 compared to the budget of \$298,000. This overspend was due to costs incurred in relation to a claim for equitable relief brought against the Food Authority in the Supreme Court which has been settled.

3. ACCOUNTS PAYABLE

NSW Food Authority payment performance indicators.

	1st Quarter 30 Sep 08 \$	2nd Quarter 31 Dec 08 \$	3rd Quarter 31 Mar 09 \$	4th Quarter 30 Jun 09 \$
Current i.e. Within due date	7,447,660	6,448,017	5,521,803	5,516,974
Less than 30 days overdue	-	-	-	-
Between 30 and 60 days overdue	-	-	-	-
Total dollar amount of accounts paid	7,447,660	6,448,017	5,521,803	5,516,974
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 2009 \$'000	At Valuation 2009 \$'000	WDV 2009 \$'000	WDV 2008 \$'000
Taree Office	-	460	460	475
Sydney Office	-	5,627	5,627	5,796
Total property held	-	6,087	6,087	6,454

5. CREDIT CARD USE

I certify that credit card use in the NSW Food Authority and Mi k Marketing (NSW) Pty Limited in 2008/09 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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