
Food Authority

Annual Report 2022-2023



'On Country' artwork by Charmaine Mumbulla, 2022.

Acknowledgement of Country

The NSW Food Authority acknowledges that it stands on Country which always was and always will be Aboriginal land.

We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past and present. At the Food Authority, we are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

Letter of submission

Food Authority



The Hon. Tara Moriarty, MLC
Minister for Agriculture, Minister for Regional New South Wales,
and Minister for Western New South Wales
Level 19, 52 Martin Place
Sydney NSW 2000

16 October 2023

Dear Minister

I am pleased to submit the Annual Report and the financial statements of the NSW Food Authority for the year ended 30 June 2023.

The report was prepared under the provisions of the *Food Act 2003* (NSW) and the *Government Sector Finance Act 2018* (GSF Act).

Yours sincerely

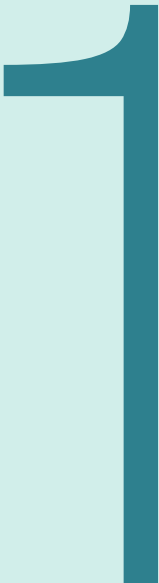
A handwritten signature in black ink, appearing to read "Lisa Szabo".

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

Contents

Acknowledgement of Country	2
Letter of submission	3
1. Overview	5
Our charter	6
Management and structure	7
2. Strategy	8
Our contribution to food safety	9
3. Operations and Performance	10
Highlight summary	11
Meat	15
Eggs	18
Shellfish	20
Seafood	23
Dairy	25
Vulnerable persons	27
Plant	29
Retail	31
Manufacturing and wholesale businesses	37
Compliance and enforcement	38
Working with our customers and stakeholders	41
Legislative changes and reduced regulatory burden	44
Participation in the national agenda	45
4. Management and Accountability	48
Human resources	49
Privacy management	49
Cyber Security attestation	51
Internal Audit and Risk Management attestation	52
5. Sustainability	55
Workforce diversity	56
Work health and safety	56
<i>Modern Slavery Act 2018 (NSW)</i>	56
Disability Inclusion Action Plans	56
6. Financial Performance	57
Index	81

Overview



Our charter

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

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

The NSW Food Authority's strategic outcomes for food safety are captured in the NSW Department of Primary Industries *Stronger Primary Industries Strategy 2022-2030* which is available from the [NSW Department of Primary Industries website](#).

We are responsible to the Hon. Tara Moriarty, Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales, and we provide a single point of contact on food safety and regulation for industry, government and consumers.

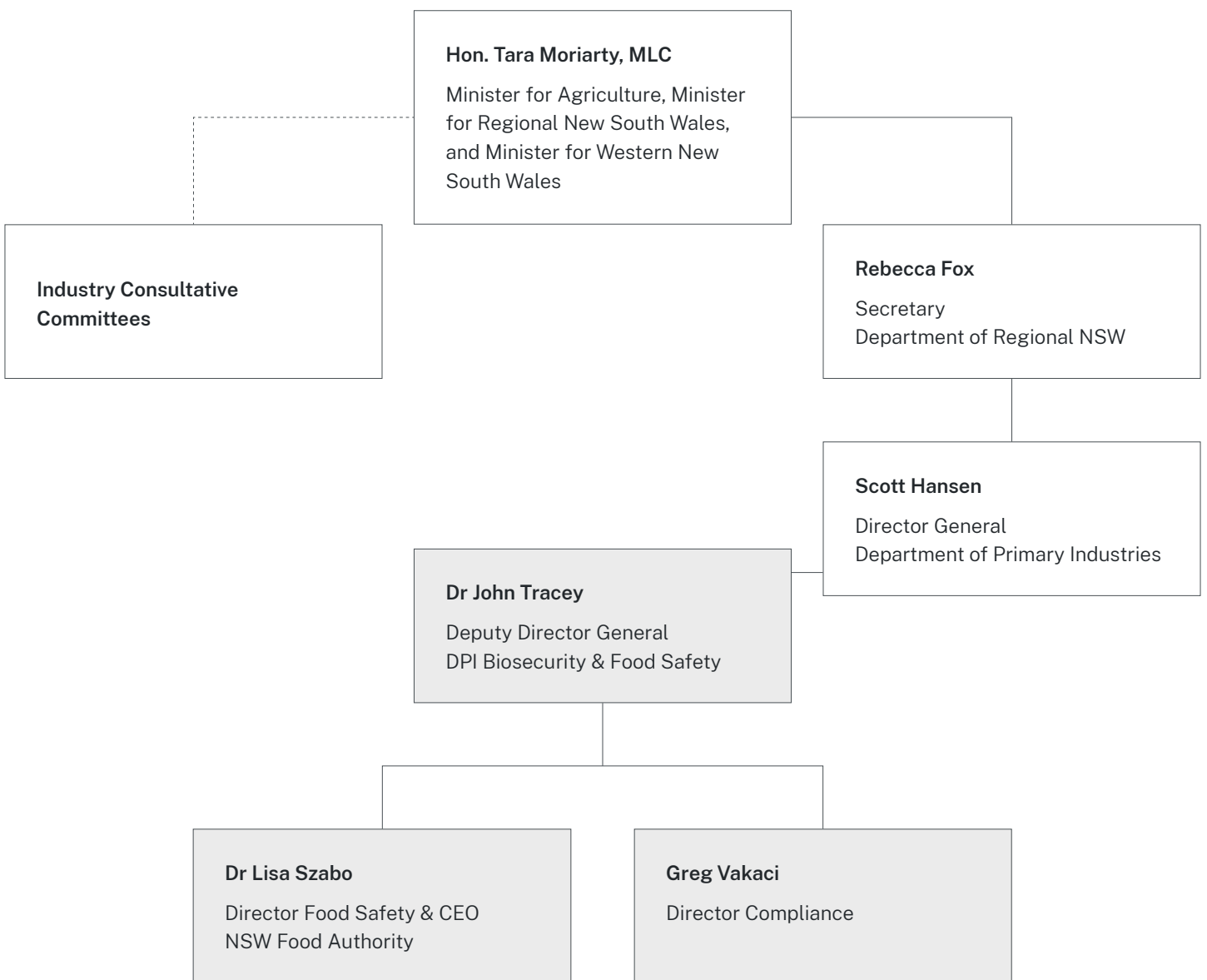
Our objectives

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

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

Management and structure

DPI Biosecurity & Food Safety Management Structure as at 30 June 2023



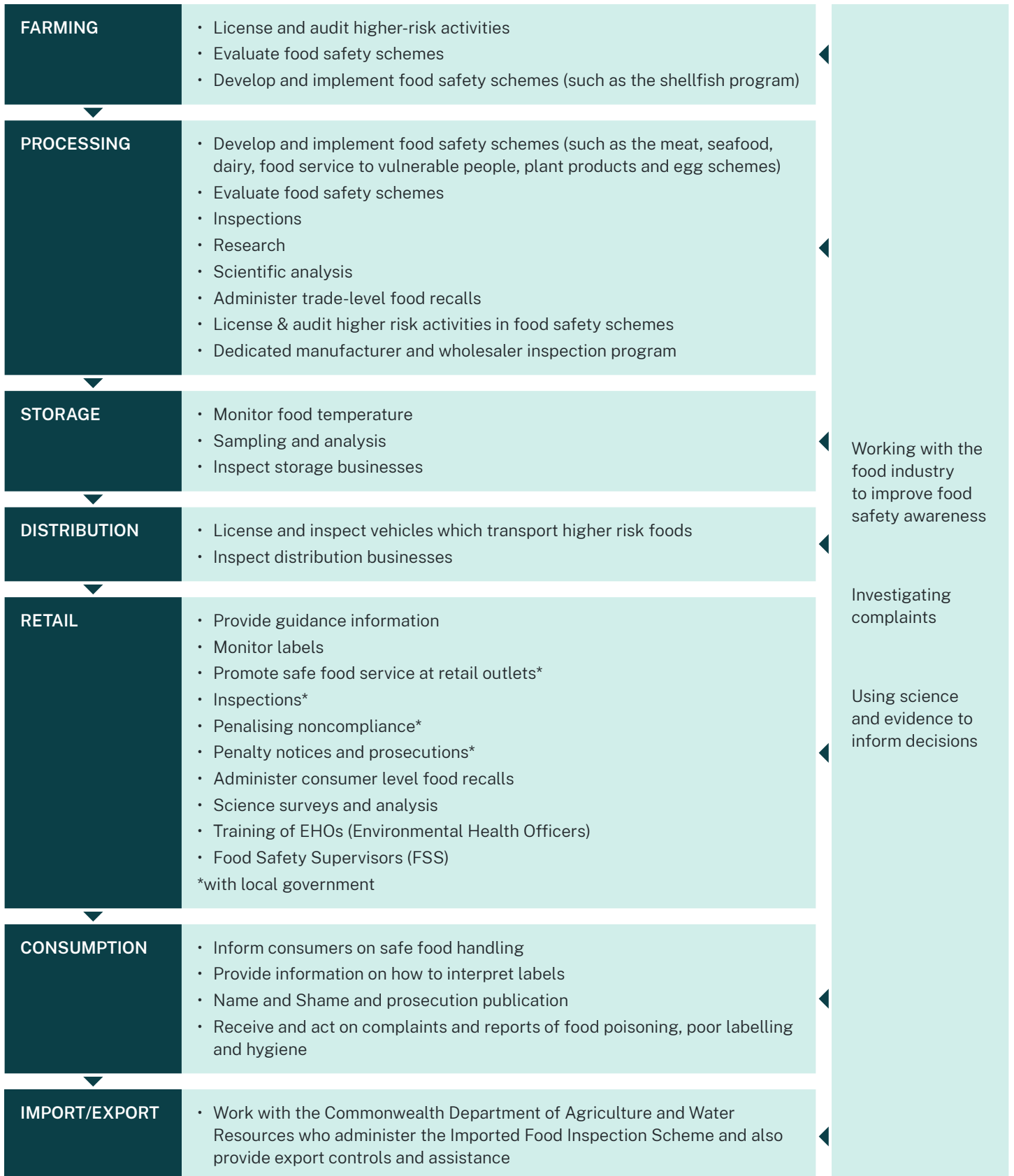
NB: shading indicates executive position funded by the NSW Food Authority

Strategy



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.



Operations and Performance

3

Highlight summary

During 2022-2023, the Food Authority again met its goals by continuing to deliver confidence and certainty in the State's food safety to our stakeholders, the consumers of NSW and domestic and international markets – directly contributing to healthy and productive communities in NSW.

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

Highlights:

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

Through this successful collaboration the Food Authority has achieved the following outcomes.

- **Oversight of business compliance with food safety requirements**

Audits and inspections

Compliance using proactive audits and inspections moved to a risk-based, outcome focused operational model, and consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Across all licensed sectors the compliance rate against food safety requirements was 92% from 4,684 audits and 4,292 inspections.

Of the 264 urgent food safety complaints in 2022–2023, 100% were responded to within 24 hours. Of these complaints, 76% related to reports of foodborne illness with a further 15% being critical labelling issues involving an allergic reaction to an undeclared ingredient.

Highlight summary

- **Engagement and training of third-party auditors**

Five new Third Party Auditors (TPAs) were trained in their respective duties under the *NSW Food Act 2003*. This training assists TPAs to maintain the required high standards and skill levels, supports compliance with the *Food Regulation 2015*, and protects public health and safety.

A twilight session was held in November 2022 to launch the TPA SharePoint site and was followed up with a webinar to provide all TPAs with information on how to navigate the new platform. The SharePoint site allows for external user access to internally hosted resources, providing a centralised, single point of reference for information sharing for all TPAs.

In June 2023, a conference and networking function was attended by 26 TPAs.

Other engagement activities for TPAs throughout 2022-2023 included distribution of three TPA newsletters, and a new version of the TPA application was released in August 2022, along with a new user guide. A webinar was held for TPAs to demonstrate how the new application works and was recorded for future training sessions.

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

The 128 NSW local councils were guided on regulation of the incoming new food standard 3.2.2a (Food Safety Management Tools), food safety culture with allergen management plus cleaning and sanitising with the focus on dishwashers; one Food Regulation Forum meeting; five Retail Information Sessions (367 registrations); three State Liaison Group meetings (82 attendees); 44 Regional Food Group meetings attended by 609 council officers; issued 70 communications to councils and responded to 577 enquiries.

Compliance with food safety requirements across the retail food sector for the 2022–2023 financial period was 97%.

- **Food Act training modules**

During 2022-2023, the Food Authority launched an online training program for authorised officers under the *NSW Food Act 2003*.

The new training program was a collaboration between the NSW Food Authority and Tocal College.

The Authorised Officer (Food Surveillance) Training Course was designed for all officers responsible for food safety activities under the *Food Act*, local government environmental health officers, Food Safety Compliance officers and Third-Party Auditors (TPAs).

The training program consists of two online training modules (consisting of 22 topics), an assessment component and a one-day workshop.

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

Used real time, high-resolution salinity, temperature and depth sensing, combined with novel molecular genetic methods (eDNA), to model oyster food safety, pathogenic bacteria, harmful algae, and oyster growth and disease to improve production and harvest management and to reduce harvest closure days for farmers across 15 NSW estuaries (more details in the Shellfish section).

Collaborated with primary producers, processors and the broader horticulture supply chain through the Fresh Produce Safety and Traceability Program –which deploys an innovative approach to research, development and adoption to comprehensively understand the nature and magnitude of microbial food safety risks across the entire supply chain.

Highlight summary

The program takes a data-centric approach to guide the industry in adopting practices that mitigate food safety risks during both production and postharvest processing of fresh produce.

Conducted a survey in five major geographically diverse regions of NSW oyster growing areas to determine the prevalence and level of total and pathogenic *Vibrio parahaemolyticus* – a naturally occurring marine bacteria present in the marine environment. While foodborne illness outbreaks associated with oysters are rare, the potential health impacts if an outbreak was to occur warranted further investigation to better understand the level of risk (more details in the Shellfish section).

Launched a Lunch Box survey inviting the NSW community to tell us about the foods that kids take to school for lunch, and how it's stored. Food Authority scientists are using this data to run an experiment to test how warm these lunches get and are sending the samples to the lab for testing. The results will inform the development of an educational campaign about the science behind safe lunch boxes, to be delivered in the 2023-2024 financial year (more details in the Working with our customers and stakeholders section).

- **Participated in national antimicrobial resistance survey**

The Food Authority is participating in a Food Standards Australia New Zealand (FSANZ) funded study to undertake a two-year project looking at antimicrobial resistance (AMR) bacteria in the Australian food supply.

Surveillance of food samples from three retail commodities – poultry, pork and beef, across all jurisdictions commenced in September 2022 and was completed in mid-2023. Results are currently being analysed with a final report to be completed.

- **Investigations and risk analysis**

Conducted either surveillance, sampling and/or microbiology, chemistry and allergen tests and supported investigation of foodborne illness outbreaks. Work included 3,059 samples submitted and over 8,000 tests completed.

Collaborated on a multijurisdictional outbreak investigation on contaminated poppy seeds following 13 people across three jurisdictions reporting adverse reactions after consuming poppy seed tea.

Authorised officers worked with NSW Health, QLD Health and Victorian Health to investigate the likely source of contamination and conducted extensive marketplace sampling.

Information shared across jurisdictions identified that the poppy seeds used in production contained a high level of Thebaine (an opiate alkaloid) and were not fit for human consumption despite being labelled as such. This resulted in six different brands of poppy seeds being recalled and removed from retail sale.

Responded to an urgent public health issue after being notified by NSW Health of multiple people presenting to hospital with severe symptoms of anticholinergic syndrome. Specialist authorised officers from the Food Authority worked with NSW Health to ascertain a link between food consumption and baby spinach.

A National Food Incident Response was initiated which resulted in five food recalls after finding that the spinach was found to be contaminated with *Datura stramonium* (thornapple). Thornapple contains tropane alkaloids, toxins that cause serious illness. (more details on this response can be found in the Plant section).

Highlight summary

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

76 annual reviews of harvest areas were completed; 13 depuration tanks compliance assessed; 32 industry accreditations; 21 Primary Production and Rural Development SEPP Development Applications reviewed; and 37 product retrievals.

A rare third La Nina weather event influenced summer and saw extensive rainfall, which caused an extremely high number of harvest area closures. The rainfall also caused a higher-than-average number of sewage spills as well as production challenges collectively resulting in 507 harvest area closures.

The accredited biotoxin testing service secured by the Food Authority in the last reporting year continued to support on-going access to key domestic and export markets for the state's shellfish industry. The commercial arrangement ensures that the NSW shellfish industry has access to accurate, timely and cost-effective biotoxin testing service that meets the needs of industry now and into the future. This service was critical in responding to an unprecedented Paralytic Shellfish Toxin producing algal bloom that impacted a number of waterways between Gosford and Eden during Spring 2022.

The rapid sample turn-around and high sample throughput capacity facilitated a response which saw no reported associated human illness, while allowing harvest to resume in products and areas that were confirmed to be unaffected.

The biotoxin service was procured by the Food Authority and is paid for by industry.

- **Developing, implementing and reviewing contemporary food standards, food safety schemes and initiatives**

Issued 18,637 food safety supervisor certificates; approved 6 Registered Training Organisations delivering Food Safety

Supervisor training and certification; and provided advice to the Minister on 25 proposed changes to the Food Standards Code.

Led national working groups supporting the development of standards for high-risk horticulture and for the revision of the compliance plan for eggs.

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

Assisted over 3 million customer requests for advice, to report food complaints and transactions, including 13,945 contacts via phone, email, online form, social media and post to the Food Authority helpline.

The helpline resolved 92% of those transactions that were potentially resolvable without referral during the first contact.

- **Coordinated NSW input to the national food regulatory system**

Coordinated NSW input to the national food regulatory system including Food Ministers' Priority three - Maintaining a strong, robust and agile food regulation system. Influenced Australian and New Zealand food policy to reduce foodborne illness and support public health objectives, giving the community confidence that our food supply is safe.

Advised Food Ministers' Meetings in-session and out-of-session agenda items, the Food Regulation Standing Committee meetings and contributed to review and finalisation of a number of standards.

Meat

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

This includes:

- 30 poultry and rabbit abattoirs
- 29 red meat abattoirs
- 439 meat processing plants
- 318 poultry primary production premises
- 1,347 retail meat premises
- 710 game meat harvest vehicles and 93 field depots.

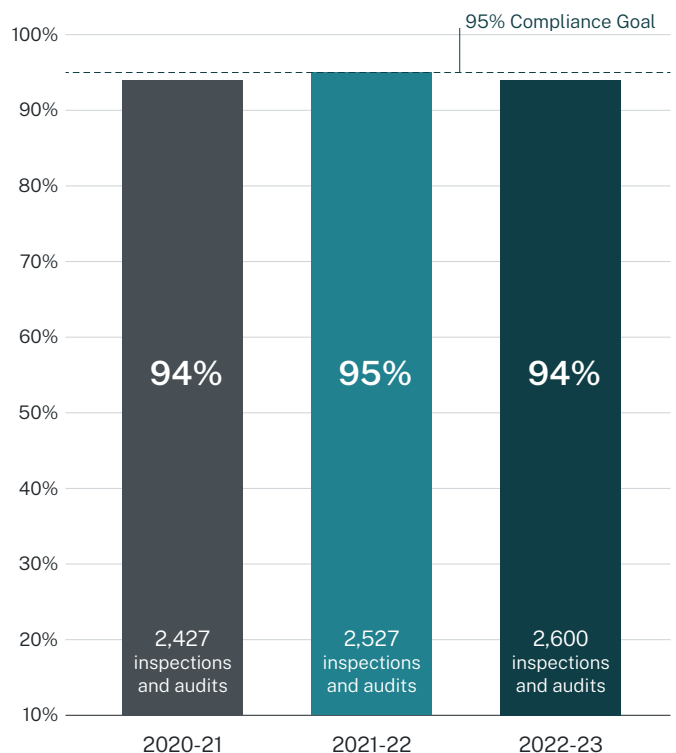
Of the 7,570 food transport vehicles licensed with the Food Authority, approximately 5,700 are authorised to transport meat products.

Compliance across the sector with food safety program requirements for the 2022-2023 financial period was 94%, a slight drop from the previous year.

A focus on compliance in the retail meat sector towards the end of this year resulted in the increase in audit and inspection numbers. Corrective actions relating to analytical testing and the level of preservative use in processed meats were identified and actioned.

NSW Food Authority will be targeting future compliance activities within the meat retail sector to address those risks and individual poor performance.

Meat sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model, and consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Meat

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Abattoir and rendering plants audit project

A targeted audit program on abattoir and rendering plants was conducted during 2022-2023.

A total of 11 audits on domestic abattoirs producing red meat and rendering plants producing animal feed were conducted and identified that these licensed businesses continue to operate at high levels of compliance.

While two audit failures were recorded against two domestic abattoirs, these critical defects were rectified, and further checks confirmed that operating standards within those two facilities had improved. All three rendering facilities achieved an acceptable outcome confirming these businesses are compliant with processing and labelling requirements of pet food products to protect against animal disease caused through incorrect feeding of animals.

While most businesses showed high levels of compliance with their biosecurity duty, three penalty notices were issued for National Livestock Identification System (NLIS) offences.

Meat Processing (RTE) Audit Project

An audit program was conducted on all meat processing facilities producing ready to eat meat products. This sector is of a higher risk due to the manufacture of ready to eat products, which means that further cooking prior to consumption to ensure food is safe to consume is not required.

High levels of compliance were observed during this program, however a small number of facilities required enforcement action to rectify

mostly structural and hygiene control issues. All enforcement sanctions were rectified, and all food safety issues were addressed.

Meat Industry Consultative Council

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

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

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

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

- **Biosecurity:** the transition to mandatory individual electronic identification (eID) for the sheep and goat industries nation-wide. The eID device can be scanned with the data inputted into the National Livestock Identification System (NLIS) database, which will deliver the standards of traceability required to more effectively protect our livestock industries in the event of an emergency animal disease or food safety event and protect market access.
- following a detection of lumpy skin disease (LSD) and foot and mouth disease (FMD) in Indonesia last year, the Department provides regular updates on preparedness activities should the disease be detected in Australia, with surveillance, early detection, and awareness top priority.

Meat

Consultative Council representation

Chair: Dr Lisa Szabo, NSW Food Authority

NSW Farmers' Association
(advocacy for NSW farmers)

Australian Pork Limited
(producer-owned pork industry advocacy)

Australian Chicken Meat Federation
(advocacy for the chicken meat industry)

Pepe's Ducks Pty
(large duck meat producers)

Inghams Enterprises
(poultry meat producers/processors)

Baiada Poultry Pty
(poultry meat producers/processors)

Australian Meat Industry Council
(advocacy for Australian post-farmgate
meat industry)

NSW Department of Primary Industries

Eggs

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

This includes:

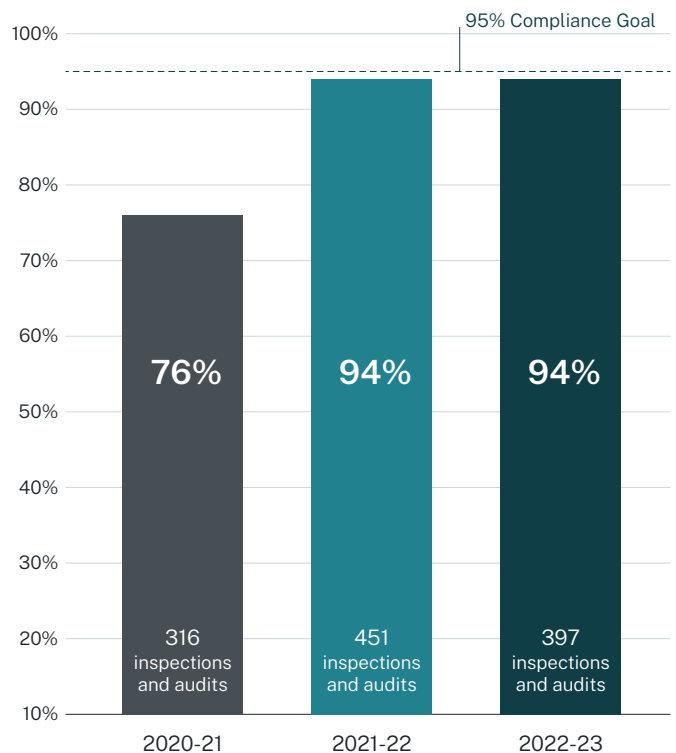
- 16 egg processors
- 257 egg producers and cold food stores.

Of the 7,570 food transport vehicles licensed with the NSW Food Authority, approximately 3,000 are authorised to transport egg products.

Compliance across the sector with food safety program requirements for the 2022–2023 financial period was 94%.

Compliance across the sector has significantly improved in the last two reporting years. Efforts to work with industry to comply with the Biosecurity *Salmonella* Enteritidis (SE) Control Order and subsequent operational responses contributed to increasing industry compliance, now static at 94%.

Egg sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Eggs

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Ongoing management of *Salmonella* Enteritidis (SE)

Throughout the 2022-2023 period, the NSW Food Authority continued to support the NSW egg sector meet the requirements in the NSW Biosecurity (*Salmonella* Enteritidis) Control Order 2020, which remains in effect until 30 June 2024.

The Control Order was introduced to prevent, eliminate, minimise and manage the biosecurity risk associated with SE and includes mandatory SE testing requirements. The NSW Food Authority continues to fund the cost of mandatory testing under the Control Order for samples submitted to EMAI and Birling Avian Laboratories.

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

Egg Industry Consultative Committee

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

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

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

Consultative Committee representation

Chair: Dr Lisa Szabo, NSW Food Authority

Egg Farmers of Australia
(advocacy for national egg industry)

NSW Farmers' Association
(advocacy for NSW egg industry)

Australian Eggs
(advocacy for national egg industry and R&D and other service providers)

Manning Valley Free Range Eggs
(free range egg producers)

Pace Farm
(large egg producers)

Pirovic Enterprises
(large egg producers)

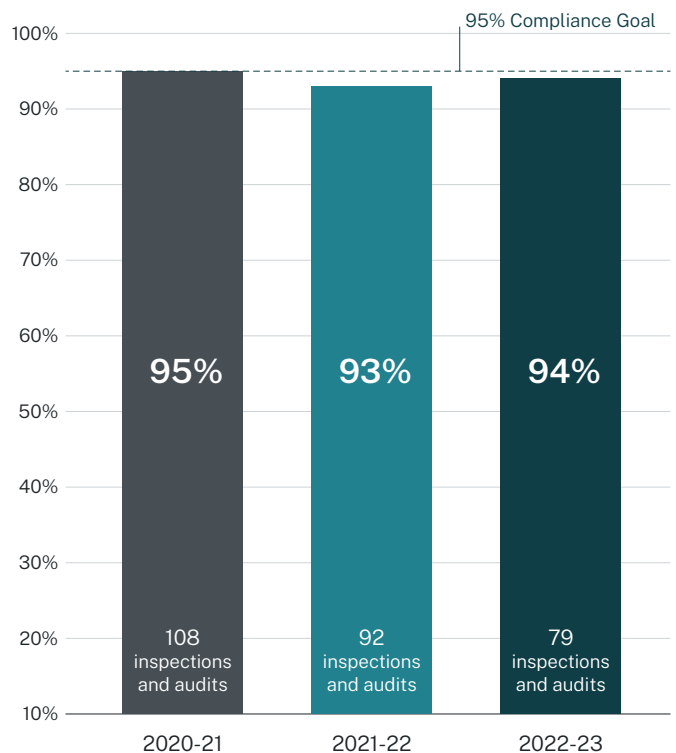
NSW Department of Primary Industries

Shellfish

The NSW Food Authority licenses 259 businesses in this sector. This includes 218 oyster farmers, one mussel farmer, and 40 shellfish wild harvest businesses.

Compliance across the sector with food safety program requirements for the 2022–2023 financial period was 94%, a slight improvement on the compliance rate from last year.

Shellfish sector compliance rate



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

As part of its commitment to supporting the NSW shellfish industry the NSW Food Authority achieved 76 annual reviews of harvest areas, 13 depuration tank assessments, 32 industry accreditations, 21 State Environmental Planning Policy-Primary Production and Rural Development application assessments, 507 harvest area closures, 37 product retrievals and worked with industry to maintain export approval for 32 export listed harvest areas in NSW.

Shellfish

Online Training and Services

The NSW Food Authority continued its commitment to supporting and educating industry with the continued support of the online Shellfish sampler training program.

Depuration and Harvest & Hold courses continued to be offered via video-conferencing, with face-to-face courses also offered in response to industry requests. This mix of training options maximised industry access to training while catering for the needs of individual industry members.

NSW *Vibrio parahaemolyticus* Survey

The NSW Food Authority is currently undertaking the largest ever Australian survey of *Vibrio parahaemolyticus* in oysters. Monthly sampling is being undertaken in four major oyster producing NSW estuaries over a 2-year period. Samples collected under the survey are being analysed at the NSW Department of Primary Industries Elizabeth Macarthur Agricultural Institute.

Analysis will include total *V. parahaemolyticus* levels, analysis of genetic markers that indicate virulence, as well as whole genome sequencing. The samples are being collected from areas that have real-time salinity and temperature sensors installed under the Food Agility CRC project. This project will provide a comprehensive data set that will be utilised to assess current and future risk, particularly under potential climate change scenarios.

Food Authority staff and industry samplers are working collaboratively to deliver this major undertaking in response to the 2022 *V. parahaemolyticus* outbreak linked to South Australian oysters. Although NSW oysters are not considered a high-risk product for *V. parahaemolyticus*, the Food Authority and industry are taking a precautionary approach by collecting detailed information on potential future risks. This work will ensure the safety of NSW seafood consumers and the continued viability of our iconic Sydney Rock Oyster industry.

Food Agility CRC Project

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

The implementation of real-time salinity monitoring to replace rainfall as a management tool progressed, with 19 harvest areas able to operate under a salinity only management plan. Modelling of these areas has confirmed that this approach offers increased harvest days and improved food safety risk management.

An updated NSW DPI economic assessment of the project's use of real-time sensor salinity data for harvest area management focused on both drought and above average rainfall conditions experienced in NSW estuaries in recent years. The report demonstrated that the new harvest area management regimes resulted in positive annualised net benefits (profit after all operational costs) of \$1,121-\$1,923/ha (drought) and \$549-\$1,784/ha (above average rainfall) for the harvest areas included in the study.

A sub-project to develop PCR based testing methods has successfully used PCR based assays to determine the relative faecal input from different sources such as human, bird and cattle. This information will assist to identify sources of contamination and drive remediation efforts benefiting industry and the environment.

Detailed project reports are being completed for each estuary covered by the project. As of 30 June 2023, six estuary specific reports have been published. The reports are available on the [Food Agility CRC website](#).

Work to develop a PCR based assay to detect the presence of toxic algae has also shown considerable progress. If successful, this work could result in a step change in how this risk is managed providing a faster and more economical test method.

Shellfish

Biotoxin Testing Service

The accredited biotoxin testing service provided by Symbio Laboratories continues to support on-going access to key domestic and export markets for the state's shellfish industry. The commercial arrangement with Symbio Laboratories ensures that the NSW industry has access to accurate, timely and cost-effective biotoxin testing service that meets the needs of industry now and into the future.

This service was particularly valuable during the unprecedented paralytic shellfish toxin event that impacted the NSW coast in Spring 2022. The bloom extended from Broken Bay (near Gosford) to Twofold Bay on the far south coast and affected both aquaculture, commercial and recreational fishing stakeholders. The biotoxin testing service allowed for rapid analysis of a high volume of seafood samples facilitating accurate and timely risk communication to affected stakeholders.

Published papers

The Food Authority contributed to five published papers during the 2022–2023 period.

- Ajani, P.A., Dove, M., Farrell, H., O'Connor, W., Tesoriero, M., Verma, A., Zammit, A., Hughes, B., Murray, S., (2023). University of Technology Sydney, Transforming Australian Shellfish Production: Quibray Bay Harvest Area, Georges River. Report on Stage 1, October 2017-March 2021, Sydney, Australia, pp. 55.
- Ajani, P.A., Dove, M., Farrell, H., O'Connor, W., Tesoriero, M., Verma, A., Zammit, A., Hughes, B., Murray, S., (2022). University of Technology Sydney, Transforming Australian Shellfish Production: Pambula Lake Harvest Area, Pambula River. Report on Stage 1, September 2016-March 2021, Sydney, Australia, pp. 48.
- Ajani, P.A., Dove, M., Farrell, H., O'Connor, W., Tesoriero, M., Verma, A., Zammit, A., Hughes, B., Murray, S., (2022). University of Technology Sydney, Transforming Australian Shellfish Production: Goodnight Island Harvest Area, Shoalhaven and Crookhaven Rivers. Report on

Stage 1, December 2017-March 2021, Sydney, Australia, pp. 47.

- Ajani, P.A., Dove, M., Farrell, H., O'Connor, W., Tesoriero, M., Verma, A., Zammit, A., Hughes, B., Murray, S., (2022). University of Technology Sydney, Transforming Australian Shellfish Production: Long Island Harvest Area, Wallis Lake. Report on Stage 1, December 2017-March 2021, Sydney, Australia, pp. 48.
- Ajani, P.A., Henriquez-Nunez, H.F., Verma, A., Nagai, S., Uchida, H., Tesoriero, M.J., Farrell, H., Zammit, A., Brett, S., Murray, S.A. (2022). Mapping the development of a *Dinophysis* bloom in a shellfish aquaculture area using a novel molecular qPCR assay. Harmful Algae. Volume 116, July 2022, 102253

NSW Shellfish Committee

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

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

Consultative Committee representation

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

NSW Food Authority

NSW DPI Fisheries

NSW DPI Aquatic Biosecurity

Industry – Aquaculture (four representatives)

NSW Farmers

NSW Oyster Extension Officer

Other NSW Government departments as needed (ie EPA, Crown lands, local government, etc)

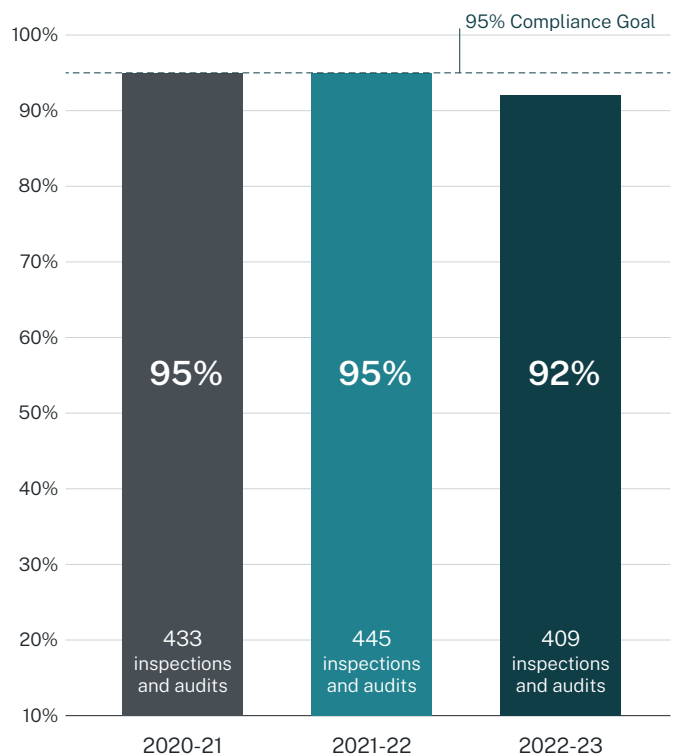
Seafood

The NSW Food Authority licenses businesses across the supply chain in this sector. This includes 184 seafood processing plants and 790 facilities that handle wild caught seafood as well as cold food stores.

Of the 7,570 vehicles licensed with the NSW Food Authority, approximately 4,100 are authorised to transport seafood products.

Compliance across the sector with food safety program requirements for the 2022-2023 financial period was 92%, a 3% drop on the average compliance rate over the previous two financial years.

Seafood sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Seafood

From catch to customer- resources for fishers and co-ops

Seafood food safety resource materials were developed for fishers and co-ops. This involved more than 600 fishers and co-ops receiving both bespoke seafood safety Z-cards and posters that highlight the importance of food safety in the sector.

Resources were distributed to licensees upon licence renewal, and all resources are available on the NSW Food Authority website.

The resources are available in a variety of languages, including English, Chinese simplified, Chinese traditional, Vietnamese, Arabic and Indonesian to cater for fishers from culturally and linguistically diverse backgrounds.

NSW Seafood Industry Forum

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

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

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

Consultative Committee representation

Chair: Dr Lisa Szabo, NSW Food Authority

Clarence River Fisherman's Co-operative
(suppliers of seafood products)

Food and Beverage Importers Association
(peak industry body for imported food sector)

Tassal Group [including De Costi Seafoods]
(seafood wholesalers/processors)

Commercial Fishermen's Co-operative
(advocacy for commercial fishers and seafood marketers)

Professional Fishers Association
(advocacy for NSW Professional Fishing Industry)

Sydney Fish Market
(seafood markets)

The Master Fish Merchants Association of Australia
(advocacy for seafood traders)

NSW Aquaculture Association
(advocacy for NSW land based aquaculture industry)

NSW Department of Primary Industries

Dairy

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

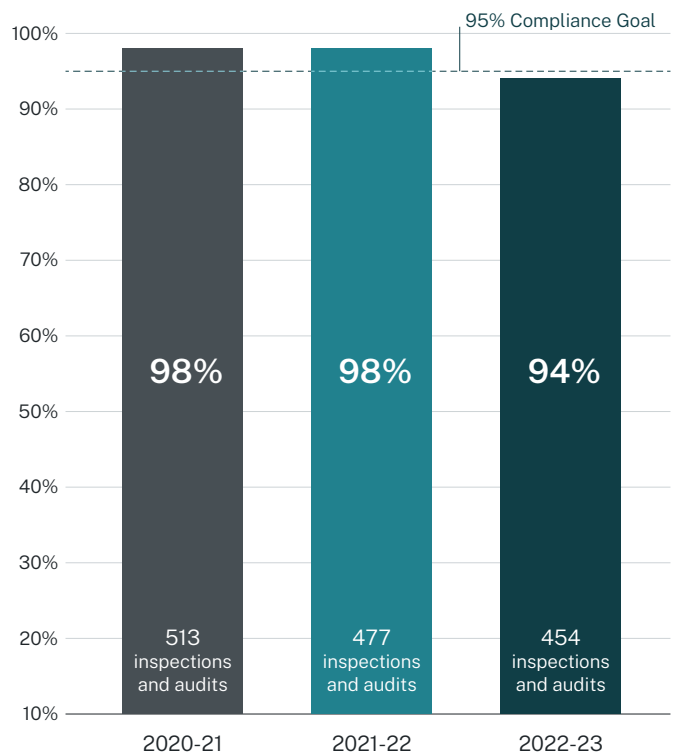
This includes:

- 479 dairy farms
- 215 dairy processing factories
- 150 farm milk collectors as well as cold food stores.

Of the 7,570 food transport vehicles licensed with the NSW Food Authority approximately 4,400 are authorised to transport dairy products.

Compliance across the sector with food safety program requirements for the 2022–2023 financial period was 94%, a 4% drop on the average compliance rate over the previous two financial years. The Third Party Auditor (TPA) program for dairy farms continued to maintain a high standard across this sector.

Dairy sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Dairy

Domestic Dairy manufacturing audit project

During 2022-2023, a targeted compliance program was conducted on facilities licensed to produce dairy products for domestic sale. The program recorded a compliance rate of 91%, with the 8 facilities that reported an unacceptable outcome being issued an Improvement Notice. The improvement notices were closed out within 30 days with no further action required.

NSW Dairy Industry Consultative Committee

The NSW Dairy Industry Consultative Committee meets every six months or so and provides feedback to the NSW Food Authority and the Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales on industry issues including the dairy food safety scheme and management of food safety risks across the NSW dairy industry supply chain.

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

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

- **Biosecurity:** following a detection of lumpy skin disease (LSD) and foot and mouth disease (FMD) in Indonesia last year, the Department provides regular updates on preparedness activities should the disease be detected in Australia, with surveillance, early detection, and awareness top priority.

Consultative Committee representation

Chair: Dr Lisa Szabo, NSW Food Authority

Pecora Dairy
(dairy processors)

Norco Foods
(dairy processors)

Dairy Australia
(advocacy and service providers to support Australian dairy farms and industry)

eastAUSmilk
(advocacy for NSW and QLD dairy farms)

Dairy NSW
(NSW dairy research and development)

NSW Farmers' Association
(advocacy for NSW dairy farms)

Bega Cheese
(dairy processors)

Star Combo Australia
(dairy processors)

The Riverina Dairy
(dairy producers)

NSW Department of Primary Industries

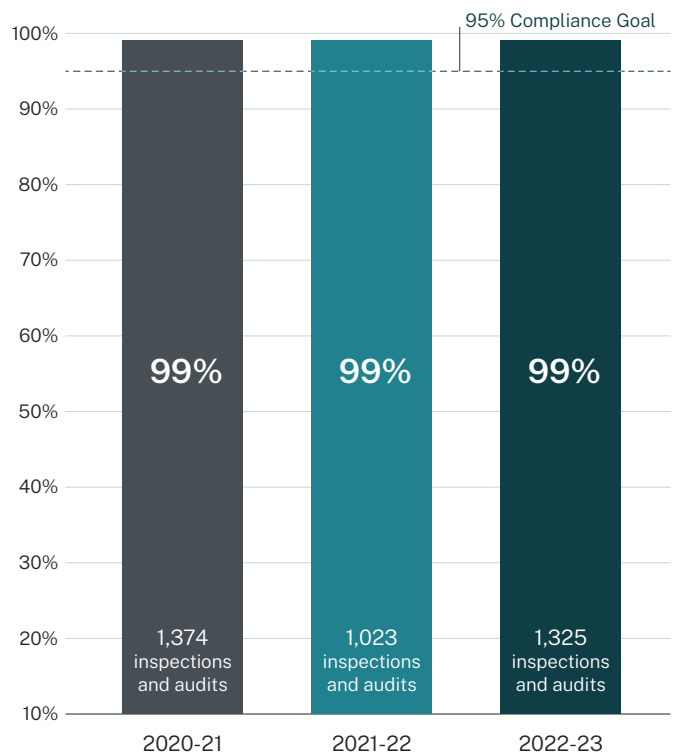
Vulnerable persons

The NSW Food Authority licenses 1,212 businesses in food service to the Vulnerable Persons (VP) sector.

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

Compliance across the sector with food safety program requirements for the 2022–2023 financial period was 99%, maintaining the average compliance rate over the past two years. This high compliance rate recognises the mature systems in place and demonstrates that food safety systems and operating standards continue to be effective.

Vulnerable persons sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Vulnerable persons

Vulnerable Persons Audit Project

A targeted audit compliance program was undertaken on 201 licensed facilities serving food to Vulnerable Persons during the 2022-2023 Financial Year.

Due to restrictions being implemented in response to the COVID-19 outbreak, licensed facilities had been closed to visitors for an 18-month period, with restrictions still in place at some licensed facilities during this compliance program.

The completion of all planned audits while dealing with these restrictions was an outstanding outcome. A high compliance rate of 95% was reported highlighting the maturity of the sector, demonstrating that food safety systems and operating systems remained very high during a period of increased risks and impacted operating conditions due to the COVID-19 outbreak.

Third party auditor training

During 2022–2023, the NSW Food Authority hosted one online training session for Third Party Auditors (TPAs). This training assists TPAs to maintain the required high standards and skill levels, supports compliance with the Food Regulation 2015, and protects public health and safety.

In addition, five new Third Party Auditors were trained in their respective duties under the *Food Act 2003*.

On 7 June 2023, a conference and networking function was hosted for TPAs in Sydney Olympic Park. There are currently 49 licensed TPAs who conduct food safety audits on behalf of the NSW Food Authority, predominantly in the vulnerable populations (aged care facilities) and dairy sectors (dairy farms). Now in its seventh year, the conference was attended by 48 people, including 26 TPAs.

The TPA Conference continues to evolve into a professional development forum, with a keynote

presentation from the Australian Institute of Food Science & Technology, on the Australian Food Safety Auditor Development Program which seeks to establish a national food safety auditing career path to meet expected increased future need.

Other presentations included:

- A year in review: compliance approach/food safety projects
- Horticulture Standard: Primary production and processing for berries, melons and leafy vegetables
- Using artificial intelligence for auditing food transport vehicles
- Food labelling and understanding what's required: 'Do I need a label?'
- Using the TPA application and the difference between an audit schedule and audit dates
- Foodborne illness: Outbreak investigations
- Standard 3.2.2A: The new Food Safety Management Tool and Food Handler Basics free online training

The TPAs were also invited to participate in an open panel session with Food Authority staff from the Compliance & Investigations Unit.

The conference was followed with a networking function where TPAs were able to meet with businesses that are eligible to use their services. These businesses were invited to meet and greet the TPAs with a view to facilitate future audits in their business.

Consultative Committee representation

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

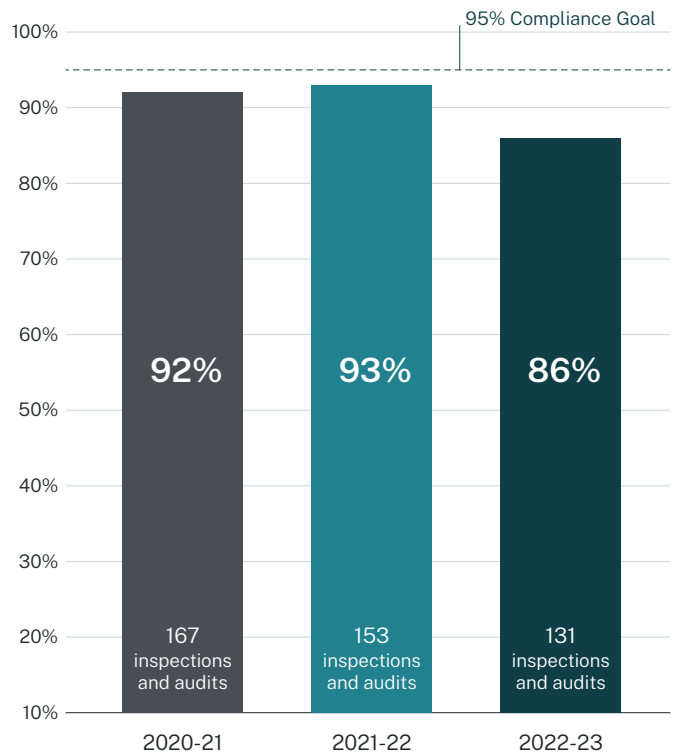
Plant

The NSW Food Authority licenses 84 businesses in the plant processing sector as well as cold food stores.

Of the 7,570 food transport vehicles licensed with the NSW Food Authority, approximately 3,200 transport vehicles are authorised to transport plant products.

Compliance across the sector with food safety program requirements for the 2022–2023 financial period was 86%. The NSW Food Authority will be channelling their future resources and implementing targeted strategies including setting up of an education program to address these critical and high-risk issues and poor performers.

Plant sector compliance rate



Compliance has moved to a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses where resources are allocated to areas of greatest risk, not all licensees may be audited across each sector every year.

Licensees are expected to maintain their compliance with the Food Standards Code and the relevant food safety plan applicable to their activities. Food safety compliance officers will continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Plant

Rapid response to toxic weed in baby spinach

In December 2022, NSW Health alerted the NSW Food Authority to an urgent public health issue resulting in people presenting to hospital with symptoms of anticholinergic syndrome. The symptoms were severe and included tachycardia, hallucinations, nausea and agitation.

Specialist authorised officers from the Food Incident Response and Complaints Unit worked with NSW Health to ascertain a link between the food consumption of the affected people and baby spinach. Authorised officers worked with retailers to trace the source of the baby spinach back to a Victorian spinach producer. Approximately 200 people were affected nationally.

A National Food Incident Response, involving NSW Health and Department of Health Victoria, resulted in five food recalls - two involving NSW businesses, after finding that the spinach was found to be contaminated with *Datura stramonium* (thornapple).

Thornapple contains tropane alkaloids, toxins that can cause serious illness.

To assist industry manage the risk of weed infestations in crops, authorised officers worked with DPI Agriculture to develop a fact sheet “Managing food safety risks associated with toxic weeds in leafy vegetables”.

This resource has been published on the Food Standards Australia New Zealand website and is available at <https://www.foodstandards.gov.au/industry/foodrecalls/recalls/Pages/Baby-spinach-recall.aspx>

Collaborating to support our horticulture industries

The NSW Food Authority will join a consortium of partners across Australia and New Zealand to support the Fresh Produce Safety Centre Australia & New Zealand deliver fresh produce food safety information, guidance and training

for the broader horticulture industry – from large to small producers.

Announced in May 2023, the Horticulture Food Safety Initiative Project is a three-year project that will see extensive engagement with key industry groups and peak industry bodies to help fresh produce industries meet their food safety obligations and produce safe food.

Consultation

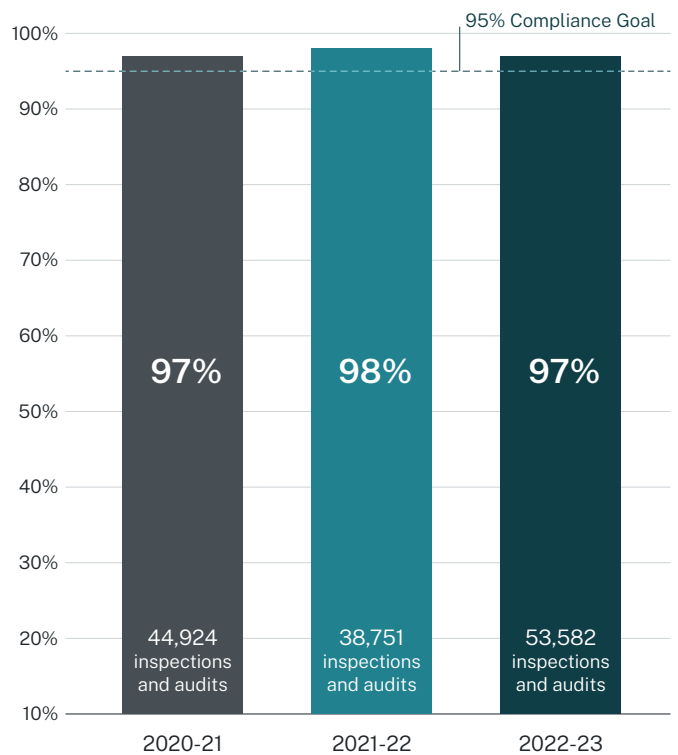
The NSW Food Authority consults directly with each licence holder in the plant products industry as needed.

Retail

There are 54,596 high and medium risk fixed retail food premises, mobile and temporary food premises in NSW. The increased number of retail food businesses and activity represents a return to pre COVID-19 levels.

Compliance with food safety requirements across the retail food sector for the 2022–2023 financial period was 97%, in line with the average compliance rate over the past three years.

Retail sector compliance rate



Retail

Retail activity snapshot

Key NSW Food Authority performance indicators			
	2020-21#	2021-22#	2022-23
Name & Shame listings	651	474	899
No. of retail food business inspections	44,924	38,751	53,582
No. of complaints about retail food businesses investigated	5,568	4,760	5,727
Overall compliance rate for food businesses regulated by councils (retail)*	97%	98%	97%
Warning letters issued by councils	7,720	5,734	6,752
Improvement notices issued by councils	1,164	794	1,342
Prohibition orders issued by councils	112	67	141
Prosecutions undertaken by councils	5	5	4
Penalty Infringement notices issued by councils	748	550	1,045

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

*95% Compliance Goal

The Food Regulation Partnership (FRP)

The Food Regulation Partnership (FRP) is a formal regulatory partnership between the NSW Food Authority (Food Authority), the 128 NSW local councils in respect of their own local government areas, the Secretary Department of Planning and Environment in respect of Kosciuszko National Park, and Lord Howe Island Board in respect of Lord Howe Island. All are appointed as an enforcement agency under the NSW *Food Act 2003* (the Act), except Lord Howe Island Board that is prescribed as an enforcement agency.

The FRP was developed to ensure that food in the retail sector is safe. The Food Authority works with these enforcement agencies to ensure retail food service businesses in NSW are inspected and comply with food safety regulations.

Note: For ease, reference to 'council' includes all enforcement agencies under the Act.

Consultation with the retail industry

During the period 2022-2023, the Food Regulation Partnership hosted five Food Safety Information Sessions for the retail and food service businesses in partnership with Lake Macquarie City, Port Stephens, Cessnock, Tweed Shire and Wagga Wagga City Councils.

There were 77 attendees at the Lake Macquarie City session, 33 attendees at the Cessnock event and 34 attended at Port Stephens. In Tweed Heads, there were 106 attendees and at Wagga Wagga 72 attendees.

Retail

Attendees had the opportunity for face-to-face engagement with the hosting local council and Food Authority to learn about food safety and the resources available to them. Presentations were provided on a wide range of food safety topics including food safety laws, cleaning and sanitising, food labelling, preventing foodborne illness, Council's food safety initiatives, and retail programs such as Scores on Doors and Food Safety Supervisor.

In the reporting period there was also a multi-operators outlets food safety session held in Sydney in May 2023. This session was developed to engage with chain food businesses to provide food safety information relevant to larger chains that operate multiple premises. The session provided information on the FRP, Food Safety Supervisor, fast choices, foodborne illness reduction and the new requirements for the Food Standards Code.

In all, there were 24 food businesses represented.

Compliance activity

Data collected from local councils for the 2022–2023 period show that compliance levels in the retail food sector remains high.

In the 2022–2023 financial year, 53,582 inspections were undertaken in the retail and food service sector and 90% of the high and medium risk food premises were inspected. This completion rate has increased from previous periods.

See Compliance and enforcement for more information.

Supporting the retail food sector through education and training for councils' authorised officers

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

During 2022-2023 the Food Authority conducted three rounds of Regional Food Group meetings (RFGM) in 16 regions across NSW. The RFGMs have two components: a training session and a meeting where food safety updates are provided and any issues or problems in the region are raised and discussed.

In 2022–2023, the training focused on food safety culture, the new incoming food safety standard 3.2.2A 'food safety management tools' plus 'cleaning and sanitising with the focus specifically on the use of dishwashers'.

The food safety culture work was a contribution towards the national foodborne illness reduction strategy. It was a collaborative effort with participating local councils observing allergen management handling practices at relevant food businesses and interpreting their food safety culture.

The new food standard (Standard 3.2.2A) will introduce new food safety management tools in the retail and food service sector. This session was designed to provide authorised officers with insights on the requirements that will come into effect in December 2023.

The cleaning and sanitising session was developed to explore the effectiveness of dishwashers in retail food businesses. A collaborative survey was implemented with strong uptake in participation across NSW. The findings will be assessed to inform future work in this area.

The trainings sessions and meetings were almost all held face-to-face with video conferencing options available for added flexibility. The Food Authority continues to provide all training materials and a recording of the training on the dedicated FRP Portal so that local council authorised officers can access them at any time.

The NSW Food Authority hosted its biennial Food Regulation Partnership (FRP) Workshop which also included the FRP Food Surveillance Champion Awards from 26-28 April 2023 at Rydges World Square in Sydney.

Retail

The theme of the two-day workshop was ‘Building resilience and working together’, where the Food Authority hosted over 200 participants including Environmental Health Officers (EHOs) from 59 councils across NSW. Delegates learned from their peers and colleagues:

- Foodborne illness investigations: working together in recent cases
- Reviewing Chapters 3 and 4 of the Food Standards Code
- a showcase of the in-house Authorised Officer training package
- a panel of four who spoke on ‘Resilience under Adversity’ including the mice plague, rodent programs, and responding to successive disasters in the community
- food distribution to at-risk communities
- issues with wet storage of shellfish at a retail level
- how to provide safe water during times of flooding
- ‘Building your own personal resilience’
- ‘Navigate the Legal Labyrinth’ Mock Court scenario.

Feedback from delegates indicated strong support for the event in terms of usefulness, relevance and quality.

Authorised Officer (Local Government) Food Surveillance Training

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

To appoint an authorised officer, NSW councils must be satisfied that prospective officers have the qualifications or work experience necessary to carry out their duties as stipulated in the *NSW Food Act 2003*. Anyone working in food surveillance should undertake adequate training

in the inspection and regulation of retail food premises and this is a condition of appointment as an enforcement agency.

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

Specifically, the course aims to:

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

During the reporting period, the NSW Food Authority introduced an online training program with 35 participants.

The program consists of 12 topics such as inspections, enforcement, food science and labelling. Each topic is delivered through a suite of interactive materials including presentations, activities, videos and assessments. Participants undertaking the online training also have an opportunity to attend a one-day face to face workshop in June to complete the practical elements of the course and network with the experts from the wider Food Authority. The participants will receive a certificate of completion once they have met all the elements of the course.

Food Safety Supervisor program

During 2022–2023, the NSW Food Authority continued to manage the NSW Food Safety Supervisor (FSS) program. Following consultation with RTOs on suggested content updates to all key focus area modules; allergen management, safe egg handling, cleaning and sanitation and

Retail

Food Act offences, these modules are currently being finalised and will be launched in the next reporting year.

The FSS program continues to enjoy positive growth with 18,637 FSS certificates issued during 2022–2023.

Scores on Doors

The ‘Scores on Doors’ program is designed to reduce foodborne illness in NSW by improving food safety in the retail sector through public display of food safety inspection results.

Over the past few years, participation in the voluntary Scores on Doors program has been thwarted due to the impacts of COVID-19,

bushfires, floods, droughts and other events although 2022–23 sees participation return to pre-COVID-19 levels.

As at 30 June 2023, there were 62 councils participating in the program, which is a slight increase from the 59 in the previous financial year. These 62 councils represent 25,337 eligible food businesses, capturing 61% of all eligible retail food businesses in NSW.

With councils, retail food businesses and consumers returning to business as usual, the Food Authority have plans to rebuild efforts to grow participation in the Scores on Doors program. This includes reinvigorating interest and refreshing materials for councils, retail food businesses and consumers.

Name and Shame

In 2022–2023, a total of 517 food businesses received penalty notices for failing to meet food safety standards. A total of 979 penalty notices appeared on the NSW Food Authority’s Name and Shame register, a register which names businesses that fail to meet food safety standards. Of these an estimate of 899 penalty notices were attributed to the retail sector, representing around 1.4% per cent of NSW retail food businesses. Penalty notices appear on the register for a maximum of one year from the time it was first eligible to be published.

The most common food safety breaches under the Act during 2022–2023 were:

- unclean food premises (19%)
- improper food storage (16%)
- poor handwashing facilities (13%)
- unclean fixtures and fittings and equipment (11%)
- poor pest control (9%)
- poor display conditions (6%)
- poor facility, construction and maintenance (6%)
- poor cleaning and sanitising (5%)

Name and Shame register

	2020–21#	2021–22#	2022–23
No. of penalty notices published	651	474	979
No. of facilities that had penalty notices published	393	257	517

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

The Name and Shame register also lists businesses or individuals that have been found guilty by a court of a breach of food safety laws. The information on each breach is published for a maximum of two years following any appeal period. During 2022–2023, four prosecutions were published.

Retail

Food Regulation Partnership Forum Committee

The NSW Food Regulation Forum oversees the Food Regulation Partnership between councils and the Food Authority.

The committee met once during 2022–2023 period via teleconference. The committee considers matters relating to the regulation of the retail food industry and the strategic focus of the FRP.

Committee representation

Chair: Mr Paul Braybrooks OAM

Dr Lisa Szabo representing NSW Food Authority

Mr Greg Vakaci representing NSW Food Authority

Cr Phyllis Miller
(representing Local Government NSW)

Cr Ruth Fagan
(representing Local Government NSW)

Cr Helen Tickle
(representing Local Government NSW)

Mr Angus Crichton
(representing Environmental Health Australia)

Ms Erin Hogan
(representing Environmental Health Australia)

Mrs Lisa Hughes
(representing Environmental Health Australia)

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

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

Manufacturing and wholesale businesses

Manufacturing and wholesaling businesses are manufacturers or wholesalers that handle food not covered by current council inspection programs, as they have limited or no retail sales component. The Food Authority conducts a compliance inspection program of manufacturing and wholesale food businesses in NSW.

During the 2022-2023 financial year, the Food Authority conducted 266 inspections under this program:

- 27 unacceptable inspection results and 3 subsequent follow-up inspections
- 7 warning letters were issued for labelling and licensing breaches
- 32 improvement notices were issued for hygiene issues
- 5 prohibition orders were issued to the manufacturing sector for cross contamination, hygiene and labelling issues
- 33 penalty notices were issued to this sector for cross contamination, hygiene and labelling issues.

Poor performing manufacturing food businesses

In the previous financial year, a review of the Manufacturer Wholesaler Inspection Program (MWIP) identified 11 facilities that were habitual poor performers. These 11 facilities had a significant history of breaches and enforcement action, including being issued with multiple penalty notices and/or prohibition orders.

During the 2022-2023 financial year, the 11 facilities were inspected under a compliance program to assess and where necessary lift compliance with the NSW *Food Act 2003* and the Food Standards Code.

The operation has delivered successful outcomes. Of the 11 facilities, 6 food businesses have significantly improved and are now rated as acceptable; 3 businesses have either closed or have new owners and 2 facilities were found to have such critical compliance defects that prosecution is being considered.

Compliance and enforcement

Significant investigations and results

There were no Food Authority prosecutions finalised in the 2022-2023 financial year.

2022-23 Compliance and enforcement statistics (enforcement actions)			
ACTIVITY	ACTUAL 2020-21	ACTUAL 2021-22	ACTUAL 2022-23
Audits	3,321	2,839	4,684
Failed audits	112 (3.4%)	124 (4.3%)	196 (4.2%)
Inspections of food businesses	9,591 ¹	5,131 ²	4,292
Failed inspections of food businesses	288 (7.8%)	230 (7.3%)	304 (7.1%)
Complaints received	2,600	2,347	2,703
Investigations of foodborne disease incident (two or more people)	267	226	308
Labelling Compliance Surveillance Program investigations	287	218 ³	253 ³
Labelling Compliance Surveillance Program investigations resulting in enforcement action	38	45	20
Investigations of unlicensed businesses (resulting in enforcement action)	213	203	162
Written warnings	46	76	33
Improvement notices	186	177	352
Penalty notices	158 ⁴	68 ⁵	91
Prohibition orders	9	14	15
Product seizures	5	2	3
Licence cancellations	0	0	0
Use of emergency orders	0	0	0
Prosecutions (finalised after hearing or plea of guilty)	13 ⁶	5	0
Company instigated food recalls (nationwide)	76	79	92
Company instigated food recalls (NSW companies)	26	20	25
Shellfish harvest area closures	668	589	501

¹Includes COVID-19 inspections of retail food businesses

²Includes COVID-19 inspections of retail food businesses

³Majority of the labelling issues relates to allergic reaction to an undeclared ingredient

⁴Includes 45 penalty notices issued under the *Public Health Act 2010* (COVID-19)

⁵Includes 3 penalty notices issued for breaches of the *Public Health Act 2010* (COVID-19)

⁶Includes prosecutions under the *Public Health Act 2010* (court elected penalty notices)

Compliance and enforcement

2022–23 summary of product seizures

Commodity	Estimated quantity	Reasons for seizure
Meat products		
Meat carcasses	20 units	Evidence of offence under Section 104 of the <i>Food Act 2003</i> including operating an abattoir without a licence.
Ready to eat meats	603.41 kgs	Operating a food business without having a licence and the required food control measures in place.
Other products		
Confectionary	19.5 kgs	Food packaging doesn't comply with provisions of the <i>Food Act 2003</i> .

2022–23 Licence numbers

Business activities	No. of licensed facilities 2022–23
Meat	
Abattoir -poultry	17
Abattoir -poultry & poultry primary production	11
Abattoir -poultry & red meat	2
Abattoir -red meat	27
Animal food field depot	41
Animal food field harvesting	24
Animal food processing and rendering plant	1
Animal food processing plants	31
Game meat field depot	93
Game meat field harvesting	710
Game meat primary processing plants	8
Knackery	6
Meat processing plants	367
Meat retail	1,347
Rendering	7
Poultry primary production	267
Dairy	
Dairy primary production	463
Dairy primary production and processing plants	14

Table continues over page

Compliance and enforcement

2022–23 Licence numbers (cont.)	
Dairy (cont.)	
Dairy processing plants	166
Food storage not requiring temp control (dairy)	25
Farm milk collectors (raw milk transport)	150
Egg	
Egg & poultry primary production	38
Egg grading facilities	7
Egg primary production	219
Egg Processing plants	8
Vulnerable Persons	
Food service to vulnerable persons	1,212
Shellfish	
Oyster farmers	190
Oyster farmers & seafood processing	29
Shellfish wild harvest	40
Plant Products	
Plant Product processing plants	51
Seafood	
Seafood processing plants	127
Handling wild caught seafood	790
Multi permissioned businesses¹	
Cold food storage (meat, dairy, seafood, plant and/or egg products)	522
Poultry & dairy primary production	2
Food transport vehicles (meat, dairy, seafood, plant and/or egg products)	7,570
Food processing facilities	88
TOTAL number of licensed facilities	14,670

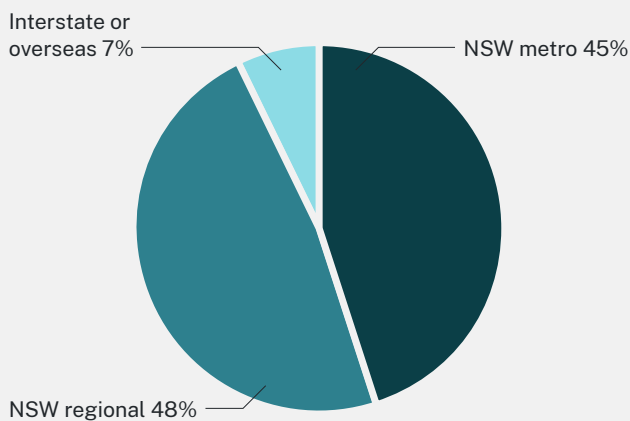
¹Multi permissioned businesses that carry out 2 or more processing activities that include, meat, seafood, dairy, plant and/or egg processing

Working with our customers and stakeholders

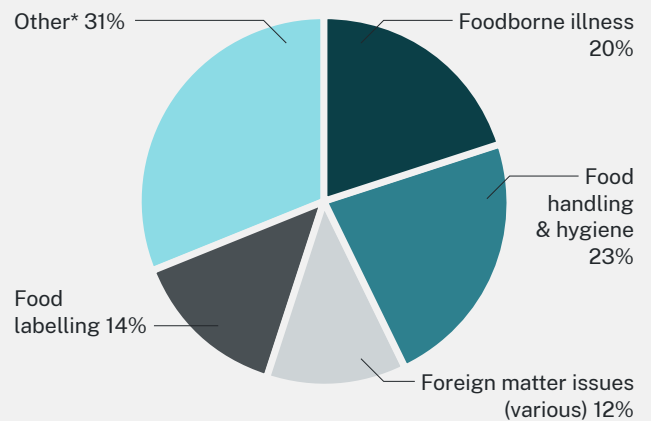
NSW Food Authority customer engagement

The NSW Food Authority assisted over 3 million customer requests for advice and to report food safety complaints through the consumer and industry helpline, website and social media channels. The helpline resolved 92% of requests received that were potentially resolvable by helpline staff without referral during the first contact.

Geographic origin of calls to the helpline



Food complaints investigated by the NSW Food Authority



*Other - includes food quality, food regulations, illegal operation, product composition, unsafe and unsuitable product and fees and service.

2,666 of all calls, emails and online forms received were food complaints investigated by the Food Authority. An additional 1,379 food complaints about retail outlets were received and referred to the relevant local council.

Customer channel	
Helpline	13,945 calls, emails, online forms
Website	1,391,945 unique visits / 7,030,230 page views
facebook	1,679,568 total reach / 2,781,160 impressions
X (twitter)	1,677 engagements / 27,707 impressions

Working with our customers and stakeholders

Food Handler Basics training

The NSW Food Authority launched free online training for food handlers on 31 May 2023. 1,795 certificates were issued to participants in the first month to 30 June 2023. Food Handler Basics is voluntary and helps businesses meet their training obligations under Standard 3.2.2A of the Food Standards Code. The interactive short course is open to everyone and covers basic food handler knowledge requirements.

Educational and technical guidance materials

The Food Authority continued to produce, update and disseminate educational and technical guidance publications and videos to assist compliance in the retail and manufacturing sectors.

A range of online interactive resources for food businesses were also developed and published during the 2022-2023 financial year. With new food safety requirements soon coming into effect, these online resources were designed to help affected businesses understand the changes, and how to implement them within their business.

The Food Authority organised community language translations of many publications for food businesses and consumers. This included working with NSW Health and Multicultural Health NSW to identify the need for additional translations to be added to our resource library.

2023 Sydney Royal Easter Show

Held over 12 days, from 6–17 April 2023, the Sydney Royal Easter Show provided the Food Authority with an opportunity to engage with thousands of stakeholders to educate them on the importance of food safety in the home.

Over the last few years of living with COVID and learning about the importance of hand hygiene, the successful 'Hand Washing' exhibit from 2015

was reactivated where visitors were challenged to demonstrate how effective their hand washing skills really were.

The interactive and educational activity in the AgDiscovery pavilion was designed to teach kids (and adults) about proper hand washing technique in a fun and engaging way; and promote the message that washing hands correctly is the simplest and yet the most effective means of reducing the risk of food poisoning.

Rubbing Glitter Bug potion (glow) over their hands and then attempting to wash it off and dry their hands, visitors were surprised to learn the areas they neglected to cover when revealed under a UV light, and the areas they didn't wash properly, such as their fingernails.

Expert Food Authority staff greeted visitors on entry to walk them through the process, provided food safety advice and armed all visitors to the stand with information to take away to educate their family and friends. This included fridge thermometers to test the temperature of their fridge at home, an insulated cooler bag with the Golden Rules of Food Safety message – *keep it hot, keep it cold, keep it clean, check the label* prominently displayed on the front and a FSI: Food Safety Investigation activity book for children to take home to complete, and included an opportunity to rate the cleanliness and safety of their own kitchen at home.

Captioned videos on understanding date markings, food preparation and storage and the golden rules of food safety ran on a loop continuously while on the stand.

As in previous years, the hand washing activity continued to impress with an estimated 50,000 people visiting the stand - many of them putting their hand washing skills to the UV test, with all walking away either confident with their good hand hygiene habits, or the knowledge on how to improve them.

Working with our customers and stakeholders

Lunch box survey

The large and engaging crowds at the Easter Show provided the opportunity to launch a Lunch Box survey as part of our stand activity.

Food safety is of particular importance for children because they can be more susceptible to food poisoning. Keeping food cool at school is key to reducing the risk of them getting sick.

It had been over 10 years since the Food Authority last did an experiment to see how safe school lunches are, and with many new food and food storage options now available, it was time to do it again.

Visitors to our stand at the Easter Show were invited to answer a few simple questions in an online anonymous survey about what kids take to school for lunch, and how it's stored. The survey was also promoted on social media and through other channels and organisations.

The survey closed on 30 June 2023 and received 2,425 responses.

Food scientists at the Food Authority are now using this data to run an experiment to test how warm these lunches get and will send the samples to the lab for testing. The results will inform the development of an educational campaign to be delivered in the next financial year.

FOOD TESTING AND SURVEYS

The NSW Food Authority regularly conducts testing of food products to ensure compliance with regulatory requirements, gather information to identify and respond to food safety issues and complaints, and as part of foodborne illness investigations. Appropriate actions were carried out to rectify any issues identified. From 1 July 2022 to 30 June 2023, 3,059 samples were submitted for testing.

	2020-21 [^]	2021-22 [^]	2022-23 [*]
Verification programs	350	159	520
Research including targeted surveys	464	536	784
Food Safety Compliance	2,098	2,330	1,755
Contribution to National food surveys ^{**}	25	41	1,293
Total	2,937	3,066	4,352

[^] The number of samples in these financial years was lower than previous years due to the restriction of movement caused by the COVID-19 pandemic.

^{*} Sample numbers were higher this financial year due to the participation in the Food Standards Australia New Zealand led Antimicrobial Resistance (AMR) bacteria in food survey, for which NSW was asked to collect about 1,300 samples for analysis.

^{**} Contribution to National food surveys included surveys on: AMR, Patulin in Apple products, Pyrrolizidine Alkaloids (PAs) in honey, Enoki mushrooms.

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

SE mandatory testing

In June 2022, the Biosecurity (SE) Control Order, due to expire on 30 June 2022, was extended until 30 June 2024. The NSW Food Authority continues to fund the cost of mandatory testing under the Control Order for samples submitted to EMAI and Birling Avian Laboratories. A total of 284 samples were tested at these laboratories in 2022-2023. SE was not detected in any of the samples.

Legislative changes and reduced regulatory burden

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

Staged Repeal of the Food Regulation 2015

The current Food Regulation 2015 has legal effect until 1 September 2024.

It is proposed to progress with re-making Food Regulation 2015 over the 2023–2024 financial year, with a view of a new regulation gazetted before 1 September 2024.

Participation in the Australian Meat Regulators Working Group (AMRG)

NSW operated as the Secretariat of the Australian Meat Regulators Group for the 2022-2023 financial year. Key Issues dealt over the 2022-2023 reporting period included:

- Finalisation and publication of Australian Standard 4696:2023 Hygienic production and transportation of meat and meat products for human consumption. This document was formally published by Standards Australia on 31 March 2023.
- Finalisation of amended operating procedures in the National Livestock Identification System (NLIS) for *Cysticercus Bovis* in cattle and buffalo.

Participation in the national agenda

The food regulation system features all Australian jurisdictions and New Zealand collaborating to implement consistent food standards, policies and food regulation approaches.

The system has two broad elements. The first establishes uniform food standards and laws through delegated arrangements to maintain, amend and agree uniform food standards and policy, maintain consistency with international food standards and policy, and commitments by each jurisdiction to enact uniform model food laws. The second uses each jurisdiction's regulatory systems to implement food standards and laws consistently and interact with other food safety facing regulatory systems within that jurisdiction, which includes health, biosecurity and local government.

In NSW, the Food Authority and NSW Health both engage with the first element and the Food Authority administers and delivers the second engaging across NSW government agencies as needed.

During 2022–2023, the Food Authority collaborated with NSW Health to support the food regulation system through continued contribution to the work of the Food Regulation Standing Committee and supporting participation by the Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales, and NSW Minister for Health, in the Australia and New Zealand Food Ministers Meeting.

Current Food Regulation System priorities

The Ministerial group which decides national food policy and whether a food standard becomes law operates as the Food Ministers' Meeting. Members bring a whole-of-government view.

In May 2017, Ministers identified three priority areas for 2017–2021 to further strengthen the food regulation system. Throughout 2022–2023 the NSW Food Authority continued to work towards the three priority areas identified:

Priority 1: Reduce foodborne illness, particularly related to *Campylobacter* and *Salmonella*, with a nationally consistent approach.

Participation in the national agenda

Priority 2: Support the public health objectives to reduce chronic disease related to overweight and obesity. This will include evaluating the effectiveness of existing initiatives and identify potential new initiatives, such as how the food regulation system can facilitate healthy food choices and positively influence the food environment.

Priority 3: Maintain a strong, robust and agile food regulation system that gives confidence to consumers that their food is safe, and that the system can manage new and innovative industry approaches. Work under this priority seeks to modernise the food regulation system, and, via a concurrent Australian Government review of the *Food Standards Australia New Zealand Act 1991*, modernise arrangements to maintain the Australia New Zealand Food Standards Code.

During 2022–2023, progress was made on a number of activities that shape the implementation of these priority areas. The NSW Food Authority also played a key role in coordinating NSW input and influencing national policy to enhance the food industry’s reputation as producers of safe and sustainable food.

These activities included:

Proposal 1057 – Review of the kava standard

Ministers were provided with the approval report for the review of the kava standard in March 2023. This report sought to affirm the decision of the FSANZ Board on urgent Proposal 1057 to prohibit the use of food additives and processing aids in kava as food as to restrict the varieties of kava that may be sold as food to Noble varieties only. Ministers did not request a review which affirmed the existing decision of the FSANZ Board. New Zealand will not amend the amended kava standard on cultural grounds.

Proposal 1052 – Primary Production and Processing Standards for berries, melons and leafy vegetables

Ministers considered 3 new Primary Production and Processing Standards for the berry, leafy vegetable and melon sectors at their August 2022

Food Ministers meeting. Ministers did not request a review of any of the 3 standards, which will come into effect in February 2025.

NSW will continue to lead the national Implementation Subcommittee for Food Regulation (ISFR) Horticulture Implementation Working Group as it develops national tools to facilitate the consistent implementation of the 3 new Primary Production and Processing Standards for berries, leafy vegetables and melons.

Proposal 1030 – Composition and labelling of electrolyte drinks

In 2014, FSANZ prepared Proposal P1030 – Composition and Labelling of Electrolyte Drinks to assess whether formulated supplementary sports foods (FSSF), electrolyte drinks and electrolyte drink bases should be permitted to carry health claims consistent with their intended purpose related to strenuous physical activity. The Proposal’s approach was revised in 2021 to reflect stakeholder submissions and concerns around proposed changes.

Ministers considered the approval report for Proposal 1030 at their August 2022 meeting and did not request a review. A 24-month transition period applies to the changes that supports product innovation for the electrolyte drinks category, enabling consumers to make informed choices. The amendments also reflect current public health policy to reduce the amount of sugar contained in sugar sweetened beverages.

Proposal 1053 – Food Safety Management Tools

Proposal 1053 food safety management tools (Standard 3.2.2A) was gazetted in December 2022 with a 12-month implementation timeline. This proposal introduced Food Safety Supervisors (FSS), non-certified food-handler training and evidence keeping provisions to most retail food service businesses. FSS has been in place in NSW since 2010 with the national approach modelled on the NSW system.

NSW continues to be active in the national ISFR working group that is developing implementation

Participation in the national agenda

tools to facilitate consistent implementation of the new food safety arrangements in the retail food service sector.

Standards finalised over 2022–2023

Draft standards finalised and gazetted into the Australia New Zealand Food Standards Code during the 2022–2023 Financial Year included:

- Application 1232: Food derived from drought-tolerant and herbicide-tolerant wheat line IND-00412-7
- Application 1233: 2'-FL from a new GM source for infant formula
- Proposal 1030: Composition and labelling of electrolyte drinks
- Proposal 1052: Primary Production and Processing Requirements for Horticulture (Berries, Leafy vegetables, Melons)
- Application 1215: Cetylpyridinium chloride as a processing aid
- M1019: Review of Schedule 22 Foods and Classes of Foods (2021)
- M 1018 (Maximum Residue Limits 2020)
- Application 1238: Serine endopeptidase enzyme from GM *Trichoderma reesei* (variation)
- Application 1244: Chymosin from GM *Trichoderma reesei* as a processing aid (variation)
- Application 1239: Food derived from EPA and DHA producing and herbicide-tolerant canola line LBFLFK
- Application 1240: Polygalacturonase from GM *Aspergillus oryzae* as a processing aid
- Application 1241: Pectinesterase from GM *Aspergillus oryzae* as a processing aid
- Application 1246: Phospholipase A1 from GM *Aspergillus oryzae*
- Application 1248: Glucoamylase from GM *Aspergillus niger* (gene donor: *Gloephyllium trabeum*) as a processing aid
- Proposal 1053: Food Safety Management Tools
- Application 1219: Alpha-amylase from GM *Bacillus licheniformis* as a processing aid
- Application 1249: Addition of phytosterols, phytosterols or their esters as a novel food to plant-based milk alternatives
- Application 1220: Beta-amylase from GM *Bacillus licheniformis* as a processing aid
- Application 1221: Phospholipase A1 from GM *Aspergillus niger* as a processing aid
- Application 1224: Glucose oxidase from *Penicillium rubens* as a processing aid
- Application 1251: 2'FL combined with galacto-oligosaccharides and/or inulin-type fructans in infant formula products
- Application 1252: Glucoamylase from GM *Aspergillus niger* (gene donor: *Penicillium oxalicum*) as a processing aid) variation
- Application 1253: Bovine Lactoferrin in Infant Formula Products (Variation)
- Application 1256: Colour of pregnancy warning labels for corrugated cardboard packaging
- Application 1255: Alpha-amylase from GM *Bacillus subtilis* as a processing aid

Management and Accountability

4

Human resources

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

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

The NSW Food Authority has a *Resources Agreement* with the Department of Regional NSW to deliver its functions.

Employee-related information on staff who provide services to the NSW Food Authority is included in the Department of Regional NSW *Annual Report 2022-2023* for the period 1 July 2022 – 30 June 2023. This information is accessible from the [OpenGov NSW website](#).

Privacy management

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

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

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

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

More information on Privacy Management for the period 1 July 2022 – 30 June 2023 appears in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Consultants

No consultants were engaged by the NSW Food Authority in 2022-23 for a total cost of \$0.

Risk Management and Insurance Activities

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

Risk management and all other insurance activities for the NSW Food Authority for the period 1 July 2022 – 30 June 2023 appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Public Interest Disclosures

Public Interest Disclosures (PIDs) for the NSW Food Authority are managed centrally and for the period 1 July 2022 – 30 June 2023, appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Overseas Travel

Information relating to overseas travel undertaken to promote investment in NSW and progress key business and research programs with global food safety partners for the period 1 July 2022 – 30 June 2023, appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Annual Report production

There was no external cost for the production of the NSW Food Authority Annual Report 2022–2023. No hard copies were printed. This report is available for download from foodauthority.nsw.gov.au.

Formal access requests

GIPA (Government Information Public Access) applications for the NSW Food Authority are managed centrally and for the period 1 July 2022 – 30 June 2023, appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

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

Cyber Security attestation

Food Authority



16 October 2023

Cyber Security Annual Attestation Statement for the 2022-2023 Financial Year for the NSW Food Authority

I, Lisa Szabo, am of the opinion that the NSW Food Authority, a statutory authority within the Department of Regional NSW (for the period 1 July 2022 to 30 June 2023), have managed cyber security risks consistently with the Mandatory Requirements outlined in the NSW Government Cyber Security Policy.

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

The assessment and management of risks to the information and systems of NSW Food Authority are being well managed.

A current cyber security incident response plan is in place for NSW Food Authority which has been tested during the reporting period.

DRNSW and the supported entities covering NSW Food Authority have an Information Security Management System (ISMS) in place.

The Department of Planning and Environment (DPE) provides DRNSW and the supported entities with their ICT environment through a Service Partnership Agreement. DPE bears responsibility for the technical aspects of cybersecurity on behalf of DRNSW and the supported entities.

DPE has maintained certification with ISO27001 Information Technology - Security Techniques - Information Security Management Systems - Requirements. This certification was provided by an Accredited Third Party (BSI) during the 2022/2023 financial year (Certificate Number is IS 645082).

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

Yours sincerely

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

Dr Lisa Szabo
Chief Executive Officer
NSW Food Authority

Internal Audit and Risk Management attestation

Food Authority



Director
Financial Management and Accounting Policy
NSW Treasury
PO Box 5469
SYDNEY NSW 2001
Email: finpol@treasury.nsw.gov.au

16 October 2023

**Re: Internal Audit and Risk Management Policy Attestation Statement
for the 2022-2023 Financial Year for NSW Food Authority**

Dear Sir/Madam,

Please find enclosed the abovementioned statement attesting compliance with TPP 20-08:
Internal Audit and Risk Management Policy for the General Government Sector.

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

Sincerely

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

Lisa Szabo
Chief Executive Officer
NSW Food Authority

encl

Internal Audit and Risk Management Attestation Statement
2022-2023 Financial Year
NSW Food Authority

I, Lisa Szabo, Chief Executive Officer, NSW Food Authority, am of the opinion that the NSW Food Authority has internal audit and risk management processes in operation that are, excluding any exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	Compliant, Non-Compliant, or In Transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the Agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the Agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Audit and Risk Committee – Membership

The independent chair and members of the Audit and Risk Committee are:

- **Chair** – Ms Julie Elliott; Start: 1 November 2020 -Finish 30 October 2023
- **Member** – Mrs Kerry Adby; Start: 1 November 2020 -Finish 30 October 2023
- **Member** – Mr Gary Humphreys; Start: 1 November 2020 -Finish 30 October 2023

Shared Arrangements

I, Lisa Szabo, Chief Executive Officer, NSW Food Authority, advise that NSW Food Authority has entered into an approved shared arrangement with the following agencies:

- Department of Regional NSW –Principal Department
- Rural Assistance Authority
- Regional Growth (NSW) Development Corporation
- Northern Rivers Reconstruction Corporation

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit function. The shared Audit and Risk Committee is a Principal Department Led Shared Audit and Risk Committee.



Lisa Szabo
Chief Executive Officer
NSW Food Authority

Sustainability



Workforce diversity

Information relating to workforce diversity initiatives for the period 1 July 2022–30 June 2023 appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Work health and safety

Information relating to work health and safety for the period 1 July 2022–30 June 2023 appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Modern Slavery Act 2018 (NSW)

Information relating to the *Modern Slavery Act 2018 (NSW)* for the period 1 July 2022–30 June 2023 appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

Disability Inclusion Action Plans

Information relating to Disability Inclusion Action Plans for the period 1 July 2022–30 June 2023 appear in the Department of Regional NSW *Annual Report 2022-2023*. This information is accessible from the [OpenGov NSW website](#).

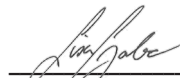
Financial Performance



NSW Food Authority
Statement by the Director Food Safety & CEO NSW Food Authority
for the year ended 30 June 2023

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

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



Lisa Szabo
Director Food Safety & CEO NSW Food Authority

Date: 26 September 2023



INDEPENDENT AUDITOR'S REPORT

NSW Food Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Food Authority (the Authority), which comprise the Statement by the Director Food Safety & CEO NSW Food Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Chief Executive Officer's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 September 2023
SYDNEY

**NSW FOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Expenses excluding losses				
Employee related expenses		-	2	-
Operating expenses	2(a)	14,457	19,319	16,057
Depreciation and amortisation	2(b)	778	927	768
Grants and subsidies	2(c)	684	604	588
Total expenses excluding losses		15,919	20,852	17,413
Revenue				
Industry levies and license fees	3(a)	7,796	8,521	7,973
Grants and contributions	3(b)	7,637	9,673	9,714
Investment revenue	3(c)	175	431	10
Miscellaneous income and fees for services	3(d)	1,730	2,228	1,407
Total revenue		17,338	20,853	19,104
Gains / (losses) on disposals	4	(28)	-	-
Impairment losses on receivables	6	(141)	-	(257)
Net Result		1,250	1	1,434
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment	7	2,732	-	375
Total other comprehensive income		2,732	-	375
TOTAL COMPREHENSIVE INCOME		3,982	1	1,809

The accompanying notes form part of these financial statements.

**NSW FOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	5	13,413	11,941	11,561
Receivables	6	1,807	1,111	2,001
Total Current Assets		15,220	13,052	13,562
Non-Current Assets				
Property, plant and equipment				
Land and buildings		11,674	8,393	8,867
Plant and equipment		490	273	94
Total property, plant and equipment	7	12,164	8,666	8,961
Intangible assets	8	3,909	4,180	3,964
Total Non-Current Assets		16,073	12,846	12,925
Total Assets		31,293	25,898	26,487
LIABILITIES				
Current Liabilities				
Payables	10	5,261	5,053	4,437
Total Current Liabilities		5,261	5,053	4,437
Total Liabilities		5,261	5,053	4,437
Net Assets		26,032	20,845	22,050
EQUITY				
Accumulated funds		18,757	16,404	17,507
Reserves		7,275	4,441	4,543
Total Equity		26,032	20,845	22,050

The accompanying notes form part of these financial statements.

**NSW FOOD AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Accumulated Funds \$000	Asset Revaluation Reserve \$000	Total \$000
Balance at 1 July 2022		17,507	4,543	22,050
Net result for the year		1,250	-	1,250
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	7	-	2,732	2,732
Total other comprehensive income for the year		-	2,732	2,732
Total comprehensive income for the year		1,250	2,732	3,982
Balance at 30 June 2023		18,757	7,275	26,032
Balance at 1 July 2021		16,073	4,168	20,241
Net result for the year		1,434	-	1,434
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	7	-	375	375
Total other comprehensive income for the year		-	375	375
Total comprehensive income for the year		1,434	375	1,809
Balance at 30 June 2022		17,507	4,543	22,050

The accompanying notes form part of these financial statements.

**NSW FOOD AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		-	(2)	-
Payments to suppliers		(14,004)	(19,191)	(16,332)
Grants and subsidies		(684)	(604)	(588)
Total Payments		(14,688)	(19,797)	(16,920)
Receipts				
Industry levies, licenses and other		9,950	8,579	9,554
Sale of goods and services		-	2,228	-
Grants and contributions received		7,637	9,673	9,714
Interest received		175	431	10
Total Receipts		17,762	20,911	19,278
NET CASH FLOWS FROM OPERATING ACTIVITIES	11	3,074	1,114	2,358
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for property, plant and equipment	7	(383)	(200)	-
Payment for intangible assets	8	(839)	(900)	(893)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,222)	(1,100)	(893)
NET INCREASE/(DECREASE) IN CASH				
Opening cash and cash equivalents		11,561	11,927	10,096
CLOSING CASH AND CASH EQUIVALENTS	5	13,413	11,941	11,561

The accompanying notes form part of these financial statements.

**NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting entity**

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

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Director Food Safety & CEO NSW Food Authority on the date on which the accompanying statement by the Director Food Safety & CEO NSW Food Authority was signed.

(b) Deemed appropriation

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

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

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

(c) Basis of preparation

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

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

Property, plant and equipment and financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

(d) Going Concern

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

(e) Statement of compliance

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

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

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

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

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

(g) Comparative Information

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

The budget amounts in the statement of comprehensive income and statement of financial position are full year original budget presented to Parliament in respect of the reporting period.

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

i) Effective for the first time in FY2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the new or revised Australian Accounting Standard that has been applied for the first time in 2022-23.

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date*
- AASB 2021-7a *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- AASB 2022-3 *Amendments to Australian Accounting Standards - Illustrative Examples to Not-for-Profit Entities accompanying AASB 15*

The adoption of the above revised Australian Accounting Standards has not had any significant impact on NSW Food Authority.

ii) Issued but not effective

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

The following new Australian Accounting standards have not been applied and are not yet effective:

- AASB 17 *Insurance Contracts*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related Assets and Liabilities arising from a single transaction.*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial application of AASB 17 and AASB 9 - Comparative Information*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

(i) Impact of COVID-19 on financial reporting

The Authority assessed the impact of COVID-19 on its financial position as at 30 June 2023. There were no operational impacts observed.

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. EXPENSES EXCLUDING LOSSES

	2023	2022
	\$000	\$000
(a) Operating expenses include the following:		
Audit Fees	106	103
Consultants	-	72
Contract laboratory services	347	219
Fee for service - Resources Agreement - DRNSW	1,821	1,610
Fee for staffing resources - Resources Agreement - DRNSW	10,756	12,779
Legal Fees	27	36
Other operating expenses	162	280
Professional Services	932	625
Travel & Accommodation	306	333
	<u>14,457</u>	<u>16,057</u>

Recognition and Measurement

Fee expense

In accordance with the Biosecurity and Food Safety Resources Agreement (RA) for financial year 2022-23, the Authority reimburses the Department of Regional NSW (the Department) for staff and operating expenses incurred by the Department on behalf of the Authority, refer to note 18 for more information.

Maintenance

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

(b) Depreciation and Amortisation Expense

Depreciation		
Buildings	156	146
Plant and equipment	39	61
Total Depreciation	<u>195</u>	<u>207</u>
Amortisation		
Intangibles	583	561
Total Amortisation	<u>583</u>	<u>561</u>
Total Depreciation and Amortisation Expense	<u>778</u>	<u>768</u>

Refer to note 8 and 9 for recognition and measurement policies on depreciation and amortisation

(c) Grant and Subsidies

Grants Paid		
Non-government organisations	592	588
Other state government agencies	92	-
	<u>684</u>	<u>588</u>

Recognition and Measurement

Grants and subsidies

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. REVENUE

	2023	2022
	\$000	\$000
(a) Industry levies and license fees		
Industry Levies	1,044	1,036
License Fees	6,752	6,937
	<u>7,796</u>	<u>7,973</u>

Recognition and Measurement

Levies, licenses and fines

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

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

Levies and licenses revenue

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

Infringement charges and fines

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

	2023	2022
	\$000	\$000
(b) Grants and contributions		
Grants without sufficiently specific performance obligations.	7,637	9,714
	<u>7,637</u>	<u>9,714</u>

Recognition and Measurement

Contributions and grants from Government and other bodies

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

	2023	2022
	\$000	\$000
(c) Investment revenue		
Interest revenue	175	10
	<u>175</u>	<u>10</u>

Recognition and Measurement

Interest revenue

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

	2023	2022
	\$000	\$000
(d) Miscellaneous income and fees for services		
Audit and inspection fees	1,340	887
Infringement charges and fines	157	251
Other income	233	269
	<u>1,730</u>	<u>1,407</u>

4. Gains / (Losses) - Disposal of assets

	2023	2022
	\$000	\$000
Gain / (Loss) on disposal of Property, plant and equipment	(13)	-
Gain / (Loss) on disposal of Intangible Assets	(15)	-
	<u>(28)</u>	<u>-</u>

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2023	2022
	\$000	\$000
Cash at bank and on hand	13,413	11,561
	13,413	11,561

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

Cash and cash equivalents (per statement of financial position)	13,413	11,561
	13,413	11,561

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

6. CURRENT ASSETS - RECEIVABLES

	2023	2022
	\$000	\$000
CURRENT		
Receivables	2,257	2,310
Allowance for expected credit losses	(450)	(309)
	1,807	2,001
Movement in the allowance for expected credit loss		
Balance at 1 July	309	309
Increase/(decrease) in allowance recognised in net results	141	-
Balance at 30 June 2023	450	309

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

Recognition and Measurement

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

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

Subsequent measurement

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

Impairment

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

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
At 1 July 2022 - fair value			
Gross carrying amount	13,474	1,134	14,608
Accumulated depreciation and impairment	(4,607)	(1,040)	(5,647)
Net carrying amount	<u>8,867</u>	<u>94</u>	<u>8,961</u>
At 30 June 2023 - fair value			
Gross carrying amount	16,878	1,323	18,201
Accumulated depreciation and impairment	(5,204)	(833)	(6,037)
Net carrying amount	<u>11,674</u>	<u>490</u>	<u>12,164</u>

Reconciliation

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
Year ended 30 June 2023			
Net carrying amount at beginning of year	8,867	94	8,961
Additions	-	383	383
Disposals	-	(13)	(13)
Asset reclassification transfer from intangibles	231	65	296
Net revaluation increments/(decrements)	2,732	-	2,732
Depreciation expense	(156)	(39)	(195)
Net carrying amount at end of year	<u>11,674</u>	<u>490</u>	<u>12,164</u>

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
At 1 July 2021 - fair value			
Gross carrying amount	12,799	1,134	13,933
Accumulated depreciation and impairment	(4,161)	(979)	(5,140)
Net carrying amount	<u>8,638</u>	<u>155</u>	<u>8,793</u>

At 30 June 2022 - fair value

Gross carrying amount	13,474	1,134	14,608
Accumulated depreciation and impairment	(4,607)	(1,040)	(5,647)
Net carrying amount	<u>8,867</u>	<u>94</u>	<u>8,961</u>

Reconciliation

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
Year ended 30 June 2022			
Net carrying amount at beginning of year	8,638	155	8,793
Net revaluation increments/(decrements)	375	-	375
Depreciation expense	(146)	(61)	(207)
Net carrying amount at end of year	<u>8,867</u>	<u>94</u>	<u>8,961</u>

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Recognition and Measurement

Acquisition of property, plant and equipment

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

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

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

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

Capitalisation thresholds

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

Depreciation of property, plant and equipment

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

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

Land is not a depreciable asset.

The depreciation rates the Authority uses are:

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

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "*Valuation of Physical Non-Current Assets at Fair Value*" Policy and Guidelines Paper (TPP 21 09). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Recognition and Measurement (continued)

Revaluation of property, plant and equipment (continue)

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

Revaluations are done with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Authority conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. In February 2023, Australis, professionally qualified external valuer, completed a comprehensive valuation of land. The last comprehensive revaluation of buildings was completed in 2019-20 financial year by Colliers International.

Interim revaluations are also conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. Australis, professionally qualified external valuer, completed a comprehensive interim valuation of buildings during the 2022-23 financial year.

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

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

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

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

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

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

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

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

Impairment of property, plant and equipment

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

The Authority assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. INTANGIBLE ASSETS

	Total \$'000
Intangible Assets - Software	
At 1 July 2022	
Cost (gross carrying amount)	7,910
Accumulated amortisation and impairment	<u>(3,946)</u>
Net Carrying amount	<u>3,964</u>
At 30 June 2023	
Cost (gross carrying amount)	8,007
Accumulated amortisation and impairment	<u>(4,098)</u>
Net carrying amount at end of year	<u>3,909</u>
Year ended 30 June 2023	
Net carrying amount at beginning of year	3,964
Purchase of assets	839
Asset transfer to property, plant and equipment	(296)
Disposals	(15)
Amortisation (recognised in 'depreciation and amortisation')	<u>(583)</u>
Net carrying amount at end of period	<u>3,909</u>
At 1 July 2021	
Cost (gross carrying amount)	7,017
Accumulated amortisation and impairment	<u>(3,385)</u>
Net Carrying amount	<u>3,632</u>
At 30 June 2022	
Cost (gross carrying amount)	7,910
Accumulated amortisation and impairment	<u>(3,946)</u>
Net Carrying amount	<u>3,964</u>
Year ended 30 June 2022	
Net carrying amount at beginning of year	3,632
Purchase of assets	893
Amortisation (recognised in 'depreciation and amortisation')	<u>(561)</u>
Net carrying amount at end of period	<u>3,964</u>

Recognition and Measurement

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

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

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

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

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value measurement and hierarchy

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

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

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

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

(a) Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 June 2023				
Property, plant and equipment (Note 7)				
Land and buildings	-	-	11,674	11,674
	-	-	11,674	11,674
At 30 June 2022				
Property, plant and equipment (Note 7)				
Land and buildings	-	-	8,867	8,867
	-	-	8,867	8,867

(b) Valuation techniques, inputs and processes

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

10. CURRENT LIABILITIES

	2023 \$000	2022 \$000
Payables		
Creditors - trade & accruals	3,856	3,145
Unearned income		
Unearned income	1,405	1,292
	5,261	4,437

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

**NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

	2023	2022
	\$000	\$000
Net cash flows from operating activities	3,074	2,358
Depreciation and amortisation	(778)	(768)
Gain/(loss) on disposal of Assets	(28)	-
Movement in allowance for impairment	(141)	(248)
Increase/(Decrease) in Receivables	(53)	225
Decrease/(Increase) in Payables	(824)	(133)
Net Result for the year	1,250	1,434

12. COMMITMENTS

The Authority is unaware of any capital commitments as at 30 June 2023 (2022: Nil).

13. BUDGET REVIEW

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

Net result

Net result budgeted for the year 2022-23 was a surplus of \$1,000. Actual net result for the year was a surplus of \$1,250,000. The favourable variance for the year of \$1,249,000 is consistent with the changes in food safety activities affected by various emergency responses coordinated by the Department with staff redirected to emergency responses and related activities which led to lower operating expenses during the year.

Assets and Liabilities

Cash and cash equivalents are higher than budgeted at year end mainly due to timing of payment of accounts payables and lower operating expenses. Increase in actual total current assets was mainly attributable to revaluation surplus of property, plant and equipment and net result surplus for the year.

Cash flows

Payments to suppliers were lower than budget mainly due to lower operating expenses for the year attributable to changes in food safety activities affected by various emergency responses coordinated by the Department with staff redirected to emergency responses and related activities.

**NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Authority has no contingent assets or contingent liabilities at 30 June 2023 (2022: Nil).

15. STATE OUTCOMES

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

16. RELATED PARTY DISCLOSURES

During the period, the Authority incurred \$275,806 (30 June 2022: \$288,814) in respect of the key management personnel services that were provided by the Department.

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

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

Following are the list of NSW Government entities with whom the Authority had collectively, but not individually, significant transactions during financial year 2022-2023.

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

17. FINANCIAL INSTRUMENTS

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

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

The Authority's Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee.

(a) Financial Instrument Categories

Class	Note	Category	Carrying Amount	
			2023 \$000	2022 \$000
Financial Assets				
Cash and cash equivalents	5	Amortised cost	13,413	11,561
Receivables ¹	6	Amortised cost	1,807	2,001
Financial Liabilities				
Payables ²	10	Financial liabilities measured at amortised cost	3,828	3,143

Notes

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

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

**NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

17. FINANCIAL INSTRUMENTS (continued)

(b) Derecognition of financial assets and financial liabilities

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

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

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

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

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

(c) Offsetting financial instruments

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

(d) Financial Risk

(i) Credit Risk

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

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

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

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

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions and the *Food Act 2003* are followed to recover outstanding amounts, including letters of demand.

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

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

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. FINANCIAL INSTRUMENTS (continued)

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

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

The loss allowance for trade receivables as at 30 June 2023 and 30 June 2022 and was determined as follows:

	Current	<30 days	30 June 2023			Total
			30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	1%	3%	10%	13%	100%	
Estimated total gross carrying amount (\$ 000)	914	461	28	29	420	1,852
Expected credit loss (\$ 000)	(10)	(13)	(3)	(4)	(420)	(450)

	Current	<30 days	30 June 2022			Total
			30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	1%	3%	4%	1%	93%	
Estimated total gross carrying amount (\$ 000)	728	552	78	135	305	1,798
Expected credit loss (\$ 000)	(7)	(14)	(3)	(1)	(284)	(309)

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

The Authority is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2023 and 30 June 2022.

(ii) Liquidity risk

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

During the current and prior year, the Authority had no loans or drawdowns on its overdraft facility. 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.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced.

NSW FOOD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. FINANCIAL INSTRUMENTS (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-interest bearing \$000	< 1 year \$000	1 to 5 years \$000	> 5 years \$000
2023								
<i>Payables</i>	-	3,828	-	-	3,828	3,828	-	-
		3,828	-	-	3,828	3,828	-	-
2022								
<i>Payables</i>	-	3,143	-	-	3,143	3,143	-	-
		3,143	-	-	3,143	3,143	-	-

(iii) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the year end. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

Interest rate risk

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

	Carrying Amount Net Result		Equity Net Result		Equity \$000
	\$000	\$000	\$000	\$000	
		-1%		+1%	
2023					
Financial Assets					
Cash and cash equivalents	13,413	(134)	(134)	134	134
Receivables	1,807	-	-	-	-
Financial Liabilities					
Payables	3,828	-	-	-	-
2022					
Financial Assets					
Cash and cash equivalents	11,561	(116)	(116)	116	116
Receivables	2,001	-	-	-	-
Financial Liabilities					
Payables	3,143	-	-	-	-

(e) Fair value measurement

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

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****18. RESOURCES AGREEMENT**

The Authority entered into the Biosecurity and Food Safety Resources Agreement (Resources Agreement) with the Department of Regional NSW, effective from 1 July 2022. The agreement includes a fee for staffing resources and reimbursement of operating expenses for activities undertaken by the Department of Regional NSW staff relating to the Authority's statutory functions. As a result of this agreement, all personnel services liabilities not assumed by the Crown in the right of New South Wales were transferred to the Department of Regional NSW and the Authority does not recognise any personnel services expenses.

19. EVENTS AFTER THE REPORTING PERIOD

On 19 September 2023 NSW State Government announced the budget for the financial year 2023-24, there has been adjustments to the budget for programs run by the authority. The Expenditure Review Committee and the businesses are in the process of the reviewing programs and implementation of the budget variations. Management expects that these measures will not result in any major changes to current projects.

END OF THE AUDITED FINANCIAL STATEMENTS

Index

- Abattoir 15, 16, 39
- Audits 6, 9, 11, 12, 15, 16, 18, 20, 23, 25-29, 31, 38, 52
- Business hours Back page
- Charter 6, 11
- Compliance 6, 7, 9, 11, 12, 14-16, 18-20, 23, 25-29, 31-33, 37-40, 42, 43
- COVID-19 28, 31, 32, 35, 38, 43
- Customer helpline/Phone 14, 41, Back page
- Dairy 9, 11, 25, 26, 28, 39, 40
- Eggs 9, 11, 14, 18, 19, 34, 40
- Enforcement 16, 32-34, 37-40
- Financial statements 57-80
- Food Act 2003* 12, 32, 34, 37, 39, 49
- Foodborne illness 6, 11, 13, 14, 28, 33-35, 41, 43, 45
- Food recall 9, 13, 30, 38
- Food Regulation 2015 12, 28, 44
- Food Regulation partnership 32-34, 36
- Food Safety 6, 7, 9, 11-16, 18-21, 23-35, 41-43, 45-47, 50
- Food Safety Supervisor 9, 14, 33-35, 46
- Food Standards Australia New Zealand (FSANZ) 6, 13, 30, 43, 46
- Food Standards Code 6, 14, 16, 19, 23, 25, 27, 29, 33, 34, 37, 42, 46, 47
- Government Information Public Access (GIPA) 50
- Human resources 49
- Investigations 13, 16, 19, 23, 25, 27-29, 34, 38, 42, 43
- Labelling 6, 9, 11, 16, 19, 24, 28, 33, 34, 37, 38, 41, 46, 47
- Letter of submission 3
- Licensed facilities 28, 39, 40
- Local government 6, 9, 12, 22, 32, 34, 36, 45
- Management and structure 7
- Manufacturing 26, 37, 42
- Meat (includes poultry) 9, 11, 13, 15-17, 39, 40, 44
- Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales 6, 7, 16, 19, 24, 26, 45
- Name and Shame 9, 35
- Overseas travel 50
- Plant 9, 11, 13, 29, 30, 40, 47
- Privacy management 49
- Registered training organisations 14, 34
- Retail 6, 9, 11-13, 15, 30-39, 41, 42, 46, 47
- Risk management 21, 50, 52
- Salmonella* 18, 19, 43, 45
- Scores on Doors 33, 35
- Seafood 9, 11, 21-24, 40
- Seizures 38, 39
- Shellfish 9, 11-14, 20-22, 34, 38, 40
- Surveys 9, 13, 21, 33, 43
- Technical guidance materials 42
- Third Party Auditor (TPA) 12, 25, 28
- Vulnerable persons 11, 27, 28, 40
- Wholesale 9, 24, 37
- Workforce diversity 56
- Work health and safety 56

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