

ANNUAL REPORT

2020–21



Food
Authority

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ABOUT US



Our Minister



The NSW Government works diligently to ensure food produced and sold in our state is safe for human consumption and people have access to information to help them make informed choices about the food they eat.

Safe food is big business in NSW - the food industry contributes more than \$100 billion to our State's economy every year and this is largely dependent upon NSW's reputation as a global leader for safe, hygienic and healthy produce.

Through the work of the NSW Food Authority this Government provides confidence, certainty and protection to the people of NSW via:

- safe and correctly labelled food
- clear and accessible information to enable people to make informed choices about the food they eat
- supporting the State's food producers, manufacturers and retailers through education and information to achieve compliance and deliver safe healthy food, from paddock to plate

The ongoing global impact of COVID-19 during the 2020/21 Financial Year has again, unfortunately, brought challenges that the people, communities, and industries of NSW could never have anticipated.

Like many others, the State's valuable food sector has been affected, and as the NSW Government continues to work to support recovery and growth, it has never been more important to assure people of the safety of the State's food and production supply chains.

In this context, I am pleased to advise the positive outcomes of the NSW Food Authority's Food Safety Strategy 2015-2021, a comprehensive blueprint outlining the State's commitment to food safety and quality management.

The NSW Food Authority has been able to achieve low-cost compliance with an excellent average rate of 95% compliance with food safety requirements across all industry sectors.

The clear and defined goals of the strategy were to:

- **increase** food businesses' contributions to the economic growth and prosperity of NSW
- mitigate risks and protect the safety of NSW consumers, and
- **improve** the clarity and accessibility of food information provided to NSW consumers and industry

It is with great pride I can report the commitments achieved include:

- Reducing food poisoning in NSW by 30 per cent, including a 60% reduction in the main *Salmonella* strain responsible for food poisoning in Australia
- Cutting red tape by \$4.5 million, with \$6 million already achieved in streamlined regulatory processing
- Improving service delivery to businesses by introducing 24/7 online licence applications to 15,000 licensees with the NSW Food Authority
- Rapidly responding to food safety incidents
- Removing unnecessary duplication for 40,000 food service businesses across the state
- Training food retailers in safe food handling to minimise outbreaks of salmonellosis, and working with a number of sectors to ensure safe on-farm production processes
- Providing educational information and state-wide technical training for meat and poultry abattoirs to support compliance with animal welfare requirements.

This was achieved as a result of this Government taking a consultative approach to working with stakeholders across the State's varied food industries including meat, egg, poultry, seafood, shellfish, plants, vulnerable populations and retail sectors.

Consequently, the NSW Food Authority has been able to achieve low-cost compliance with an excellent average rate of 95% compliance with food safety requirements across all industry sectors.

We are part of the process from paddock to plate so consumers can be confident the NSW Government is working with industry and other stakeholders to minimise foodborne illness, undertake important compliance and enforcement work and be the providers of the most up-to-date food safety information.

NSW is the only state in Australia with a single food safety oversight body, responsible for regulating and monitoring every stage of the food production chain. This has never been more important than now.

We are part of the process from paddock to plate so consumers can be confident the NSW Government is working with industry and other stakeholders to minimise foodborne illness, undertake important compliance and enforcement work and be the providers of the most up-to-date food safety information.

I acknowledge and thank the staff and management of the NSW Food Authority for their continued dedication and professionalism in consistently achieving such important results for the communities of NSW.

Such success is testament to an organisation's leader and I would like to make special mention of the Authority's CEO Dr Lisa Szabo who was honoured this year with the Australian Institute of Food Science and Technology's 2020 President's Award for her 25 years of leading roles in the food industry and contributing to the Institute's work.

I invite you to read the NSW Food Authority's 2020-21 Annual Report to learn more about the positive outcomes the agency continues to deliver as it works to ensure food produced, manufactured and sold in NSW is safe.



The Hon. Adam Marshall MP
Minister for Agriculture
Minister for Western New South Wales

Letter of submission



15 October 2021

The Hon. Adam Marshall MP
Minister for Agriculture and Western NSW
Level 19, 52 Martin Place
Sydney NSW 2000

Dear Minister

I am pleased to submit the Annual Report and the financial statements of the NSW Food Authority for the year ended 30 June 2021.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lisa Szabo', is written over a light grey background.

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

Our charter

The NSW Food Authority contributes to the overall health and prosperity of the people of NSW because we work to ensure that food produced, manufactured and sold in NSW and exported is monitored and safe at each step it goes through from paddock to plate. Doing this keeps people safe, protected and knowledgeable about food safety and the potential risks to their health.

The NSW Food Authority's primary objective is to provide consumers in NSW with safe and correctly labelled food, to inform and educate the state's food producers, manufacturers and retailers and to provide information and education to enable people to make informed choices about the food they eat.

We are responsible to the NSW Minister for Agriculture and Western NSW, and we provide a single point of contact on food safety and regulation for industry, government and consumers.

Our objectives

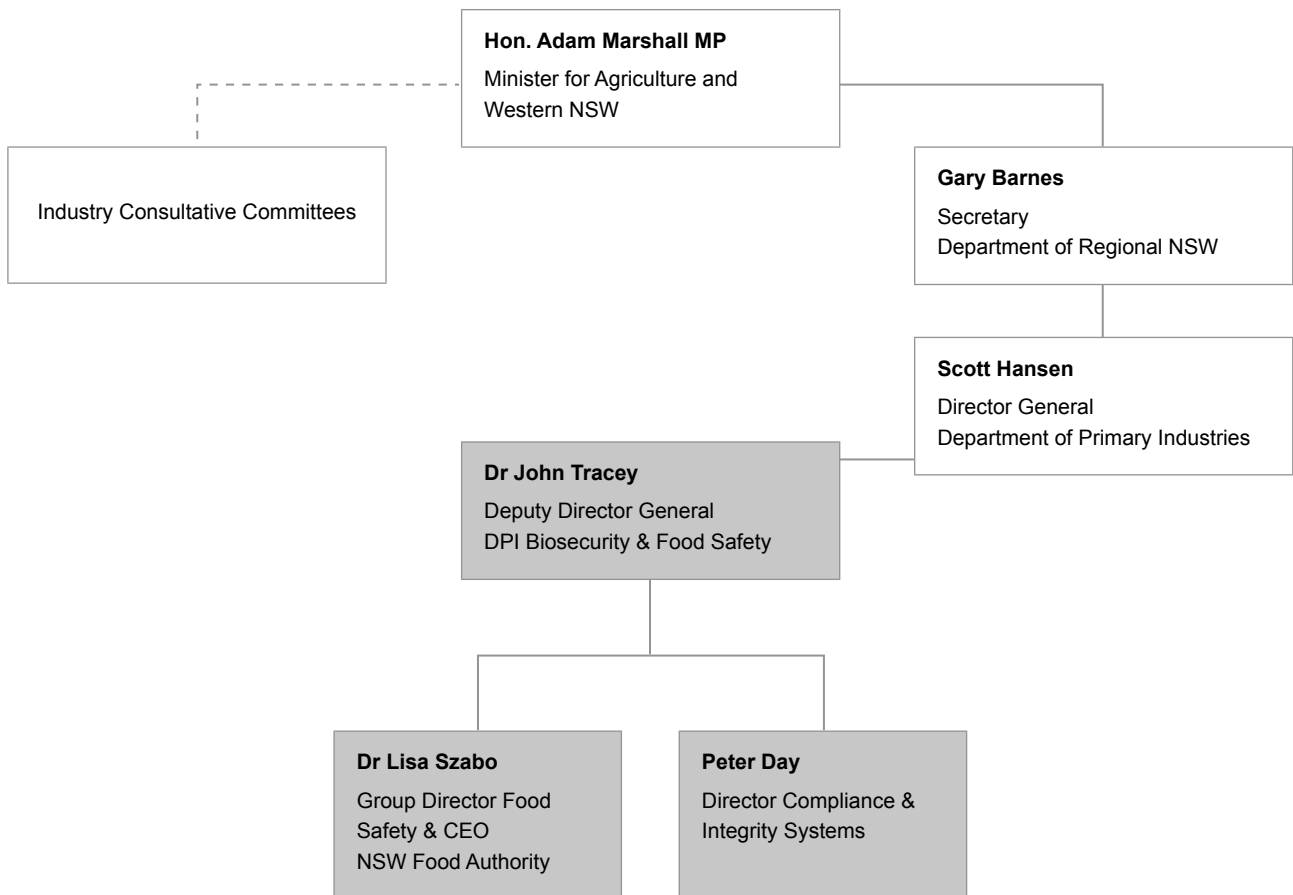
The NSW Food Authority has a coordinated and consistent approach to ensuring the people of NSW are safe and protected from risks to their health from food poisoning.

We work to protect NSW consumers by:

- monitoring food safety schemes for higher-risk foods and businesses through a process of evidence based science and risk analysis
- auditing and inspecting businesses to drive performance and compliance across the supply chain in partnership with local government
- educating consumers and businesses through easy to find information, advising them on good food handling practices and helping them understand their roles and responsibilities
- contributing to the development and implementation of trans-Tasman food standards, through Food Standards Australia New Zealand (FSANZ)
- actively reviewing applications and proposals to change the Food Standards Code
- leading the way on national policy initiatives such as reducing foodborne illness
- managing food related incidents such as food poisoning outbreaks to limit their impact and participating in safe food handling promotions – working hand in hand with other government agencies, industry and local councils.

Management and structure

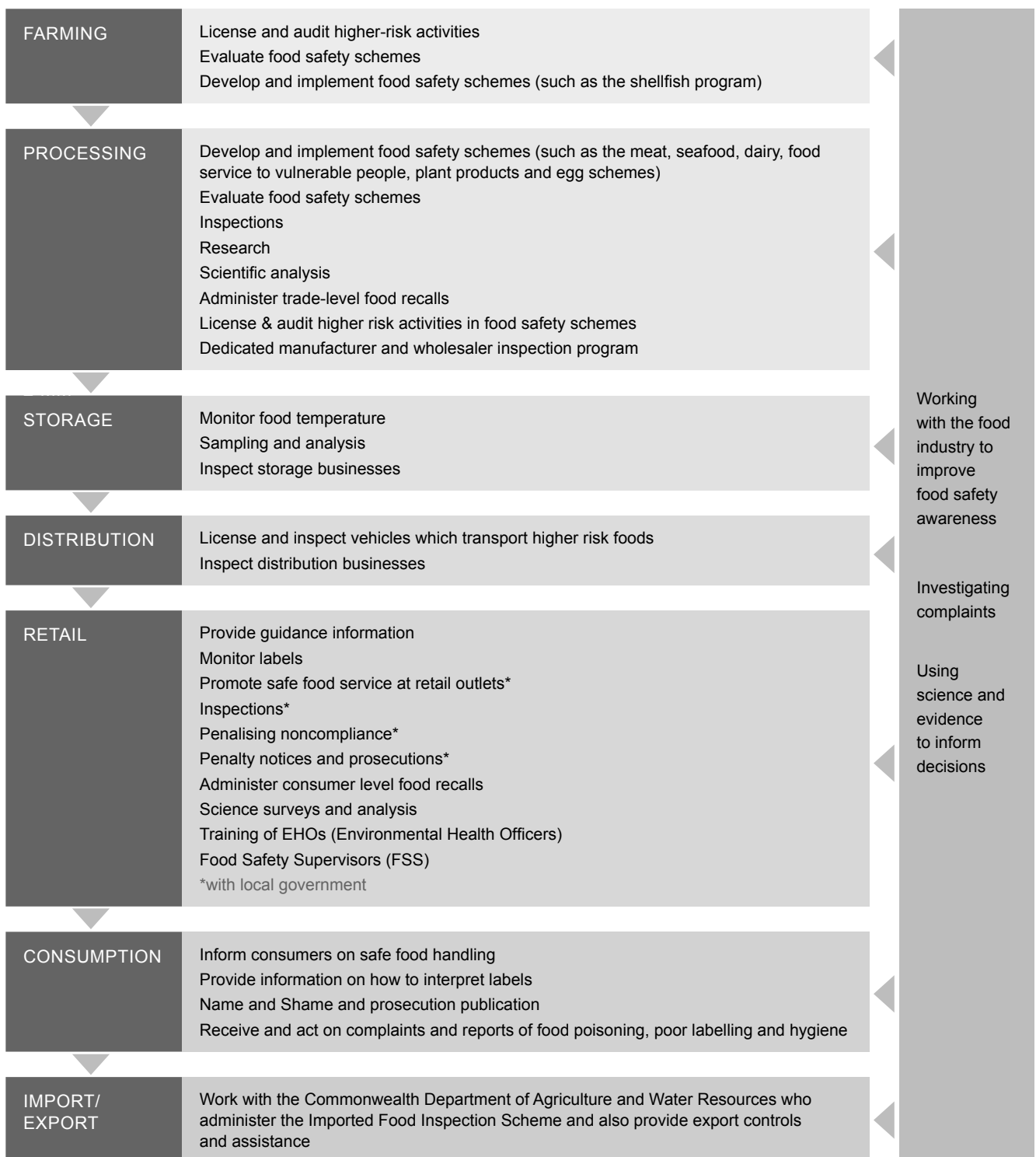
DPI Biosecurity & Food Safety Management Structure as at 30 June 2021



NB: shading indicates executive position funded by the NSW Food Authority

Our contribution to food safety

Keeping food safe is vital for NSW food businesses. At every stage to consumption, food safety is a serious matter. When food businesses don't do the right thing, the NSW Food Authority or local councils are there to act. Businesses that break the law can be fined or prosecuted.



PERFORMANCE



Highlight summary

2020-21 brought welcome improvement in seasonal conditions following several years of drought, bushfires and floods that adversely impacted so many people, communities and businesses in NSW. Unfortunately, the COVID-19 pandemic continued and indeed worsened throughout this financial year, but despite it being a time of great uncertainty for our communities, confidence and security in the State's food safety continued to be delivered.

The Food Authority has worked in partnership with the food industry, NSW Health, local councils and the wider community to reduce food poisoning and its impacts on the health and economy of NSW communities. By doing this, the Food Authority has delivered multiple benefits to the people of NSW, helping food businesses contribute to the state's economic growth and prosperity.

Highlights:

The Food Authority continues to work consultatively with the State's egg, dairy, meat, plants, vulnerable persons, retail, seafood and shellfish industries as part of our regulatory responsibilities and charter to inform and develop an ongoing food safety culture.

Through this successful collaboration the Food Authority has:

- **Maintained the NSW Food Safety Strategy 2015-2021 goal of a 95% compliance rate for NSW food businesses and achieving a 30% reduction in foodborne illness**

This financial year saw the completion of the NSW Food Authority's Food Safety Strategy 2015-2021, a comprehensive blueprint outlining the State's commitment to food safety and quality management. In addition to maintaining the Strategy's compliance goals the Strategy achieved its goal of reducing food poisoning in NSW by 30 per cent, achieving a 32% reduction in total salmonellosis notifications, and a 60% reduction in the main *Salmonella* strain responsible for food poisoning in Australia.

- **Reduced foodborne illness through response to urgent food safety complaints**

100% of the 223 urgent food safety complaints in 2020-21 were responded to within 24 hours. The majority (80%) of these complaints related to foodborne illness and 10% related to critical labelling issues involving an allergic reaction to an undeclared ingredient.

- **Grown the evidence base**

Improved epidemiology capability by developing a suite of eight Epidemiology 101 presentations to guide staff through what epidemiology is, how it works in practice and its benefits in disease management. The topics were: Introduction to epidemiology, Epi curves, Ecology of pests and disease, Outbreak investigation, Introduction to surveillance, Quality of surveillance, and Freedom from disease.

- **Partnered with local government to manage food safety risk in the retail food sector**

Local councils were guided on regulation of home-based, mobile and temporary food businesses, as well as on delivery-only food businesses, three Food Regulation Forum meetings, two Retail Information Sessions, three State Liaison Group meetings, 43 training sessions conducted attended by 559 council officers, issued 39 communications to councils and responded to 695 enquiries.

- **Used research and science to underpin policy, communications and food safety**

Helped finalise a national guidance document for responding to *Salmonella* Enteritidis in poultry, provided support for an oyster industry project whose introduction of real-time salinity management has led to three additional weeks of harvest per year, published one article in a peer-reviewed scientific journal.

- **Undertook investigations and risk analysis**

Conducted either surveillance, sampling and/or microbiology, chemistry and allergen tests and supported investigation of foodborne illness outbreaks. Work included 2,654 samples submitted for testing.

- **Maintained adequate food safety programs in the shellfish industry**

This included 76 annual reviews of harvest areas, 5 depuration tank assessments, 72 industry accreditations, 9 State Environmental Planning Policy 62 Development Application assessments, 678 harvest area closures, 31 product retrievals and working with industry towards obtaining export approval for two harvest areas in NSW.

- **Developed, implemented and reviewed contemporary food standards, food safety schemes and initiatives**

Issued 16,043 food safety supervisor certificates, approved 4 RTOs, hosted the annual RTO forum, prepared and distributed a short survey to approximately 600 notified small egg farms operating in NSW, provided advice to the Minister on 18 law-making decisions put to the bi-national Food Ministers Meeting to amend the Food Standards Code. These ranged from synthetic oligosaccharides for infant formula to pregnancy warning labelling for packaged alcoholic beverages.

- **Triaged and responded to food safety enquiries**

Handled 24, 687 contacts via phone, email, online form, social media and post to the Food Authority helpline.

- **Coordinated NSW input to the national food regulatory system and influenced national policy to enhance the food industry's reputation as producers of safe and suitable food**

Provided advice for Food Ministers' Meetings in-session and out of session agenda items, the Food Regulation Standing Committee meetings, teleconference and OOS agenda items, the Implementation Subgroup for Food Regulation meetings, co-chaired the Food Ministers Meeting priority area to nationally reduce foodborne illness, contributed to the broader national food regulatory reforms requested by Food Ministers.

Meat

The NSW Food Authority licenses businesses across the supply chain in the meat sector.

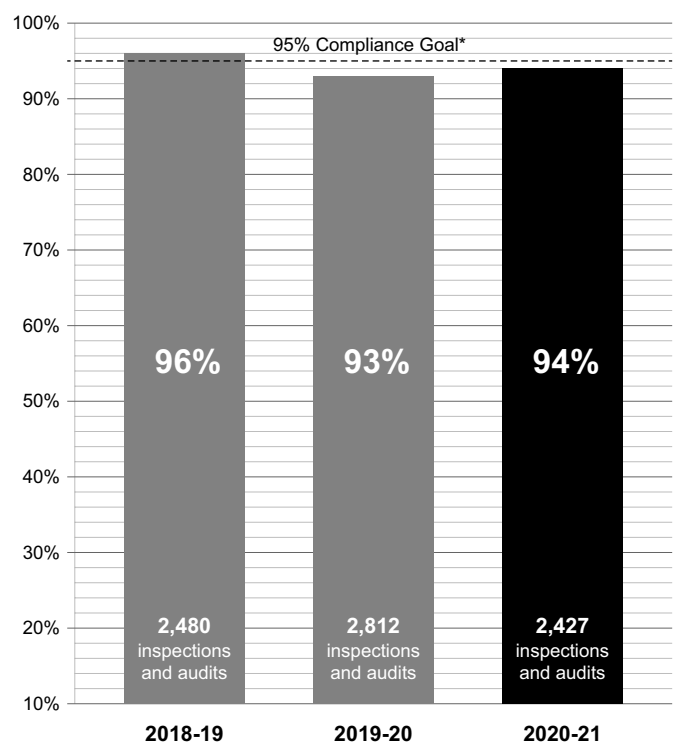
This includes:

- 31 poultry and rabbit abattoirs
- 30 red meat abattoirs
- 419 meat processing plants
- 337 poultry primary production premises
- 1,511 retail meat premises
- 656 game meat harvest vehicles and 115 field depots

Of the 7,629 food transport vehicles licensed with the NSW Food Authority, approximately 5,800 are authorised to transport meat products.

Compliance across the sector with food safety program requirements for the 2020–21 financial period was 94%, consistent with the average compliance rate over the past three years.

Meat sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Implementation of Biosecurity Management Plans in domestic red meat abattoirs and knackereries that complement food safety outcomes

On 1 August 2019, the Biosecurity Amendment (Biosecurity Management Plans) Regulation 2019 was introduced to prevent, eliminate and minimise the biosecurity risk posed by persons entering agricultural or horticultural industries conducting commercial or educational activities.

During 2019-20, in order to comply with the Regulation, businesses were provided with signage for display at the entrance to management areas. A Biosecurity Management Plan (BMP) template for licensed domestic red meat abattoirs and knackereries, who play a key role in frontline disease response, was also developed.

The BMP incorporated biosecurity activities and Emergency Animal Disease (EAD) preparedness and complemented existing food safety and animal welfare controls.

This project continued in 2020-21. A BMP Implementation Program was developed and put in place at licensed domestic red meat abattoirs and knackereries. The Program aimed to help these businesses apply measures that reduce the biosecurity risks associated with their operations. To assist with the implementation process, DPI Biosecurity & Food Safety hosted and facilitated three joint domestic red meat abattoir and knackery meetings attended by industry stakeholders, peak bodies AMIC and MINTRAC, and Response Learning. Practical guidance materials were developed for implementing and complying with a BMP.

As of June 2021, seven of the 19 licensed domestic red meat abattoirs and knackereries had completed their BMP and will have their plan inspected in 2021 as part of a routine audit.

COVID-19 Animal Welfare Business Continuity Plans for abattoirs

Developed to assist abattoirs manage risks associated with COVID-19, these plans assist meat processing businesses to prepare for, and manage, the impacts of business disruption and processing operations cause by a major event or emergency beyond the control of the business (e.g. pandemics, fire, flood, food safety issues, stock movement restrictions or an emergency animal or plant disease). These risks have varied but major implications on business as usual operations and proper business and response planning is essential to mitigate these risks.

The plan features a checklist designed as a prompt for developing business specific plans that consider strategies aimed at:

- protecting the health and safety of employees, their families and the broader community.
- maintaining and increasing food security through the ongoing supply of meat to Australian consumers.
- facilitating business continuity:
 - livestock welfare is not jeopardised,
 - workforce job security and plant operations can be maintained, and
 - assisting market access to non-domestic (International), and non-human intended food supply chains.

Illegal slaughter investigations in Greater Sydney

The illegal slaughter of animals impacts those who operate legally within the food regulatory system and creates a risk to consumers and industry from the sale of meat by unlicensed businesses.

During 2020-21, a project was undertaken to reduce illegal slaughter activities. Nineteen reports of illegal slaughter, and the subsequent sale of meat and meat carcasses, in Greater Sydney were investigated.

These investigations were complex and often required a coordinated response with NSW Police, Local Land Services and the RSPCA, and revealed that:

- meat and meat carcasses were not safe and suitable for human consumption
- the premises did not comply with Australian Standard AS 4696-2007, *Hygienic Production and Transportation of Meat and Meat products for Human Consumption*
- ruminants had access to Restricted Animal Material, and
- operators often failed to comply with NLIS traceability requirements.

The following enforcement action was taken during these investigations: ten seizure notices and the seizure of approximately 815kg of meat and meat carcasses, four prohibition notices, eight Individual Biosecurity Directions, ten penalty notices with a total cost of \$9,660, and one pending prosecution.

This project resulted in the development of an officer toolkit for conducting investigations and industry education materials*.

*See Educational and technical guidance materials for more information.

Foodborne illness linked to *Listeria monocytogenes* in NSW smallgoods

Listeria monocytogenes is a foodborne pathogen commonly found in food processing environments, particularly in the manufacture of ready-to-eat (RTE) meats and smallgoods.

In February 2021, officers investigated a licensed NSW smallgoods manufacturer who supplied ham to an interstate hospital café that resulted in *L. monocytogenes* food poisoning when consumed by an out-patient. The facility was inspected for compliance with the Food Standards Code and Australian Standard AS 4696-2007, *Hygienic Production and Transportation of Meat and Meat products for Human Consumption*. Food samples and environmental swabs were also collected, and records and procedures were examined.

L. monocytogenes was detected in the food processing environment and on ham produced at the facility, which was linked by whole genome sequencing to the sample from the interstate hospital café. Contamination was determined to be occurring in the post-cook RTE slicing and packaging room, and several maintenance, cleaning and cross contamination issues were identified that may have contributed to the survival and growth of *L. monocytogenes*. The investigation resulted in a prohibition order on the production and sale of all product until the facility was cleared of *L. monocytogenes*.

Meat Industry Consultative Council

The Meat Industry Consultative Council (MICC) meets every six months or so and provides feedback to the NSW Food Authority and the Minister for Agriculture and Western NSW on industry issues, including:

- meat and poultry meat food safety policy and practices
- discuss emerging food safety issues
- labelling, handling and hygiene
- investigating and prosecuting businesses and individuals engaged in deceptive or misleading conduct

The MICC membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the red meat and poultry meat sectors.

In addition to food safety matters the committee also provides advice and receives information on other issues affecting their industries such as:

- Amendments to the Prevention of Cruelty Act that Increased financial penalties and jail time for animal cruelty offences
- The pending release of an Animal Welfare Reform Discussion Paper in the coming Financial Year to inform consultation on proposed changes to NSW animal welfare laws. Feedback on the Discussion Paper will be used to refine reform proposals and inform the drafting of the new animal welfare legislation.

Consultative Council representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Australian Meat Industry Council

Australian Meat Industry Council (red meat processors)

Australian Pork Limited

NSW Farmers Association (livestock producers)

NSW Farmers Association (poultry meat producers)

Australian Chicken Meat Federation (poultry meat industry)

Pepe's Ducks Limited (duck meat industry)

Baiada Poultry Pty Ltd (poultry meat industry processors)

Inghams Enterprises Pty Ltd (poultry meat industry processors)

NSW Department of Primary Industries

Eggs

The NSW Food Authority licenses businesses across the supply chain in this sector.

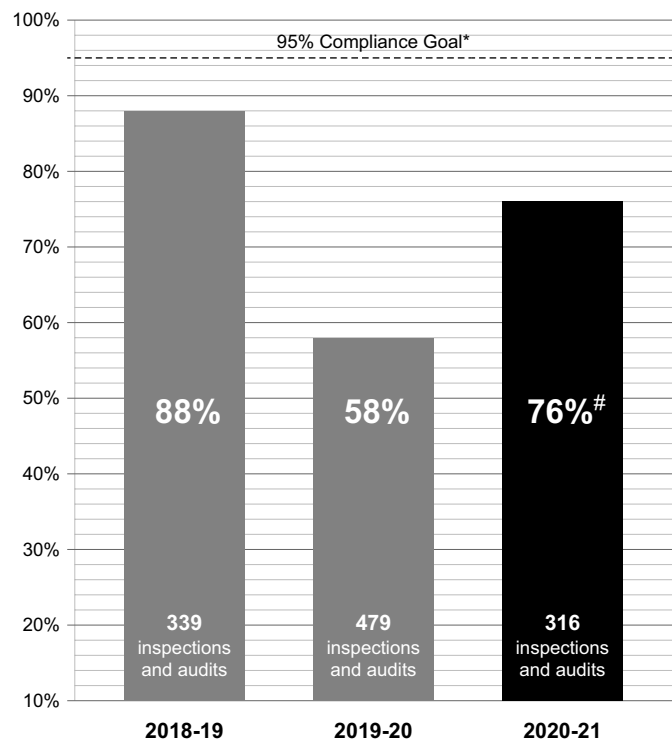
This includes:

- 15 egg processors
- 269 egg producers and cold food stores

Of the 7,629 food transport vehicles licensed with the NSW Food Authority, approximately 2,900 are authorised to transport egg products.

Compliance across the sector with food safety program requirements for the 2020–21 financial period was 76%.

Egg sector compliance rate



*NSW Food Safety Strategy 2015–21 target

[#] There has been an encouraging uptick in compliance in this sector in the current period following an industry adjustment to increased regulatory controls following the introduction of the Biosecurity (*Salmonella* Enteritidis) Control Order in the 2019-20 Financial Year.

Assisting Egg Industry with managing COVID-19

As the NSW egg industries continue to adapt to issues affecting their operations and as part of the NSW Government response to the COVID-19 response, the NSW Food Authority continues to work closely with industry as part of the COVID-19 Primary Industries Liaison Team and other agencies including NSW Health and Safework NSW to educate and support this sector in managing COVID-19 risks.

As part of its efforts to provide tangible support to business the NSW Food Authority a Resource Paper that provides key links to published COVID-19 information to support the NSW food industry including advice for businesses on food safety aspects of COVID-19, workforce management and regulatory obligations.

Ongoing management of *Salmonella* Enteritidis (SE)

Throughout the 2020-21 period the NSW Food Authority (supported by NSW DPI, Local Land Services and industry) continued to remain focused on supporting the NSW egg sector in its response, recovery and management of *Salmonella* Enteritidis (SE).

SE is a bacterial disease that can pass through eggs and can make people sick with gastroenteritis.

On 31 July 2019, the Biosecurity (*Salmonella* Enteritidis) Control Order (the Control Order) was introduced to prevent, eliminate, minimise and manage the biosecurity risk associated with *Salmonella*

Enteritidis (SE) within NSW. The Control Order was amended on 30 June 2020 to introduce mandatory SE testing requirements.

From 2019-21, a project was undertaken to ensure licensed egg farms met the requirements of the Control Order.

Phase One was undertaken during the 2019-20 Financial Year where egg farms were inspected twice to assess their compliance with the Control Order. If non-compliances were identified, an Individual Biosecurity Direction (IBD) was issued which outlined the actions needed to comply with the Control Order.

During 2020-21 Phase Two was implemented, the 140 egg farms previously issued an IBD were inspected. If farms had not met the requirements of the Control Order, they received multiple inspections.

A total of 440 inspections were conducted during this project, resulting in 202 IBDs being issued and 20 sanctions. Thirty-five licensees also left the industry between 2019-21 and in some cases, this was due to additional requirements needed to comply with the Control Order.

As of 30 June 2021 all licensed egg farms in NSW were assessed as compliant with the Control Order.

The NSW Food Authority continues to work with other agencies and the egg and poultry industries in the ongoing management of SE.

Further information in Food Testing and Surveys.

Small egg farm survey

Small egg farms are those that produce no more than 20 dozen (240) eggs for sale in any week. Small egg farms are not required to hold a NSW Food Authority licence to operate but are required to notify the Food Authority of their business details and food activities.

There are approximately 650 of these businesses in NSW, in May 2020 the NSW Food Authority delivered a short survey to these businesses asking them to confirm contact details and business activities to ensure they continue to have access to support resources.

Of the 657 producers contacted, 46% responded to the request updating details of their current activities. Work is currently underway to contact producers who did not respond. This information will provide useful baseline information to inform the staged repeal of Food Regulation 2015 which is due to be completed by October 2022.

Participation in FSANZ Egg Food Safety Roundtable

In March 2021 Food Standards Australia New Zealand (FSANZ) convened a workshop in with jurisdictional food safety regulators, animal biosecurity officers and OzFoodNet epidemiologists.

The NSW Food Authority provided input and advice into the future review of the Egg Primary Production and Processing Standard.

Key considerations for the review included whether eggs should be classed as a potentially hazardous food and kept refrigerated through the supply chain (including retail sale), requirements on wholesale activity to prevent movement of unstamped eggs, and additional guidance on the biosecurity measures used in NSW to control of *Salmonella* Enteritidis and their dual food safety impact.

Egg Industry Consultative Committee

The Egg Industry Consultative Committee (EICC) meets approximately every six months and provides feedback to the NSW Food Authority and the NSW Minister for Agriculture and Western NSW on issues relating to egg industries, including:

- food safety policy and practices
- the Egg Food Safety Scheme
- labelling, food handling and hygiene

In addition to food safety matters the committee also provides advice and receives information on other issues affecting their industries such as:

- Amendments to the Prevention of Cruelty Act that increased financial penalties and jail time for animal cruelty offences
- The pending release of an Animal Welfare Reform Discussion Paper in the coming Financial Year to inform consultation on proposed changes to NSW animal welfare laws. Feedback on the Discussion Paper will be used to refine reform proposals and inform the drafting of the new animal welfare legislation.

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Australian Eggs

NSW Farmers Association Egg Farmers Australia

Pace Farm (representing large egg processors)

Pirovic Enterprises (representing large egg producers)

Manning Valley Free Range Eggs (representing free range egg producers)

NSW Department of Primary Industries

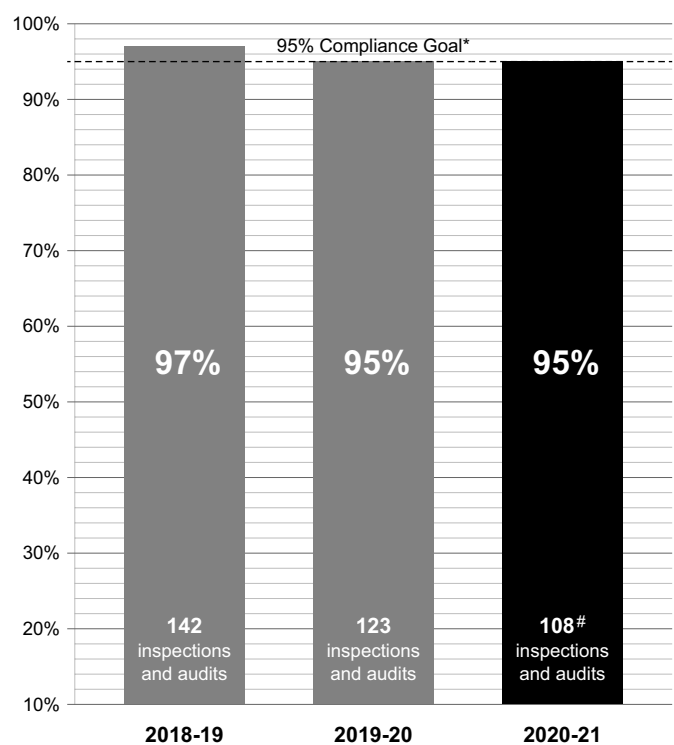
Shellfish

The NSW Food Authority licenses 281 businesses in this sector.

This includes 237 oyster farmers, and 44 shellfish wild harvest businesses.

Compliance across the sector with food safety program requirements for the 2020–21 financial period was 95%, consistent with compliance rates over the past three years.

Shellfish sector compliance rate



*NSW Food Safety Strategy 2015–21 target

[#]Due to the persistent summer rainfall and the Easter 2021 floods, the NSW Shellfish Program recorded 678 closures for the 2020/21 year, this surpasses the previous record of 588 closures in 2015/16. The weather-related closures, combined with the market disruptions of COVID-19 and the water quality impacts from the black summer bushfires have made it a very challenging period for NSW shellfish producers. Despite these challenges the industry remains positive for the future.

Support of Food Safety Programs assisting the State's shellfish industry

As part of its commitment to supporting the NSW shellfish industry the NSW Food Authority achieved 76 annual reviews of harvest areas, five depuration tank assessments, 72 industry accreditations, nine State Environmental Planning Policy's (SEPP) 62 Development Application assessments, 678 harvest area closures, 31 product retrievals and worked with industry to obtain export approval for another two harvest areas in NSW.

Online Training and Services

The NSW Food Authority continued its commitment to supporting and educating industry despite some restrictions imposed as a result of COVID-19 impacting traditional training opportunities.

This year's Depuration and Harvest & Hold course was successfully held via video-conferencing, providing a wider opportunity for all industry to participate as the extension of services to a virtual platform meant easier access for industry members to complete NSW Food Authority training courses.

Food Agility CRC Project

The NSW Food Authority continues to provide technical and operational support to the oyster industry's Food Agility CRC project that aims to increase the number of days that shellfish can be harvested by improving environmental monitoring of harvest areas.

A phase two extension for this project has been approved. The burgeoning West Australian oyster industry has signed on as a partner in recognition of

the significant industry benefits demonstrated under phase one of the project.

A DPI economic assessment of the project's real-time salinity management demonstrated that the new harvest area management regimes resulted in around three additional weeks of harvest per year. The benefit of applying this across NSW is expected to be up to \$3 million per annum.

A sub-project has commenced to compare the results of faecal coliforms and *E. coli* analysis from traditional laboratory-based methods with novel PCR based analysis. Results so far are promising; further optimisation of the PCR method to obtain the required sensitivity will be undertaken as part of the phase two project.

Promotion of fresh and safe NSW seafood to international markets

The work of the NSW Food Authority and its support of the State's seafood industry was showcased via a number of events throughout the 2020-21 Financial Year through the NSW DPI's International Engagement Team.

This included the inaugural NSW seafood industry briefing 'China Seafood Expo 2020 Online' hosted by the China Aquatic Products Processing and Marketing Alliance and organised by NSW DPI, and the NSW oyster export market workshop.

Salinity Sensor Network Extension

The Authority's partnership with a salinity sensor project funded by the Food Agility CRC (Cooperative Research Centre) has been extended by a further two years.

This provides an extension of the sensor network of the current project and increase in the number of sensors and a data analysis component to help with predictive modelling for industry.

Data collected to date has been used to implement a salinity only management plan for two harvest areas with a further five being identified as suitable for implementing a salinity only management plan.

Harvest areas operating under a salinity only management plan have seen an increase in harvest opportunities, a decrease in harvest area closures as well as real-time data availability to assist in farm management practices.

Published Papers

The Food Authority contributed to one published paper during the 2020-21 period. This paper shares information on topical issues important to the industry.

- Ajani, P.A., Verma, A., Kim, J.H., Woodcock, S., Nishimura, T., Farrell, H., Zammit, A., Brett, S., Murray, S.A. Using qPCR and high-resolution sensor data to model a multi-species *Pseudo-nitzschia* (Bacillariophyceae) bloom in southeastern Australia. Harmful Algae – submitted May 2021

NSW Shellfish Committee

The Shellfish Committee meets quarterly and provides advice to the Minister and the NSW Food Authority on the operation and administration of the NSW Shellfish Program, including local level operation.

The NSW Shellfish Committee membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the shellfish industry.

In addition to food safety matters the committee also provides advice and receives information on other issues affecting their industries such as:

- The Committee supported DPI's proposal to end the use of tar-based timber preservative products to treat oyster cultivation equipment by the end of 2025. The Committee's decision is a show of commitment to sustainable farming practices, with a time frame that provides remaining businesses using the product sufficient time to transition to alternative cultivation infrastructure.
- The Committee was accepted as the preferred industry body to approve the extinguishment of Priority Oyster Aquaculture Areas (POAA). The committee were provided a total of six POAA listed for extinguishment. All POAA listed include all or part of the lease in unusable area well within protected mangrove areas. The committee supported the extinguishment of the leases listed.

Consultative Committee representation:

Chair: Associate Professor Shauna Murray, University of Technology Sydney (independent technical representative)

NSW Food Authority

NSW DPI Biosecurity & Food Safety

NSW DPI Fisheries

NSW DPI Aquatic Biosecurity

Industry – Aquaculture

Industry – Wild Harvest

NSW Farmers

NSW Oyster Extension Officer & Oyster Australia Chair

Seafood

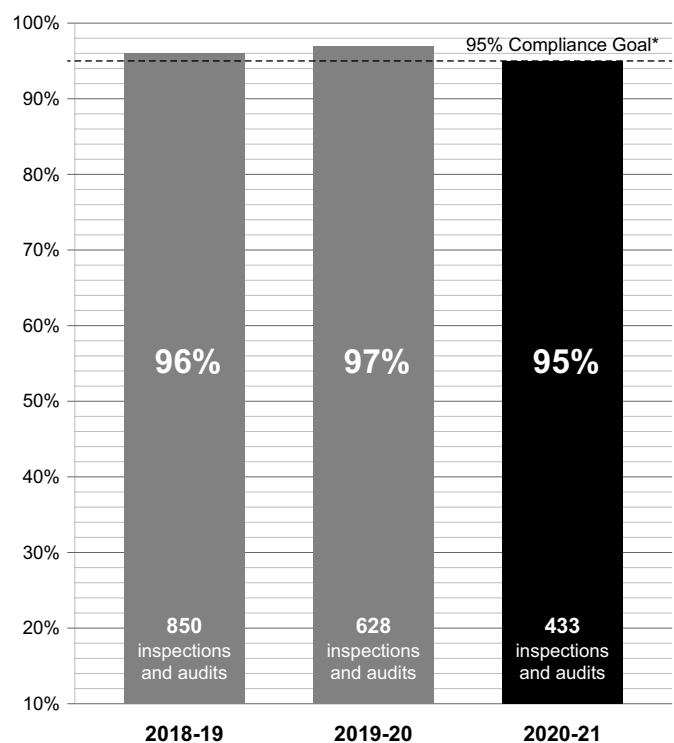
The NSW Food Authority licenses businesses across the supply chain in this sector.

This includes 208 seafood processing plants and 831 facilities that handle wild caught seafood as well as cold food stores.

Of the 7,629 vehicles licensed with the NSW Food Authority, approximately 4,100 are authorised to transport seafood products.

Compliance across the sector with food safety program requirements for the 2020-21 financial period was 95%, slightly below the average compliance rate over the past three years.

Seafood sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Assisting the seafood sector with managing COVID-19

The increasing impact of COVID-19 throughout the 2020-21 Financial Year was an issue of concern for the State's seafood industry, specific to the seafood sector were issues with labour shortages across the industry, state border closures and associated restrictions. Industry noted an associated decrease in sales to the hospitality, food service and export sectors, but reported that retail and regional sales have increased.

Industry continues to adapt to address issues affecting their operations and as part of the NSW Government response, the NSW Food Authority continues to work closely with industry as part of the COVID-19 Primary Industries Liaison Team and other agencies including NSW Health and Safework NSW to educate and support this sector in managing COVID-19 risks.

As part of its efforts to provide tangible support to business the NSW Food Authority developed a Resource Paper that provides key links to published COVID-19 information to support the NSW food industry including advice for businesses on food safety aspects of COVID-19, workforce management and regulatory obligations.

Abalone Viral Ganglioneuritis update

Abalone Viral Ganglioneuritis (AVG) affects abalone's central nervous system. While there is no evidence that AVG has any effect on human health, it has the potential to impact the productivity of the NSW abalone industry.

There was a detection of AVG in western Victoria during the 2020-21 period.

In response NSW has implemented a Biosecurity Control Order to prevent importation of wild abalone from western Victoria. Only abalone from eastern Victoria is permitted into NSW.

The NSW Food Authority worked closely with the Sydney Fish Market to ensure this message was conveyed to stakeholders in a timely manner. AVG was subsequently detected in a number of abalone live holding premises in Sydney and was the focus of a significant emergency response. As a precaution a Control Order was initially implemented to prohibit movement of live abalone into and within NSW. Subsequently, limited trade of live wild abalone of NSW origin has been resumed.

The NSW Food Authority continues to work with DPI Fisheries in its efforts to support industry in its response and management of AVG through education and compliance programs.

Promotion of fresh and safe NSW seafood to international markets

The work of the NSW Food Authority and its support of the State's seafood industry was showcased via a number of events throughout the 2020-21 Financial Year through the NSW DPI's International Engagement Team.

This included the inaugural NSW seafood industry briefing 'China Seafood Expo 2020 Online' hosted by the China Aquatic Products Processing and Marketing Alliance and organised by NSW DPI, and the NSW oyster export market workshop.

NSW Seafood Industry Forum

The NSW Seafood Industry Forum (SIF) meets approximately every six months and provides feedback to the Food Authority and the Minister for Agriculture and Western NSW on issues relating to seafood industries, including:

- food safety policy and practices
- the Seafood Safety Scheme
- labelling, food handling and hygiene

The SIF membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the seafood industry sector.

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Sydney Fish Market

Association of Fishermen's Cooperatives

Seafood Importers' Association

NSW Aquaculture Association

Professional Fishermen's Association

Seafood wholesale/processing sector

Master Fish Merchants Association of Australia

NSW Department of Primary Industries

Dairy

The NSW Food Authority licenses businesses across the supply chain in this sector.

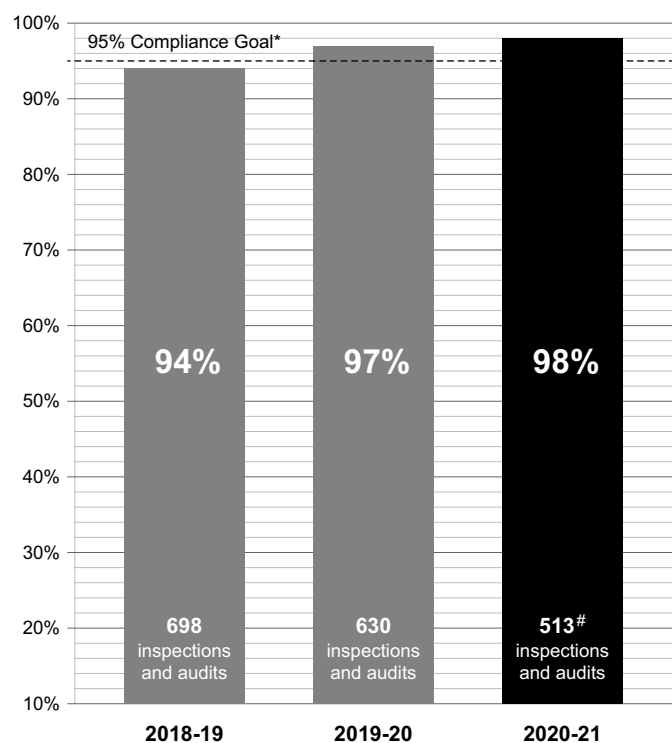
This includes:

- 534 dairy farms
- 205 dairy processing factories
- 145 farm milk collectors as well as cold food stores

Of the 7,629 food transport vehicles licensed with the NSW Food Authority approximately 4,440 are authorised to transport dairy products.

Compliance across the sector with food safety program requirements for the 2020-21 financial period was 98%, an improvement on the average compliance rate over the past three years.

Dairy sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Lower inspection numbers during this period were due to the impact of COVID-19 travel restrictions and diversion of resources to COVID-19 compliance activities

Assisting Dairy Industry with managing COVID-19

The increasing impact of COVID-19 throughout the 2020-21 Financial Year was an issue of concern for the State's dairy industry, particularly issues associated with state border closures and associated restrictions.

In response, the NSW Food Authority continues to work closely with industry as part of the COVID-19 Primary Industries Liaison Team and other agencies including NSW Health and Safework NSW to educate and support businesses in managing COVID-19 risks.

In an effort to provide tangible support to the sector the NSW Food Authority, via Officers who are authorised under the Public Health Act 2010, proactively visited dairy processing licensees to ensure food businesses have a COVID-19 Safety Plan in place and educate and support them in their management of risks.

This includes provision of a Resource Paper that provides key links to published COVID-19 information to support the NSW food industry including advice for businesses on food safety aspects of COVID-19, workforce management and regulatory obligations.

COVID-19 Safety Plan compliance will remain an ongoing focus of the Department's audit program for this sector.

NSW Dairy Industry Consultative Committee

The NSW Dairy Industry Consultative Committee meets every six months or so and provides feedback to the NSW Food Authority and the NSW Minister for

Agriculture and Western NSW on industry issues including the dairy food safety scheme and management of food safety risks across the NSW dairy industry supply chain.

The committee includes representation from across the dairy production, processing and supply chain and is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the dairy sector.

In addition to food safety matters the committee also provides advice and receives information on other issues affecting their industries such as:

- Amendments to the Prevention of Cruelty Act that increased financial penalties and jail time for animal cruelty offences
- The pending release of an Animal Welfare Reform Discussion Paper in the coming Financial Year to inform consultation on proposed changes to NSW animal welfare laws. Feedback on the Discussion Paper will be used to refine reform proposals and inform the drafting of the new animal welfare legislation.

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Dairy Connect (representing dairy producers)

NSW Farmers Association (representing dairy producers)

Bega Cheese (representing dairy processors)

The Riverina Dairy (representing dairy processors)

Pecora Dairy (representing dairy processors)

Serendipity Ice Cream (representing dairy processors)

Norco (representing dairy processors)

Dairy NSW (representing dairy research)

Dairy Australia

NSW Department of Primary Industries

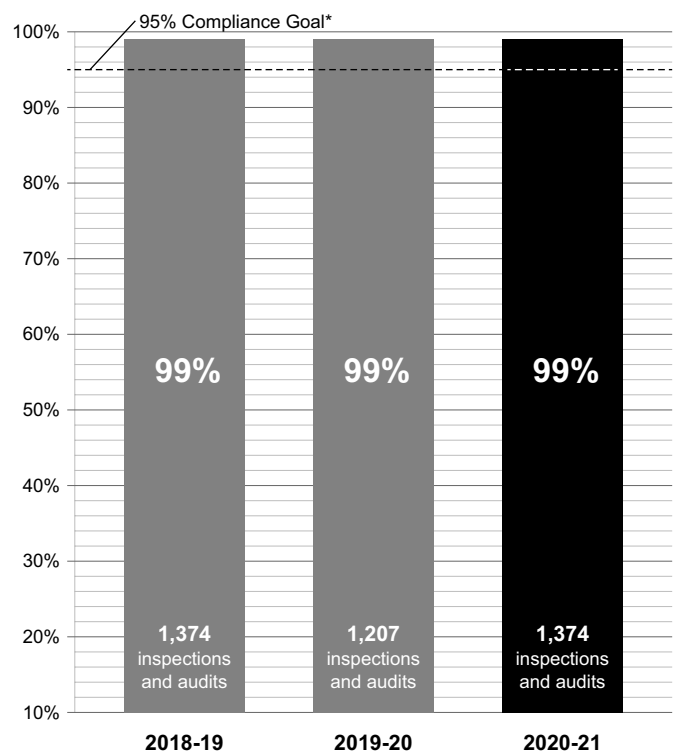
Vulnerable persons

The NSW Food Authority licenses 1,228 businesses in food service to the Vulnerable Persons (VP) sector.

This includes hospitals, aged care facilities, same day aged care services, respite services and certain delivered meals organisations such as Meals on Wheels.

Compliance across the sector with food safety program requirements for the 2020–21 financial period was 99%, consistent with the average compliance rate over the past three years.

Vulnerable Persons sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Third Party Auditor training

The NSW Food Authority hosted three online training sessions for Third Party Auditors (TPAs) during the 2020-21 period to support education and ensure the high standard and skill level of TPAs approved by the NSW Food Authority to conduct audits in the Vulnerable Persons sector is maintained.

Highly trained and skilled TPAs help to ensure compliance with Food Regulation 2015 which helps to protect public health and safety and provides a framework to help food businesses who service Vulnerable Persons to identify and manage potential hazards to food safety.

Training

During the 2020-21 period 21 Third Party Auditors and DPI Auditors were trained in their respective duties under the *Food Act 2003*.

Third Party Auditor survey

The impact of COVID-19 during this period saw the postponement of the NSW Food Authority's annual TPA Conference, an event designed to provide opportunity for professional development and ensure audit consistency across the state's VP sector.

To find ways to best support the sector during these challenging times, the Authority undertook a survey of the sector to seek their views and experience to date, and improve the efficiency and outputs of the TPA program for industry.

Initial response has included the implementation of a quarterly newsletter and an online 'Tea Time Talks' session with TPAs, allowing them the opportunity to engage directly with NSW Food Authority staff at a relaxed and convenient time to them outside of work hours.

Third party auditor report cards

In a further effort to build relationships and engage and support the VP sector, the Authority has produced 43 individualised report cards for Third Party Food Safety Auditors. The report cards are designed to provide feedback to TPAs on their auditing performance, highlighting key areas where they are driving improvements in compliance with industry stakeholders.

Consultative Committee representation:

There are currently no formal appointments to this committee and consultation with the sector is conducted directly with each license holder as required. The NSW Food Authority continues to work with the sector to determine an appropriate way forward in terms of the most effective method of consultation.

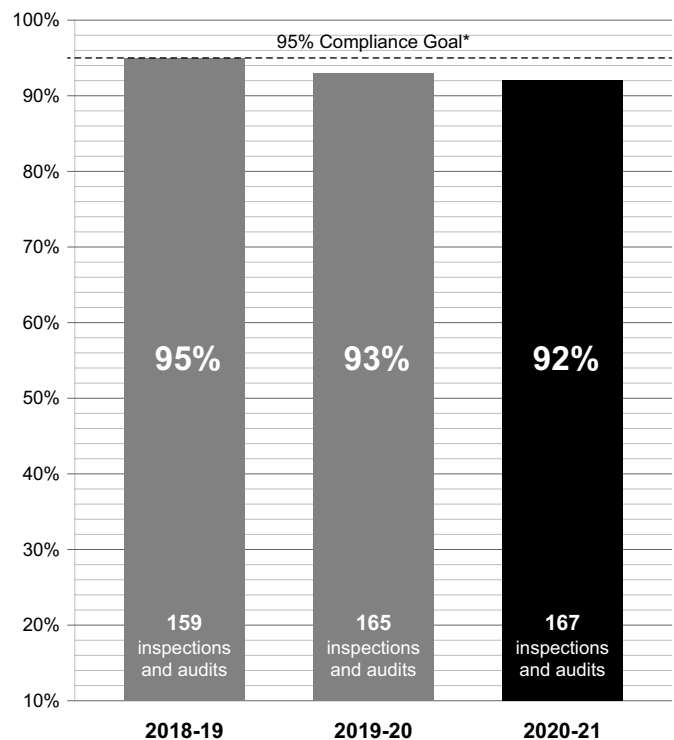
Plant

The NSW Food Authority licenses 85 businesses in the plant processing sector as well as cold food stores.

Of the 7,629 food transport vehicles licensed with the NSW Food Authority, approximately 3,100 transport vehicles are authorised to transport plant products.

Compliance across the sector with food safety program requirements for the 2020–21 financial period was 92%, slightly less than the average compliance rate of the past three years.

Plant sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Horticulture and foodborne illness

A Food Standards Australia New Zealand's (FSANZ) analysis of data on Australian outbreaks of foodborne illness associated with horticultural produce indicates leafy vegetables, melons and berries were the commodity sectors most often associated with human illness. The key causative agents were *Salmonella*, *Listeria* and viruses (Hepatitis A and norovirus).

FSANZ is undertaking Proposal P1052 – Primary Production and Processing (PPP) Requirements for Horticulture (Berries, Leafy Vegetables and Melons) to consider the need for regulatory and non-regulatory food safety risk management measures.

In order to support the FSANZ process, the Authority organised a face-to-face meeting with national stakeholders from the fresh produce industry to garner their views and experience to date, and discuss ways to address how best to minimise food safety risks in the sector. Due to the COVID-19 outbreak, the face-to-face meeting scheduled for Sydney in June did not progress and was rescheduled as a virtual meeting in August 2021.

Plant-based alternative products survey

Consumer demand for plant-based products as alternatives to animal products has increased over recent years. Information on the microflora of plant-based alternative products that mimic meat is not widely available in scientific literature. Reports available mainly focus on the nutritional aspects or consumers' acceptance. Therefore, a survey was carried out to

gather information on the microbiological safety of these products and their labelling compliance with the Australia New Zealand Food Standards Code (the Code).

Last year, samples of plant-based alternative products were obtained and tested for a range of microorganisms, pH and water activity.

Testing results show that there was no microbiological safety concern with the products included in this survey. In addition, approximately half of the products had compliant labels according to the Code.

The most common non-compliance was observed with nutritional claims where the manufacturer used non-permitted or unsubstantiated claims. Follow-up action was taken accordingly.

The survey report has been finalised and is available on the Food Authority's website here: <https://www.foodauthority.nsw.gov.au/plant-based-alternative-products-survey>

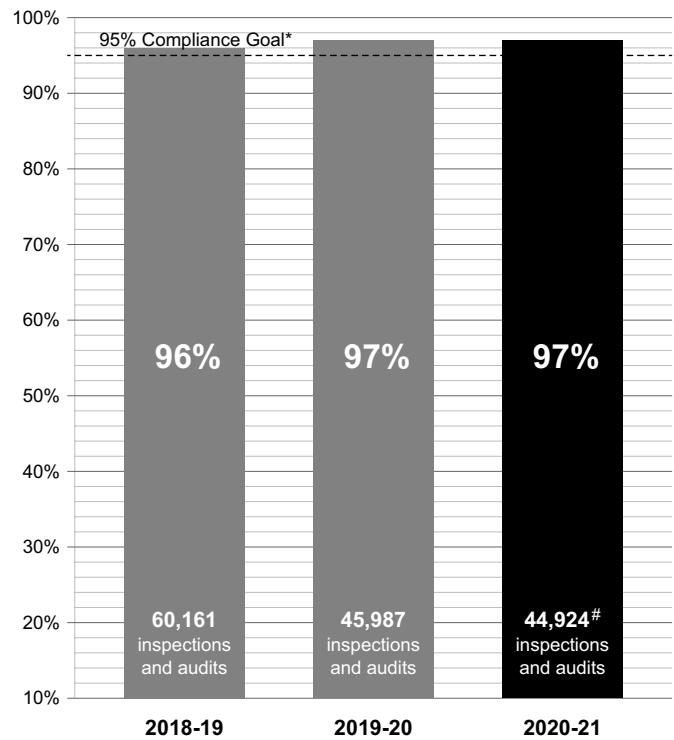
Consultation

The NSW Food Authority consults directly with each licence holder in the plant products industry.

Retail

There are 49,387 retail food businesses in NSW. Compliance across the retail food sector with food safety requirements for the 2020-21 financial period was 97%, in line with the average compliance rate over the past three years.

Retail sector compliance rate



*NSW Food Safety Strategy 2015–21 target

Lower inspection numbers during this period were due to the impact of COVID-19 travel restrictions and diversion of resources to COVID-19 compliance activities

Retail activity snap shot

Key NSW Food Authority performance indicators			
	2018-19	2019-20#	2020-21#
Name & Shame listings	1,483	906	651
No. of retail food business inspections	60,161	45,987	44,924
No. of complaints about retail food businesses investigated	5,339	5,505	5,568
Overall compliance rate for food businesses regulated by councils (retail)	96%	97%	97%
Warning letters issued by councils	11,394	8,212	7,720
Improvement notices issued by councils	1,846	1,297	1,164
Prohibition orders issued by councils	193	137	112
Prosecutions undertaken by councils	10	10	5
Penalty Infringement notices issued by councils	1,654	1,034	748

#The combined impacts of bushfire, floods and the COVID-19 pandemic limited the ability of many local councils to conduct normal food surveillance activities.

Registered Training Organisation (RTO) Forum

The NSW Food Authority hosted its annual RTO Forum in November 2020 delivering Food Safety Supervisor (FSS) training for RTOs in NSW. The FSS provides practical skills and knowledge on food safety for food handlers in the retail and food service sectors.

The RTO Forum is an important part of the Food Authority's engagement with training organisations. The event provides an opportunity for both the Food Authority and RTOs to learn from each other about the changing landscape for the vocational training sector.

This year the Food Authority provided an overview of outcomes from the 2020 annual RTO audits, Caffeine in the food supply and an update on COVID-19 impacts on the food retail and food service sectors.

The 2020 audits of RTO's revealed continued high levels of compliance from approved RTO's with the Food Authority's Conditions of Approval.

Updates on the 2020 FSS re-certification were provided. Editorial amendments to the existing key focus areas modules were proposed, mostly to account for the passage of time (the modules were last thoroughly reviewed in 2015).

RTOs were provided information on uses in caffeine in food and on urgent FSANZ Proposal 1054 – Prohibition on pure and highly concentrated caffeine in foods.

Food Safety Supervisor program

During 2020-21, the NSW Food Authority consulted with RTO's on content updates to all key focus area modules, *allergen management*, *safe egg handling*, *cleaning and sanitation* and *Food Act*

offences. Overall messaging in the modules was still current and considered fit for purpose, however the 2020 re-certification was an ideal time to update weblinks and case studies in the modules to reflect the passage of time.

A mandatory second information module was prepared to assist retail and food service businesses adapt to the changed business environment of the hospitality sector due to COVID-19. This module provides an overview on the COVID-19 virus and advice on personal protective measures as well as practical advice on cleaning and sanitation procedures, social distancing measures for front of house and back of house, record keeping provisions and access to templates to assist supervisors implement COVID safe work practices in the hospitality sector.

In 2020-21 RTOs and the Food Authority issued 16,048 new FSS certificates. All of which incorporated the new COVID-19 Hygiene module.

In October 2020 the Food Authority released a new FSS certificate design. This is the first change to the certificate in ten years and updated design features to improve protections against fraud.

Supporting the sector through education and training for council authorised officers

The Food Authority provides training to NSW local councils' Environmental Health Officers (EHOs) to enhance skills and knowledge, address priority topics and promote consistency in inspection and enforcement action.

During 2020-21 the Food Authority conducted three rounds of Regional Food Group meetings in 16 regions across NSW. These meetings consisted of a training session as well as updates regarding topical food safety matters. Each meeting provides opportunities to problem solve and seek regionally consistent approaches to local issues. The regular program of face-to-face meetings during 2020-21 were impacted due

to the COVID-19 pandemic. Most meetings during this period were conducted via webinar which continues to prove to be an efficient and effective alternative.

In 2020-21 the training focused on allergen management in the retail sector, food labelling and home-based food businesses, temporary events and mobile food vendors.

The 'allergen management in the retail sector' package provided information about food allergens and the risk they pose to allergic consumers and introduced best practice for assessing allergen management controls in food businesses. The 'food labelling' package delivered on the food labelling requirements from the Australia New Zealand Food Standards Code. These requirements provide the information needed on packaged food labels or when food is sold loose, as well as exemptions. The session included scenario-based discussions to bolster skills and knowledge. The 'home-based food businesses, temporary events and mobile food vendors' package consolidated all existing guidance and protocols, inspection principles and food safety requirements for the sector. A discussion using scenarios permitted practical application of the materials to the EHOs' role.

The training delivered in 2020-21 links to one of the NSW Government's Food Safety Strategy priorities, to reduce foodborne illness including *Salmonella*, *Campylobacter*, *Listeria* and anaphylaxis across the food chain by 30% by 2021.

The Food Authority recognises that many EHOs are geographically dispersed throughout NSW and are unable to attend all the training and engagement sessions that are delivered under the Food Regulation Partnership (FRP). To allow for this, all sessions are delivered via webinars which are recorded and placed on a dedicated platform. The sessions and training materials are available for all users on demand.

Feedback from users demonstrates the efficiencies and convenience afforded by this availability.

Authorised Officer (Local Government) Food Surveillance Training

Each year the NSW Food Authority hosts food safety training sessions for up to thirty authorised officers from local councils across NSW to provide the latest information and skills for those officers who undertake or are learning to undertake food inspections at the retail level.

To appoint an authorised officer, NSW councils must be satisfied that prospective officers have the qualifications or work experience to carry out their duties as stipulated in the *NSW Food Act 2003*.

Local councils must therefore make sure that anyone working in food surveillance gets adequate training in the inspection and regulation of retail food outlets – a condition of the council's appointment as an enforcement agency.

The authorised officer training course helps local councils provide a clear pathway for new officers, trainees or anyone wanting refresher training to gain the appropriate skills and knowledge to conduct food surveillance activities on behalf of their council.

Specifically, the course aims to:

- educate and train council staff responsible for carrying out food inspection duties under the *NSW Food Act 2003*, in accordance with the Food Regulation Partnership Protocols and Advisory Guidelines, and NSW Food Authority policies and guidelines
- promote consistency between councils
- provide a workforce continuity strategy to cover skills shortages in the EHO field
- build working relationships between local council authorised officers and Food Authority staff.

In light of the COVID-19 pandemic the NSW Food Authority has moved the annual training program online. By doing so it allowed the program to proceed in the event that staff and attendees might be unable to attend due to travel and movement restrictions. This year's attendance was strong with over 23 attendees registering for the program. Feedback on the online delivery of weekly sessions was positive.

The Food Authority will use the feedback to inform the delivery of future programs.

Scores on Doors

2020-21 saw steady participation rates for the NSW Food Authority's voluntary Scores on Doors program.

The initiative is designed to reduce foodborne illness in NSW by improving food safety in the retail sector through public display of food safety inspection results.

On 30 June 2021 there were 61 local councils participating in the program, which is a slight decrease from the 62 in the previous financial year. These 61 councils represent 25,361 eligible food businesses, capturing 63 % of all eligible retail food businesses in NSW.

The NSW Food Authority will continue to work with councils to encourage the adoption of Scores on Doors. The NSW Government Food Safety Strategy 2015–2021 sought to achieve a 75% participation rate by NSW retail food businesses by 2021. The significant impact of COVID-19 on this sector over the past two years has affected capacity to achieve this goal. The disruption to the sector saw NSW Government efforts focused on supporting the industry through COVID-19. There are plans to rebuild efforts to grow Scores on Doors once the sector is back on its feet.

Name and Shame

In 2020-21, 393 retail food business facilities appeared on the NSW Food Authority's Name and Shame register, a register which names businesses that fail to meet food safety standards, and a total of 651 penalty notices were published, representing less than 1% per cent of NSW retail food businesses.

The most common food safety breaches under the *Food Act 2003* during this period were:

- unclean food premises (15%)
- improper food storage (13%)
- poor handwashing facilities (12%)
- poor pest control (11%)
- unclean fixtures and fittings and equipment (9%)

Name and Shame register			
	2018-19	2019-20	2020-21
No. of penalty notices published	1,483	906	651
No. of facilities that had penalty notices published	817	522	393

Food businesses and enforcement agencies have been significantly impacted during 2020-21. Many communities experienced a combination of drought, floods, bushfires and other events during 2020-21.

The retail and food service sector was particularly affected by a succession of COVID-19 Public Health Orders placing restrictions on those businesses, this consequently limited enforcement agencies ability to implement their routine food surveillance activities. As a result, the numbers of penalty infringement notices being issued and published are lower than in previous years.

Food Regulation Partnership

The Food Regulation Partnership is a joint initiative of the Food Authority and all NSW local councils to work together to ensure retail food service businesses in NSW are inspected and comply with food safety regulations.

Consultation with the retail industry

During the period the Food Regulation Partnership hosted two Food Service Information Sessions with retail and food service businesses in partnership with Bellingen Shire Council and Maitland City Council.

At the Bellingen event there were 26 people in attendance where they had the opportunity for face-to-face engagement with the local council and the Food Authority to learn about food safety and the resources available to them.

The second event was held in partnership with Maitland City Council in May 2021 which attracted 48 attendees.

Attendees heard presentations on a wide range of food safety topics, including mandatory food labelling and health claims, food allergens, foodborne illness, councils' food safety initiatives, display of nutritional information, updates on the Food Safety Supervisor and Scores on Doors programs.

Compliance activity

Data collected from local councils for the 2020-21 period showed compliance levels in the retail food sector to be high as a result of the activities of the Food Regulation Partnership. The average compliance rate of 97% was achieved.

In the 2020-21 financial year 44,924 inspections were undertaken in the retail and food service sector and 80% of the high and medium risk food premises were inspected. This completion rate is higher than that seen in 2019-20 but is less than in previous periods.

Feedback from local councils reveals that the combined impacts of bushfire, floods and the COVID-19 pandemic limited their ability to conduct normal food surveillance activities. This resulted in a re-prioritisation of services and resulted in a lower-than-average inspection rates.

COVID-19 activities

The NSW Food Authority used its communication channels to engage with local councils as the COVID-19 pandemic impacted the community. The retail and food service sector was hit hard with a succession of Public Health Orders placing restrictions on those businesses. The Food Authority promoted its training materials and partner agency's COVID-19 resources to inform local councils of the measures in place.

COVID-19 awareness for food service – free, voluntary online training course

The NSW Food Authority partnered with NSW Health to develop a free, voluntary online training course COVID-19 awareness for food service, to support retail food businesses become COVID Safe. The course was launched on 2 June 2020 and during the 2020-21 Financial year period to 30 July 2021 more than 40, 000 certificates were issued.

The course was a finalist in the 2020 NSW Premiers Awards in the category 'Putting the Customer at the Centre'.

COVID-19 food premises inspections

In response to the ongoing COVID-19 pandemic, around 5,900 retail businesses were inspected for compliance with the COVID-19 Public Health Orders. Officers used an electronic checklist to complete these inspections, which included questions on:

- the COVID-19 Safety Plan
- physical distancing
- personal hygiene and cleaning
- the customer and visitor register
- customer, visitor and employee entry procedures
- availability and use of hand sanitiser, and
- information to employees on reducing the spread of COVID-19.

The inspections generally showed a high level of compliance with the Public Health Orders. However, 45 COVID-19 penalty notices were issued with a total cost of \$119,000. Three of these penalty notices were court elected, one of which has been prosecuted* and two are pending. 204 warning letters were also issued for non-compliance with the Public Health Orders.

*See Compliance and enforcement for more information.

Food Regulation Partnership Forum Committee

The NSW Food Regulation Forum oversees the Food Regulation Partnership between councils and the Food Authority. The Food Regulation Forum brings expertise and new ideas to enhance strategic focus and issue resolution across the retail food industry sector.

The committee met three times during 2020-21 period via teleconference (due to COVID-19 restrictions). The Forum provides advice to the NSW Food Authority on matters relating to the regulation of the retail industry.

Committee representation

Chair: Mr/Cr Paul Braybrooks OAM

Dr Lisa Szabo (representing NSW Food Authority)

Peter Day (representing NSW Food Authority)

Cr Phyllis Miller (representing Local Government NSW)

Cr Ruth Fagan (representing Local Government NSW)

Cr Marianne Saliba (representing Local Government NSW)

Mr Angus Crichton (representing Environmental Health Australia)

Ms Erin Hogan (representing Environmental Health Australia)

Mrs Lisa Hughes (representing Environmental Health Australia)

Mrs Fiona Stalgis (representing Development and Environmental Professionals' Association)

Ms Yael Lang (representing Development and Environmental Professionals' Association)

Manufacturing and wholesale businesses

The NSW Food Authority conducts a compliance inspection program of manufacturing and wholesale food businesses in NSW.

These businesses are generally manufacturers or wholesalers that handle food not covered by current council inspection programs, as they have limited or no retail sales component.

During the 2020-21 Financial Year, the Food Authority conducted 228 inspections under this program:

- 6 unacceptable inspection results were recorded (subsequent follow-up inspections conducted achieved acceptable inspection result)
- 9 warning letters were issued for labelling and licensing breaches
- 14 improvement notices were issued
- 49 penalty notices were issued to this sector for labelling non-compliances.

Inspection frequency of these businesses is based on risk and performance in terms of the type of food being handled and sold (e.g. pre-packaged vs freshly made) and the previous compliance history of the business.

Compliance and enforcement

SIGNIFICANT INVESTIGATIONS AND RESULTS

Wollongong restaurant prosecuted for fatal anaphylaxis incident

A Wollongong restaurant was prosecuted following a fatal anaphylaxis incident in 2017. The restaurant assured the consumer, who was allergic to peanuts, shellfish, eggs and sesame seeds, that they could provide a meal free from various allergens. However, despite this guarantee the consumer was served hummus that contained tahini (a paste made from sesame seeds). The consumer had an immediate anaphylactic reaction, was hospitalised and passed away. The company was charged with selling food that they ought reasonably to have known was falsely described and was likely to cause physical harm to a consumer of the food who relied on the description. The company was convicted of the offences with court fines, and analysis and professional costs totalling close to \$280,400.

Butchers prosecuted for failing to comply with the Food Standards Code and the Food Act 2003

A Sydney based butcher was prosecuted for selling chicken, beef and lamb mince containing sulphur dioxide, which is not permitted under the Food Standards Code, and for falsely labelling premium lamb mince. The butcher was convicted of eight offences with court fines and analysis costs totalling close to \$11,000.

Another Sydney based butcher prosecuted for selling beef and lamb mince containing sulphur dioxide, and for falsely labelling beef and lamb mince. This butcher was convicted of four offences with court fines and analysis costs totalling close to \$8,500.

Thirroul restaurant fined for failing to comply with COVID-19 requirements

A Thirroul based restaurant was issued a penalty notice under the *Public Health Act 2010* for failing to have a COVID-19 Safety Plan and visitor register in place. The business elected to have the matter heard in court and was convicted of one offence with court fines and professional costs totalling close to \$9,500.

2020–21 compliance and enforcement statistics (enforcement actions)

ACTIVITY	ACTUAL 2018-19	ACTUAL 2019-20	ACTUAL 2020-21
Audits	4,070	3,954	3,321
Failed audits	85 (2.1%)	145 (3.7%)	112 (3.4%)
Inspections of food businesses	4,928	5,905	9,591 ¹
Failed inspections of food businesses	194 (3.9%)	391 (6.6%)	288 (7.8%)
Complaint investigations	2,375	2,490	2,600
Investigations of foodborne disease incident (two or more people)	297	260	267
Labelling Compliance Surveillance Program investigations	260	235	287
Labelling Compliance Surveillance Program investigations resulting in enforcement action	53	68	38
Investigations of unlicensed businesses (resulting in enforcement action)	133	217	213
Written warnings	48	35	46
Improvement notices	211	202	186
Penalty notices	127	61	158 ²
Prohibition orders	12	12	9
Product seizures	5	12	5
Licence cancellations	0	0	0
Use of emergency orders	0	0	0
Prosecutions (charges laid and finalised after hearing or plea of guilty)	97	24	13
Company instigated food recalls (nationwide)	105	98	76
Company instigated food recalls (NSW companies)	29	30	26
Shellfish harvest area closures	374	446	668

¹ Includes Covid19 inspections of retail food businesses

² Includes 45 penalty notices issued for breaches of the Public Health Act 2010 relating to Covid19 offences.

2020–21 summary of product seizures undertaken as enforcement action*

COMMODITY	Estimated quantity	Reasons for seizure
Meat products		
Meat carcasses	4.97 kgs	Evidence of offence under Section 104 of the <i>Food Act 2003</i> including operating an abattoir without a licence.
Ready to eat meats	145 kgs	Operating a food business without having a licence and the required food control measures in place.
Processed meat carcasses	208 kgs	Evidence of offence under Section 104 of the <i>Food Act 2003</i> including operating an abattoir without a licence.
Processed meat	793 units	Items seized for products failing to meet Australian Standards for cook/chill Ready-to-eat (RTE) product.
Other products		
Caffeinated beverages	427 litres	Items seized for compositional non-compliance with the <i>Food Standards Code</i> due to the presence of caffeine and quinine.

*Based on 5 individual seizures for 2020-2021 period.

2020–21 Licence numbers

BUSINESS ACTIVITIES	No. of licensed facilities 2020-21
Animal food field depot	33
Animal food field harvesting	23
Animal food processing plants	24
Animal food processing and rendering plant	1
Abattoir - poultry	17
Abattoir - poultry & poultry primary production	13
Abattoir - poultry & red meat	1
Abattoir - red meat	29
Rendering	7
Knackery	6
Game meat primary processing plants	7
Game meat field depot	115
Game meat field harvesting	656
Meat retail	1,511
Meat processing plants	350
Dairy processing plants	165
Seafood processing plants	122
Egg Processing plants	4
Plant Product processing plants	57
Food processing facilities that carry out 2 or more processing activities that include, meat, seafood, dairy, plant and/or egg processing	89
Oyster farmers	205
Oyster farmers & seafood processing	32
Shellfish wild harvest	44
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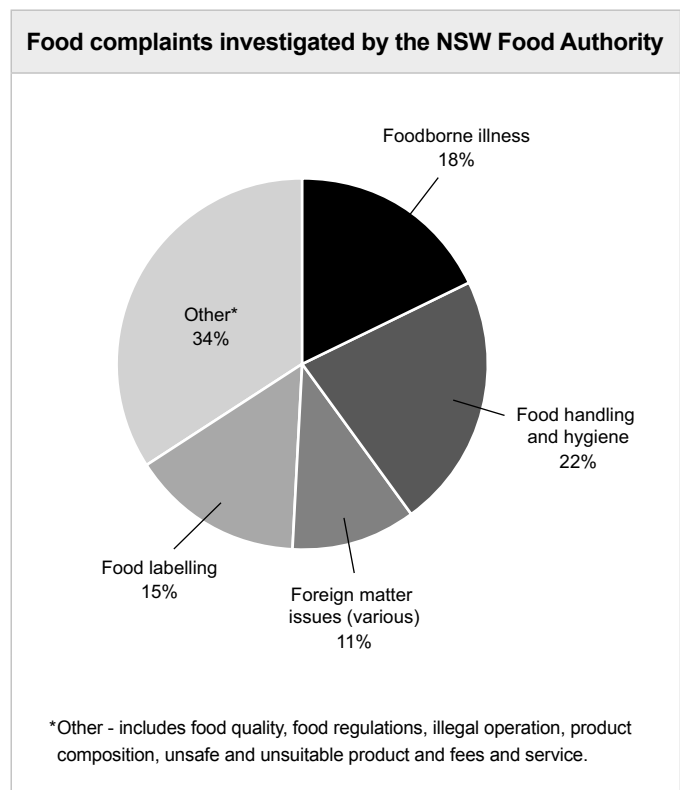
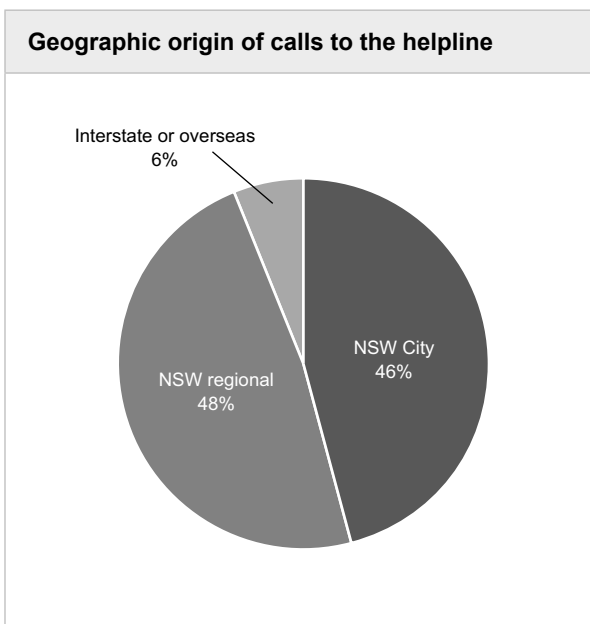
2020–21 Licence numbers (cont.)

BUSINESS ACTIVITIES	No. of licensed facilities 2020-21
<i>continued from previous page</i>	
Handling wild caught seafood	831
Egg grading facilities	5
Egg primary production	224
Egg & poultry primary production	45
Poultry primary production	276
Poultry & dairy primary production	3
Dairy primary production	514
Dairy primary production and processing plants	17
Farm milk collectors (raw milk transport)	145
Food transport vehicles (meat, dairy, seafood, plant, egg products)	7,629
Food storage not requiring temp control (dairy)	20
Cold food storage (meat, dairy, seafood, plant & egg products)	538
Food service to vulnerable persons	1,228
TOTAL number of licensed facilities	14,986

Working with our customers and stakeholders

NSW Food Authority customer helpline

The NSW Food Authority’s customer helpline assisted 24,687 customer requests for advice, to report food complaints and transactions. The helpline resolved 93% of those transactions that were potentially resolvable without referral during the first contact.



Some 2,596 calls were food complaints investigated by the Food Authority and 3,363 food complaints about retail outlets were referred to the relevant local council.

Customers also sought information and advice on a self-serve basis through the Food Authority’s digital customer channels.

Digital channel	
Website	1,485,407 unique visits
Facebook	362,618 total reach and 906,488 impressions
Twitter	2,885 engagements and 95,989 impressions

NSW Food Safety Strategy 2015-21

In response to growing incidence of foodborne illness events the NSW Food Authority developed the NSW Food Safety Strategy 2015-21 in order to focus efforts on reducing foodborne illness, improve market access for NSW food businesses, and reduce red tape.

The success of the strategy saw a reduction in a variety of foodborne illness including:

- A 32% reduction in total salmonellosis notifications, and 65% reduction in the most common strain of foodborne salmonellosis. This equates to 40,000 fewer salmonellosis cases between 2017-2021, resulting in estimated decreased health care costs of \$196m
- 40% decrease in listeriosis cases from 2016 levels, resulting in an estimated decrease in health care costs of \$26 million between 2017-2021

These decreases were achieved as a direct result of the introduction of initiatives such as mandatory training for retail businesses targeting the most common causes of food poisoning, the development of guidelines for raw egg foods, training of local government EHOs to focus on high risk foods and behaviours. This training resulted in more than 72,000 Food Safety Supervisor (FSS) certificates being issued to retail food businesses in NSW over the life of the strategy.

Indirectly, this work contributed to increased market access for NSW, with an estimated 20-25% increase in NSW agricultural exports between 2015-2021, and an increase in the NSW Gross State Product.

The strategy also delivered \$4.5 million in reduction in costs to industry, through initiatives including the removal of paper-based systems for Third Party Auditors, the implementation of Harvest & Hold procedures for the Shellfish industry, and the introduction of online forms for application and renewal of licensing.

The NSW Food Authority also invested in numerous research initiatives and collaborations, with \$1.1M (cash and effort) invested over the life of the strategy and total research partner funding from other organisations of over \$12 million.

2021 Easter Show

Following the cancellation of the 2020 Sydney Royal Easter Show due to COVID-19, the NSW Food Authority recommenced its presence at the 2021 Sydney Royal Easter Show with an exhibit stand in the Food Farm Pavilion at Sydney Olympic Park.

Designed as an interactive experience to engage and educate consumers, particularly school aged children, the exhibit stand theme was 'Food Safety Investigation (FSI): Kitchen Crimes' with the mission to invite children to become part of the 'junior Food Safety Investigation Squad' and use detective skills to find causes of food poisoning.

Expert Food Authority staff greeted visitors on entry and highlighted poor food handling and personal hygiene habits, provided good food safety advice and answered questions.

Families moved through 'crime zones' and were presented with a Junior FSI Squad Bag to take home and work through additional exercises, including an opportunity to rate the cleanliness and safety of their own kitchen at home. The crime zones helped visitors to:

- learn about the golden rules of food safety
- identify a contaminated kitchen scene
- identify the guilty offenders in a fridge 'line up'
- choose the correct scenario in the crime lab, and
- get a close-up view of nasty bacteria.

An estimated 45,000 visitors passed through the exhibition stand from 1-12 April 2021, with more than 11,000 junior FSI information bags handed out to child participants.

Educational and technical guidance materials

In 2020-21 the Food Authority identified a number of emerging issues requiring specific information targeting food businesses and consumers.

Retail food

- Cleaning and sanitising in retail food businesses
- *Campylobacter* – advice for food businesses
- Chemical sanitisers – advice for food businesses
- Cooling potentially hazardous food
- Doner kebabs
- Food safety for caterers
- Food safety in emergencies
- Guidelines for food businesses at temporary events
- Guidelines for mobile food vending vehicles
- 2 hour / 4 hour rule

Compliance

- COVID-19 compliance checks during inspections
- Adverse sampling compliance policy
- *Salmonella* Enteritidis testing requirements

- *Food Act 2003* – Remote audit arrangement checklist
- Form 4: Notification of equipment failure – egg stamping
- Licensing requirements for field harvesters of game animals for human consumption
- Biosecurity plan implementation guidance for processors and knackereries
- Remote food safety auditing guidance
- NSW retail meat FSP and retail diary
- Slaughter of animals sold for human consumption factsheet
- General Circular – Biosecurity Management Plan implementation for abattoirs and knackereries
- Biosecurity Plan Implementation: Guidance for processors and knackereries
- General Circular - *Salmonella* Enteritidis mandatory testing
- *Salmonella* Enteritidis mandatory testing – FAQ

Industry

- Food grade packaging
- NSW Shellfish Program harvest and hold scheme
- Food safety program for wet storage of shellfish
- Raw milk cheese production process pro forma
- Edible insects
- Food safety guidelines for the preparation and display of sushi
- Manual for manufacturing UCFM in NSW
- *E.coli* inactivation predictor guide
- UCFM pro forma guide

Science and surveys

- Plant-based alternative products survey
- Meat food safety scheme risk assessment review

FOOD TESTING AND SURVEYS

The NSW Food Authority regularly conducts testing of food products to ensure compliance to regulatory requirements, gather information to identify and respond to food safety issues and complaints, and as part of foodborne illness investigations. Appropriate actions were carried out to rectify any issues identified. From 1 July 2020 to 30 June 2021, 2,912 samples were submitted for testing.

	2018-19	^ 2019-20	* 2020-21
Verification programs	676	663	350
Research including targeted surveys	660	255	464
Food Safety Compliance	#5,095	3,622	2,098
Total	6,431	4,540	2,912

#The number of samples in 2018-19 was extremely high due to the SE investigation.

^The number of samples in 2019-20 reflect the restriction of movement caused by the COVID-19 pandemic.

*The number of samples was lower during this period as a result of restriction of movement due to the COVID-19 pandemic. Sample types analysed included meat, seafood, dairy, plant products, packaged food, eggs, food from retail outlets and environmental samples (e.g. swabs). Many samples were submitted for multiple tests which may have included both chemical profiling and microbiological assessment. Over 70 different types of tests were performed including microbiological assessment, chemical assessment, pH, water activity and allergens.

Ongoing response to the management of *Salmonella Enteritidis* (SE)

Surveillance on egg farms

Salmonella Enteritidis (SE) is a bacterial disease of poultry, and the consumption of eggs contaminated with SE can present a high risk of causing foodborne illness in humans. This illness can be particularly severe for people who are elderly (over the age of 70), young children and those with a weakened immune system. In the past there have been SE-related illness cases reported in Australia, however these have been typically in people who have travelled overseas, where they became infected.

Surveillance activities at NSW egg farms continued in 2021-2021 and a total of 102 samples were tested. Surveillance activities will continue in 2021-2022.

Salmonella Enteritidis (SE) mandatory testing

In August 2019, the Biosecurity (*Salmonella* Enteritidis) Control Order 2019 came into effect. The Control Order aimed to prevent, eliminate, minimise and manage the biosecurity risk posed or likely to be posed by the spread of *Salmonella* Enteritidis (SE) in NSW.

The Control Order was amended on 30 June 2020 to include a requirement for all licensed egg business in NSW to undertake mandatory SE testing from 1 July 2020. Sampling and testing are required every 12 to 15 weeks for the duration of the Control Order. This testing can occur within the National *Salmonella* Enteritidis Monitoring and Accreditation Program (NSEMAP), or at either EMAI or Birling Avian Laboratories. NSW Department of Primary Industries (NSW DPI) is funding the cost of laboratory testing conducted by EMAI and Birling Avian Laboratories for the first two years of the program.

From 1 July 2020 to 30 June 2021, a total of 230 samples were tested at EMAI and Birling Avian Laboratories. SE mandatory testing activities will continue in 2021-2022.

*Further information in Eggs section.

Mandatory labelling for lupin as an allergen survey

In May 2017 lupin was added to Standard 1.2.3 of the Food Standards Code (the Code) and food businesses were given 12 months from this date to meet mandatory allergen labelling requirements for any food products containing lupin.

The use of lupin in its many forms, including kernels (made into kibble and flour), fibre, protein isolates and concentrate, is increasing in products manufactured and imported in NSW and the rest of the world.

The survey was conducted to assess the level of compliance to the addition of lupin to mandatory allergen labelling. Also, making lupin a notifiable food allergen serves primarily to highlight a food safety risk for allergic consumers. One concern found in the research is the potential for people with allergies to other legume foods such as peanuts, to also be allergic to lupin.

From September to December 2020, a total of 124 packaged samples were tested for lupin. Products included in the survey were flours, baked goods, sauces, pasta and health foods (foods marketed to vegans, vegetarians and people with food allergies and intolerances). Testing revealed 100% compliance for lupin across the samples tested in the survey.

A labelling assessment was also carried out for 109 products and 86% (94/109) of them had compliant labels according to the Code. Follow up action was required for fifteen of the products.

The survey report is being finalised and will be available on the Food Authority's website.

Legislative changes and reduced regulatory burden

NSW food regulations are actively reviewed and updated to keep pace with changes in the food industry, and to minimise the burden of government regulation.

Staged Repeal of the Food Regulation 2015

Given the ongoing impact of COVID-19, a decision was made to seek a postponement of the staged repeal of the Food Regulation 2015. A User Review Survey to stakeholders and licence holders was completed and work progressed on areas raised such as penalty notices, transport, egg production and processing, general fees and charges.

Consultation with authorised officers also was conducted to identify further areas for consideration in the Staged Repeal project. Consultations will continue throughout the 2021-22 Financial Year.

Changes to Schedules of Australian Standard 4696:2007

- Between 2017 and 2020, the Australian Meat Regulators Group coordinated a reform of the *Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption* (AS 4696:2007) to modernise some traditional post mortem inspection techniques. ;
- These changes were realised for all licensed domestic abattoirs in NSW using an equivalency clause in the current standard in February 2020. To realise the changes for export abattoirs, the Australian Government required a formal review of AS4696:2007 by Standards Australia.
- Existing copyright and intellectual property provisions held by the Food Regulation Standing Committee need to be transferred to Standards Australia to facilitate the formal review. In April 2021, the Australian Government presented a deed to transfer copyright to Standards Australia to the Food Regulation Standing Committee. This was agreed in principle and each jurisdiction is pursuing its internal approval pathways.

Participation in the national agenda

During 2020-21, the Food Authority continued its contribution to the work of the Food Regulation Standing Committee (FRSC) and supported participation by the Minister for Agriculture and Western NSW in the Australia and New Zealand Ministerial Forum on Food Regulation.

Our bi-national food regulation framework operates with the support and cooperation of state and territory agencies responsible for food regulation.

Food Regulation System priorities for 2017–2021

In May 2017, Ministers identified three priority areas for 2017–2021 to further strengthen the food regulation system. Throughout 2020-21 the NSW Food Authority continued to work towards the three priority areas identified:

- **Reduce foodborne illness**, particularly related to *Campylobacter* and *Salmonella*, with a nationally consistent approach.
- **Support the public health objectives** to reduce chronic disease related to overweight and obesity. This will include evaluating the effectiveness of existing initiatives and identify potential new initiatives, such as how the food regulation system can facilitate healthy food choices and positively influence the food environment.
- **Maintain a strong, robust and agile food regulation system** that gives confidence to consumers that their food is safe, and that the system can manage new and innovative industry approaches.

During 2020-21, progress was made on a number of activities that shape the implementation of these priority areas and the NSW Food Authority played a key role in coordinating NSW input and influencing national policy to enhance the food industry's reputation as producers of safe and sustainable food. For example:

- The trends for foodborne illnesses, due to the two major pathogens of concern, indicated some success. The national rate of salmonellosis illness decreased by 18% between 2018 and 2021. Interventions in the poultry, egg, horticulture, and food service industries were a key focus. Changes in campylobacteriosis rates were negligible.
- Several changes to the voluntary Health Star Rating System were introduced
- Aspirations for the food regulatory system were agreed following public consultation
- Stakeholder consultation completed on a draft regulatory impact statement for proposed changes to the Food Standards Australia New Zealand Act

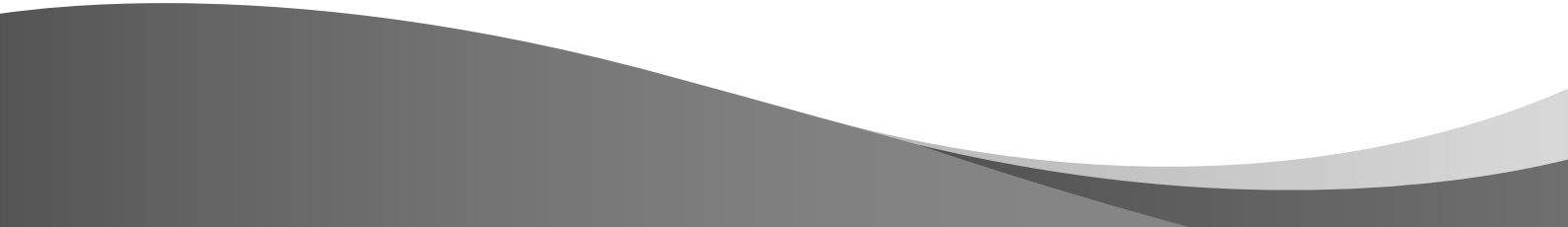
Changes to the Australia New Zealand Food Standards Code

The Food Authority provided advice to the Minister on 18 law-making decisions put to the bi-national Food Ministers Meeting to amend the Food Standards Code.

- Application 1155 Addition of 2'FL and LnNT in infant formula products and formulated supplementary foods for young children
- Application A1175 Rapeseed protein isolate as a novel food;
- Application A1180 Natural Glycolipids as a preservative in non-alcoholic beverages;

- Application A1186 Soy leghemoglobin in meat analogue products;
- Application A1192 Food derived from herbicide-tolerant corn line MON87429
- Application A1193 Irradiation as a phytosanitary measure for all fresh fruit and vegetables;
- Application A1194 Glucoamylase from GM *Trichoderma reesei* as a PA (enzyme);
- Application A1195 Alpha-amylase from GM *Trichoderma reesei* as a PA (enzyme);
- Application A1196 Food derived from nematode-protected and herbicide-tolerant soybean line GMB151
- Application A1198 Food derived from enhanced yield & herbicide-tolerant corn line DP202216;
- Application A1199 Food derived from Innate potato lines V11 & Z6;
- Urgent Proposal P1054 Pure and highly concentrated caffeine products – Assessment of the Approved Variation;
- Application A1202 Food derived from herbicide-tolerant and insect-protected corn line DP 23211;
- Application A1204 beta amylase from soybean (glycine max) as a processing aid;
- Application A1207 Rebaudioside M as a Steviol Glycoside from *Saccharomyces cerevesiae*;
- Proposal P1051 Code Revision 2019;
- Application A1198 Food derived from enhanced yield & herbicide-tolerant corn line DP202216;
- Proposal P1044 – Plain English Allergen Labelling

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STATUTORY REPORTING



Human resources

Since 1 July 2014 the NSW Food Authority has not directly employed staff; all staff are employed by the cluster department.

Since 1 July 2014 the NSW Food Authority has not directly employed staff; all staff are employed by the cluster department.

In the financial year 2015-16, there were some changes to the internal structure within the Department of Primary Industries.

This saw the NSW Food Authority and Biosecurity NSW come together in one branch, Biosecurity and Food Safety. As a result, the resource allocation and funding between the Department and the Food Authority was outlined in a *Shared Resources Agreement*, with the NSW Food Authority retaining its statutory entity status under the *NSW Food Act 2003*.

In 2017-18, this agreement was renamed *Resources Agreement*.

Employee-related information on staff who provide services to the NSW Food Authority is included in the Department of Regional NSW *Annual Report 2020-21* for the period 1 July 2020 - 30 June 2021. This information is accessible from the [OpenGov NSW website](#).

Workforce diversity

Information relating to workforce diversity initiatives for the period 1 July 2020 - 30 June 2021 appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Work health and safety

Information relating to work health and safety for the period 1 July 2020 - 30 June 2021 appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Privacy management

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

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

Other information collected and used by the NSW Food Authority is managed according to the NSW Department of Planning, Industry and Environment *Privacy Management Plan*.

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

More information on Privacy Management for the period 1 July 2020 - 30 June 2021 appears in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Multicultural policies and services program

We have an ongoing commitment to the principles of multiculturalism, ensuring our services and facilities are accessible to everyone in New South Wales.

The NSW Food 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 (CALD) backgrounds

This assists industry by ensuring that:

- food industry participants have appropriate access to the NSW Food Authority's consultation processes, regulatory programs and advisory services,
- food industry participants have a better understanding of the NSW Food Authority's role and practices relating to culturally diverse communities, and
- our programs and services take account of culturally diverse and traditional methods of food preparation.

ACTIVITIES DURING 2020-21 INCLUDED:

Ongoing activities

The NSW Food Authority provides an accredited interpreter service free of charge to CALD community members for on-demand calls with our helpline and during regulatory compliance interviews between food inspectors and food businesses. This is supported by staff accredited with language skills and access to the Community Language Allowance Scheme (CLAS) is also available to assist food inspection and customer helpline staff.

A range of food safety compliance information for food businesses and consumers is produced in a number of community languages - Arabic, Chinese simplified, Chinese traditional, Greek, Italian, Japanese, Khmer, Korean, Lao, Macedonian, Serbian, Spanish, Thai, Turkish and Vietnamese. Other resources are translated as needs are identified.

DEPARTMENTAL ACTIVITIES

Information relating to other departmental activities within the multicultural policies and services program for the period 1 July 2020 – 30 June 2021 appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Consumer response

The NSW Food Authority aims to maintain and improve the quality of the services we provide by identifying, addressing and resolving complaints about service delivery promptly, consistent with NSW Government complaint handling procedures.

The NSW Food Authority receives feedback and complaints through the primary contact point, the NSW Food Authority Helpline (email/phone/social media/online form).

The table below includes complaints received by the NSW Food Authority Helpline during 2020-21. Verbal complaints resolved at first contact are not included.

Nature of complaints	Number of complaints
Delay in service/service quality	5
Process	1
Other	0
Total	6

More information on the NSW Department of Planning, Industry and Environment approach to service related complaint handling for the period 1 July 2020 – 30 June 2021 appears in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Other statutory requirements

Consultants

Four consultants were engaged by the NSW Food Authority in 2020-21 for a total cost of \$86,907. One consultant was engaged for more than \$50,000.

for the period 1 July 2020 – 30 June 2021, appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Risk Management and Insurance Activities

The NSW Food Authority is insured through the Treasury Managed Fund (TMF), a self-insurance scheme administered by the GIO (general insurance). The coverage provided by the scheme is all-inclusive and policies are held for motor vehicles, property, miscellaneous and public liability.

Risk management and all other insurance activities for the NSW Food Authority for the period 1 July 2020 – 30 June 2021 appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Annual Report production

There was no external cost for the production of the NSW Food Authority Annual Report 2020–21. No hard copies were printed. This report is available for download from foodauthority.nsw.gov.au.

Formal access requests

GIPA (Government Information Public Access) applications for the NSW Food Authority are managed centrally and for the period 1 July 2020 – 30 June 2021, appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Further information about accessing documents under GIPA is on the NSW Food Authority's website.

Public Interest Disclosures

Public Interest Disclosures (PIDs) for the NSW Food Authority are managed centrally and for the period 1 July 2020 – 30 June 2021, appear in the Department of Regional NSW *Annual Report 2020-21*. This information is accessible from the [OpenGov NSW website](#).

Overseas Travel

Information relating to overseas travel undertaken to promote investment in NSW and progress key business and research programs with global food safety partners

Cyber Security attestation



8 October 2021

**Cyber Security Annual Attestation Statement for the 2020-2021 Financial Year
for the NSW Food Authority**

I, Lisa Szabo, am of the opinion that the information security management system of NSW Food Authority a statutory authority within the Department of Regional NSW (for the period 1 July 2020 to 30 June 2021), have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of Department of Regional NSW.

Risks to the information and systems of Department of Regional NSW have been assessed and are managed by Department of Planning Industry and Environment.

The Department of Planning Industry and Environment Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party (BSI) during the 2020/2021 financial year (Certificate Number is IS 645082).

Yours sincerely

A handwritten signature in black ink, appearing to read "Lisa Szabo".

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

NSW Food Authority
6 Avenue of the Americas | Newington NSW 2127
PO Box 6682 Silverwater NSW 1811
T: 02 9741 4777 | F: 02 9741 4888 | W: foodauthority.nsw.gov.au | F: [nswfoodauthority](https://www.facebook.com/nswfoodauthority) | T: [@nswfoodauth](https://www.instagram.com/nswfoodauth)
ABN: 47 080 404 416

Internal Audit and Risk Management attestation



Mr Sean Osborn
Director
Financial Management and Accounting Policy
The Treasury
PO Box 5469
SYDNEY NSW 2000

Dear Mr Osborn,

**Internal Audit and Risk Management Attestation for the 2020-2021 Financial Year
for the NSW Food Authority**

Please find enclosed the abovementioned statement attesting compliance with TPP 15-03:
Internal Audit and Risk Management Policy for the NSW Public Sector.

Should you wish to discuss this statement further please contact Allan Murray, Chief Audit Executive
on Mobile: 0409 287 106

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lisa Szabo'.

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

Date: 08/10/21
Encl

NSW Food Authority
6 Avenue of the Americas | Newington NSW 2127
PO Box 6682 Silverwater NSW 1811
T: 02 9741 4777 | F: 02 9741 4888 | W: foodauthority.nsw.gov.au | F: [nswfoodauth](https://www.facebook.com/nswfoodauth) | T: [@nswfoodauth](https://twitter.com/nswfoodauth)
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Internal Audit and Risk Management Attestation Statement
2020-2021 Financial Year
NSW Food Authority

I, Lisa Szabo, Director Food Safety & CEO NSW Food Authority, am of the opinion that the Authority has internal audit and risk management processes in operation that are materially compliant with the Core Requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	Compliant, Non-Compliant, or In Transition
Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2018	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

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Audit and Risk Committee (ARC) - Membership

The NSW Food Authority was part of a Department of Planning, Industry and Environment (DPIE) Led Shared ARC arrangement. The independent Chair and members of the DPIE Led Shared ARC are:

- Mrs Penny Hutchinson — Chair
- Mr Brian Blood
- Ms Julie Elliott
- Mr Alan Zammit

It should be noted that the NSW Food Authority transitioned from the Department of Planning, Industry and Environment Cluster to the newly created Regional NSW Cluster effective 2nd April 2020. With Treasury approval, and the approval of the Secretary Regional NSW, the Chief Executive Officer NSW Food Authority, and the DPIE ARC, the Authority temporarily appointed the members of the DPIE ARC to oversight the 2019/20 financial statements.

In early 2020/21 financial year, a fully compliant Regional NSW Led Shared ARC arrangement will be established of which NSW Food Authority will be a member.

A handwritten signature in black ink, appearing to read 'Lisa Szabo', is written above the printed name.

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

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Payment of accounts

The tables below summarise the NSW Food Authority's performance in paying accounts during 2020-21.

Aged analysis at the end of each quarter

Below is a schedule of the dollar amount of payment made during 2020-21 by the NSW Food Authority. Also included is the time these documents were paid, in relation to due date.

All Suppliers

Quarter	Within Date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2020	\$68,363	\$556	\$0	\$0	\$0
December 2020	\$3,945,832	\$27,105	\$0	\$0	\$0
March 2021	\$136,282	\$0	\$0	\$0	\$0
June 2021	\$14,221,125	\$4,291	\$5,198	\$0	\$0

Small Business

Quarter	Within Date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2020	\$0	\$0	\$0	\$0	\$0
December 2020	\$0	\$0	\$0	\$0	\$0
March 2021	\$0	\$0	\$0	\$0	\$0
June 2021	\$0	\$0	\$0	\$0	\$0

Accounts paid on time within each quarter

All Suppliers

Measure	September 2020	December 2020	March 2021	June 2021	Full Year
Invoices due for payment (Number)	29	88	33	47	197
Invoices paid on time (Number)	28	87	33	43	191
Percentage paid on time (%)	96.6%	98.9%	100.0%	91.5%	97.0%
Amount due for payment (\$)	\$68,919	\$3,972,938	\$136,282	\$14,230,614	\$18,408,754
Amount paid on time (\$)	\$68,363	\$3,945,832	\$136,282	\$14,221,125	\$18,371,603
Percentage paid on time (%)	99.2%	99.3%	100.0%	99.9%	99.8%
Number of payments of interest on overdue accounts (Number)	0	0	0	0	0
Interest paid on late accounts (\$)	\$0	\$0	\$0	\$0	0

Small Business

Measure	September 2020	December 2020	March 2021	June 2021	Full Year
Invoices due for payment (Number)	0	0	0	0	0
Invoices paid on time (Number)	0	0	0	0	0
Percentage paid on time (%)	N/A	N/A	N/A	N/A	N/A
Amount due for payment (\$)	\$0	\$0	\$0	\$0	0
Amount paid on time (\$)	\$0	\$0	\$0	\$0	0
Percentage paid on time (%)	N/A	N/A	N/A	N/A	N/A
Number of payments of interest on overdue accounts (Number)	0	0	0	0	0
Interest paid on late accounts (\$)	\$0	\$0	\$0	\$0	0

For the full 2020-21 financial year, 97% of all accounts were paid on time, based on value of payments 99.8% of the amount due were paid on time.

All accounts for payment are directed to and processed by the NSW Food Authority's outsourced service provider, NSW Department of Planning, Industry and Environment and Department of Regional NSW. There were no instances of penalty interest being paid or incurred during 2020-21.

FINANCIAL INFORMATION



Financial Information 2020–21



NSW Food Authority
Statement by the Director Food Safety & CEO NSW Food Authority
for the period 1 July 2020 to 30 June 2021

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'), I state that these financial statements:

- (a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- (b) present fairly NSW Food Authority's financial position, financial performance and cash flows

Signed

A handwritten signature in black ink, appearing to read 'Lisa Szabo', written over a light grey background.

Lisa Szabo
Director Food Safety & CEO NSW Food Authority

Dated: 29/09/21

Financial Information 2020–21



INDEPENDENT AUDITOR'S REPORT

NSW Food Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Food Authority (the Authority), which comprise the Statement by the Director Food Safety & CEO NSW Food Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Financial Information 2020–21

The Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

5 October 2021
SYDNEY

Financial Information 2020–21

Beginning of the audited financial statements

NSW FOOD AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Expenses excluding losses				
Employee related	18	-	2	-
Operating expenses	2(a)	15,839	19,281	18,032
Depreciation and amortisation	2(b)	727	1,277	680
Grants and subsidies	2(c)	465	566	520
Total expenses excluding losses		17,031	21,126	19,232
Revenue				
Industry levies and license fees	3(a)	8,272	7,837	7,393
Grants and contributions	3(b)	10,054	10,254	700
Investment revenue	3(c)	9	404	91
Miscellaneous income and fees for services	3(d)	1,417	2,912	1,860
Total revenue		19,752	21,407	10,044
Gains / (losses) on disposal & impairments	4	-	-	(17)
Net Result		2,721	281	(9,205)
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Net change in revaluation surplus of property, plant and equipment	7	91	-	820
Total other comprehensive income		91	-	820
TOTAL COMPREHENSIVE INCOME		2,812	281	(8,385)

The accompanying notes form part of these financial statements.

Financial Information 2020–21

NSW FOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	5	10,096	7,964	7,530
Receivables	6	757	1,478	1,272
Total Current Assets		10,853	9,442	8,802
Non-Current Assets				
Property, plant and equipment				
Land and buildings		8,638	9,414	8,671
Plant and equipment		155	164	264
Total property, plant and equipment	7	8,793	9,578	8,935
Intangible assets	8	3,632	3,030	3,095
Total Non-Current Assets		12,425	12,608	12,030
Total Assets		23,278	22,050	20,832
LIABILITIES				
Current Liabilities				
Payables	10	3,037	3,578	3,403
Total Current Liabilities		3,037	3,578	3,403
Total Liabilities		3,037	3,578	3,403
Net Assets		20,241	18,472	17,429
EQUITY				
Accumulated funds		16,073	13,418	13,352
Reserves		4,168	5,054	4,077
Total Equity		20,241	18,472	17,429

The accompanying notes form part of these financial statements.

Financial Information 2020–21

**NSW FOOD AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Accumulated Funds \$000	Asset Revaluation Reserve \$000	Total \$000
Balance at 1 July 2020		13,352	4,077	17,429
Net result for the year		2,721	-	2,721
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	7	-	91	91
Total other comprehensive income for the year		2,721	91	2,812
Total comprehensive income for the year		16,073	4,168	20,241
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers		-	-	-
Balance at 30 June 2021		16,073	4,168	20,241
Balance at 1 July 2019		22,565	3,257	25,822
Net result for the year		(9,205)	-	(9,205)
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	7	-	820	820
Total other comprehensive income for the year		(9,205)	820	(8,385)
Total comprehensive income for the year		13,360	4,077	17,437
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers		(8)	-	(8)
Balance at 30 June 2020		13,352	4,077	17,429

The accompanying notes form part of these financial statements.

Financial Information 2020–21

NSW FOOD AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		-	(2)	-
Payments to suppliers		(16,333)	(19,304)	(16,851)
Grants and subsidies		(465)	(566)	(520)
Total Payments		(16,798)	(19,872)	(17,371)
Receipts				
Industry levies, licenses and other		10,332	7,837	9,804
Sale of goods and services		-	2,912	-
Grants and contributions received		10,054	10,253	-
Interest received		9	404	91
Total Receipts		20,395	21,406	9,895
NET CASH FLOWS FROM OPERATING ACTIVITIES	11	3,597	1,534	(7,476)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	4	-	-	8
Payment for property, plant and equipment	7	-	(200)	(129)
Payment for intangible assets	8	(1,031)	(900)	(819)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,031)	(1,100)	(940)
NET INCREASE/(DECREASE) IN CASH		2,566	434	(8,416)
Opening cash and cash equivalents		7,530	7,530	15,946
CLOSING CASH AND CASH EQUIVALENTS	5	10,096	7,964	7,530

The accompanying notes form part of these financial statements.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The NSW Food Authority ('the Authority') was established on 5 April 2004 as a result of the proclamation of the *Food Act 2003*. The NSW Food Authority is a NSW government entity and is responsible for ensuring that food safety standards are implemented in an integrated and consistent way at all points in the food supply chain. The Authority is a not-for-profit entity as profit is not its principal objective.

On 2 April 2020, the Authority was transferred from the Planning, Industry and Environment cluster to the Regional NSW cluster.

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Director Food Safety & CEO NSW Food Authority on the date on which the accompanying statement by the Director Food Safety & CEO NSW Food Authority was signed.

(b) Deemed appropriation

Section 117A of the *Food Act 2003* established a Food Authority Fund into which is to be paid the following:

- (a) all money advanced to the Food Authority by the Treasurer or appropriated by Parliament for the purposes of the Food Authority
- (b) all money directed or authorised to be paid into the Fund by or under this or any other Act
- (c) the proceeds of the investment of money in the Fund
- (d) all money received by the Food Authority under this Act from any other source.

This Fund is a Special Deposit Account and the Authority therefore does not have any deemed appropriation. Hence no disclosure under section 4.7 of the GSF Act on movement of deemed appropriations is required.

(c) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations),
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and,
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Authority's presentation and functional currency.

(d) Going Concern

These financial statements of the Authority have been prepared on a going concern basis. The Authority is funded on a cash needs basis and will draw down Cluster Grants from the Principal Department as required to fund operations.

(e) Statement of compliance

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

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

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office (ATO)
- is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Comparative Information

The Authority regrouped the 2019 -2020 comparative Printing and Stationery with Other Operating Expenses in note 2(a). There is no change to the total expenses, net result and equity position of the Authority for the 2019 -2020 financial year.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Changes in accounting policies, including new or revised Australian Accounting Standards

i) Effective for the first time in FY2020-21

The entity applied AASB 1059 Service Concession Arrangements : Grantors (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

AASB 1059 Service Concession Arrangements : Grantors

AASB 1059 is effective for the entity from 1 July 2020. At the same time NSW Treasury Policy Guideline and Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 did not have an impact of the Statement of Financial Position, Statement of Comprehensive Income or the Statement of Cashflows.

ii) Issued but not effective

The following new Australian Accounting Standards have been issued but are not yet effective. NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The Authority has not early adopted any of these new standards or amendments. When applied in future years, they are not expected to have a material impact on the financial position or performance of the Authority.

- AASB 17 Insurance Contracts(effective from 1 January 2021)
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts (effective from 1 January 2021)
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (effective 1 July 2021)

NSW Food Authority has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be not material.

(i) Impact of COVID-19 on financial reporting for 2020-2021

The Authority assessed the impact of COVID-19 on its financial position as at 30 June 2021 and its financial performance for the year then ended. The main financial impact was because food compliance staff were diverted to COVID inspections rather than food safety activities. This resulted in approximately \$0.5m less audit & inspection revenue in the current year.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. EXPENSES EXCLUDING LOSSES

	2021	2020
	\$000	\$000
(a) Operating expenses include the following:		
Audit Fees	100	100
Contract laboratory services	277	697
Other Contractors	224	962
Legal Fees	106	115
Fee for staffing resources - Resources Agreement - DPIE	-	9,476
Fee for staffing resources - Resources Agreement - DRNSW	12,546	3,264
Fee for service - Resources Agreement - DPIE	-	2,063
Fee for service - Resources Agreement - DRNSW	1,920	495
Other operating expenses	219	516
Travel & Accommodation	447	344
	15,839	18,032

Recognition and Measurement

Fee expense

In accordance with the Biosecurity and Food Safety Resources Agreement (RA) for financial year 2020-21, the Authority reimburses the Department of Regional NSW (the Department) for staff and operating expenses incurred by the Department on behalf of the Authority, refer to note 18 for more information.

On 2 April 2020 the Authority was transferred from the Department of Planning, Industry and Environment (DPIE) cluster to the Regional NSW cluster. At this time their resource agreement also changed from DPIE to the Department. For 2020, the resource agreement was covered by DPIE for 9 months and by the Department for 3 months. For 2021, the Department is the only provider.

The Authority completed a review of operating expenses to regroup expenses to reflect material and current operating activities. The comparative printing and stationery expense has been reclassified with other operating expenses. There is no change to the total expenses, net result and equity position of the Authority for the 2019-20 financial year.

(b) Depreciation and Amortisation

Depreciation		
Buildings	142	136
Plant and equipment	67	75
Total Depreciation	209	211
Amortisation		
Intangibles	518	469
Total Amortisation	518	469
Total Depreciation and Amortisation Expense	727	680

Refer to note 7 and 8 for recognition and measurement policies on depreciation and amortisation.

(c) Grant and Subsidies

Grants Paid	465	520
	465	520

Recognition and Measurement

Grants and subsidies

Grants and subsidies are generally recognised as an expense when the Authority relinquishes control over the assets comprising the grant/subsidies.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. REVENUE

Recognition and Measurement

Revenue is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

	2021	2020
	\$000	\$000
(a) Industry levies and license fees		
Industry Levies	1,045	1,044
License Fees	7,227	6,349
	<u>8,272</u>	<u>7,393</u>

Recognition and Measurement

Levies, licenses and fines

The Authority receives revenue from levies, licences and fines in accordance with established laws and regulations. In other words, these are non-contractual income arising from statutory requirements. These compulsory transfers do not give rise to a contract liability or revenue under AASB 15 because the Authority (recipient entity) does not promise to provide goods or services in an enforceable agreement.

Levies, licenses and fines are recognised as income as explained below:

Levies and licenses revenue

Industry levies and licence fees are recognised when invoiced and expected to receive the money before the year end or expiry of their current licence. Meat levies are recognised as revenue over the period of the levy.

Infringement charges and fines

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

	2021	2020
	\$000	\$000
(b) Grants and contributions		
Grants without sufficiently specific performance obligations.	10,054	700
	<u>10,054</u>	<u>700</u>

Recognition and Measurement

Contributions and grants from Government and Other bodies

Income from grants without sufficiently specific performance obligations are recognised when the Authority obtains control over the granted assets (e.g. cash). The Authority is deemed to have assumed control when the grant is received or receivable. Control over contributions is normally obtained upon the receipt of cash.

	2021	2020
	\$000	\$000
(c) Investment revenue		
Interest revenue	9	91
	<u>9</u>	<u>91</u>

Recognition and Measurement

Interest revenue

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

	2021	2020
	\$000	\$000
(d) Miscellaneous income and fees for services		
Audit and inspection fees	1,081	1,629
Infringement charges and fines	222	68
Other income	114	163
	<u>1,417</u>	<u>1,860</u>

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. GAINS/ (LOSSES) ON DISPOSAL

	2021	2020
	\$000	\$000
Gains/ (losses) on disposal of plant and equipment		
Proceeds from disposal	-	8
Written down value of assets disposed	-	(25)
Net gain/ (loss) on disposal	-	(17)

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2021	2020
	\$000	\$000
Cash at bank and on hand	10,096	7,530
	10,096	7,530

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, and short term deposits.

Cash and cash equivalents (per statement of financial position)	10,096	7,530
	10,096	7,530

Refer Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. CURRENT ASSETS - RECEIVABLES

	2021	2020
	\$000	\$000
CURRENT		
Receivables	818	1,306
Allowance for expected credit losses	(61)	(34)
	757	1,272

Movement in the allowance for expected credit loss

Balance at 1 July	34	49
Amounts written off during the year	(12)	(38)
Increase/(decrease) in allowance recognised in net results	39	23
Balance at 30 June	61	34

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 17.

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. PROPERTY, PLANT AND EQUIPMENT

Total property, plant and equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
At 1 July 2020 - fair value			
Gross carrying amount	12,600	1,290	13,890
Accumulated depreciation and impairment	(3,929)	(1,026)	(4,955)
Net carrying amount	<u>8,671</u>	<u>264</u>	<u>8,935</u>
At 30 June 2021 - fair value			
Gross carrying amount	12,799	1,134	13,933
Accumulated depreciation and impairment	(4,161)	(979)	(5,140)
Net carrying amount	<u>8,638</u>	<u>155</u>	<u>8,793</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment held and used by the Authority at the beginning and end of the current year is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
Year ended 30 June 2021			
Net carrying amount at beginning of year	8,671	264	8,935
Additions	-	-	-
Disposals	-	-	-
Asset reclassification transfer to intangibles	18	(42)	(24)
Net revaluation increments/(decrements)	91	-	91
Depreciation expense	(142)	(67)	(209)
Net carrying amount at end of year	<u>8,638</u>	<u>155</u>	<u>8,793</u>

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 9.

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
At 1 July 2019 - fair value			
Gross carrying amount	11,630	1,357	12,987
Accumulated depreciation and impairment	(3,643)	(1,114)	(4,757)
Net carrying amount	<u>7,987</u>	<u>243</u>	<u>8,230</u>
At 30 June 2020 - fair value			
Gross carrying amount	12,600	1,290	13,890
Accumulated depreciation and impairment	(3,929)	(1,026)	(4,955)
Net carrying amount	<u>8,671</u>	<u>264</u>	<u>8,935</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous year is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
Year ended 30 June 2020			
Net carrying amount at beginning of year	7,987	243	8,230
Additions	-	129	129
Disposals	-	(25)	(25)
Net revaluation increments/(decrements)	820	-	820
Depreciation expense - asset owned	(136)	(75)	(211)
Other movements - Equity transfer	-	(8)	(8)
Net carrying amount at end of year	<u>8,671</u>	<u>264</u>	<u>8,935</u>

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

The depreciation rates the Authority uses are:

Plant and Equipment	10% to 25%
Buildings	2% to 7%

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 9 for further information regarding fair value.

Revaluations are done with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Authority conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. During the 2020-21 financial year, a comprehensive revaluation of building was completed by Colliers International. The last comprehensive revaluation of land was completed by Colliers International in 2019-20 financial year.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. Colliers International, professionally qualified external valuer, completed an interim revaluation (indexation) of land during the 2020-21 financial year.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal is material.

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

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8. INTANGIBLE ASSETS

	Total \$'000
Intangible Assets - Software	
At 1 July 2020	
Cost (gross carrying amount)	6,657
Accumulated amortisation and impairment	<u>(3,562)</u>
Net Carrying amount	<u>3,095</u>
At 30 June 2021	
Cost (gross carrying amount)	7,017
Accumulated amortisation and impairment	<u>(3,385)</u>
Net Carrying amount	<u>3,632</u>
Year ended 30 June 2021	
Net carrying amount at beginning of year	3,095
Additions	1,031
Asset transfer from property, plant and equipment	24
Amortisation (recognised in 'depreciation and amortisation')	<u>(518)</u>
Net carrying amount at end of year	<u>3,632</u>
Total \$'000	
At 1 July 2019	
Cost (gross carrying amount)	5,838
Accumulated amortisation and impairment	<u>(3,093)</u>
Net Carrying amount	<u>2,745</u>
At 30 June 2020	
Cost (gross carrying amount)	6,657
Accumulated amortisation and impairment	<u>(3,562)</u>
Net Carrying amount	<u>3,095</u>
Year ended 30 June 2020	
Net carrying amount at beginning of year	2,745
Additions	819
Amortisation (recognised in 'depreciation and amortisation')	<u>(469)</u>
Net carrying amount at end of year	<u>3,095</u>

Recognition and Measurement

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Following initial recognition intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Authority's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Authority's intangible assets are amortised using the straight line method over their estimated useful lives. The rate the Authority uses are 20% to 50%. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- (i) Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the Authority can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- (iii) Level 3 - inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end of the year during which the change has occurred.

(a) Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 June 2021				
Property, plant and equipment (Note 7)	-		8,638	8,638
Land and buildings	-	-	8,638	8,638
<hr/>				
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 June 2020				
Property, plant and equipment (Note 7)				
Land and buildings	-		8,671	8,671
	-	-	8,671	8,671

(b) Valuation techniques, inputs and processes

The valuers have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the subject market. A variety of approaches have been considered and details of principal approaches to value was provided. For land and buildings, the direct comparison approach was the primary method of valuation used which involves comparisons of sales of other properties in similar locations with reference to the rate per square metre of lettable area, and adjustments made for small points of difference. The valuers also considered the capitalisation approach as a check method. This method takes into account not only the initial return from the property but also rental growth and risk to income and capital value. The depreciated cost method has been used as a check method in deriving the valuation basis.

10. CURRENT LIABILITIES

	2021 \$000	2020 \$000
Payables		
Creditors - trade & accruals	3,037	3,403
	<u>3,037</u>	<u>3,403</u>

Details regarding credit, liquidity and market risk, including a maturity analysis of the above creditors are disclosed in note 17. Payables represent short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payable include payments to be made to the Department in accordance with the Resource agreement.

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NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT

	2021	2020
	\$000	\$000
Net cash flows from operating activities	3,597	(7,476)
Depreciation and amortisation	(727)	(680)
(Loss)/gain on disposal & impairments of Non-Current Assets	-	(17)
Movement in allowance for impairment	(27)	15
Increase/(Decrease) in Receivables	(488)	360
Decrease/(Increase) in Payables	366	(1,407)
Net Result for the year	2,721	(9,205)

12. COMMITMENTS

The Authority is unaware of any capital commitments as at 30 June 2021 (2020: Nil)

13. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted statements presented to Parliament in respect of the reporting period. Subsequent adjustments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below. The budget process is finalised prior to the beginning of each financial year. Events can arise after that date that necessitate variations to the planned activities of the Authority and this in turn may cause variations between the budgeted and actual results.

Net result

Net result budgeted for year 2020-21 was a surplus of \$281,000. Actual net result for the year was a surplus of \$2,721,000. The favourable variance for the year of \$2,440,000 is consistent with changes in food safety activities to enable an increase in COVID inspections.

Assets and Liabilities

Cash and cash equivalents are higher than budgeted at year end mainly due to unpaid Resources Agreement (RA) fee for the period 1 May to 30 June 2021 to the Department of \$2,659,183. A liability to DRNSW for the RA is recognised and payment will be settled early next financial year.

Cash flows

Payments to suppliers were lower than budget because of the reduced compliance activities of the NSW Food Authority with staff redirected to COVID safe compliance inspections. This has had a favourable to budget variance for the statement of cash flows

Financial Information 2020–21

NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Authority has no contingent assets at 30 June 2021 (2020: Nil).

15. STATE OUTCOMES

The Authority operates to contribute to NSW State Outcome 2 : Stronger primary industries. Focusing on primary industries' productivity, growth and ensuring the sector's sustainability for the benefit of all citizens. Our commitment to innovation, safe and secure food supply and industry support and development programs, delivered via an on-ground presence across the state, ensures food security and economic growth for the state.

16. RELATED PARTY DISCLOSURES

During the year, the Authority incurred \$281,489 (2020: \$280,585) in respect of the key management personnel services that were provided by the Department.

During the year, the Authority did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Authority entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. The following transactions are in aggregate a significant portion of the Authority's rendering of services/receiving of services:

Following are the list of NSW Government entities with whom the Authority had collectively, but not individually, significant transactions during financial year 2020-2021.

Entity	Nature of Transaction
Local Land Services	Collection of meat levy on behalf of NSW Food Authority
Department of Regional NSW	Service fees expenses for operational expenses. The Authority's recurrent grants are also received through the Department.

17. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Authority's Executive has 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 risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee.

(a) Financial Instrument Categories

Class	Note	Category	Carrying Amount	
			2021 \$000	2020 \$000
Financial Assets				
Cash and cash equivalents	5	Amortised cost	10,096	7,530
Receivables ¹	6	Amortised cost	757	1,272
Financial Liabilities				
Payables ²	10	Financial liabilities measured at amortised cost	3,031	3,391

Notes

1. Receivables excludes statutory receivables and prepayments, not within scope of AASB 7.

2. Payables excludes statutory payables and unearned revenue, not within scope of AASB 7.

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NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17. FINANCIAL INSTRUMENTS (continued)

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Authority has transferred substantially all the risks and rewards of the asset; or
- the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial Risk

(i) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

The Authority considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority.

Cash and cash equivalents

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 TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability 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.

The Authority applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17. FINANCIAL INSTRUMENTS (continued)

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

The loss allowance for trade receivables as at 30 June 2021 and 30 June 2020 was determined as follows:

	Current	<30 days	30 June 2021			Total
			30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	4%	4%	8%	17%	
Estimated total gross carrying amount (\$ 000)	831	405	21	5	254	1,517
Expected credit loss (\$ 000)	-	(17)	(1)	-	(43)	(61)

	Current	<30 days	30 June 2020			Total
			30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	-	-	-	12%	
Estimated total gross carrying amount (\$ 000)	791	(15)	46	29	291	1,142
Expected credit loss (\$ 000)	-	-	-	-	(34)	(34)

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the sum of the receivables total in Note 6.

The Authority is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2021 and 2020.

(ii) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults or breaches of loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest paid during the year (2020: Nil).

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NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17. FINANCIAL INSTRUMENTS (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000
2021								
<i>Payables</i>	-	3,031	-	-	3,031	3,031	-	-
		3,031	-	-	3,031	3,031	-	-
2020								
<i>Payables</i>	-	3,391	-	-	3,391	3,391	-	-
		3,391	-	-	3,391	3,391	-	-

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposure to market risk is very limited as it has no borrowings and all its deposits are at call. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the year end. The analysis is performed on the same basis as for 2020. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Exposure to interest rate risk is minimal as the Authority has no interest bearing liabilities or borrowings. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below:

	Carrying Amount	Net Result	Equity	Net Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
		-1%		+1%	
2021					
Financial Assets					
Cash and cash equivalents	10,096	(101)	(101)	101	101
Receivables	757	-	-	-	-
Financial Liabilities					
Payables	3,031	-	-	-	-
2020					
Financial Assets					
Cash and cash equivalents	7,530	(75)	(75)	75	75
Receivables	1,272	-	-	-	-
Financial Liabilities					
Payables	3,391	-	-	-	-

(e) Fair value measurement

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

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NSW FOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. RESOURCES AGREEMENT

The Authority entered into the Biosecurity and Food Safety Resources Agreement (Resources Agreement) with the Department of Regional NSW, effective from 1 July 2020. The agreement includes a fee for staffing resources and reimbursement of operating expenses for activities undertaken by the Department of Regional NSW staff relating to the Authority's statutory functions. As a result of this agreement, all personnel services liabilities not assumed by the Crown in the right of New South Wales were transferred to the Department of Regional NSW and the Authority does not recognise any personnel services expenses.

19. EVENTS AFTER THE REPORTING PERIOD

There are no events subsequent to the balance date that affect the financial information disclosed in these financial statements.

END OF THE AUDITED FINANCIAL STATEMENTS

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NSW Food Authority

6 Avenue of the Americas, Newington NSW 2121

PO Box 6682, Silverwater NSW 1811

Helpline: 1300 552 406


Fax: 02 9741 4888

Email: food.contact@dpi.nsw.gov.au

Helpline hours: 8.30am to 5.30pm, Monday to Friday

Office: 02 9744 4777

Office hours: 8.30am to 5.00pm, Monday to Friday

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