

ANNUAL REPORT

2015–16



Department of
Primary Industries
Food Authority

More resources at foodauthority.nsw.gov.au



[nswfoodauthority](https://www.facebook.com/nswfoodauthority)



[nswfoodauth](https://twitter.com/nswfoodauth)

CONTENTS

ABOUT US	5
Our Minister	6
Letter of submission	8
Our charter	9
Management and structure	10
Our contribution to food safety	12
PERFORMANCE	13
Highlight summary	14
Meat	16
Eggs	19
Shellfish	22
Seafood	26
Dairy	29
Vulnerable persons	32
Plant	35
Retail	37
Manufacturing and wholesale businesses	41
Compliance and enforcement	42
Working with our stakeholders	49
Legislative changes and reduced regulatory burden	51
Participation in the national agenda	52
STATUTORY REPORTING	55
Human resources	56
Workforce diversity	58
Workplace health and safety	62
Privacy management	62
Multicultural policies and services program	63
Evaluation and improvement	67
Performance audit	68
Other statutory requirements	69
Payment of accounts	74
FINANCIAL INFORMATION 2015-2016	77
Index	104

Annual Report 2015–16 © NSW Food Authority 2016.

All rights reserved. Except as provided in the Copyright Act 1968 (Commonwealth), no use of this work, which is within the exclusive right of the copyright owner, may be made. Copies of this report can be downloaded from the NSW Food Authority website: www.foodauthority.nsw.gov.au

ABOUT US



Our Minister



The NSW Government is committed to ensuring that food produced and sold in NSW is safe, and that consumers have clear and informed choice about the food they eat.

Safe food is big business in NSW. Significantly, the food industry contributes \$113 billion to our economy every year and this is largely dependent upon NSW's excellent reputation for safe, hygienic and healthy produce.

As Minister for Primary Industries I am proud to say that the "paddock to plate" nature of the NSW Food Authority, being Australia's only single through-chain regulatory agency responsible for regulating and monitoring food safety, means that consumers can have confidence every step of the way.

This government's commitment to food safety and quality management was outlined in its NSW Government Food Safety Strategy 2015-2021 launched last financial year.

The clear and defined goals of the strategy are to:

- **Increase** food businesses' contributions to the NSW's economic growth and prosperity
- **Mitigate** risks and protect the safety of NSW consumers, and
- **Improve** the clarity and accessibility of food information provided to NSW consumers and industry

The NSW Food Authority continues to engage with industry stakeholders, local councils and the community to ensure that the strategy does not exist only on paper but is able to "come to life" and be championed by those that directly benefit from its implementation. Already, the Authority has achieved an excellent average rate of 93.3% food safety compliance across all industry sectors and is on track to a 30% reduction in foodborne illness by 2021.

The NSW Food Authority continues to engage with industry stakeholders, local councils and the community to ensure that the NSW Government Food Safety Strategy 2015-2021 does not exist only on paper but is able to “come to life” and be championed by those that directly benefit from its implementation.

Highlights of the 2015/16 financial year include:

- Close and collaborative work with egg, poultry, meat, plant, vulnerable persons, retail, seafood and shellfish industries to inform and develop a food safety culture with industry
- Commencement of the Food Regulation 2015 following the completion of an internal review and consultation with stakeholders to provide an improved balance between maximising food safety outcomes for consumers and minimising regulatory costs for food businesses.
- An important role in the leading the Department of Primary Industries’ response to the contamination incident at the Williamstown RAAF base, providing sample collection, analysis of results, support and advice to the Expert Panel, industry and consumers.
- Continued improvement in reducing regulation, increasing efficiency and greater enforcement consistency via the NSW Food Regulation Partnership with local government.

I acknowledge the efforts of staff and management at the NSW Food Authority and thank them for their continued dedication and professionalism in achieving these results. I invite you to learn more about the positive outcomes the NSW Food Authority delivers for consumers and industry by reading the NSW Food Authority’s 2015-16 Annual Report in full.



The Hon Niall Blair MLC

NSW Minister for Primary Industries, Lands and Water

Letter of submission



Department of
Primary Industries
Food Authority

14 October 2016

The Hon. Niall Blair MLC
Minister for Primary Industries
Minister for Lands and Water
Level 19, 52 Martin Place
Sydney NSW 2000

Dear Minister

I am pleased to submit the Annual Report and consolidated financial statements of the NSW Food Authority for the year ended 30 June 2016.

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', written in a cursive style.

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 | www.foodauthority.nsw.gov.au | F: /nswfoodauthority | T: @nswfoodauth
ABN: 47 080 404 416

Our charter

The NSW Food Authority contributes to the overall health 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 so people are kept safe, protected and knowledgeable about food safety and the potential risks to their health.

The 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 Primary Industries, 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:

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

Management and structure

This financial year saw a number of changes to the executive of DPI Biosecurity and Food Safety.

The former NSW Food Authority Chief Scientist and Director Science, Business Operations and Strategy Branch Dr Lisa Szabo was appointed to the position of Food Safety Group Director and CEO NSW Food Authority in September 2015 following the departure of previous NSW Food Authority CEO Polly Bennett.

The Chief Scientist and Director Science, Business Operations and Strategy Branch position was deleted.

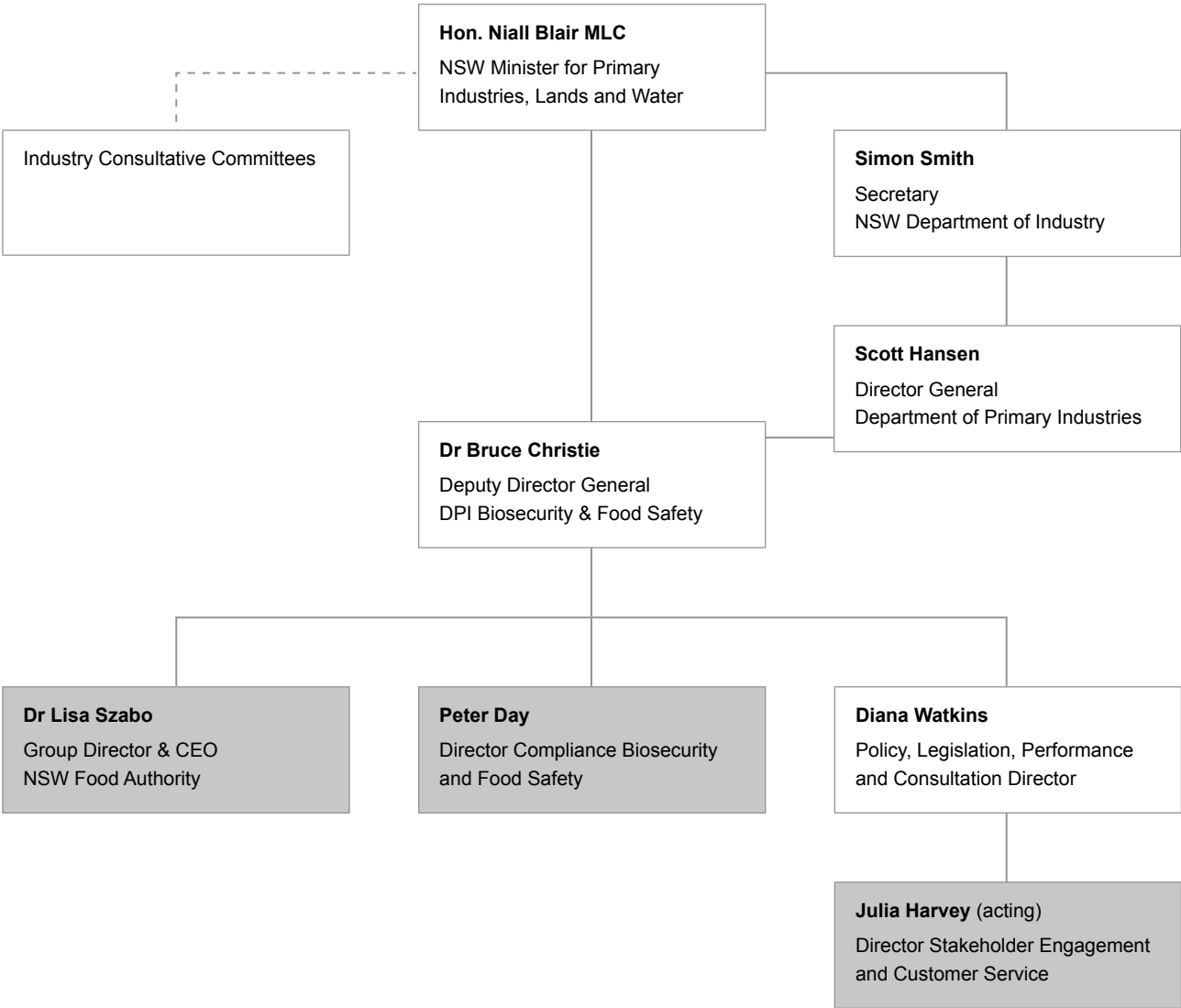
The position of NSW Food Authority Director Compliance, Investigation and Enforcement held by Peter Day was deleted and Mr Day now holds the position of Director Compliance Biosecurity and Food Safety and reports to the DPI Deputy Director-General Biosecurity and Food Safety, Dr Bruce Christie.

The position of Director of Strategic Policy and Partnerships was vacated by Kim Leighton and deleted.

The position of Director Corporate Affairs, Stakeholder Engagement and Customer Service Branch was vacated by Natalie Wright and recruitment is in process for a newly created position of Director Stakeholder Engagement and Customer Service.

The Director Stakeholder Engagement and Customer Service will report to Policy, Legislation, Performance and Consultation Group Director Dianna Watkins who is also responsible for the management of the NSW Food Authority's financial and corporate reporting and Ministerial coordination functions.

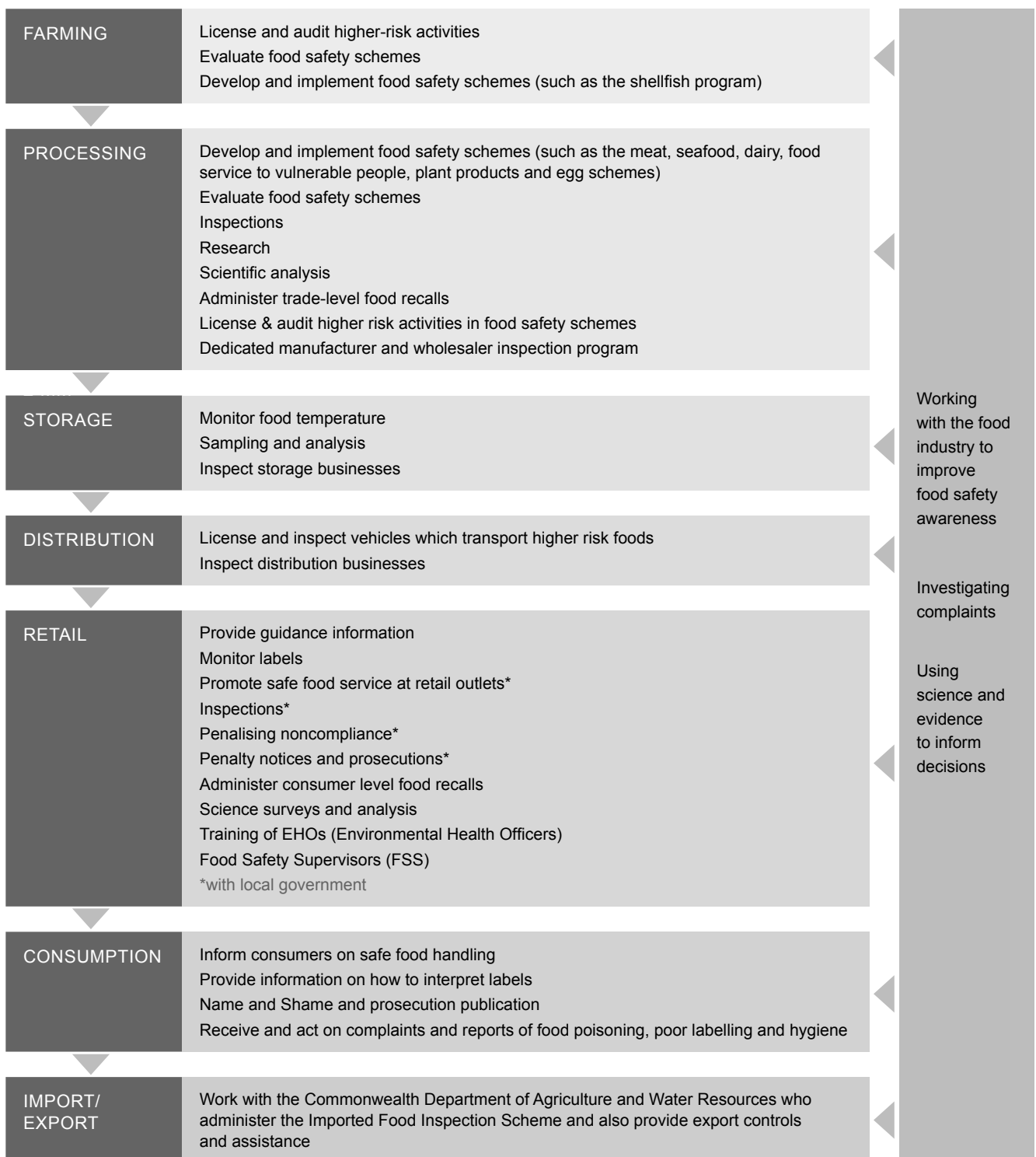
DPI Biosecurity & Food Safety Management Structure as at 30 June 2016



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

The Food Authority delivered confidence and certainty in the State's food safety to our stakeholders, the consumers of NSW and international markets during 2015-16. The NSW food industry contributes \$113 billion to the state's economy each year, accounting for 24 per cent of the Gross State Product.

By working in partnership with the food industry and the wider community to reduce food poisoning and its impacts on the health and economy of NSW communities, 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:

- continued to deliver on outcomes identified in the NSW Government Food Safety Strategy 2015 -2021, a six year plan to drive and further enhance NSW's reputation as a supplier of safe, quality food. The plan for the future – safe food from paddock to plate, has outlined priorities and opportunities for the state's food industry into the future including the reduction of foodborne illness by 30 per cent by 2021 and the reduction of red tape, with \$6 million in savings to industry already achieved and a target of a further \$4.5 million by 2021
- consultative approach with egg, poultry, meat, plants, vulnerable persons, retail, seafood and shellfish industries as part of our statutory regulatory responsibilities and charter to inform and develop a food safety culture with industry
- significant role in the coordination and leadership of the Department of Primary Industries response to the PFOS/ PFOA contamination incident at the Williamstown RAAF base, providing sample collection, analysis of results, support and advice to the Expert Panel, industry and consumers
- Food Regulation 2015 commenced 30 October 2015 following completion of a significant internal review project and comprehensive consultation with stakeholders into the remake of Food Regulation 2010. The amendments provide an improved balance between maximising food safety outcomes for consumers, while minimising regulatory costs to food businesses, the amendments are fit for purpose and have been broadly supported by regulated stakeholders

- extensive consultation and preparation into the remake of the Meat Industry Levy (MIL) 2006, to determine it would be remade without amendments as the Meat Industry (Meat Industry Levy) Regulation 2016, due to come into effect 1 September 2016
- significant contribution and role in national work to fill information gaps necessary for consideration of a national proposal to permit consumption of food produced from low THC hemp seeds.
- all food industry sectors licensed with the NSW Food Authority benefited from the development of a simplified generic food recall template for small business that assists in more easily implementing an effective recall program and understanding the process. Feedback on the initiative has been positive and has generated interest from other jurisdictions looking to replicate the same service to their stakeholders
- supported food safety compliance in the retail sector through its Food Safety Supervisor, Name and Shame and Scores on Doors initiatives, and additional training requirements for Food Safety Supervisors with three focus areas on allergens, cleaning and sanitation, and raw eggs
- major sponsor of the 48th Annual Australian Institute of Food Science and technology (AIFST) Convention and the 15th Annual Australian Food Microbiology Conference. The NSW Food Authority delivered presentations on investigation into foodborne diseases and how outbreaks and scientific research can lead to policy change and participated in an interactive food labelling session
- delivered steady improvement in reducing regulation, increased efficiency and greater enforcement consistency via the NSW Food Regulation Partnership with local government
- recertification of NSW Food Authority's mandatory Food Safety Supervisor (FSS) certification, introduced in 2010, the first round of certificates issued began to expire from September 2015. The new certification requires units of competency from an approved Registered Training Organisation (RTO) in safe egg handling, allergen management and cleaning and sanitising practices
- contributed to food safety management through the Food Authority's ongoing product recalls which result in prompt removal of products from the market place that pose a food safety risk
- completed the scheduled audits and inspections of licensed businesses and continue to monitor compliance and drive improved food safety outcomes
- undertook targeted enforcement action with businesses that do the wrong thing to ensure food safety and product integrity are a priority for all business

Meat

The NSW Food Authority licenses businesses across the supply chain in the meat sector. This includes 36 poultry and rabbit abattoirs, 31 red meat abattoirs, 402 meat processing plants, 399 poultry primary production premises, 1741 retail meat premises, 428 game meat harvest vehicles and 79 field depots. Of the 7495 food transport vehicles licensed with the NSW Food Authority, 5700 are authorised to transport meat products.

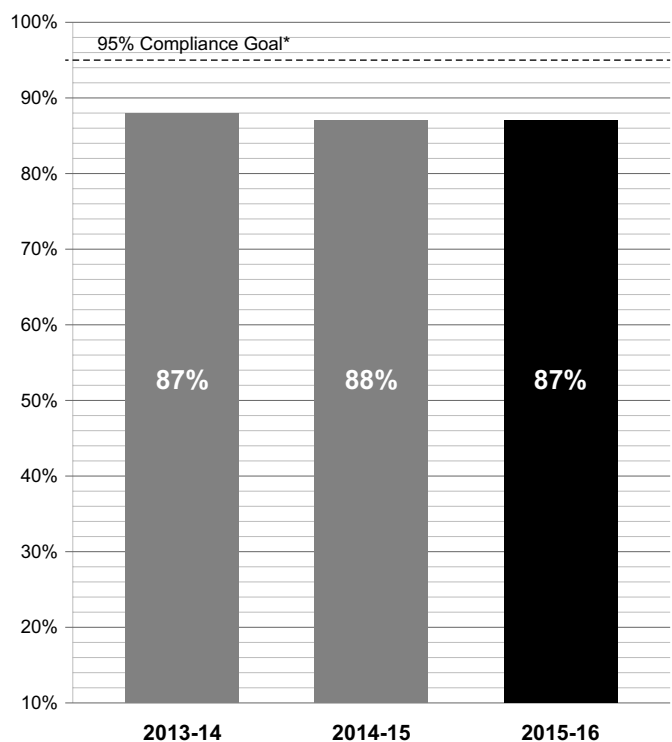
The NSW meat industry makes an important contribution to the state's economy¹:

- nearly 6,500 meat businesses employ around 59,000 people in NSW with 96.4% of those small businesses
- by value, meat accounts for 29% of total agricultural production in NSW
- it is NSW's 4th largest export product

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 87%, in line with the average over the last 3 years.

¹ KPMG May 2015

Meat Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Country of Origin labelling

The NSW Food Authority has supported the Australian Competition and Consumer Commission (ACCC) in the federal government's reforms to national Country of Origin food labelling laws to commence 1 July 2016.

The NSW Food Authority has worked to inform industry of the impending change and directing them to ACCC guidelines that assist in understanding and application.

There is a two year grace period to allow businesses to change their food labels to comply with the new law before it becomes mandatory on 1 July 2018.

Remake of the Meat Industry Levy Regulation 2006

The Meat Industry Levy 2006 is due for repeal on 1 September 2016, as per requirements of the NSW Government's automatic repeal process under the *Subordinate Legislation Act 1989*.

Following a comprehensive review process, including an exhibition period inviting comment from stakeholders, it was determined that the 2006 Regulation would be remade without amendments as the Meat Industry (Meat Industry Levy) Regulation 2016.

The Regulation, together with the Meat Industry Act 1978, is an effective regulatory framework that provides for the collection of an annual Meat Industry Levy to help fund food safety activities that benefit NSW meat producers.

This enables the Food Authority to continue to participate in food safety activities that underpin consumer confidence in the NSW meat industry and build on the strong reputation of Australia's domestic

and export markets for supplying safe food, whilst minimising regulatory costs on businesses.

The Meat Industry (Meat Industry Levy) Regulation 2016 will come into effect on 1 September, 2016.

Supporting growth in the sector

The NSW Food Authority continues to partner with industry to support new business and technologies to encourage economic growth.

During the 2015-16 financial period, the Food Authority continued to provide advice relating to the construction of new abattoirs and meat processing facilities to ensure that all legislative requirements were met.

Retail Meat Food Safety Program revised

In an effort to assist meat retailers best meet their regulatory requirements the NSW Food Authority undertook a project to revise and update the Retail Meat Food Safety Program and Retail Dairy. A targeted review program was implemented during this reporting period, with selected licensed butcher shops in NSW inspected to gain their feedback on what improvement could be implemented with the updated documents. The updated documents will be developed with significant input from industry and will be implemented at no cost during the next financial year.

Operation success

A number of compliance operations were held throughout the 2015-16 period with successful outcomes indicating a good level of compliance in the game harvesting sector and in traceability in NSW domestic and export abattoirs.

Operation Mary, conducted by Biosecurity and Food Safety compliance officers in domestic abattoirs and in conjunction

with Department of Agriculture and Water Resources officers in export abattoirs, focused on educating facilities on the importance of having robust traceability systems in place.

A joint operation with NSW Police Rural Crime investigators and Game Licensing officers targeting unlicensed game harvesters to ensure game meat in NSW is harvested and sold in line with food safety requirements found that there was good compliance in the sector. Inspections of a number of fixed field chillers and licensed field harvesters resulted in a small number of warnings issued for minor offences and no evidence of illegal activity.

The joint operation also served to improve efficiencies between agencies.

Consultative Council representation:

Chair: Dr Lisa Szabo, NSW Food Authority
 Australian Meat Industry Council (red meat processors)
 Australian Meat Industry Council (meat retailers)
 Australian Meat Processor Corporation
 Australian Game Meat Producers Association
 NSW Farmers Association (livestock producers)
 NSW Farmers Association (poultry meat producers)
 Australian Chicken Meat Federation
 Duck Meat Industry
 Poultry Meat Industry Processors
 NSW Department of Primary Industries

Meat Industry Consultative Council

The Meat Industry Consultative Council (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 2015-16 the Council was integral to the Authority in consulting with industry to undertake the review of the Meat Industry Regulation 2006.

The MICC, meets approximately every six months and provides feedback to the NSW Food Authority and the Minister for Primary Industries 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.

Eggs

The Authority licenses businesses across the supply chain in this sector. This includes seven egg processors, 289 egg producers as well as cold food stores. Of the 7495 transport vehicles licensed with the NSW Food Authority approximately 2400 are authorised to transport egg products.

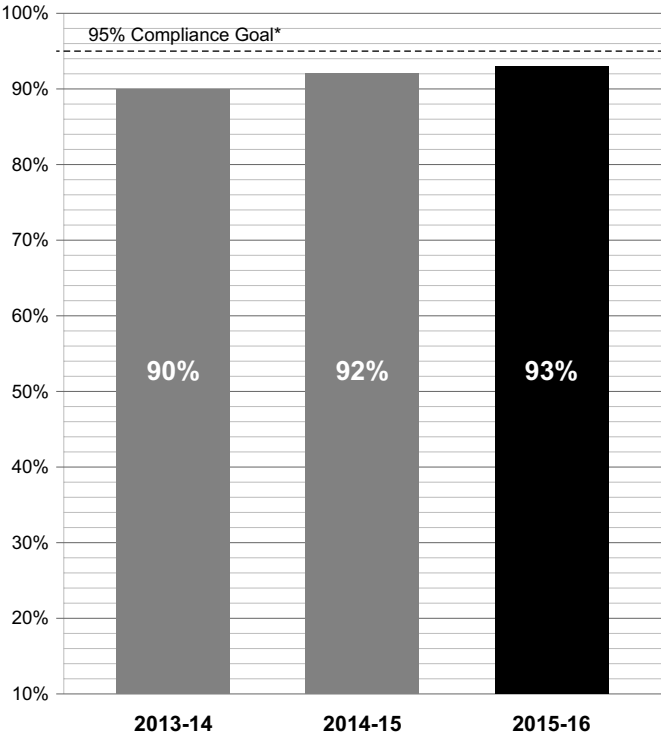
The NSW egg industry makes an important contribution to the state's economy¹:

- nearly 500 egg businesses employ around 900 people in NSW with 92% of those small businesses
- NSW is home to 34% of Australia's total egg production
- of the eggs produced in NSW 69% are cage eggs, 21% are free range eggs and 10% are organic or barn laid eggs

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 93%, an improvement on the average over the last 3 years.

¹ KPMG May 2015

Egg Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

New free range egg labelling standard introduced

On 31 March 2016, Australian Consumer Affairs Ministers agreed to the introduction of an information standard that requires eggs labelled 'free range' to be laid by hens with an outdoor density stocking of 10,000 hens per hectare or less, and with meaningful and regular access to the outdoors.

A feature of the new labelling standard is that producers will be required to prominently disclose the outdoor stocking density numbers of their hens to allow consumers to easily compare different producers.

Amendments to Australian Consumer Law will provide compliant egg producers with safety from claims of misleading and deceptive conduct with relation to free range claims.

The NSW Food Authority will continue to work with industry and stakeholders to assist NSW Fair Trading as the national, legally enforceable standard for free range eggs is implemented.

Retail *Salmonella* strategy to combat continued national *Salmonella* increase

Salmonella outbreaks continued to be a concerning trend in the 2015-16 period, with a number of outbreaks in the retail sector, including a significant outbreak at a Sylvania bakery that affected more than 200 people. As soon as the outbreak was detected, a Prohibition Order was issued against the business to stop it from trading and prevent further illness. The bakery was closed for 6 weeks until staff received training and were able to demonstrate sufficient skills and knowledge to resume safe food preparation.

The 2015 OzFoodnet Annual Report (NSW Health) noted *Salmonella* notifications had increased by 12% on the five year average.

The NSW Food Authority continued work, aligned with, on its *Salmonella* reduction strategy, specifically aimed at safe egg preparation in the retail food sector. This aligns with the NSW Government Food Safety Strategy 2015-2021's goal to reduce foodborne illness, including *Salmonella*, across the food chain by 30% by 2021.

This reduction strategy has resulted in the development of various resources for local government and retailers, including checklists, guidelines and an egg safety video, produced as a practical demonstration guide that can be used in store for food retailers and consumers. Training was delivered to council Environmental Health Officers across the state to raise skills and competencies reducing the risk of *Salmonella* in restaurants and cafes.

Egg stamping compliance project

The introduction of egg stamping from 26 November 2014, following a two year grace implementation period, has been well supported by industry and consumers.

During the 2015/16 period the NSW Food Authority undertook a review of egg stamping implementation. As at 30 June 2016 this report was yet to be released.

A compliance and review program conducted by the NSW Food Authority found no critical breaches and that the requirement had been widely adopted across the industry, had improved traceability to farm origin and that the number of complaints received from local council Environmental Health Officers had reduced as a result of the availability of the egg stamping fact sheet developed by the NSW Food Authority.

In line with the national Food Safety Standard 4.2.5, Primary Production and Processing (PPP) Standard for Eggs, individual eggs and packaged egg pulp must be stamped with a unique identifying mark to enable trace back to the place of production.

In order to reduce the impact on smaller businesses, an exemption was provided for operators that produce less than 20 dozen eggs a week and sell those eggs direct from the farm gate or use those eggs for a fundraising purpose where the eggs will be cooked and consumed immediately. Free stamps were also provided to businesses producing less than 1000 eggs a day.

To date, the NSW Food Authority has issued more than 1000 free egg stamps to egg businesses.

Industry working group progress

Following its formation in 2014-15 in order to develop a comprehensive picture of egg associated *Salmonellosis* and its management the working group consisting of representatives from the Food Authority, Australian Egg Corporation Ltd (AECL) and NSW Health progressed its work during the 2015-16 period.

National workshops were hosted by the AECL with state and territory food regulators and communicable diseases epidemiologists, including the NSW Food Authority and NSW Health, to promote a greater understanding and level of cooperation between industry and government. Updates on research and risk factors for *salmonellosis* on farm were presented.

Further trials on the effectiveness of *Salmonella* vaccines on egg laying hens have commenced.

Additional research has also been completed on the survival of *Salmonella* in mayonnaise and aioli, which have been implicated in many *Salmonella* outbreaks.

A draft *Salmonella* response plan has been developed for producers, and this will be finalised in the coming financial year.

Food Regulation 2015 commences

Food Regulation 2015 commenced 30 October 2015 following completion of a significant internal review project and comprehensive consultation with stakeholders into the remake of Food Regulation 2010.

The amendments aligned the egg Food Safety Scheme with national standard 4.2.5 of the Code by removing the definition of broken egg, and associated references, and cl. 155 of the former Regulation in relation to stock food for layer hens, both of which duplicate what is the national Standard.

Egg Industry Consultative Committee

The Egg Industry Consultative Committee (EICC) membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the egg industry sector.

The EICC meets approximately every six months and provides feedback to the NSW Food Authority and the Minister for Primary Industries on issues relating to egg industries, including:

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

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Australian Egg Corporation

NSW Farmers Association

Pace Farm (representing large egg processors)

Pirovic Enterprises (representing large egg producers)

Free range producers (vacant)

Small egg producers (vacant)

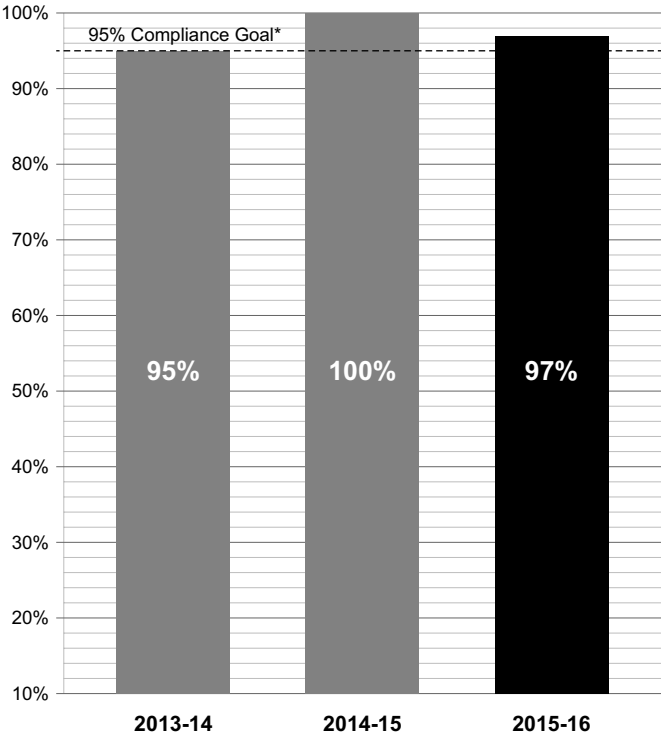
NSW Department of Primary Industries

Shellfish

The Authority licenses approximately 299 businesses in this sector. This includes 245 oyster farmers and 50 shellfish wild harvest businesses.

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 97%, below the average result over the last 3 years. The drop in compliance rate can be attributed to recent changes to the shellfish audit model which requires additional verification audits be conducted on licensees where inconsistencies are found in submitted paperwork. Shellfish licensees are required to submit their completed harvest records on a monthly basis and in some cases this has resulted in increased audits as errors are being made in the early stages of the adoption of this program. This has required additional audits to be conducted to ensure all shellfish are harvested correctly and are safe for consumption. The result does not reflect an impact on food safety in this sector, but is a temporary fluctuation as licensees adapt to new audit model.

Shellfish Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Harvest and Hold scheme supporting real time risk management

The Harvest and Hold scheme commenced in early 2015 and the 24 month implementation period continues to be rolled out on an estuary by estuary basis within those that meet the 90% performance requirement.

During the 2015-16 financial year the industry experienced 588 harvest area closures, the highest number in 10 years, due to a large number of extreme weather events. However openings were also high due to the implementation of the Harvest and Hold Scheme that has expanded the window of opportunity to harvest product during bad weather conditions, giving business more chance to harvest product.

The scheme has been fully endorsed and supported by the NSW Farmer's Oyster Committee and is expected to generate red tape savings of \$3.3 million once fully implemented.

Since its commencement the scheme has been introduced in 22 estuaries representing approximately 74% of the state's overall production, an increase from eight estuaries the previous year.

ASQAP Manual Re-write

A major re-write of the Australian Shellfish Quality Assurance Program (ASQAP) Manual was completed in 2016. The NSW Food Authority took a lead role in the development of the new national standard for shellfish harvest area classification.

The new manual is more streamlined, provides more flexibility in using water or shellfish testing to classify shellfish harvest areas and supports the implementation of the Harvest and Hold Scheme.

Provision of market access to export markets

Seven harvest areas were approved for export in the 2015/16 financial year, bringing the total number of export listed shellfish harvest areas in NSW to 23.

In April 2016 the Department of Agriculture and Water Resources audited the Food Authority for compliance with the export standard and it was successfully passed with no corrective action requests made. Further an independent expert review of the NSW Shellfish Biotoxin Management Plan was undertaken and the review determined the program is appropriately managing biotoxin risk and no changes were recommended.

Shellfish food safety scheme evaluation commences

An evaluation of the NSW Shellfish program was undertaken in the first half of 2016, the purpose of the review was to evaluate the effectiveness of the program and determine if there are any areas in need of improvement. Key industry stakeholders were invited to input into ways to improve the efficiency of program delivery.

The results of the review will now be collated and actioned in the 2016/17 period.

Supporting industry through education and training

Throughout the year the Food Authority delivered various education and training opportunities for industry members in order to ensure best practice and to most effectively and efficiently mitigate food safety risks. These opportunities included:

Coordinator workshops

Two workshops for local shellfish committee members were held throughout the period, which brought together representatives from 12 of 27 local committees. The committee members undertook mock classification exercises to increase understanding of the classification process. This understanding is expected to translate into improved sampling execution as industry has a better understanding of how to collect data to support changes to their management plans. A session where industry members shared ideas and local innovations was also positively received.

Sampler and depuration training courses

The Food Authority held six training courses for industry during 2015/16. These courses are run routinely to ensure that industry have the knowledge and skill needed to operate effectively.

Harvest and hold implementation sessions

Twelve Harvest and Hold implementation workshops were held in 2015/16 implementing the policy across 13 estuaries. Ninety three industry members were accredited to participate in the Harvest and Hold Scheme.

Technical review of Development Applications

The Food Authority provided technical advice on 11 development proposals in 2015/16. Significant projects reviewed included the \$44 million Eden breakwater extension and the Tanilba Bay STP upgrade.

The provision of this advice to local councils, water utilities and other state government agencies seeking technical advice on development applications that could potentially affect water quality in shellfish harvest areas helps ensure that risks to the shellfish industry are mitigated up front during the planning process. The involvement of the Food Authority helps to reduce conflict between developers and the shellfish industry encouraging economic development in regional areas.

Work with NSW DPI Fisheries and other agencies

The Food Authority has worked with the NSW DPI Fisheries on various joint initiatives this financial year in an effort to address issues facing the industry and provide business with confidence and certainty.

This included participation in Operation Trident that targets black market oyster sales, overall compliance was excellent; however it did identify one individual in possession of a commercial quantity of oysters who was subsequently subject to enforcement action by DPI Fisheries.

The Food Authority also provided response and advice to several food safety and contamination events including a suspected Norovirus outbreak linked to a number of harvest areas across the state, prompt and thorough traceability of product allowed closure time of the areas to be minimal and consequently reduced the impact on industry.

Investigation of multiple reports of a numbing/tingling reaction following consumption of mussels harvested from Twofold Bay resulted in the Food Authority being able to rule out any toxic algal species as the cause of the reactions.

The Food Authority also provided significant input into the Williamtown PFOS contamination incident, staff undertook sample collection and a depuration study as part of a broader risk assessment that cleared the local oyster industry from closure.

POMS protection for NSW industry

The NSW Food Authority has been actively providing risk minimisation measures to the NSW industry with relation to the Pacific Oyster Mortality Syndrome (POMS) virus that has recently been detected in some Tasmanian estuaries.

NSW DPI has implemented importation restrictions to prohibit the movement of live bivalves into NSW waters in an effort to protect the virus from spreading into the NSW industry.

Authority shares its expertise with industry and the world

The Food Authority contributes to the on-going development of science that underpins shellfish quality assurance. The complex nature of the shellfish growing environment constantly challenges risk managers to provide an on-going and accurate assessment of the risks and implement an appropriate management response.

Food Authority staff contributed to various published papers in the 2015/16 period that helps to improve the knowledge base that underpins effective risk management.

Food Regulation 2015 commences

Food Regulation 2015 commenced 30 October 2015 following completion of a significant internal review project and comprehensive consultation with stakeholders into the remake of Food Regulation 2010.

The amendment allows a former holder of a shellfish licence to also be eligible to be a member of a local shellfish committee.

NSW Shellfish Committee

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

The 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.

Consultative Committee representation:

Chair: Mark Boulter, Sydney Fish Market

NSW Food Authority

Fisheries NSW

Moonlight Flat Oysters
(representing south coast oyster farmers)

Kelvin and Caroline Henry Oysters
(representing south coast oyster farmers)

Ritchie Oysters
(representing south coast oyster farmers)

Camden Haven Oysters
(representing mid north coast oyster farmers)

MS Verdich & Sons
(representing mid north coast oyster farmers)

Myee Pipi Incorporated
(representing wild harvest oyster farmers)

Seafood

The Authority licenses businesses across the supply chain of this sector. This includes 234 seafood processing plants and 975 facilities that handle wild caught seafood as well as cold food stores. Of the 7495 food transport vehicles licensed with the NSW Food Authority approximately 3900 are authorised to transport seafood products.

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 90%, that represents a drop in the average over the last 3 years.

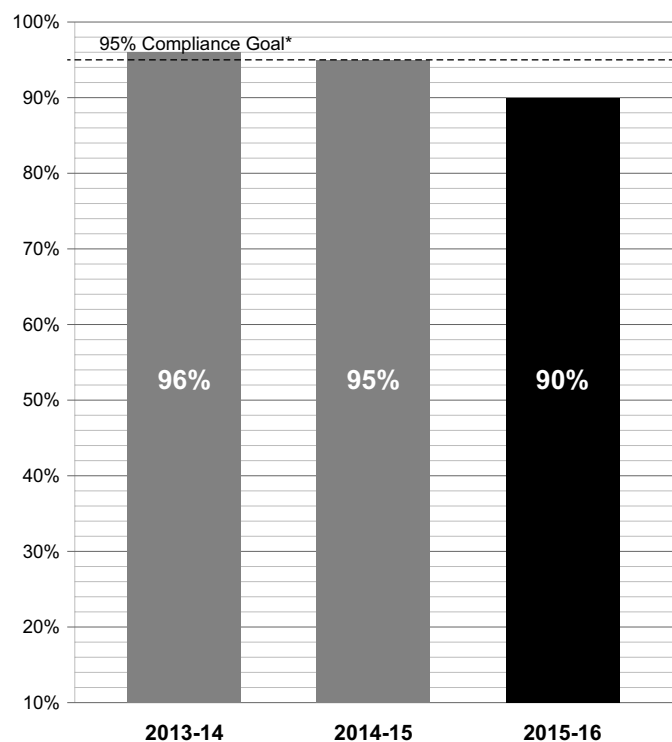
The NSW seafood industry makes an important contribution to the state's economy¹:

- Nearly 3,700 seafood businesses employ around 3,000 people in NSW with 99% of those small businesses (note some individuals may have multiple businesses)
- NSW accounts for around 32% of Australian wholesale value of seafood
- Hong Kong and Japan are NSW's top international seafood export markets

The current compliance rate is impacted by the small number of failed audits which has a large statistical impact due to the low overall number of audits completed within the 12 month period for this sector. The overall compliance rate is trending to improve over the next 12 months.

¹ KPMG May 2015

Seafood Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

National Country of Origin labelling

The NSW Food Authority has supported the Australian Competition and Consumer Commission (ACCC) in the federal government's reforms to national Country of Origin food labelling laws to commence 1 July 2016.

The NSW Food Authority has worked to inform industry of the impending change and directing them to ACCC guidelines that assist in understanding and application.

There is a two year grace period to allow businesses to change their food labels to comply with the new law before it becomes mandatory on 1 July 2018.

Seafood labelling for retailers to be introduced in NSW

In addition to the Commonwealth mandated Country of Origin requirements introduced under Australian Consumer Law, in May 2016 the Deputy Premier announced that the NSW Government would work with stakeholders from catch to consumer on a local seafood labelling scheme in order to encourage consumers to eat more NSW seafood.

Under the federal government's Country of Origin reforms restaurants and cafes that serve seafood for immediate consumption are exempt from labelling.

The NSW Government has committed to working closely with commercial fishers, wholesalers and food service retailers to develop an effective source of origin labelling system.

Ciguatera research continues

The 2015/16 period saw new incidents of ciguatera fish poisoning (CFP) reported in March and April 2016,

again further south than previously recorded CFP incidents, with both events involving large Spanish Mackerel caught off Crowdy and Crescent Head on the mid north coast.

The NSW Food Authority updated its advice regarding CFP and how to minimise risks to include the extended geographical location and working with NSW DPI Fisheries notified all recreational fishers of the updated information via their contact database.

The NSW Food Authority's partnership with the University of Technology Sydney (UTS) in the 'Safeguarding commercial fishing in NSW from ciguatera fish poisoning' continued throughout 2015/16 and both agencies have undertaken to work with the Sydney Fish Markets who are developing new advice to be circulated to industry concerning risk management options.

Contribution to Expert Panel on Williamstown PFOS contamination incident

The NSW Food Authority played a significant role in the provision of food safety analysis and advice to the Expert Panel convened by the NSW government and led by the NSW Chief Scientist and Engineer in response to the PFOS/PFOA contamination incident at the Williamstown RAAF base.

The contribution included sample collection, analysis of results, support and advice to the Expert Panel, industry and consumers.

Joint Fisheries compliance operation

As part of the ongoing activities of Operation Trident a program targeting black market seafood products, NSW Biosecurity and Food Authority officers worked in conjunction with NSW DPI Fisheries officers on a targeted blitz in March 2016.

Inspections were undertaken at 15 locations in the Sydney metropolitan area and revealed excellent compliance with

95% of retailers showing acceptable levels of compliance with relation to product traceability and no product identification labelling issues identified.

Compliance operations of this nature are more streamlined as a result of the merging of biosecurity and food safety functions into DPI Biosecurity & Food Safety.

NSW Seafood Industry Forum

The NSW Seafood Industry Forum (SIF) membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the seafood industry sector.

The SIF meets approximately every six months and provides feedback to the Authority and the Minister for Primary Industries on issues relating to seafood industries, including:

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

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Sydney Fish Market

Association of Fishermen's Cooperatives

Seafood Importers Association of Australasia

NSW Aquaculture Association

Professional Fisherman's Association

Seafood wholesale/processing sector

Master Fish Merchants Association of Australia

Department of Primary Industries

Dairy

The Authority licenses businesses across the supply chain in this sector. This includes 705 dairy farms, 198 dairy processing factories, 136 milk farm collectors as well as cold food stores. Of the 7495 food transport vehicles licensed with the NSW Food Authority 3900 are authorised to transport dairy products.

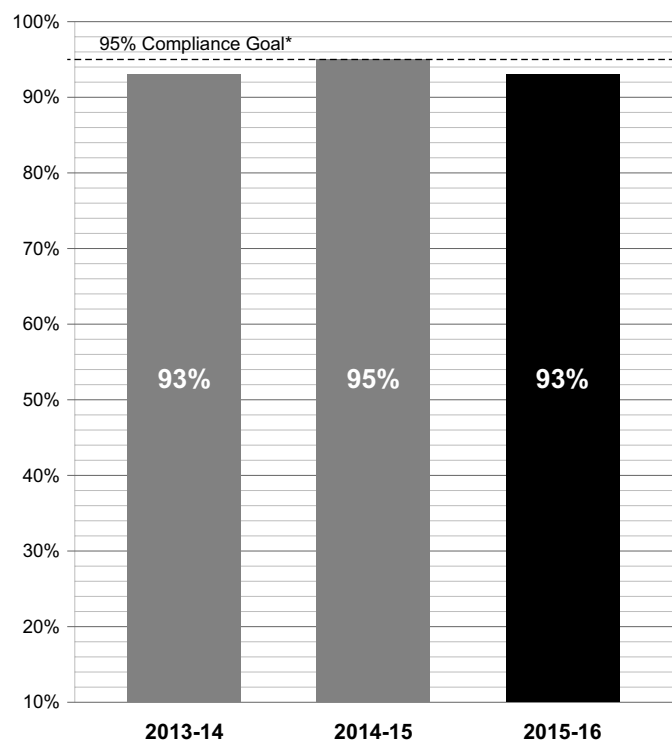
The NSW dairy industry makes an important contribution to the state's economy¹:

- Nearly 2,000 dairy businesses employ around 6,800 people in NSW with 95% of those small businesses.
- Around 68% of NSW's raw milk is used to manufacture drinking milk
- Globally Australia is the fourth largest exporter of dairy products

Compliance across the sector with food safety program requirements for the 2014-15 financial period was 93%, in line with the average over the last 3 years.

¹ KPMG May 2015

Dairy Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Unpasteurised milk blitz

As part of its commitment to a broader national approach to the solution of the sale of unpasteurised cow's milk sold as cosmetic or bath milk, and based on intelligence gathered as part of its ongoing survey and monitoring work, the NSW Food Authority undertook a targeted compliance operation in October 2015 that resulted in the seizure of approximately 110 litres of unpasteurised dairy products from health food retail stores in the Sydney region.

NSW Food Authority officers seized a number of 'Cleopatra' brand raw milk and cream products that were labelled as being for cosmetic purposes with officers forming the belief they were intended for human consumption.

NSW Food Authority officers also investigated the retail supply of raw milk to customers in the southern highlands and the ACT from an unlicensed dairy farm in Bungonia. The proprietors of the dairy farm were involved in supply of milk to consumers under a 'herd share' arrangement where consumers enter into a contract and purchase 'shares' in the milking herd in return for raw milk produced from the herd or individual cows.

In October 2015, a Prohibition Order was issued to the proprietors of the food business, due to a raw milk sample testing positive for the presence of listeria.

While evidence shows raw milk being illegally sold for the purpose of human consumption in NSW is relatively rare, the level of risk it presents to public health is high and the NSW Food Authority will continue to work with other regulators to ensure a consistent approach to best protecting the public's health.

Approval of High Pressure Processing (HPP) of milk

As part of its commitment to innovation and technology, the NSW Food Authority works closely with stakeholders in an effort to progress new forms of production and expertise to benefit industry and consumers.

Throughout the 2015-16 financial year the NSW Food Authority worked closely with a company seeking to use High Pressure Pasteurisation (HPP) for milk. HPP is traditionally used for the pasteurisation of food products like meat, juices and fruit and using this form of pasteurisation was a first for milk.

The Food Standards Code requires milk to be pasteurised – either by heat or by other methods that achieve an equivalent food safety outcome to ensure the processes they are using results in a safe product being sold to consumers.

Unpasteurised raw milk is not safe, it has caused illness and even fatalities in the past and it is not permitted for sale for human consumption in Australia.

Third Party Auditor workshops

Following its review of the Third Party Audit (TPA) system last financial year that found the system to be working well and satisfying industry, the NSW Food Authority continued to support education and training in the sector by conducting workshops for dairy sector Third Party Auditors (TPAs) and Dairy Industry Farm Service Management to discuss a wide range of issues.

This included dairy farm auditing trends, antibiotic use and residues and dairy farms, acceptable cattle identification, raw milk and raw milk cheeses, verification programs and the BYTE mobile auditing system that was rolled out to TPAs during the latter half of the financial year.

Feedback from the workshops was very positive and further industry specific workshops are being planned for the next financial year to ensure the continued up skilling and training of TPAs.

Small dairy processors workshop

A NSW Small Dairy Processor Forum was hosted by Dairy Innovation Australia Limited (DIAL). The workshop was designed to provide information and discussion opportunities focussing on the 'top 10 tips' and 'best practice' on milk quality for NSW small dairy manufacturers and processors. The NSW Food Authority engaged with DIAL and keynote speakers from this event to develop targeted training programs for industry in the coming financial year.

Food Regulation 2015 commences

Food Regulation 2015 commenced 30 October 2015 following completion of a significant internal review project and comprehensive consultation with stakeholders into the remake of Food Regulation 2010.

The amendments remove reference to the out of date publications *Australian Manual for Control of Salmonella in the Dairy Industry* and *Australian Manual for Control of Listeria in the Dairy Industry*, it also aligns the Dairy Food Safety Scheme with national Standard 4.2.4 of the Code by removing the prohibition on the manufacture of raw cheese.

Dairy Food Safety Consultative Committee

The NSW Dairy Food Safety Consultative 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.

The committee meets approximately every six months and provides feedback to the NSW Food Authority and the NSW Minister for Primary Industries on industry issues including the dairy food safety scheme and management of food safety risks across the NSW dairy industry supply chain.

NSW Dairy Food Safety Consultative Committee

Consultative Council representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Dairy Connect (representing dairy producers)

NSW Farmers Association (representing dairy producers)

Bega Cheese (representing dairy processors)

Pecora Dairy (representing dairy processors)

Serendipity Icecream (representing dairy processors)

Parmalat (representing dairy processors)

Australian National Retailers Association (representing dairy retailers)

Dairy NSW (representing dairy research)

NSW Department of Primary Industries

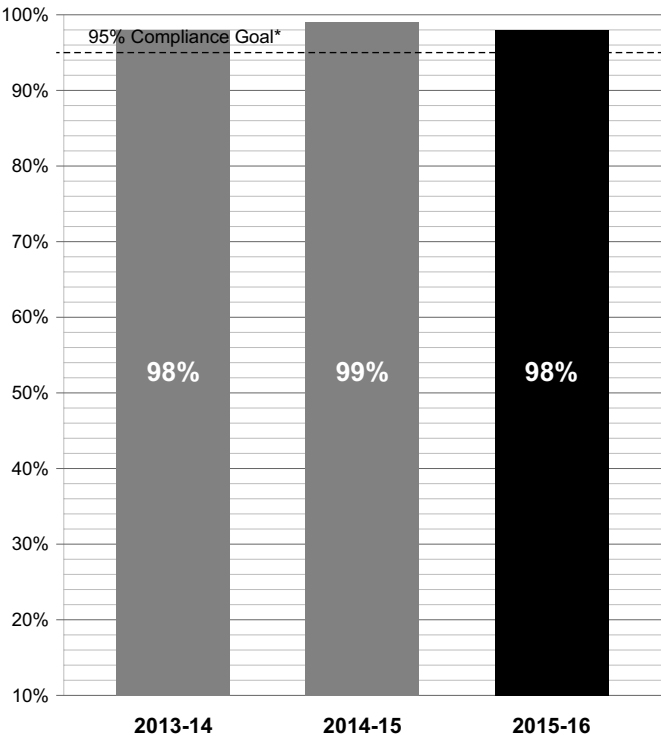
Vulnerable persons

The NSW Food Authority licenses 1221 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 meal organisations such as Meals on Wheels.

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 98%, consistent with the average of the last 3 years.

Vulnerable Persons Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Prosecution of supplier to NSW and ACT aged care facilities

In April 2016, the NSW Food Authority successfully prosecuted the company operating the corporation Bettamaid a wholesale bakery for supplying unsafe food to Illawarra Retirement Trust's central kitchen for distribution to ten aged care facilities in the Illawarra area between January and March 2015 which resulted in a *Salmonella* outbreak in ten of their facilities. The strain was found to be the rare typing of *Salmonella* Bovismorbificans.

The corporation operating Bettamaid was sentenced for 10 offences relating to the handling and sale of unsafe food and breaches of food safety standards, and was convicted and fined \$63,000 and ordered to pay \$20,000 in professional costs.

As at 30 June 2016 charges against the director of the company were yet to be finalised.

Guidance issued regarding service of lettuce to VPs following national recall

In February 2016, a national recall was undertaken of a variety of pre-packaged salad products after a number of reported cases of *Salmonella* Anatum linked to a Victorian producer.

This led the NSW Food Authority to develop guidance material on the service of lettuce and other ready-to-eat foods for VP populations to alleviate concerns and offer confidence and certainty to the VP sector.

The advice is that excellent food hygiene levels should always be observed to minimise risk. The risks associated with lettuce (whole and pre-cut) are manageable and the removal of these products from

otherwise healthy patients could be detrimental to their overall health and wellbeing.

Central Production Unit (CPU) project update

In July 2015 the NSW Food Authority commenced a project to examine the policies and procedures currently in place to control food safety risks in Central Production Unit (CPU) facilities.

All 11 CPU facilities licensed with the Food Authority were inspected using a comprehensive checklist comprising nearly 100 questions. Copies of the inspection reports were provided to all facilities and feedback from industry has been very positive.

Results of the inspections are currently being analysed for trends and issues.

A meeting will be held with all the CPU facilities when the report is finalised to discuss the findings and recommendations.

NSW Vulnerable Persons Food Safety Scheme Consultative Committee

The NSW Vulnerable Persons Food Safety Scheme Consultative Committee, or the VP Committee, membership is designed to bring expertise and new ideas to enhance strategic focus and issue resolution across the sector.

The Committee meets approximately every six months and provides feedback to the NSW Food Authority and the Minister for Primary Industries on industry issues, including:

- consultation on emergency management preparedness for the sector
- consultation on emerging and contentious issues and risks for food safety

- seeking input for provision into the development and implementation of national food safety standards
 - consultation on other issues in which the industry has an interest such as industry based education, food preparation, food storage and food delivery, and
 - regulatory effectiveness.
-

Consultative Committee representation:

Chair: Dr Lisa Szabo, NSW Food Authority

Aged and Community Services Association of NSW
& ACT

NSW Meals on Wheels Association

Private Hospitals Association of NSW

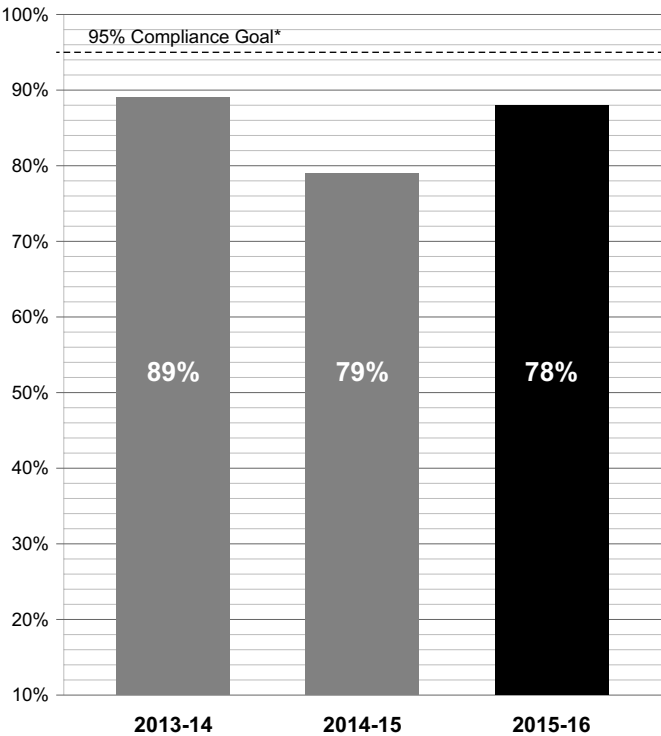
Healthshare NSW

Plant

The NSW Food Authority licenses 87 businesses in the plant processing sector as well as cold food stores. Of the 7495 food transport vehicles licensed with the NSW Food Authority approximately 2600 transport vehicles are authorised to transport plant products.

Compliance across the sector with food safety program requirements for the 2015-16 financial period was 78%, slightly below the average of the last 3 years. Due to the limited number of licensees in this sector, the compliance rate can be heavily impacted by a small number of audit failures.

Plant Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Guidelines for Fresh Produce Food Safety launched

In August 2015 the University of Sydney's industry led organisation Fresh Produce Safety Centre (FPSC) launched *Guidelines for Fresh Produce Food Safety*, a revised and extended scope of guidelines for the industry that were last developed in 2004.

The NSW Food Authority was a platinum sponsor of the event and works closely with the FPSC to provide support for research projects into the horticulture sector to improve business continuity, preparedness and traceability within the horticulture supply chain, risk management solutions to reduce the risk of foodborne illness and to look at the consequences and impact upon the industry if it were faced with a food safety event.

The NSW Food Authority delivered a presentation at the launch of the *Guidelines for Fresh Produce Food Safety* outlining its role working with stakeholders and industry to deliver food safety outcomes in the sector.

Contribution to management of national recall of pre-packaged salad products

The NSW Food Authority worked closely with federal and state jurisdictions following a large scale national recall of various pre-packaged salad products in February 2016 that affected major retailers.

The recall was undertaken after a number of reported cases of *Salmonella* Anatum were linked to a Victorian producer.

In an effort to alleviate concerns and offer confidence and certainty to industry and consumers, the NSW Food Authority worked with other jurisdictions to investigate and monitor the incident and provide regular information and updated advice as the incident also attracted wide reaching and intense media interest.

Consultation

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

Retail

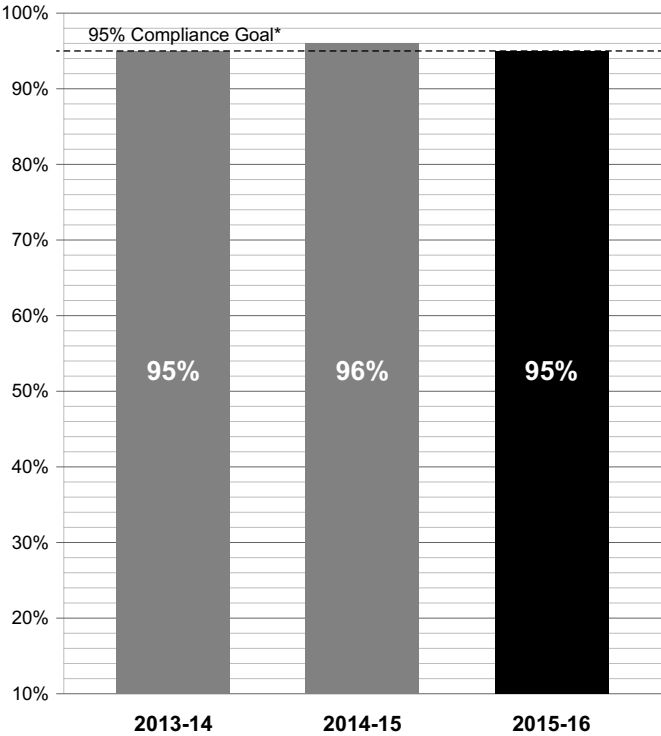
Compliance across the retail food sector with food safety requirements for the 2015-16 financial period was 95%, consistent with the average over the last 3 years.

The NSW retail food industry makes an important contribution to the state’s economy¹:

- The food retail service sector in NSW is valued at more than \$45 billion per annum, the biggest contributor to the NSW food industry
- Food retailing is the biggest driver of growth in NSW’s retail industry
- There are approximately 40,000 retail food service businesses in NSW
- 128,000 people in NSW are employed in cafes, restaurants and takeaway food services
- Supermarkets and grocery stores employ around 69,000 people
- Our partners in local government play a critical role in regulating the sector

¹ KPMG May 2015

Retail Sector Compliance Rate



*NSW Food Safety Strategy 2015-21 target

Food Safety Supervisor recertification

The Food Safety Supervisor (FSS) was introduced in 2010 to safeguard NSW consumers from foodborne illness in the retail sector by instilling a culture of safety across the retail food industry through training food handlers in food safety. The first round of certificates issued under NSW Food Authority's mandatory FSS program began to expire from September 2015.

So that the certification remains relevant to the continually evolving retail food sector, the Food Authority determined a need for new components that would supplement, support and value add to the training that all FSS certificate holders need to complete.

From 1 September 2015 a Food Safety Supervisor seeking new or renewed certification from an approved Registered Training Organisation (RTO) must, in addition to the national units of competency, attain units of competency in:

1. safe egg handling
2. allergen management
3. cleaning and sanitising practices

Food Regulation 2015 commences

Food Regulation 2015 commenced 30 October 2015 following completion of a significant internal review project and comprehensive consultation with stakeholders into the remake of Food Regulation 2010.

A number of minor amendments were included. Retail food businesses are no longer required to notify the NSW Food Authority of their business details. This initiative, designed to support the NSW Food Authority's commitment to red tape reduction and

streamlined administration for retail food businesses, applies to restaurants, cafes and supermarkets.

The NSW Food Authority recognises retail food businesses' provision of details to council as complying with the intent of the statutory obligation to notify as councils already receive relevant information through applications for services, permits and approvals.

Further under Food Regulation 2015 Food Safety Supervisor trainer and assessor requirements were aligned with the national standards for Registered Training Organisations made under the Commonwealth *National Vocational Education Training Regulator Act 2011*.

Scores on Doors

2015-16 continued to see positive growth for the NSW Food Authority's voluntary Scores on Doors program, an initiative designed to improve food safety and reduce foodborne illness in NSW by improving food safety in the retail sector through public display of food safety inspection results.

Prior to council amalgamations in May 2016 there were 53 councils participating in the program, up from 38 in the previous financial year, and representing approximately 33 per cent of all local government across NSW.

The NSW Food Authority will engage with new councils to encourage the adoption of Scores on Doors, with a view to achieving a goal of 75% of NSW retail food business participating by 2021 as part of the NSW Government Food Safety Strategy 2015-2021.

In April 2016 the NSW Food Authority refreshed its existing Scores on Doors certificate to make it available as a smaller, sleeker sticker that is easier to apply to food business doors and windows. The redesign came in response to the Food Authority working with retail food businesses and listening to their feedback about providing a form of the certificate that is more adaptable to the wide variety of décor in food retail outlets.

Salmonella Reduction Strategy

The NSW Food Authority continued work in the 2015-16 period to reduce the rate of *Salmonella* outbreaks in the retail food sector through its *Salmonella* Reduction Strategy, specifically aimed at safe preparation of products containing raw egg.

The ongoing work aligns with the NSW Government Food Safety Strategy 2015-2021's goal to reduce foodborne illness including *Salmonella*, *Campylobacter*, *Listeria* and anaphylaxis across the food chain by 30% by 2021.

This reduction strategy has resulted in the development of various resources for local government and retailers, including checklists and guidelines. Training has been delivered throughout the period to council Environmental Health Officers across the state and at regional consultative meetings with local businesses to raise awareness and competency in how to reduce the risk of *Salmonella* in restaurants and cafes.

Name and Shame

In 2015-16 882 retail food businesses 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 1611 penalty notices were published, representing less than 2% of NSW retail food businesses.

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

- cleanliness of food premises (21%)
- storage and temperature control (16%)
- pest control (13%)
- hygiene of food handlers (13%)
- cleanliness of food fixtures, fittings and equipment (12%)

	2013-14	2014-15	2015-16
No. of penalty notices published	1587	1504	1611
No. of facilities that had penalty notices published	913	866	882

Food Regulation Partnership

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

Data collected from councils for the 2015-16 period showed compliance levels in the retail food sector to be high as a result of the activities of the Food Regulation Partnership.

More than 61,000 inspections were undertaken in the retail and food service sector during the 2015-16 financial year and 94% of the high and medium risk food premises were inspected.

Three retail food meetings were held during the period in Lismore, Warringham and Sutherland. Each was attended by approximately 100 people.

Each meeting has included a presentation on safe egg preparation as part of a broader *Salmonella* reduction strategy and a presentation on the benefits of participation in Scores on Doors for food retail business

In order to ensure councils have met their duties under the NSW Food Act 2003, they are required to annually report their enforcement activities to the Food Authority.

Data collected from councils for the 2015-16 council activity report showed compliance levels in the retail food sector to be high as a result of the activities of the Food Regulation Partnership.

Supporting the sector through education and training for council officers

The Food Authority provides training to councils' environmental health officers (EHOs) to enhance skills and knowledge, address priority topics and promote consistency in inspection and enforcement action.

During 2015-16 the Food Authority conducted three rounds of Regional Food Group meetings in 15 regions across NSW. These meetings consisted of a training session as well as updates regarding topical food safety matters. Each meeting contains opportunities to problem solve and seek regionally consistent approaches to local issues.

In 2015/16 the training addressed:

- Consistency in using the standardised checklist Food Premises Assessment Report (FPAR)
- Food allergen complaint investigation
- Assessing skills and knowledge in retail food businesses

In addition, the Food Authority conducted the Authorised Officer (Local Government) intensive training. This training covered 13 topics including inspections, enforcement policy and regulatory tools, cleaning and sanitising, investigations, labelling, and pest control.

The training was held over six days at the NSW Food Authority's head office in Newington and was attended by 27 EHOs from across NSW.

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 meets three times per year and provides advice to the NSW Food Authority on the regulation of the retail industry.

Committee representation:

Chair: Cr Paul Braybrooks OAM

NSW Food Authority – Dr Lisa Szabo and Peter Day

Elizabeth Gemes (representing Local Government NSW)

Clr Maria Woods (representing Local Government NSW)

Clr Scott Lloyd (representing Local Government NSW)

Julie Kisa (representing the Development and Environmental Professionals' Association)

Corey Stoneham (representing the Development and Environmental Professionals' Association)

Jody Houston (representing Environmental Health Australia)

Stuart Nunn (representing Environmental Health Australia)

Alexandra Stengl (representing Local Government Professionals Australia)

Robyn Hobbs OAM NSW Small Business Commissioner (Independent)

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. There are 719 businesses in this sector.

Over the 2015/16 period the Food Authority conducted 651 inspections under this program. This included:

- 82 unacceptable inspection results were recorded (subsequent follow-up inspections conducted achieved acceptable inspection result)
- 26 warning letters were issued for labelling and licensing breaches
- 88 improvement notices were issued
- 84 penalty notices were issued to manufacturers for continued non-compliance
- 12 prohibition orders were issued for breaches of hygiene and maintenance issues. These prohibition orders remained in place until sufficient corrective actions were taken by licensees. The issues were subsequently rectified and the orders lifted.

Inspection frequency 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.

Inspection guidance for manufacturers

In December 2015, The Food Authority developed and released inspection guidance for manufacturers which outlines the food safety controls that will be assessed during inspections. This guidance included the defects that can be identified during the inspection and what actions businesses must take to ensure they record an acceptable outcome at their next inspection. This guidance also ensures that the inspection process is fully transparent with regulated businesses having the same information and guidance materials as Food Authority officers.

Compliance and enforcement

TARGETED FOOD SAFETY AND COMPLIANCE PROJECTS

Fresh noodle project

Between January and March 2016, NSW Food Authority undertook a project that identified compliance issues in fresh noodle manufacturers. The nature of fresh noodles means that pathogenic microorganisms can grow and produce toxins if they are not correctly treated and can pose a food safety risk.

In order to determine baseline compliance, manufacturers were assessed in four core areas:

- use of preservatives
- process control and hygienic production/packaging
- product labelling, and
- temperature control (cooling, storage and transport)

Follow up inspections were undertaken and education and information provided to support compliance. Where non compliance with food safety standards were identified appropriate enforcement action was undertaken. Four key areas were identified as barriers to compliance; including language barriers, traditional practices, consumer and industry expectation and legislative education.

As a result of the educational support and enforcement action undertaken there was a significant increase in compliance in follow up inspections with a 96% compliance rate achieved.

In order to consistently maintain the result achieved as an outcome of this project, the NSW Food Authority has implemented increased monitoring in this sector over the next financial year.

Imported confectionery labelling project

NSW Food Authority conducted an inspection project focusing on NSW based importers of confectionery products between July and November 2015.

The project sought to ensure importers had effective and compliant systems in place to label their product, particularly with relation to allergen declarations.

Overall a good compliance level was detected at 94%, however the areas of non-compliance related to:

- traceability, a lack of name and address of the business
- nutrition information panels (NIPs) provided in an incorrect format
- food additives not declared in the correct format

Education and information was provided to support compliance. Where issues were identified appropriate enforcement action was undertaken.

An outcome of this project has been the strengthening of the partnership between the NSW Food Authority and the Commonwealth Department of Agriculture and Water Resources (DoAWR) and the creation more effective information exchange processes to better address labelling compliance at the border.

Undeclared dairy in coconut milk products

A large number of breaches relating to undeclared dairy in coconut milk products were detected throughout the 2015/16 period. This was of particular concern because people with dairy allergies often choose to consume coconut milk products in an effort to avoid dairy.

The NSW Food Authority worked closely with FSANZ, state and territory enforcement agencies and DoAWR, the agency responsible for imported food, in investigating the incidents and resulted in a number of recalls of coconut milk products.

As a precautionary measure, DoAWR began a program of inspecting all imports of the recalled products to ensure the labels now declare the presence of allergens.

The Food Authority played an active role in advising NSW importers of their obligations and conducting extensive testing of the wider coconut milk product market to ensure allergens were clearly labelled as per food labelling requirements. It also provided proactive food safety and warning advice to consumers via traditional and social media channels.

SIGNIFICANT INVESTIGATIONS AND RESULTS

Prosecution of supplier to NSW and ACT aged care facilities

In April 2016, the NSW Food Authority successfully prosecuted the company operating the corporation Bettamaid, a wholesale bakery for supplying unsafe food to Illawarra Retirement Trust's central kitchen for distribution to ten aged care facilities in the Illawarra area between January and March 2015 which resulted in a *Salmonella* outbreak in ten of their facilities. The strain was found to be the rare typing of *Salmonella* Bovismorbificans.

The corporation operating Bettamaid was sentenced for 10 offences relating to the handling and sale of unsafe food and breaches of food safety standards, and was convicted and fined \$63,000 and ordered to pay \$20,000 in professional costs.

As at 30 June 2016 charges against the director of the company were yet to be finalised. See also Vulnerable Persons sector (page 32).

Prosecution for undeclared dairy allergens in coconut milk products

In November 2015 the NSW Food Authority successfully prosecuted Narkena Pty Ltd a NSW based importer, for three charges related to labelling of their "Green Time Natural Coconut Drink", in the Downing Centre Local Court. The importer failed to identify the presence of milk in the fruit drink. Dairy is an allergen that must be declared under the Food Standards Code. The company pleaded guilty to the three charges and was sentenced on 18 November 2015.

1. The company was convicted and fined a total of \$18,000 and ordered to pay \$24,000 in professional costs. Sell food that was labelled in a way that falsely described the food— s18(3)Food Act 2003 (\$6,000)

The NSW Food Authority took immediate action to ensure the product was recalled from the market and commenced the prosecution under the home state rule as the company was based in NSW.

This prosecution highlights the importance of correct labelling of allergens, as a child in Victoria passed away after reportedly consuming this drink.

As at the closure of the 2015/16 financial year reporting period on 30 June 2016 the Victorian Coroner was still undertaking investigation into the death of the child.

Raw 'bath' milk seizures

As part of its commitment to a broader national approach to the solution of the sale of unpasteurised cow's milk sold as cosmetic or bath milk, and based on intelligence gathered as part of its ongoing survey and monitoring work, the NSW Food Authority undertook a targeted compliance operation in October 2015 that resulted in the seizure of approximately 68 litres of unpasteurised dairy products from health food retail stores in the Sydney region.

NSW Food Authority seized a number of 'Cleopatra' brand raw milk and cream products that were labelled as being for cosmetic purposes with officers forming the belief they were intended for human consumption.

NSW Food Authority also investigated the retail supply of raw milk to customers in the southern highlands and the ACT from an unlicensed dairy farm in Bungonia. The proprietors of the dairy farm were involved in supply of milk to consumers under a 'herd share' arrangement where consumers enter into a contract and purchase 'shares' in the milking herd in return for raw milk produced from the herd or individual cows.

In October 2015, a Prohibition Order was issued to the proprietors of the food business, due to a raw milk sample testing positive for the presence of listeria. While evidence shows raw milk being illegally sold for the purpose of human consumption in NSW is relatively rare, the level of risk it presents to public health is high and the NSW Food Authority will continue to work with other regulators to ensure a consistent approach to best protecting the public's health. See also Dairy sector (page 29).

2015-2016 Compliance & enforcement statistics (enforcement actions)

ACTIVITY	ACTUAL 2013-14	ACTUAL 2014-15	ACTUAL 2015-16
Audits	4595	4826	4884
Failed audits	335 (7.3%)	373 (7.7%) ¹	429 (8.7%) ¹
Inspections of food businesses	7155	7349	9328
Failed inspections of food businesses	538 (7.5%)	593 (8%) ²	718 (7.6%) ²
Complaint investigations	1447	1815	2123
Investigations of foodborne disease incident (two or more people)	150	209	294
Labelling Compliance Surveillance Program investigations	290	287	352
Labelling Compliance Surveillance Program investigations resulting in enforcement action	95	59	95
Investigations of unlicensed businesses (resulting in enforcement action)	90	126	142
Written warning	105	120	113
Improvement notices	505	498	578
Penalty notices	147	120	252 ³
Prohibition orders	8	5	29 ⁴
Product seizures	13	13	19
Licence cancellations	0	0	0
Use of emergency orders	0	0	0
Prosecutions (finalised after hearing or plea of guilty)	49	26	19
Company instigated food recalls (nationwide)	66	58	94 ⁵
Company instigated food recalls (NSW companies)	26	28	23
Shellfish harvest area closures	381	543	588

¹ Failed audits: The audit failure rate increased slightly over previous reporting periods mainly from failures in the retail meat sector and shellfish industry. The Authority continues to work with industry sectors to implement programs that will lower this failure rate.

² Failed inspections of food businesses: These figures include all inspections conducted on licensed facilities, complaint investigations requiring inspections, inspections on food transport vehicles/vessels and businesses captured by the manufacturer inspection program. The inspection failure rate for licensed businesses has reduced over the previous reporting periods.

³ Penalty notices: The number of penalty notices issued during this reporting period has increased due to targeted compliance programs on poor performers within the manufacturing sector and increased monitoring of businesses that fail to record acceptable audit and inspection outcomes.

⁴ Prohibition orders: The increase recorded this year was due to targeted compliance programs focusing on businesses with a poor compliance history requiring more severe enforcement action.

⁵ 5 Company instigated food recalls (nationwide): National food recall figures were higher in 2015-16 than in previous years, primarily due to a significant increase in surveillance and compliance activity for undeclared allergens in foods. This was partly due to incidents linking imported coconut products with undeclared dairy protein.

2015–16 Summary of product seizures undertaken as enforcement action*

COMMODITY	Estimated quantity	Reasons for seizure
Dairy products		
Cheese	8 kg	Sale of unsafe food not suitable for human consumption food was not stored under temperature control
Cream	14.25 kg	Evidence of unlicensed activity and potentially hazardous food was not stored under temperature control
Raw bath milk	110.43 Litres	Sale of unsuitable food not suitable for human consumption and evidence that food sold is falsely described as cosmetic skin treatment product
Meat products		
Processed red meat	4 units	Evidence of unlicensed production & no microbiological testing
Raw non red meat	54 packets	Evidence of unlicensed meat processing and manufacture of meat in contravention to the Food Act 2003
Processed non red meat	33 kg	Evidence of unlicensed meat processing
Processed red meat (various type)	70.36 kg	Sale of unsuitable food and evidence of unlicensed activity and manufacture of meat in contravention to the Food Act 2003
Raw non red meat	40 kg	Evidence of sale of poultry from unlicensed meat business in contravention to the Food Act 2003
Plant products		
Traditional pickles	131.78 kg	Sale of unsuitable food not suitable for human consumption and evidence that the food was not produced in accordance with Food Safety Scheme requirements and Food Act 2003
Other food products		
Tahina	51.13 kg	Evidence that the food was not labelled in accordance with Food Standards Code, in that importer details was not declared on the label
Caffeinated beverages	313.5 gms	Not complying with compositional requirements of the Food Standards Code, as the beverage contained synthetic components that are not described in the label
Alcoholic beverages	2.1 Litres	Sale of unsuitable food and evidence that food sold is falsely described in the label

*Based on 19 individual seizures for 2015 – 2016 period

2015-2016 Licence numbers

BUSINESS ACTIVITIES	No. of licensed facilities 2015-16
Animal food field depot	9
Animal food field harvesting	17
Animal food processing plants	20
Animal food processing and rendering plant	1
Abattoir - poultry	21
Abattoir - poultry & game meat processing	2
Abattoir - poultry & poultry primary production	12
Abattoir - poultry & red meat	1
Abattoir - red meat	29
Abattoir - red meat & rendering	1
Rendering	6
Knackery	7
Game meat primary processing plants	4
Game meat field depot	70
Game meat field harvesting	428
Meat retail	1741
Meat processing plants	338
Meat & seafood processing plants	34
Meat & dairy processing plants	8
Meat, dairy & seafood processing plants	4
Meat, dairy & plant product processing plants	4
Meat, seafood & egg product processing plants	1
Meat, seafood & plant product processing plants	8
Meat & plant product processing plants	2
Meat, dairy, seafood & plant processing plants	2
Meat, dairy, seafood, plant & egg product processing plants	1
<i>Table continues over page</i>	

2015-2016 Licence numbers (con't)

BUSINESS ACTIVITIES	No. of licensed facilities 2015-16
<i>continued from previous page</i>	
Dairy processing plants	151
Dairy & seafood processing plants	3
Dairy & plant product processing plants	6
Dairy & egg product processing plants	2
Plant Product processing plants	61
Seafood processing plants	123
Seafood & egg processing plants	1
Seafood & plant product processing plants	3
Oyster farmers	195
Oyster farmers & seafood processing	54
Shellfish wild harvest	50
Handling wild caught seafood	975
Egg Processing plants	2
Egg primary production	258
Egg & poultry primary production	30
Egg & dairy primary production	1
Poultry primary production	352
Poultry & dairy primary production	5
Dairy primary production	682
Dairy primary production and processings plants	17
Farm milk collectors (raw milk transport)	136
Food transport vehicles (meat, dairy, seafood, plant, egg products)	7495
Cold food storage (meat, dairy, seafood, plant & egg products)	531
Food service to vulnerable persons	1221
TOTAL number of licensed facilities	15125

Working with our stakeholders

Royal Easter Show

At the 2016 Sydney Royal Easter Show, the Food Authority hosted interactive displays and distributed safety tips on thorough hand washing to an estimated 40,000 people visiting over 14 days with 25,000 wrist bands and soaps promoting the food safety hygiene message of ‘Hand washing and food safety go hand in hand’ distributed to visitors.

NSW Food Authority customer helpline

Through the Food Authority’s customer helpline we assisted 23,067 requests for advice, food complaints and transactions. Ninety three percent were resolved during the first contact. Some 2,147 calls were food complaints investigated by the Food Authority and 2,722 food complaints about retail outlets were referred to the relevant local council.

Of the food complaints investigated by the Food Authority, the most frequent issues related to allegations of foodborne illness (21%), various labelling issues (18%), followed by foreign matter (17%), and food handling and hygiene (14%).

Educational and technical guidance materials

In 2015-16 the Food Authority identified a number of emerging issues requiring specific information targeting food businesses and consumers.

Shellfish

- Aquaculture Prawns – Food Safety Program
- Aquaculture Live & Whole Chilled – Food Safety Program
- NSW shellfish program – evaluation plan
- Blue-green algae blooms: risk to fishers – report
- Pipi testing program FAQs
- Shellfish Program coordinators’ handbook

Meat

- Hamburger food safety factsheet
- Review of Animal Welfare Systems at NSW Non Red Meat Domestic Abattoirs
- Country of Origin (CoOL) unpackaged meat factsheet

Dairy

- Dairy food safety scheme – evaluation plan

Eggs

- Review of egg stamping in NSW

Retail food

- NSW retail meat food safety program guidance

Food Safety Supervisor

- RTO approval conditions – guideline
- FSS refresher guideline for RTOs
- FSS refresher (re-certification) FAQs – RTOs
- FSS refresher (re-certification) FAQs – Retail food

Manufacturing and wholesale

- Guidance for manufacturer and wholesale inspection program (MWIP)
- Food action recall plan

Science and surveys

- Annual food testing report 2014-15
- High pressure processing – report

Compliance

- Guidance on audits
- Calibration of thermometers at varied altitudes

FOOD TESTING AND SURVEYS

The 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 as part of foodborne illness investigations. Appropriate actions were carried out to rectify any issues identified.

From 1 July 2015 to 30 June 2016, 4463 samples were submitted for testing, this figure excludes samples submitted as part of the Williamstown PFOS contamination incident investigation.

Category	Number of samples
Verification programs	1441
Research including targeted surveys	1254
Food Safety Compliance	1768
Total	4463

Science based surveys to assist the food industry

The Food Authority undertakes scientific surveys in order to better understand, identify and respond to food safety issues and risks in NSW. The data obtained in the surveys allow the Food Authority to identify key food safety issues and develop systems and processes to manage the prevention of food poisoning effectively and maintain food safety. During 2015/16 this included:

- **Microbiological quality of Ready To Eat (RTE) chilled food**

Microbiological results of this survey were microbiologically very good. 98% samples were good or acceptable.

The safety of RTE chilled foods is achieved by hygienic manufacturing practices, appropriate product design, appropriate heat treatments, correct cooling and storage, correct use of packaging, and appropriate shelf life testing. The microbiological results of this survey are in line with previous studies both here and internationally.

As with all packaged food, labelling is of the utmost importance and additional safety instructions would be beneficial in protecting this growing industry.

- ***Campylobacter* in non-poultry**

The primary purpose of this survey was to gather information on the presence and level of *Campylobacter* in non-poultry food to inform the Authority's future risk assessment work, at the completion of the 2015/16 financial year this data was in the process of being analysed.

- **Undeclared allergens in food**

The primary purpose of this survey was to gather information on the presence of undeclared allergens in packaged and un packaged food. The survey will continue in the 2016/17 financial year.

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.

Food Regulation 2015

The Food Regulation 2015 came into effect on 30 October 2015, concluding the significant review and stakeholder engagement project assessing provisions in the Food Regulation 2010.

Amendments included aligning food safety supervisor requirements with national training organisation standards, streamlining retail food business notification requirements, adjusting fees in line with CPI increases and repealing provisions duplicated as a consequence of the implementation of national primary production and processing standards.

The Food Regulation 2015 sets out minimum food safety requirements for various food industry sectors and programs run by the Food Authority. The amendments are fit for purpose and have been broadly supported by regulated stakeholders.

Meat Industry (Meat Industry Levy) Regulation 2016

In 2016 The Meat Industry (Meat Industry Levy) Regulation 2006 was subject to staged repeal under the *Subordinate Legislation Act 1989*.

The intent of the Regulation is to reduce the rate of the Meat Industry Levy prescribed in the Meat Industry Act 1978. Following a review of several options, it was determined that the Levy, as amended by the Regulation, was still fit for purpose.

The preferred option was to remake the 2006 Regulation without amendment. A Regulation Impact Statement (RIS) was prepared for the Meat Industry Regulation 2016. This was provided for public exhibition from 23 May to 20 June 2016.

The levy funds a range of regulatory services in the meat industry safeguarding the industry's reputation for safe and suitable food.

The Meat Industry (Meat Industry Levy) Regulation 2016 will come into effect on 1 September, 2016.

Participation in the national agenda

During 2015-16, the Food Authority contributed to the work of the Food Regulation Standing Committee, and supported participation by the Minister for Primary Industries in the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum).

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

Health Star Rating – Front of pack labelling

The NSW Food Authority and NSW Health continue to work together to encourage NSW food manufacturers to adopt the national Health Star Rating (HSR) system. The HSR is a voluntary front-of-pack labelling scheme that displays an easy to compare interpretive health rating for packaged foods. HSR helps consumers to quickly identify foods that offer better nutritional choices within each grocery line.

As at 30 June 2016 it is estimated that 4000 product carry the label. A review of the progress of the implementation also was in progress.

The NSW Food Authority is a member of the HSR Advisory Committee, which has commenced planning for the formal five year review of the HSR system and agreed that, if possible, the report will be provided to the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) in June 2019.

Low THC Hemp as a food

The NSW Food Authority led a project mapping cannabinoid levels in domestic and international hemp products as part of the national investigation into information gaps around low-THC hemp as a food.

Ministers have requested the Food Regulation Standing Committee investigate information gaps following their decision to reject the Food Standards Australia New Zealand application to permit low-THC hemp as a food for reasons other than food safety or nutrition.

Country of Origin Labelling

In March 2016 Australian Consumer Affairs Ministers agreed to reform the Country of Origin Labelling (CoOL) for food in order to streamline the system and give Australian consumers clearer and more meaningful information about the food they buy.

The Food Authority is working with Consumer Affairs Forum members to transition CoOL to Australian Consumer law and replace the current mandatory labelling requirements under the Australian Food Standards Code.

Free Range Eggs

On 31 March 2016, Australian Consumer Affairs Ministers agreed to the introduction of an information standard that the NSW Food Authority provided significant input into.

The Commonwealth labelling regulation will require eggs labelled 'free range' to be laid by hens with an outdoor density stocking of 10,000 hens per hectare or less, and with meaningful and regular access to the outdoors and that stocking density numbers be prominently displayed on pack.

The NSW Food Authority will continue to work with industry and stakeholders to assist NSW Fair Trading as the national, legally enforceable standard for free range eggs is implemented. Ministers have expressed desire for the standard to be in place within 12 months. See also Eggs sector (page 19)

Nutrition and Health Claims Standard

The NSW Food Authority worked closely with Food Standards Australia New Zealand (FSANZ) and industry to assist in the transition to new requirements of the Nutrition and Health Claims Standard that came into effect on 18 January 2016 after a three year transition period.

This page has been intentionally left blank

STATUTORY REPORTING



Human resources

Staff numbers and breakdown

As at 30 June 2016, the NSW Food Authority had a complement of 98 staff and 2 Senior Executive staff - a total of 100 staff.

TABLE 1: Occupation Group			
	2013-2014	2014-2015	2015-2016
Clerical	14	15	15
Food Safety Officers	91	91	83
Total Staff (non-SE)	105	106	98
Senior Executive (SE)	1	2	2
TOTAL STAFF	106	108	100

TABLE 2: Number and level of senior executive by band and gender 2015-16													
Level	1	2	3	4	5	6	7	8	Band 1	Band 2	Band 3	Band 4	Total
Female	0	0	0	0	0	0	0	0	1	0	0	0	1
Male	0	0	0	0	0	0	0	0	1	0	0	0	1
TOTALS	0	0	0	0	0	0	0	0	2	0	0	0	2
Average						Band 1 Average: \$221,424.50							

TABLE 3: Number and level of senior executive by band and gender 2014-15													
Level	1	2	3	4	5	6	7	8	Band 1	Band 2	Band 3	Band 4	Total
Female	0	0	0	0	0	0	0	0	0	1	0	0	1
Male	0	0	0	0	0	0	0	0	1	0	0	0	1
TOTALS	0	0	0	0	0	0	0	0	1	1	0	0	2
Average						Band 1 Average: \$194,000				Band 2 Average: \$305,400			

TABLE 4: Average remuneration of senior executives

	Female		Male	
	2014-2015	2015-2016	2014-2015	2015-2016
Band 2	1	-	-	-
Remuneration range	\$242,801-\$305,400	N/A	N/A	N/A
Average remuneration	\$305,400	N/A	N/A	N/A
Band 1	-	1	1	1
Remuneration range	N/A	\$195,385 - \$248,850	\$170,250-\$242,800	\$195,385 - \$248,850
Average remuneration	N/A	\$221,424.50	\$194,000	\$221,424.50

3.5% of the NSW Food Authority's employee related expenditure was related to senior executives, compared to 4.3% at the end of the previous reporting year.

The NSW Department of Industry Staff Payroll Centre (Orange) managed the Authority's payroll and leave administration.

Workforce diversity

NSW Department of Industry is committed to actively developing and maintaining a diverse workforce which is free of discrimination and reflects the New South Wales community.

Workforce diversity initiatives are designed to:

- build positive workplaces and provide support for all employees
 - strengthen workforce planning capability to integrate workforce diversity strategies, and
 - build a workforce which reflects the diversity of the wider community as identified in NSW Public Sector benchmarks and targets.
-

The Government Sector Employment Act 2013 (GSE Act) preserves the focus on existing diversity groups, being:

- Aboriginal people
- Women
- People from culturally and linguistically diverse backgrounds (CALD), and
- People with disability.

The GSE Act also provides flexibility to encompass a broader spectrum of diversity, including mature workers, young people and carers.

In 2015-16 the department commenced development of an overarching Diversity and Inclusion Strategy to encompass programs addressing existing diversity groups. The strategy will be used to identify activities which address the diverse needs of all staff.

A key to achieving workforce diversity objectives is integrating workforce diversity strategies and programs into the department's workforce planning. This ensures a direct link between business needs and the benefits of a diverse workforce.

As part of the department's *Plan for Preventing and Responding to Bullying in the Workplace*, Respectful Workplace Behaviour training for non-supervisory staff and managers has been rolled out across the department. The training covered discrimination, harassment and bullying. This initiative will be strengthened in 2016-17 as Respectful Workplace Behaviour training will continue to be incorporated into a range of team development, supervisor and management training.

ACHIEVEMENTS:

Women's employment and development

The department remains committed to actively providing opportunities for the employment and development of women. A key focus is supporting women to identify and achieve career goals and to encourage potential women leaders and managers to participate in leadership and management programs both within the department and in programs provided externally.

The Premier has set a target of 50% representation level of women in senior executive roles across the NSW Government sector.

A Gender Equality Steering Committee was active during 2015-16, with representation from across the department and a Deputy Secretary as executive sponsor. A number of working groups were set up to address key issues affecting gender equality, and a series of forums were run to provide development and networking opportunities.

The Gender Equality Working Groups worked on strategies and activities in the following areas:

- Structured Development and Career Progression
- Addressing Conscious and Unconscious Bias, and
- Promoting Flexible Working Arrangements.

In addition, an overarching plan for gender equality was developed during 2015-16. This plan will continue to be implemented in 2016-17.

Aboriginal employment

The department continued to progress work that supports employment and retention of Aboriginal staff during 2015-16.

A key factor has been the Aboriginal Support Network (ASN) which has continued to grow during this period. ASN members have also participated in a number of sector-wide development and networking activities. A new ASN Strategic Plan has been developed to align to the department's Corporate Plan.

In 2016-17 a focus for the department will be development of an Aboriginal Employment Plan including inclusive and culturally appropriate recruitment options. The department will also be expanding an Aboriginal Cultural Capability Program.

People from culturally and linguistically diverse (CALD) backgrounds

The NSW Public Sector target that relates to people from CALD backgrounds is 'people whose first language was not English'. The sector benchmark is 19% representation. The department achieved 6.1% in 2015-16 compared to 7.7% in 2014-15. The department's Multicultural Plan 2014-16 identifies a range of strategies to improve CALD representation. Appendix 27 contains more detailed information on the department's multicultural programs and services.

People with a disability

Employment of people with a disability remains a priority strategy area for the department. The NSW Public Sector aimed to increase the employment of people with a disability requiring workplace adjustment to 1.5%.

National Disability Strategy

The department continued its participation in the development of a whole-of-government National Disability Strategy to improve the lives of people with disability, promote participation and create a more inclusive society. It focuses on six policy areas, with strategies under each area which affect government departments and which have designated lead agencies.

The department developed and implemented a Disability Inclusion Action Plan (DIAP) from the NSW Disability Inclusion Plan (NSW DIP). The DIAP aligns to a four year cycle to comply with the revised guidelines. The DIAP is integrated into departmental business planning and strategic directions.

The department will be forming an internal disability employee group to provide advice and contribute to the ongoing development and implementation of the department's DIAP. In addition, the department will be developing guidelines and resources for hiring managers, to ensure equitable access through recruitment.

Trends in the representation of workforce diversity groups

Workforce Diversity Group	Benchmark/ Target	2014	2015	2016
Women	50%	55.4%	52.0%	50.0%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%	0.0%	0.0%
People whose First Language Spoken as a Child was not English	19.0%	20.8%	21.8%	14.0%
People with a Disability	N/A	2.7%	2.6%	0.0%
People with a Disability Requiring Work-Related Adjustment	1.5%	0.0%	0.0%	0.0%

Trends in the distribution of workforce diversity groups

Workforce Diversity Group	Benchmark/ Target	2014	2015	2016
Women	100	94	93	92
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	95	95	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Workplace health and safety

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

The Authority is committed to maintaining the health, safety and welfare of all our staff and visitors—in keeping with the safety mission of NSW Department of Industry: ‘Everyone home safe and well, every day’.

- Total Lost Time Injury days was nil, the same as the previous financial year
- No notification was reported to the insurer, down from 1 in the previous financial year

Privacy management

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

Matters relating to more general collection, disclosure and use of personal information by the Authority are governed by provisions of the *Privacy and Personal*

Information 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*.

The Authority has a Privacy Management Plan in place, which has been agreed with the Office of the Information Commissioner.

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

This assists industry by ensuring that:

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

We have developed an implementation plan to give effect to these strategies.

ACTIVITIES DURING 2015–16 INCLUDED:

Scores on Doors program accessible in nine languages

Scores on Doors is a hygiene and food safety ratings program for retail food outlets designed to reduce barriers to participation and make the program more accessible. Key resources which participating local council food inspection staff use with food businesses to explain the program and help businesses achieve higher rating results were distributed to councils and available on our website in nine languages throughout the year: Arabic, Simplified and Traditional Chinese, Greek, Japanese, Korean, Thai, Turkish and Vietnamese. Availability of these resources removes a potential barrier to CALD business participation in this positive NSW retail food industry program.

Ongoing activities

The 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 CLAS allowance 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 range of community languages - Arabic, Chinese, Greek, Italian, Japanese, Khmer, Korean, Macedonian, Serbian, Spanish, Thai, Turkish and Vietnamese. Other resources are translated as needs are identified.

DEPARTMENTAL ACTIVITIES

NSW government agencies are required to plan for a culturally, linguistically and religiously diverse community. The current mechanism for doing this is the Multicultural Policies and Services Program (MPSP), which is a whole of government program overseen by Multicultural NSW.

The department is committed to the Community Relations and Principles of Multiculturalism Act 2000 (the Act) and the NSW Government's aims and objectives for multiculturalism as set out in the MPSP. Each NSW government agency is required to have a multicultural plan outlining how it will conduct its business within a culturally, linguistically and religiously diverse society.

Multicultural NSW is expected to release the new MPSP framework in the second half of 2016. Following its release, the department will prepare a new multicultural plan incorporating the required focus areas and outcomes to ensure that the NSW Department of Industry contributes to the government's multicultural agenda and meets its obligations under the Act.

Specific measures and strategies to address the needs of Aboriginal and Torres Strait Islander people are not reported through the MPSP in New South Wales.

Following is a summary of multicultural outcomes achieved by the NSW Department of Industry during the 2015-16 financial year.

Human resources

A number of strategies were undertaken by the department to enhance its capacity to serve culturally and linguistically diverse (CALD) communities and to employ and train people with linguistic and cultural expertise.

The department has continued to work to identify and support the linguistic and inter-cultural skills needed within our client-facing positions, to ensure that business needs are serviced by appropriate human resourcing. Specific training needs are being integrated into staff personal development plans. The department has included multicultural awareness training and information about its equity policies in online training modules for existing and new staff. The department is continuing to increase the uptake of equal employment opportunity data in human resources systems.

Multicultural provision in corporate accommodation

Multi-purpose rooms are available for private religious observation requirements for staff and visitors, as part of a broad range of accommodation improvements undertaken in metropolitan and regional office locations. Integrating multicultural considerations into the department's corporate operations, and communicating these opportunities to staff, are important activities contributing to the department achieving cultural diversity outcomes.

Skills and education

Smart and Skilled is the NSW Government's reform of the Vocational Education and Training (VET) system. In 2015-16, 15.7% (18,719) of Smart and Skilled commencing students spoke a language other than English at home as did 9.1% (5,162) of Adult and Community Education commencing students.

Sixteen percent (7,201) of original commencements of apprentices and trainees in NSW in 2015-16 were not born in Australia and 15% (7048) indicated that English was not spoken at home.

In 2015-16, 43% (384) of applications for Trades Skills Recognition were from applicants who were not born in Australia.

The department continues to provide advice and support on Smart and Skilled and vocational education and training to CALD community groups. The department has partnered with a number of CALD groups and training organisations to fund training for their clients including migrant job seekers. The department has funded training in education for parents of CALD backgrounds in a range of schools, with the aim of engaging parents to support reading programs for school students, to improve English language skills and confidence, encourage improved networking within the local community and the move into employment or study pathways.

Total College provides targeted training for primary industry communities (including CALD groups) through its vocational education and training program developed under the Smart and Skilled framework.

Multicultural community engagement

During 2015-16 over 4000 people from CALD communities participated in a range of activities including 220 fishing workshops, presentations and community events. Communities involved came from many cultural backgrounds including Chinese, Vietnamese, Korean, Burmese, Nepalese, Bengal, Indonesian, Filipino, Malaysian, Iranian, Egyptian, Lebanese, Syrian and Saudi Arabian.

Participants at these events received translated fisheries and water safety resource material. Topics covered responsible fishing and conservation practices including protection of marine life and habitats, fishing rules and regulations, rigging, casting, baiting, and water safety. These activities were delivered by the department in partnership with a number of multicultural organisations across metropolitan and regional New South Wales, including local Councils, schools, government agencies and community groups.

Water safety information emphasised rock fishing safety, as a strategy designed to prevent rock fishing tragedies among CALD fishers. The department together with Transport for NSW, Recreational Fishing Alliance NSW and NSW Police joined forces with local councils to target and educate CALD communities on rock fishing safety and promote the use of wearing lifejackets when rock fishing and boating through the Old 4 New Lifejacket Van.

The department continues to provide multilingual information on a range of issues in order to more effectively engage with the state's CALD community, including multilingual signage, brochures and website information, direct translation services and targeted use of multicultural print and electronic media. Over 100 multilingual fisheries signs on fish and shellfish consumption were installed or maintained in Sydney Harbour, Parramatta River and their tributaries. Over 68 interpreting and translating services via telephone or face to face were provided during 2015-16 for people seeking fisheries information.

During 2015-16 the department distributed over 20,000 multilingual brochures, industry fact sheets and DVDs on topics including fishing safety, biosecurity threats, and food safety.

Future plans and directions

The following is a summary of strategies and activities that are planned for implementation in 2016-17 to achieve multicultural outcomes.

- Work in partnership with Councils, multicultural organisations, government and non-government organisations to educate CALD communities about fishing responsibly, sustainably and safely.
- Deliver vocational education and qualifications or skills courses at Tocal College to meet the identified needs of primary industry communities, including CALD groups.
- Develop internship opportunities for refugees with professional qualifications in science and relevant fields.
- In Greater Western Sydney, continue to provide specialist multicultural business advisors to support entrepreneurs and businesses speaking Arabic, Cantonese, Korean, Mandarin and Vietnamese.
- Conduct a NSW wide biosecurity stakeholder survey that will provide CALD demographic data on biosecurity and food safety stakeholders and contribute to future service delivery.
- Determine CALD requirements related to the new Biosecurity Act 2015 (the Act) and subordinate legislation through a consultation process. Material and access will be developed and implemented as the Act and regulations are enacted.
- Introduce reporting that will raise awareness within our business of the department's current diversity profile.
- Work to reshape the capability within our recruitment team and our recruitment processes to promote transparency, diversity and inclusion in our recruitment and mobility practices.

Evaluation and improvement

The Authority is committed to continuous improvement of programs and services to both internal and external stakeholders.

Internal audit and risk management systems are a critical part of the NSW Food Authority's (Food Authority) corporate governance and internal control systems and a requirement of Treasury Policy Paper TPP 15-03 Internal Audit and Risk Management for the NSW Public Sector.

These processes and systems provide a level of assurance that enables senior management of the Authority to understand, manage and satisfactorily control risk exposures. The Authority is committed to continuous improvement of programs and services to both internal and external stakeholders.

The Authority shared a co-sourced internal audit function in 2015-16 provided by the NSW Department of Industry, Skills and Regional Development (Department). Internal audits were conducted across several topic areas in the Department which were relevant and whose findings and recommendations applied to the Authority, by Departmental staff and contractors KPMG and O'Connor Marsden and Associates. Reports containing findings and recommendations were provided to the Department's Audit and Risk Committee (ARC) which is shared by the Authority and senior management advised of high risk findings. The implementation of all recommendations is monitored and particular emphasis given to those rated as high to very high risk.

The ARC had three members during the year including an independent chair and two independent members.

The ARC met on seven occasions and the following internal reviews relevant to the Food Authority were completed during 2015-16:

- Implementation of the Safety and Wellbeing Strategy Review
- Emergency Management Function in the Department of Primary Industries Review
- Management of Conflicts of Interest Review
- Review of Grant and Rebate Programs in the Department

Performance audit

In January 2016, the Audit Office of NSW (the Audit Office) commenced a performance audit to assess how effectively the NSW Food Authority, through the Food Regulation Partnership (FRP), regulates food retail businesses.

The report was positive about the Food Authority's achievements. It acknowledged areas where partnership arrangements were operating effectively and others where they could be improved. It provides independent verification of the progress we have already made to address emerging retail food business issues and the importance of our aspirations to better understand retail food business compliance by collecting more timely data from other agencies.

In response to the recommendations we have agreed to:

- re-issue enforcement agency instruments of appointment to better clarify the roles and responsibilities between the Food Authority, councils and other enforcement agencies
- review the guidelines for inspection frequency and the classification of retail food businesses
- further improve access to training and development opportunities for council officers
- develop a business case for a single electronic platform to regularly capture council inspection data (Food Premises Assessment Reports)

Other statutory requirements

Consultants

Two consultants were engaged by the NSW Food Authority consolidated entity in 2015-16 for a total cost of \$101,685.

One consultant was engaged for more than \$50,000:

Newgate Communications Pty Ltd was engaged at a cost of \$90,885 for the delivery of the Food Regulation Communications Strategy on behalf of the National Food Regulation Standing Committee.

Risk Management and Insurance Activities

The Authority has an Enterprise Risk Management Policy, Procedures, Risk Register and treatment plans for all significant risks identified, based on Australian/ New Zealand Standard Risk Management Principles & Guidelines AS/NZS ISO 31000:2009.

These documents are regularly reviewed by our Executive, the NSW Department of Industry Audit and Risk Committee and the Divisional Risk Coordinators' Network and updated as appropriate.

The purpose of the plan, risk register and treatment plans are to:

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

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

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

The management of risk has been a key consideration in the development of our strategic plan. The Authority has a Business Continuity Plan and Disaster Recovery Plan. Both comprise a set of processes and procedures that are updated quarterly and tested annually. This ensures that critical business functions can continue during, and after, a disaster, minimising the disruption of services to the public.

Public Interest Disclosures

The *Public Interest Disclosures Act 1994* was amended to require Agencies to report every six months to the Ombudsman on Public Interest Disclosures (PIDs) and to include this information in Annual Reports.

From 1 January 2014 the information required to be reported includes PIDs made by staff in performing their day-to-day functions.

Public Interest Disclosures for the NSW Food Authority are managed centrally by NSW Department of Industry.

The NSW Department of Industry PID Reporting Policy and Procedure was developed in accordance with the requirements of the *Public Interest Disclosures Act 1994* and approved effective 1 October 2011. The Policy and Procedure are publicly available on the department's website as Open Access Information under the *Government Information (Public Access) Act 2009*.

Digital Information Security Policy attestation

20 October 2016

ICT Board
c/- ICT Policy
Department of Finance & Services
Level 17, McKell Building
2-24 Rawson Place
SYDNEY NSW 2000



Department of
Primary Industries
Food Authority

Digital Information Security Annual Attestation Statement for the 2015-2016 Financial Year for the NSW Food Authority

Information Security is important to the NSW Food Authority and a risk-based approach is taken with regards to the implementation of security controls. A forward program of work is ensuring a consistent approach to information security is applied across the Authority. Some of the systems used by the Authority are operated by the Department of Industry on behalf of the cluster agencies. Attesting to the security of these systems is the responsibility of the Department of Industry.

I, Lisa Szabo am of the opinion that

- The NSW Food Authority had an Information Security Management System in place during the 2015-2016 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.
- The controls in place to mitigate identified risks to the digital information and digital information systems of the NSW Food Authority are adequate.

There is no agency under the control of the NSW Food Authority which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.

There has been a concerted effort and targeted investment in Digital Information Security and significant progress has occurred over the last 12 months.

Given the scale and complexity of the NSW Department of Industry's systems, risks to the digital information have been assessed with an Independent Information Security Management System being developed in accordance with the Digital Information Security Policy and ISO 27001 Policy.

Effort and investment will be ongoing as the NSW Department of Industry continues to manage evolving threats and improve its security posture.

Specific work to address these areas is to be led by the NSW Department of Industry Chief Information Officer and the Digital Information Security Officer.

Yours sincerely

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 | www.foodauthority.nsw.gov.au | F: /nswfoodauthority | T: @nswfoodauth
ABN: 47 080 404 416

Overseas Travel

Three NSW Food Authority staff members undertook overseas travel 2015-16 in the course of their duty at a cost of \$4,555.

Name Of Officer	Period of travel		Destination	Purpose of Travel	Source of Funds
	Date From	Date To			
Gregory Vacaki	11/10/2015	13/10/15	New Zealand	Food protection forum in New Zealand organised by New Zealand Ministry for Primary Industries (NZMPI)	NSW Food Authority
Peter Day	11/10/2015	14/10/15	New Zealand	Food protection forum in New Zealand organised by New Zealand Ministry for Primary Industries (NZMPI)	NSW Food Authority
Malik Hussain	9/04/2016	14/04/16	China	Food Safety Workshops in China as an invited Speaker	Sponsored by Lincoln University New Zealand through MBIE funding

Annual Report production

There was no external cost for the production of the NSW Food Authority Annual Report 2015–16. No hard copies were printed. This report is available for download from www.foodauthority.nsw.gov.au.

Formal access requests

GIPA (Government Information Public Access) applications for the NSW Food Authority are managed centrally and are included in the consolidated GIPA information published in the Annual Report for NSW Department of Industry. Further information about accessing documents under GIPA is on the Authority's website.

Internal Audit and Risk Management Attestation



Internal Audit and Risk Management Attestation Statement for the 2015-2016 Financial Year for the NSW Food Authority

I, Lisa Szabo, Chief Executive, am of the opinion that the NSW Food Authority has internal audit and risk management processes in operation that are materially compliant with the eight 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 31000:2009	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

Membership

The chairs and members of the Audit and Risk Committee during the 2015-2016 financial year were:

- Mr Ken Barker, appointed as Independent Chair from 18 January 2016 until 17 January 2019, and as an Independent Member from 13 October 2014 until 17 January 2016
- Mr Ian Neale, appointed as Independent Chair from 8 April 2013 until his retirement on 1 December 2015
- Ms Victoria Weekes, initially appointed as an Independent Member from 8 April 2013 until 7 April 2016 and subsequently re-appointed until 7 April 2019
- Mr Arthur Butler, appointed as an Independent Member from 25 November 2015 until 26 November 2018

Yours sincerely



Lisa Szabo
Chief Executive Officer
NSW Food Authority

Payment of accounts

The tables below summarise the NSW Food Authority's performance in paying accounts during 2015-16.

Aged analysis at the end of each quarter

Below is a schedule of the dollar amount of payments made during 2015-16 by the Food Authority.

Also included is the time these documents were paid, in relation to due date.

QUARTER	Current (ie within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
All suppliers	\$	\$	\$	\$	\$
September 2015	4,118,997	178,556	2,033	-	-
December 2015	3,236,717	181,973	19,206	17,471	18,505
March 2016	3,089,889	301,382	19,635	-	1,489
June 2016	3,573,795	545,774	145,659	6,588	3,098
Total all suppliers	14,019,398	1,207,685	186,533	24,059	23,092

QUARTER	Current (ie within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
Small Business	\$	\$	\$	\$	\$
September 2015	-	-	-	-	-
December 2015	-	-	-	-	-
March 2016	-	-	-	-	-
June 2016	5,379	-	-	-	-
Total small business	5,379	-	-	-	-

Accounts paid on time within each quarter

All Suppliers	September 2015	December 2015	March 2016	June 2016	Full Year
Total no of accounts due for payment	688	618	588	659	2,553
Number of accounts paid on time	671	592	567	613	2,443
% of account paid on time (based on number of accounts)	97.5%	95.8%	96.4%	93.0%	95.7%
\$ amount of accounts due for payment	4,299,586	3,473,872	3,412,395	4,274,914	15,460,768
\$ amount of accounts paid on time	4,118,997	3,236,717	3,089,889	3,573,795	14,019,398
% of accounts paid on time (based on \$ amount of accounts)	95.8%	93.2%	90.5%	83.6%	90.7%
Number of payment for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Small Business	September 2015	December 2015	March 2016	June 2016	Full Year
Total no of accounts due for payment	-	-	-	2	2
Number of accounts paid on time	-	-	-	2	2
% of account paid on time (based on number of accounts)	N/A	N/A	N/A	100.0%	100.0%
\$ amount of accounts due for payment	-	-	-	5,379	5,379
\$ amount of accounts paid on time	-	-	-	5,379	5,379
% of accounts paid on time (based on \$ amount of accounts)	N/A	N/A	N/A	100.0%	100.0%
Number of payment for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

For the full 2015-16 financial year 95.97% (based on no. of accounts) of all accounts were paid on time.

All accounts for payment are directed to and processed in the Authority's outsourced service provider, NSW Department of Industry Skills and Regional Development.

In addition:

- There were no instances of penalty interest being paid or incurred during 2015-16.
- There were instances of supplier's enquiries regarding late payments.

These indicators will continue to be monitored during 2016-17 and future years to ensure the Authority's payment performance continue to improve.

Credit card use

I certify that credit card use in 2015-16 in the NSW Food Authority has been in accordance with Premier's Memoranda and Treasurer's Directions.



Lisa Szabo
Chief Executive Officer
NSW Food Authority

FINANCIAL INFORMATION



Financial Information 2015–16

Statement by the Chief Executive Officer of the NSW Food Authority

Pursuant to the requirements of section 41C(1C) of the *Public Finance and Audit Act 1983*, I, Lisa Szabo, Chief Executive Officer of the NSW Food Authority declare that in my opinion:

1. The accompanying Financial Statements consisting of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the Notes thereto of the NSW Food Authority for the financial year ended 30 June 2016 exhibit a true and fair view of the financial position and transactions of the NSW Food Authority.
2. The Financial Statements have been prepared in accordance with applicable Australian Accounting Standards which include the Australian Accounting Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Treasurer's Directions.
3. Further, I am not aware of any circumstances which would render any particulars included in the Statements to be misleading or inaccurate.



Lisa Szabo
Chief Executive Officer
NSW Food Authority

20 September 2016

Financial Information 2015–16



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 of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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 those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

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

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

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further 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, but precluding the provision of 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 2015–16

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer must assess the Authority's ability to continue as a going concern unless the Authority will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility 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 further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

The description forms part of my auditor's report.

My opinion does *not* 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.



C J Giumelli
Director, Financial Audit Services

21 September 2016
SYDNEY

Financial Information 2015–16

START OF AUDITED FINANCIAL STATEMENTS

NSW FOOD AUTHORITY
ABN 47 080 404 416

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Notes	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Revenue				
Industry levies and licence fees	2	7,859	7,353	7,315
Grants and contributions	3	9,436	9,436	10,988
Miscellaneous income and fees for services	4	3,275	2,382	2,854
Investment revenue	5	382	611	624
Total revenue		20,952	19,782	21,781
Expenses excluding losses				
Personnel services	7	23,037	14,481	14,284
Other operating expenses	8	5,733	5,237	5,824
Depreciation and amortisation	9	1,215	1,047	1,128
Grants and subsidies		537	438	466
Total expenses excluding losses		30,522	21,203	21,702
Gain/(loss) on disposal & impairments	6	(16)	-	(1,047)
Net result		(9,586)	(1,421)	(968)
Other comprehensive income/(loss)		-	-	-
Total comprehensive income/(loss) for the year		(9,586)	(1,421)	(968)

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

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Statement of Financial Position as at 30 June 2016

	Notes	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
ASSETS				
Current Assets				
Cash and Cash Equivalents	10	26,148	21,770	24,869
Receivables	11	2,399	1,416	1,133
Total Current Assets		<u>28,547</u>	<u>23,186</u>	<u>26,002</u>
Non-Current Assets				
Property, Plant and Equipment				
- Land and Buildings	12	10,385	9,849	10,305
- Plant and Equipment	12	668	1,689	1,036
Total Property, Plant and Equipment	12	<u>11,053</u>	<u>11,538</u>	<u>11,341</u>
Intangible Assets	13	2,164	2,874	2,207
Total Non-Current Assets		<u>13,217</u>	<u>14,412</u>	<u>13,548</u>
TOTAL ASSETS		<u>41,764</u>	<u>37,598</u>	<u>39,550</u>
LIABILITIES				
Current Liabilities				
Payables	15	2,502	1,205	1,450
Provisions	15	5,297	4,090	4,671
Other		-	700	-
Total Current Liabilities		<u>7,799</u>	<u>5,995</u>	<u>6,121</u>
Non-Current Liabilities				
Provisions	16	29,905	18,313	19,783
Total Non-Current Liabilities		<u>29,905</u>	<u>18,313</u>	<u>19,783</u>
TOTAL LIABILITIES		<u>37,704</u>	<u>24,308</u>	<u>25,904</u>
NET ASSETS / (LIABILITIES)		<u>4,060</u>	<u>13,290</u>	<u>13,646</u>
EQUITY				
Reserves		4,298	1,862	4,298
Accumulated Funds		(238)	11,428	9,348
Total Equity		<u>4,060</u>	<u>13,290</u>	<u>13,646</u>

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

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Statement of Changes in Equity for the Year Ended 30 June 2016

	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
Balance at 1 July 2015	9,348	4,298	13,646
Net result for the year	(9,586)	-	(9,586)
Other comprehensive income			
Other net increases in equity	-	-	-
Total comprehensive income for the year	(9,586)	-	(9,586)
Balance at 30 June 2016	(238)	4,298	4,060
Balance at 1 July 2014	10,316	4,298	14,614
Net result for the year	(968)	-	(968)
Other comprehensive income			
Other net increases in equity	-	-	-
Total comprehensive income for the year	(968)	-	(968)
Balance at 30 June 2015	9,348	4,298	13,646

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

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Statement of Cash Flows for the Year Ended 30 June 2016

	Notes	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Payments to suppliers and employees		(21,013)	(21,168)	(20,033)
Grants and subsidies		(537)	(438)	(466)
Total payments		(21,550)	(21,606)	(20,499)
Receipts				
Industry levies, licences and other		13,911	11,185	12,458
Grants and contributions received		9,436	9,436	12,009
Interest received		382	611	527
Total receipts		23,729	21,232	24,994
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	18	2,179	(374)	4,495
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	6	206	-	358
Payment for property, plant and equipment	12	(342)	(550)	(183)
Payment for intangible assets	13	(764)	(550)	(673)
NET CASH (OUTFLOW) INFLOW FROM INVESTING ACTIVITIES		(900)	(1,100)	(498)
CASH FLOWS FROM FINANCING ACTIVITIES				
NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES		-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,279	(1,474)	3,997
Opening cash and cash equivalents		24,869	23,244	20,872
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	26,148	21,770	24,869

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

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Note 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 Legislation Amendment Act 2004*. It was established by merging Safe Food Production NSW (Safe Food) with the food regulatory activities of the NSW Department of Health. It is responsible for ensuring that food safety standards are implemented in an integrated and consistent way at all points in the food supply chain. The Authority is a statutory body under Schedule 2 of the Public Finance and Audit Act 1983 and is a not-for-profit entity as profit is not its principal objective.

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Chief Executive Officer on the date on which accompanying statement by the Chief Executive Officer was signed.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and Treasurer's Directions;
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

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

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

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

(c) Statement of compliance

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

(d) Grants and subsidies paid

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

(e) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

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

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

(i) Government grants

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

(ii) Contributions and grants from other bodies

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

(iii) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(iv) Sale of Goods and Services

Revenue from the sale of goods is recognised as revenue when the entity transfers the significant risks and rewards of ownership of the assets.

(v) Industry levies and licence fees

Meat levies are recognised as revenue over the period of the levy. 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.

(vi) Infringement charges and fines

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

(h) Assets

(i) Acquisition of assets

Assets acquired are initially recognised at cost. 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 specific requirements of other Australian Accounting Standards.

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

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.

(ii) 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.

(iii) 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*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

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.

The Authority revalues each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 31 March 2014 and was based on an independent assessment.

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.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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 credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are 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.

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.

(iv) Impairment of 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 are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of 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 over their shorter useful lives.

Land is not a depreciable asset.

The depreciation rates the Authority uses are:

Plant and Equipment	10.00% to 25.00%
---------------------	------------------

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Buildings 2.00% to 6.67%

(vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(vii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(viii) Intangible assets

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the entity 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.

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.

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 assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The Authority amortises its intangible assets on a straight line basis over their estimated useful lives. The rate the Authority uses are 20% to 50%.

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.

(ix) Receivables

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

These receivables are reviewed on an ongoing basis. When there is objective evidence that the Authority will not be able to collect all amounts due, an allowance for doubtful debts is established. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective rate. Bad debts are written off. All amounts due at 30 June 2016 are considered to be collectable other than the amounts provided for in the allowance for impairment at note 11.

(x) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xi) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Authority has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Personnel services and other provisions

a) Personnel Services Arrangements

Under clause 8 (1) of the Administrative Arrangements Order 2014, effective from 24 February 2014, the staff employed by the Office of the NSW Food Authority to provide personnel services to the NSW Food Authority were transferred to The NSW Department of Industry, Skills and Regional Development (the Department). From this date all payments to employees and related obligations are done in the name of the Department and are classified as "Personnel Services Expense" in the financial statements.

b) Personnel Services for Salaries and wages, annual leave and sick leave and on-costs

Liabilities for personnel services are stated as liabilities to the service provider, the Department. Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 - *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

c) Personnel Services for Long service leave and superannuation

Liabilities for long service leave and superannuation are stated as liabilities to the service provider, the Department.

Long service leave is measured at present value in accordance with AASB 119 *-Employee Benefits*. This is based on the application of certain factors (specified in NSWTC15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

d) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(iii) Other Provisions

Other provisions exist when: the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(j) Fair value hierarchy

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, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- 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 reporting period during which the change has occurred.

Refer to Note 14 and Note 24 for further disclosures regarding fair value measurements of financial and non-financial assets.

(k) Equity and Reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in note 1(h) (iii).

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Notes to the Financial Statements
30 June 2016

- (iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. revaluation surplus and foreign currency translation reserve).

(l) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 20.

(m) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(n) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2015-2016:

- AASB 2013-9 (Part C), AASB 2014-1 (Part E) and AASB 2014-8 regarding amendments to AASB 9 Financial Instruments.
- AASB 2015-3 regarding withdrawal of AASB 1031 Materiality.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective. Those relevant to the Authority are listed below. The Authority has assessed the impact of these new standards and interpretations and considers the impact to be insignificant.

- AASB 9 - *Financial Instruments* (Operative date – 1 Jan 2018).
- AASB 15 - *Revenue from Contracts with Customers* (Operative date – 1 Jan 2018).
- AASB 2015-6 - *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* (Operative date – 1 Jul 2016).
- AASB 2015-7 - *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* (Operative date – 1 Jul 2016).

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Note 2. Industry levies and licence fees

	2016 \$'000	2015 \$'000
Industry Levies	1,068	1,110
Licence Fees	6,791	6,205
Total Industry Levies and Licence Fees	7,859	7,315

Note 3. Grants and contributions

	2016 \$'000	2015 \$'000
Grants and Contributions received from:		
NSW Department of Industry	9,436	10,988
Total Grants and Contributions	9,436	10,988

Note 4. Miscellaneous income and fees for services

	2016 \$'000	2015 \$'000
Audit and inspection fees (from the food industry)	2,165	1,959
Rent and Property Income (from sub-tenants)	100	98
Infringement charges and fines	354	143
Other income	656	654
Total Miscellaneous Income and Fees	3,275	2,854

Note 5. Investment revenue

	2016 \$'000	2015 \$'000
Interest Revenue	382	624
Investment revenue	382	624

Note 6. Gain / loss on disposal & impairments

	2016 \$'000	2015 \$'000
Gain / (loss) on disposal of property, plant & equipment		
Proceeds from disposal	206	358
Written down value of assets disposed	(222)	(485)
Gain / (loss) on write off and impairments of intangible assets		
Written down value of impaired assets (a)	-	(920)
Gain / (loss) on disposal & impairments	(16)	(1,047)

(a) Rationale for the write offs includes assets are obsolete or redundant, are idle and are to be replaced, no market value and will no longer generate future economic benefit.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Note 7. Personnel Services

	2016	2015
	\$'000	\$'000
Salaries and wages (including annual leave)	9,652	10,130
Superannuation - defined benefit plans (a)	10,359	1,721
Superannuation - defined contribution plans	852	813
Long service leave	1,128	976
Workers compensation insurance	33	41
Payroll Tax and fringe benefit tax	699	603
Redundancy payments	314	-
Personnel Services	23,037	14,284

(a) Refer to Note 20 Budget Review.

Note 8. Other operating expenses

	2016	2015
	\$'000	\$'000
Contract laboratory services	1,162	896
Contractors	949	1,113
Travel & entertainment	911	646
Occupancy & maintenance	728	736
Information technology costs	519	439
Other operating expenses	328	643
Printing, consumable & stores	321	263
Other fees	223	201
Advertising & promotion	197	382
Consultants	102	173
Training & development	105	136
Audit fees	97	95
Legal Fees	91	101
Total Other Operating Expenses	5,733	5,824

Note 9. Depreciation and amortisation expense

	2016	2015
	\$'000	\$'000
Depreciation		
Buildings	215	209
Plant and equipment	229	324
Depreciation expense	444	533
Amortisation		
Intangibles	771	595
Amortisation expense	771	595
Total depreciation and amortisation	1,215	1,128

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Note 10. Cash and cash equivalents

For the purposes of the Statements of Cash Flows, the Authority considers cash to be cash at bank, cash advances and short term deposits as follows:

	2016 \$'000	2015 \$'000
Cash at Bank	26,148	24,854
Cash Advances	-	15
Total Cash	26,148	24,869

Note 11. Receivables

	2016 \$'000	2015 \$'000
Receivables	2,658	1,473
Allowance for impairment of receivables	(259)	(340)
Total Receivables	2,399	1,133

	2016 \$'000	2015 \$'000
Movement in the allowance for impairment of receivables		
Balance at 1 July	340	274
Amounts written off during the year	(67)	(35)
Increase/(decrease) in allowance recognised in profit or loss	(14)	101
Balance at 30 June	259	340

Note 12. Property, plant and equipment

	2016 \$'000	2015 \$'000
Land at fair value		
At fair value	2,025	2,025
Net carrying amount	2,025	2,025
Buildings at fair value		
Gross carrying amount	8,874	8,573
Accumulated depreciation and impairment	(514)	(293)
Net carrying amount	8,360	8,280
Total Land and Buildings at fair value		
Gross carrying amount	10,899	10,598
Accumulated depreciation and impairment	(514)	(293)
Net carrying amount	10,385	10,305
Plant and Equipment at fair value		
Gross carrying amount	1,527	1,857
Accumulated depreciation and impairment	(859)	(821)
Net carrying amount	668	1,036
Net Carrying Amount	11,053	11,341

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

12 (a) Reconciliation

The following table shows reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years.

2016	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Net carrying amount at 1 July 2015	10,305	1,036	11,341
Additions	260	82	342
Disposals	-	(412)	(412)
Transfers	35	-	35
Net revaluation increment less revaluation decrement	-	-	-
Depreciation expense	(215)	(229)	(444)
Depreciation written back on assets disposed	-	191	191
Net carrying amount at 30 June 2016	10,385	668	11,053

2015	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Net carrying amount at 1 July 2014	10,335	1,902	12,237
Additions	179	4	183
Disposals	-	(894)	(894)
Transfers	-	(61)	(61)
Net revaluation increment less revaluation decrement	-	-	-
Depreciation expense	(209)	(324)	(533)
Depreciation written back on assets disposed	-	409	409
Net carrying amount at 30 June 2015	10,305	1,036	11,341

Note 13. Intangibles

	2016 \$'000	2015 \$'000
Intangible Assets		
Software		
Cost (gross carrying amount)	3,995	3,426
Accumulated amortisation and impairment	(1,831)	(1,219)
Net Carrying Amount	2,164	2,207

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

13 (a) Reconciliation

The following table shows reconciliation of carrying amounts of intangibles at the beginning and end of the current and previous financial years.

	2016 \$'000	2015 \$'000
Opening net carrying amount	2,207	2,987
Additions	764	673
Write offs	(152)	(1,081)
Transfers	(36)	61
Impairment losses	-	(660)
Amortisation expense	(771)	(595)
Depreciation written back on assets written off	152	822
Closing net carrying amount	2,164	2,207

Note 14. Fair value measurement of non-financial assets

Valuation of Land and Buildings as at 31 March 2014 was performed by Australian Valuation Office (AVO).

14 (a) Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2016 Total \$'000
Property, plant and equipment				
Land and buildings (Note 12)		10,385	-	10,385

There were no transfers between Level 1 or 2 during the period.

14 (b) Valuation techniques, inputs and processes

Valuations were conducted with reference to the highest and best use of each asset in accordance with *para 27 of AASB13*. Further advice provided by *NSW TPP14-01* in relation to public sector assets, and instructions from the Department, all assets were first valued on the basis that their current use reflected the highest and best use, given general restrictions placed on disposal and the mandate to continue to provide current services. Where an alternative use was clearly physically possible, legally permissible and economically feasible in the near term, the alternative use was considered appropriate. The AVO approach to valuing land and non-specialised buildings takes account of recent market sales for comparable assets. As this is open market data it can be assumed that this data would take into account reasonably foreseeable alternative uses of such assets by informed market participants and therefore using this data reflects the value of any higher or better use available at the time of the transaction.

The Department have also undertaken their own review of the assets valued to confirm that any physically possible, legally permissible and economically feasible alternative use was accounted for in the valuations. Where the AVO identified assets that were considered to be no longer providing service or economic benefits to the Department cluster, the AVO advised the Department with a view to reviewing the asset for impairment. Otherwise, assets have been valued on the basis of continued use for the remainder of their useful lives.

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Notes to the Financial Statements
30 June 2016

In assessing the value of the property assets for financial accounting purposes, using the fair value approach, a number of elements have been included in the assessment to form an opinion of value. The land assets have been assessed based on property sales of similar type of land and regard has been had to location, area, zoning and development and/or yield potential. Where the property is non-specialised the property has been valued on a market value basis and the value apportioned between land and improvements. The Authority's premises at Newington or many of the depots and office buildings in regional areas are non-specialised and the values assessed had regard to the properties combined market value. The value has then been apportioned between land and improvements based on considered market value for the land and the balance being the depreciated value of the improvements. For consistency of the valuations, the values have been reported alongside the estimated cost of replacing and the depreciated value with a likely residual life based on the valuation guidelines.

Management is of the view that the market value of the remaining assets is assessed as being the written down historical costs at 30 June 2016.

Note 15. Current liabilities

15 (a) Payables

	2016	2015
	\$'000	\$'000
Creditors - Trade & Accruals	1,231	1,071
Accrued salaries, wages, on-costs and payroll tax - payable to the Department	1,271	379
Current liabilities - payables	2,502	1,450

15 (b) Provisions

	2016	2015
	\$'000	\$'000
Annual leave	1,108	1,092
Long service leave	4,189	3,579
Total Personnel Services	5,297	4,671

Under clause 8 (1) of the Administrative Arrangements Order 2014, effective on 24 February 2014, the Office of the NSW Food Authority was abolished and the public servants were transferred to the Department. Liabilities for accrued salaries & related expense, recreation and current long service leave on behalf of the public servants transferred are stated as liabilities to the service provider, the Department. Details of financial information related to these liabilities are included in the financial statements of the Department.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Note 16. Non-current liabilities

Provisions	2016 \$'000	2015 \$'000
Other - Personnel services payable		
Superannuation	29,682	19,454
Non current long service leave	223	329
Total non-current liabilities - others	29,905	19,783

Under clause 8 (1) of the Administrative Arrangements Order 2014, effective on 24 February 2014, the Office of the NSW Food Authority was abolished and the public servants were transferred to the Department. Liabilities for the defined benefit superannuation and non current long service leave on behalf of the public servants transferred are stated as non current liabilities to the service provider, the Department. Financial information details related to these liabilities are included in the financial statements of the Department.

Note 17. Personnel services liabilities

The outstanding balances with the Department are for the supply of personnel services to the Authority as at 30 June 2016.

Outstanding balances

	2016 \$'000	2015 \$'000
<i>Current Liabilities</i>		
Accrued salaries, wages, on-costs, payroll tax & GST on personnel services	1,271	379
Current provisions - personnel services	5,297	4,671
<i>Non-current Liabilities</i>		
Non-current provisions - personnel services	29,905	19,783

Note 18. Reconciliation of net cash provided by operating activities to operating result

	2016 \$'000	2015 \$'000
Net result for the year	(9,585)	(968)
Depreciation and amortisation	1,215	1,128
Loss/(gain) on disposal & impairments of Non-Current Assets	16	1,047
Doubtful Debts Written Off/Decrease in doubtful debts provision	(80)	(35)
(Increase) / Decrease in Receivables	(1,186)	1,565
(Decrease) / Increase in Payables	1,052	(357)
(Decrease) / Increase in Current Provisions	626	812
(Decrease) / Increase in Non-Current Provisions	10,121	1,303
Net Cash Flows From Operating Activities	2,179	4,495

Financial Information 2015–16

NSW FOOD AUTHORITY
ABN 47 080 404 416

Notes to the Financial Statements
30 June 2016

Note 19. Expenditure Commitments

19 (a) Operating lease commitments

	2016	2015
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	15	15
Total (including GST)	15	15

Representing non cancellable leases:

	2016	2015
	\$'000	\$'000
Premises	15	15
Total (including GST)	15	15

The total expenditure commitments above include input tax credits of \$1,399 (\$1,333 in 2014/2015) that are expected to be recoverable from the Australian Taxation Office.

Note 20. Budget Review

The budget process is finalised prior to the beginning of each financial year. Events can arise after the end of financial year that necessitate variations to the planned activities of the Authority. This in turn may cause variations to the financial activities.

Net result

Net result budgeted for the year 2015-16 and as agreed with NSW Treasury is a deficit of \$1,421,000. Actual net result for the year is a deficit of \$9,586,000. The actual net deficit was higher than budgeted by \$8,165,000 mainly attributable to the defined benefit superannuation actuarial loss of \$10,228,000 as advised by Pillar Administration mainly attributable to the change in discount rate.

Assets and liabilities

Current assets are higher than budgeted mainly due to increase in cash attributable to actual expense savings. Non current assets are lower than budgeted mainly due to the impact of asset impairments completed end of last financial year.

Current liabilities are higher than budgeted mainly attributable to accrued payables to the Department for the GST component of the defined benefit superannuation/personnel services actuarial result for the year. Non current liabilities are higher than budgeted attributable to increase in defined benefit superannuation liabilities.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Cash flows

Net cash inflows from operating activities were higher than budgeted mainly attributable to savings in expense & increase in income. Net cash outflow from investing activities were below budget mainly due to unbudgeted proceeds from sale of assets.

Note 21. Contingent assets and contingent liabilities

The Authority has no contingent assets or contingent liabilities at 30 June 2016 (2014/2015 - nil).

Note 22. Segment information

The Authority operates predominantly in one industry, being the food safety industry and in one geographical location, being New South Wales.

Note 23. Events subsequent to balance date

There were no significant events subsequent to 30 June 2016 and prior to the date of these statements.

Note 24. Financial instruments

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The Authority 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 entity'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 have overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	
			2016 \$'000	2015 \$'000
Class:				
Cash and cash equivalents	10	N/A	26,148	24,869
Receivables ¹	11	Loans and receivables (at amortised cost)	1,335	951
Financial Liabilities		Category	Carrying Amount	
Note			2016 \$'000	2015 \$'000
Class:				
Payables ²	15	Financial liabilities measured at amortised cost	2,502	1,450

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

(b) Credit Risk

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

Credit risk arises from the financial assets of the Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees. Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within The NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to The Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions and the *Food Act 2003* are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2016: 694,000 ; 2015: 743,000) and less than 3 months past due (2016: \$190,000 ; 2015: \$188,000) are not considered impaired and together these represent 73% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2016			
< 3 months overdue	190	190	-
3 months - 6 months overdue	41	41	-
> 6 months overdue	280	223	57
2015			
< 3 months overdue	188	188	-
3 months - 6 months overdue	70	70	-
> 6 months overdue	185	185	-

Notes

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statements of Financial Position.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

NSW Food Authority Deposits

(c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior years, there were no defaults or breaches 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. The rate of interest applied during the year was nil % (2015 – nil).

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	Interest Rate Exposure			Maturity Dates			
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2016								
<i>Payables</i>		2,502	-	-	2,502	2,502	-	-
		<u>2,502</u>	<u>-</u>	<u>-</u>	<u>2,502</u>	<u>2,502</u>	<u>-</u>	<u>-</u>
2015								
<i>Payables</i>		1,450	-	-	1,450	1,450	-	-
		<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450</u>	<u>-</u>	<u>-</u>

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the year end. The analysis is performed on the same basis for 2015. The analysis assumes that all other variables remain constant.

Financial Information 2015–16

NSW FOOD AUTHORITY ABN 47 080 404 416

Notes to the Financial Statements 30 June 2016

Interest rate risk

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

	Carrying Amount \$'000	-1% Result \$'000	Equity \$'000	1% Result \$'000	Equity \$'000
2016					
<i>Financial assets</i>					
Cash and cash equivalents	26,148	(261)	-	261	-
Receivables	1,335	-	-	-	-
<i>Financial liabilities</i>					
Payables	2,502	-	-	-	-
2015					
<i>Financial assets</i>					
Cash and cash equivalents	24,869	(249)	-	249	-
Receivables	951	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,450	-	-	-	-

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds no units in the TCorp Hour-Glass investment trusts.

(e) Fair value measurement

Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statements of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

END OF AUDITED FINANCIAL STATEMENTS

Index

- Abattoir **47**
- Animal welfare **49**
- Audits **9, 12, 15, 22, 23, 26, 30, 35, 45, 49, 67-69, 73, 78**
- Business hours **Back page**
- Charter **9, 14, 72**
- Customer helpline **49, 64, Back page**
- Dairy **12, 17, 29-31, 42-49**
- Eggs **7, 12, 14, 15, 19-21, 38, 39, 47-49, 53**
- Enforcement **7, 10, 15, 24, 39, 40, 42, 45, 46, 68**
- Financial statements **8, 78**
- Food Act 2003 **8, 39, 43, 46, 62, 69**
- Food recall **15, 45**
- Food Regulation 2010 **14, 21, 25, 31, 38, 51**
- Food Regulation partnership **7, 15, 39, 40, 68**
- Food Safety **6, 7, 9-12, 14-22, 24, 26-43, 46, 49-51, 56, 64, 66, 71**
- Food Safety Supervisor **15, 38, 49, 51**
- Food Standards Australia New Zealand (FSANZ) **9, 42, 52, 53**
- Food Standards Code **9, 30, 43, 46, 53**
- Front of pack labelling **52**
- Government Information Public Access (GIPA) **71**
- Human resources **56, 64, 65**
- Investigations **40, 43, 45, 50**
- Labelling **12, 15, 17, 18, 20, 21, 27, 28, 40-43, 45, 49, 50, 52, 53**
- Letter of submission **8**
- Licensed facilities **45, 47, 48**
- Local government **7, 12, 15, 20, 37-40**
- Management and structure **10**
- Manufacturing **41, 45, 49, 50**
- Meat (includes poultry) **7, 12, 14-18, 30, 45-51**
- Ministers forward **6-7**
- Minister for Primary Industries **6-9, 11, 18, 21, 28, 31, 33, 52**
- Name and Shame **12, 15, 39**
- Overseas travel **71**
- Payment of accounts **74**
- Privacy management **62**
- Retail **7, 12, 14, 15, 17, 20, 30, 37-41, 43-45, 47, 49, 51, 64, 68**
- Risk management **23, 25, 27, 36, 67, 69, 72**
- Royal Easter Show **49**
- Salmonella* **20, 21, 31, 33, 36, 39, 43**
- Scores on Doors **15, 38, 39, 64**
- Seafood **7, 12, 14, 26-28, 47, 48**
- Seizures **43, 45, 46**
- Shellfish **7, 12, 14, 22-25, 45, 48, 49, 66**
- Staff salaries/remuneration **57, 61**
- Surveys **12, 49, 50**
- Technical guidance materials **49**
- Third Party Auditor **30**
- Vulnerable persons **7, 14, 32, 33, 43, 48**
- Wholesale **26, 28, 33, 41, 43, 49**
- Workplace health and safety **62**

NSW Food Authority

6 Avenue of the Americas, Newington NSW 2121

PO Box 6682, Silverwater NSW 1811

Helpline: 1300 552 406


Fax: 02 9647 0026

email: contact@foodauthority.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

A decorative graphic at the bottom of the page consisting of several overlapping, wavy, curved shapes in shades of gray, creating a modern, abstract design.