
Annual Report 2023-2024



'On Country' artwork by Charmaine Mumbulla, 2022.

Acknowledgement of Country

The NSW Food Authority acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples and Traditional Custodians of the land and waters. We show our respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

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



18 October 2024

The Honourable Tara Moriarty MLC

Minister for Agriculture
Minister for Regional NSW
Minister for Western NSW

52 Martin Place
Sydney NSW 2000

Dear Minister

I am pleased to submit the Annual Report and the financial statements of the NSW Food Authority for the year ended 30 June 2024.

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

Sincerely

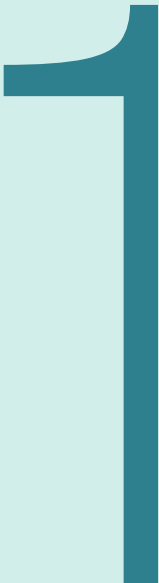
A handwritten signature in black ink, appearing to read "Eric Davis".

Eric Davis
Acting Chief Executive Officer
NSW Food Authority

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Overview



Our CEO



April 2024 marked a significant milestone for the NSW Food Authority – 20 years of working to protect the health and wellbeing of those who consume food made in this state.

In 2004 we became the first -and remain the only -through-chain food regulatory agency in Australia. We hit the ground running with new training programs, policy change and embracing technology to manage the agency's business and outreach.

We learned to genuinely engage with businesses and consumers; not just because the legislation says we must, but because it is essential to achieve food safety outcomes.

Over the past two decades, collaboration with our partners in local, state and federal governments have delivered significant outcomes to reduce food poisoning and its impacts on the health and economy of NSW communities.

Significantly, since 2016 the rates of salmonellosis in NSW have decreased by 37% due to targeted interventions. *Salmonella* Typhimurium, the most common foodborne type of *Salmonella*, has decreased by 67% since this time.

All this represents an estimated \$125M in avoided costs and 72,000 fewer ill people.

Our journey continues to be underpinned by sound science.

These are the solid foundations on which we continue to build our state's reputation as a global leader in food safety excellence.

In 2023-2024 we continued the trend. Business compliance remained strong; 95% across all licensed sectors and 97% for retail. This is an excellent outcome, achieved in part by empowering businesses and authorised officers with the tools and knowledge they need to drive a culture of food safety.

NSW maintained its impressive history of swift and effective response to food safety concerns during the year. Of the 320 urgent food safety complaints in 2023–2024, all were responded to within 24 hours. Of these, 75% related to reports of foodborne illness and 18% to critical labelling issues, largely associated with allergens.

Businesses and consumers alike continued to turn to the NSW Food Authority for reliable food safety information. Our helpline triaged and responded to 21,145 contacts during 2023-2024, while more than 1.33 million users visited our website. Our newly minted free online food handler training proved incredibly popular with 180,735 certificates issued during the year.

It is my pleasure to invite you to read the NSW Food Authority's 2023-2024 Annual Report to learn about more positive outcomes the agency continues to deliver as it works to ensure food produced, manufactured and sold in NSW is monitored and safe at each step of the food chain.

I acknowledge and thank the staff of the NSW Food Authority – and our partners – for their dedication and professionalism in consistently delivering for the people of this state something of which we can be immensely proud.



Dr Lisa Szabo
Chief Executive Officer and Director Food Safety
NSW Food Authority

April 2024 marked a significant milestone for the NSW Food Authority – 20 years of working to protect the health and wellbeing of those who consume food made in this state.

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 and Regional Development website](#).

It is responsible to The Honourable Tara Moriarty MLC, Minister for Agriculture, Minister for Regional NSW, and Minister for Western NSW, and provides a single point of contact on food safety and regulation for industry, government and consumers.

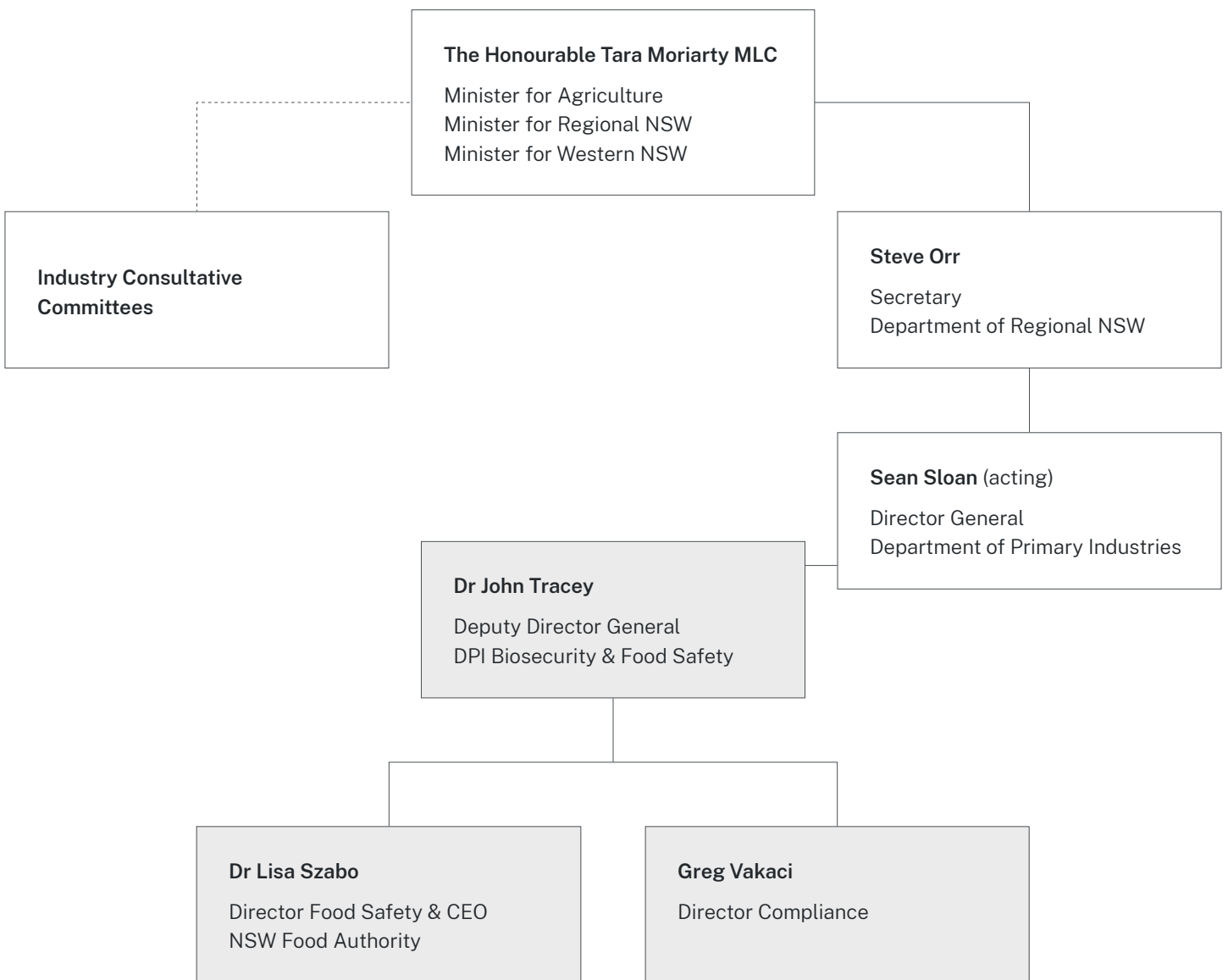
Our objectives

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. It works 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 2024



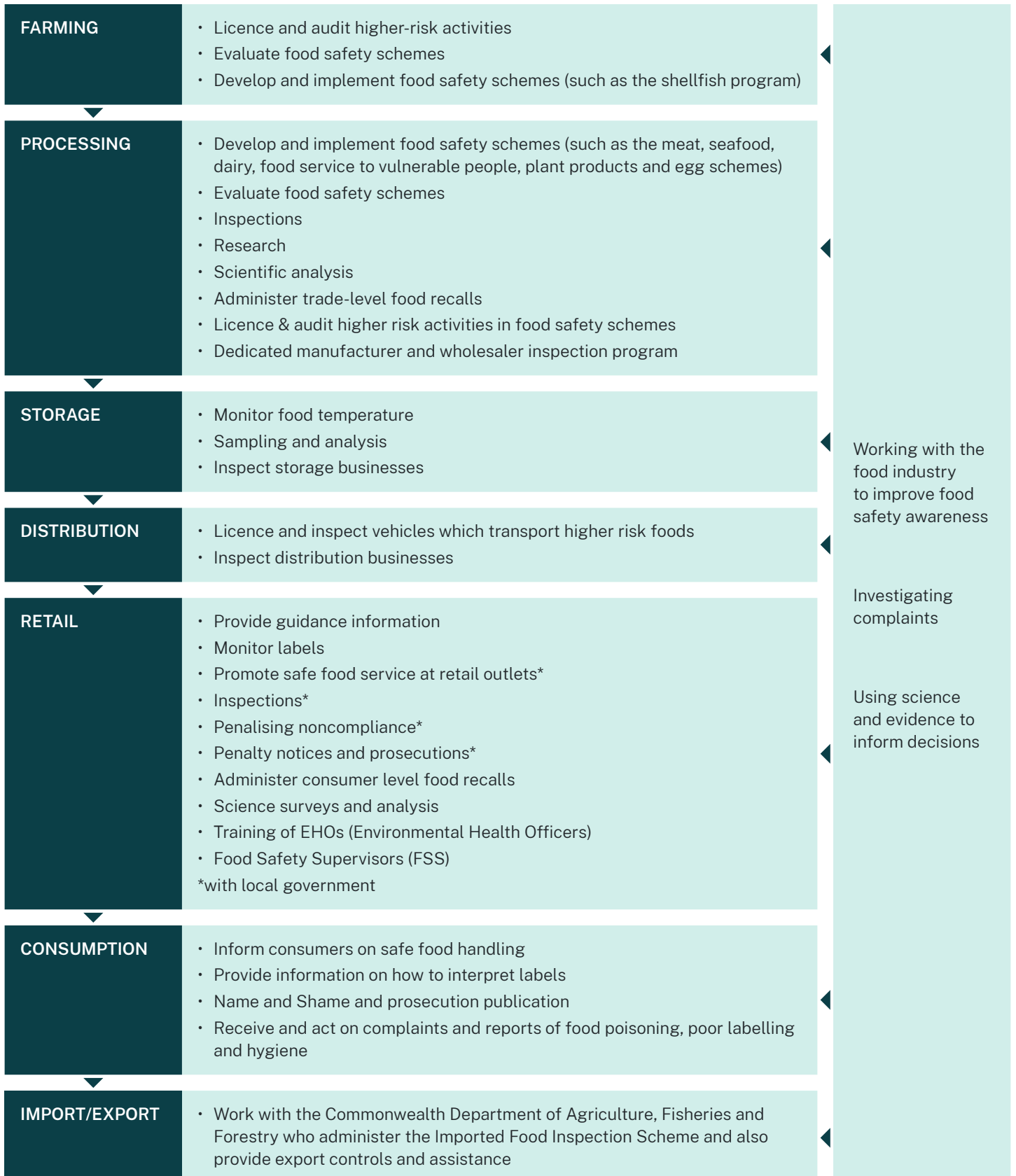
NB: shading indicates executive position funded by the NSW Food Authority

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

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Highlight summary

During 2023-2024, 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 uses 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 95% from 3,404 audits and 4,355 inspections.

Of the 320 urgent food safety complaints in 2023–2024, 100% were responded to within 24 hours. Of these complaints, 75% related to reports of foodborne illness with a further 18% being critical labelling issues, of which a large proportion are associated with allergens.

Highlight summary

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

Seven new Third Party Auditors (TPAs) were trained in their respective duties under the *Food Act 2003* using a combination of online, face-to-face and blended learning delivery styles. 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.

Fifty-seven individualised TPA Report Cards were produced by the Food Authority to provide insights and guidance to TPAs on how to continue to drive improved compliance in the food sectors in which they work. This is the sixth year that the report cards have been produced.

In May 2024, a themed 'Future of Food' conference and networking function was attended by 32 TPAs, with a keynote presentation delivered by food microbiologist Associate Professor Julian Cox.

A dedicated online site continues to be populated, providing TPAs with access to up-to-date, relevant information which is stored in a central location.

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

The 128 NSW local councils were guided on regulation of home-based, mobile and temporary food businesses, as well as on delivery-only food businesses; one Food Regulation Forum meeting; three Retail Information Sessions (368 registrations); three State Liaison Group meetings (93 attendees); 45 Regional Food Group meetings attended by 704 council officers; issued 35 communications to councils and responded to 879 enquiries.

Compliance with food safety requirements across the retail food sector for the 2023–2024 financial period was 97%.

- **Food Act training modules**

During 2023-2024, the Food Authority further developed an online training program for authorised officers under the *Food Act 2003*.

The online Authorised Officer (Food Surveillance) Training Course is a collaboration between the Food Authority and Tocal College.

Since its initial roll-out in 2022-2023, these resources have been delivered to all new starters responsible for food safety activities under the Food Act -local government environmental health officers, Food Safety Compliance officers and TPAs.

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

Additional training modules have been developed across this reporting period and will be released for Food Safety Compliance officers and TPAs during 2024-2025.

- **Local Government Reporting Project**

During 2023-2024, the Local Government Unit annual compliance reporting and report cards were digitised.

The reporting system is now completely digital and includes a digital online form, statistics that are calculated and formatted using a data analysis and visualisation tool and a personalised report card and cover letter delivered via an automated process to the local council.

The system delivers significant efficiency and data quality benefits. The dashboard captures data in many areas, including inspection numbers, enforcement actions, facility numbers and outstanding activities. As a result of digitised reporting, trends and emerging issues are more easily identified.

Highlight summary

- **Export Auditing Project**

Food Safety Compliance officers conduct six-monthly audits on licensed facilities that export meat, dairy, seafood and egg products to international markets under a Memorandum of Understanding (MOU) agreement with the Department of Agriculture Fisheries & Forestry (DAFF).

Officers that complete these audits are authorised under Commonwealth legislation to exercise powers specifically relating to exporting food products from within Australia.

During the 2023-2024 reporting year, all six-monthly MOU audit obligations were met. High levels of compliance were observed, aligning with existing audit program outcomes for these sectors. A close working relationship with DAFF is maintained to ensure that auditing and compliance arrangements continue in line with MOU requirements.

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

Highlights included presenting on food safety impacts of climate change at a World Food Safety Day event that involved participants from 47 countries; participating in national meetings that agreed on the need to develop a strategy on reducing campylobacteriosis; hosting the Food Incident Forum, a key grouping of government and industry stakeholders in food safety; and supporting the publication of 6 journal articles in peer-reviewed journals on shellfish production and associated challenges for industry.

Undertook qualitative research to understand consumer awareness about food allergy management through in-depth interviews of people with food allergies and their carers, and quantitative research to better understand the broader community's awareness of food allergies. The outcomes will inform the development of new resources on food allergens (more details in Working with our customers and stakeholders section).

Partnered with the UNSW Water Research Laboratory in its sewage spill modelling project. Following completion of dye release field work for all target estuaries, Food Authority staff assisted with data analysis and the development of models to assess the transport and dispersal of pollution events, particularly unplanned sewage discharges. The estuaries covered by this project include the Tweed River, Nambucca River, Hastings River, Camden Haven River, Wallis Lake, Port Stephens, Shoalhaven/Crookhaven River, Clyde River, Wagonga Inlet, Merimbula Lake and Pambula Lake.

- **Supporting safe innovation in food technology**

During 2023-2024, Food Standards Australia New Zealand released its first call for submissions on an application to allow the domestic production of cell cultured quail meat. This application from Vow Food, based in Sydney, is the first of its kind in Australia. Food Authority staff visited Vow's production facility in January 2024 and were given an overview of the manufacturing process and plans for future scale-up. If approved by the Food Ministers' Meeting, cell cultured quail could be available for sale in Australia as early as late 2024.

The Food Authority participated in cross-jurisdictional meetings in May 2024 that discussed legislation required to enforce potential new regulations for cell cultured foods.

- **Undertaking surveillance to detect and mitigate emerging food safety risks**

Conducted either surveillance, sampling and/or microbiology, chemistry and allergen tests and supported investigation of foodborne illness outbreaks. Work included 10,758 samples submitted for testing.

Particular areas of focus were the Manufacturer and Wholesaler Inspection Program, for which cook-chilled refrigerated products (for example, soups, mixed foods), non-dairy dips and pates with less than 30%

Highlight summary

meat and sandwiches were tested; poultry, for which whole chicken and chicken pieces collected from processors, wholesalers and retail outlets was tested; the microbiological quality of high-risk products manufactured by NSW licensed businesses; the 28th Australian Total Diet Study, which measures the levels of agricultural chemicals, antimicrobial residues, metal contaminants and mycotoxins in the general food supply and estimates the dietary exposure for the general Australian population; and pesticides, for which samples of cucumber, parsley and basil were tested.

Collaborated with the Animal Biosecurity team to extend the Biosecurity (*Salmonella* Enteritidis) Control Order which was due to expire on 30 June 2024, based on evidence from mandatory testing suggesting that *Salmonella* Enteritidis (SE) remained an ongoing risk for the egg industry and consumers. Changes to the SE Control Order aim to help the egg industry manage the food safety risks of SE while reducing the burden on lower-risk businesses.

- **Investigation and risk analysis**

Working collaboratively with interstate jurisdictions to investigate a *Listeria monocytogenes* outbreak

In September 2023, specialist Food Safety Compliance officers collaborated in a multi-jurisdictional outbreak investigation of *Listeria monocytogenes*.

Shredded chicken supplied by a meat processor in Marrickville was identified as a potential source of the outbreak, with the implicated batches distributed to QLD, NSW, ACT, VIC, WA and SA cafes, hospitals and aged care facilities.

Food Safety Compliance officers inspected the meat processor and issued a prohibition order for the ready-to-eat shredder room following detection of *L. monocytogenes* on food contact surfaces. The prohibition order was lifted after the source of the contamination had been

addressed and follow up sampling tested negative for *L. monocytogenes*.

The food business conducted a nationwide trade withdrawal of all batches of shredded chicken implicated in the outbreak. All stock on hand and stock returned as part of the withdrawal was disposed of.

Nepalese restaurant foodborne illness investigation

In August 2023, a specialist Food Safety Compliance officer investigated an outbreak of confirmed *Salmonella* Reading linked to a Nepalese restaurant in Campsie.

Compliance officers inspected the restaurant and identified critical breaches in relation to hygiene, cross contamination and pest control, and a prohibition order was issued. Whole genomic sequencing linked 36 clinical cases to the outbreak. Further enforcement action was taken against the restaurant.

Air-dried buffalo meat, produced by an unlicensed meat manufacturer and supplied to the restaurant, was the confirmed source of the outbreak. A prohibition order was issued to stop the manufacture of this product which was also recalled.

Further investigation of buffalo meat products identified another unlicensed meat processor producing a variety of meat products, including air-dried meat.

Salmonella Reading was also detected at a butchery which had supplied buffalo meat to the unlicensed meat manufacturer.

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

Seventy-six annual reviews of harvest areas; 4 depuration tank assessments; 26 industry accreditations; 17 SEPP PPRD Development Application assessments; 421 harvest area closures; and 21 product retrievals.

Highlight summary

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

Issued 30,738 Food Safety Supervisor (FSS) certificates; approved 18 Registered Training Organisations (RTOs) delivering FSS training and certification; approved 96 RTO trainers; and provided advice to the Minister through 114 briefings and 30 other written products.

Led a national working group supporting the development of resources and outreach to support producers and processors of berries, leafy vegetables and melons to comply with new national food safety standards which will apply from 12 February 2025.

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

Provided food safety advice to businesses and consumers by phone and online through the Food Authority helpline, website and social media, triaging and responding to food safety enquiries, reports and complaints. The helpline handled 21,145 contacts during 2023-2024.

The helpline resolved 95% of those transactions that were potentially resolvable without referral during the first contact.

The Food Authority website includes Food Handler Basics training, a free, online training course covering the basic knowledge requirements for food handlers. Since the training was launched in May 2023, over 180,000 people have successfully completed the assessment.

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

Coordinated NSW's input into the cross-jurisdictional bodies that guide the Australia and New Zealand food regulation system, primarily the Food Regulation Standing Committee and the Food Ministers' Meeting. This included significant work undertaken

on applications and proposals to change the Australia New Zealand Food Standards Code, often in collaboration with NSW Health.

The Food Authority also participated in the Implementation Subcommittee for Food Regulation, the Health Star Rating Advisory Committee and Food Ministers' Priority 3 – *reform the joint food regulation system to keep it strong, robust and agile*, and helped amend the NSW Food Regulation 2015 in December 2023 to facilitate implementation of Standard 3.2.2A of the Food Standards Code.

Meat

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

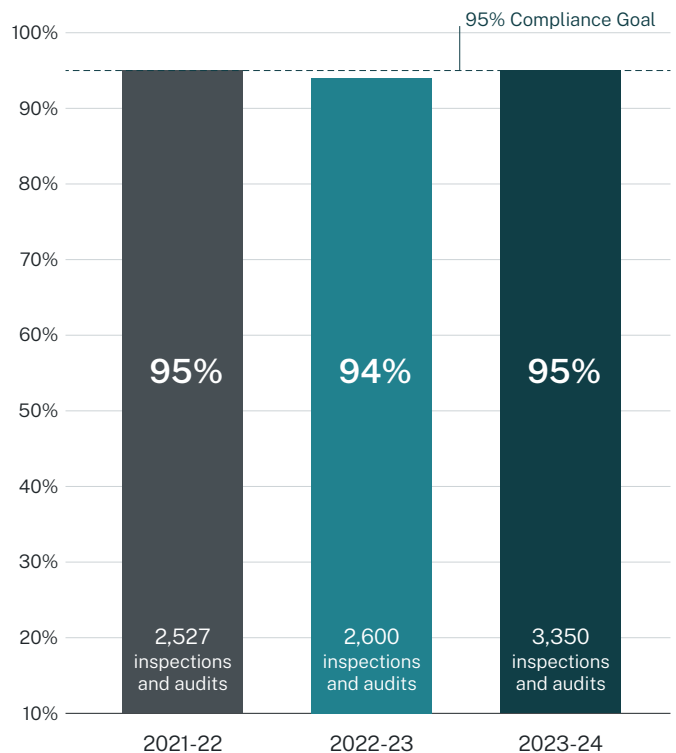
This includes:

- 29 poultry and rabbit abattoirs
- 30 red meat abattoirs
- 442 meat processing plants
- 312 poultry primary production premises
- 1,324 retail meat premises
- 655 game meat harvest vehicles and 74 field depots.

Of the 7,645 food transport vehicles licensed with the Food Authority, approximately 5,700 are authorised to transport meat products.

Compliance across the meat industry remained high as in previous years and achieved a compliance rate of 95% during 2023-2024. The focus on the retail meat sector resulted in an increase in audits and inspections towards the end of this period.

Meat sector compliance rate



Compliance uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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.

Meat

Meat Retail Audit Project – use of sulphur dioxide preservatives

Licensed facilities producing fresh meat products for retail sale during 2023-2024 were subject to a targeted audit project to ensure all meat products met food safety program requirements and facilities complied with the Food Standards Code and NSW Standard for construction and hygienic operations of retail meat premises. Fresh mince products were also tested during audits for the prohibited use of sulphur dioxide preservatives.

This audit project identified a compliance rate of 85%, which is lower than the historical rate for these licensed facilities. The prohibited use of sulphur dioxide preservatives in fresh mince products was detected at higher frequencies than in previous audit projects, with a significant number of penalty notices issued for this breach.

In all cases where audit failures were recorded and enforcement actions taken, follow-up audits and inspections found that the identified defects had been rectified and all food safety issues were addressed.

Retail meat facilities will continue to be monitored to ensure compliance rates maintain a high standard.

Meat Retail Audit Project – ready-to-eat meat products

A targeted audit project was conducted on licensed facilities producing fresh and ready-to-eat (RTE) meat products for retail sale to ensure all products met food safety program requirements.

Facilities were also assessed for hygiene and structural issues in processing areas which can have a direct impact on the safe manufacture of fresh meat and RTE meat products. Product and environmental testing requirements were also assessed.

The project identified that licensed meat retail RTE facilities have maintained their historical high levels of compliance. Of the 40 facilities that received an unacceptable audit outcome, most rectified identified defects within the required timeframes and recorded an acceptable follow up audit outcome.

In 3 cases, serious breakdowns in food safety program operating requirements led to prohibition orders being issued to cease production. Swift enforcement actions were implemented, and follow-up audits and inspections were conducted which identified appropriate improvements to address the food safety concerns within these facilities.

Meat Processing Audit Project

A targeted audit project was conducted on licensed processing facilities producing fresh meat products for wholesale to ensure all meat products met food safety program requirements.

Facilities were also assessed for hygiene and structural issues in the processing areas which can have a direct impact on the safe manufacture of fresh meat products for wholesale.

The project identified that licensed meat processing facilities have maintained their historical high levels of compliance. Of the 27 facilities that received an unacceptable audit outcome, most rectified identified defects within the required timeframes and recorded an acceptable follow up audit outcome.

In one case, serious breakdowns in food safety program operating requirements led to a prohibition order being issued to cease production. Swift enforcement actions were implemented, and follow-up audits and inspections were conducted which identified appropriate improvements to address the food safety concerns within the facility.

Meat

Meat Industry Consultative Council

The Meat Industry Consultative Council (MICC) meets every 6 months or so and provides feedback to the Food Authority and the Minister for Agriculture, Minister for Regional NSW, and Minister for Western NSW on industry issues, including:

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

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

During the reporting year, the MICC Charter was reviewed and updated.

In addition to food safety matters, the MICC 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 in NSW has begun. 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 protect our livestock industries more effectively in the event of an emergency animal disease or food safety event and protect market access.

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)

Sgro Enterprises Pty Ltd
(small goods processor)

Northern Co-operative Meat Company Ltd
(meat processor)

NSW Department of Primary Industries

Eggs

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

This includes:

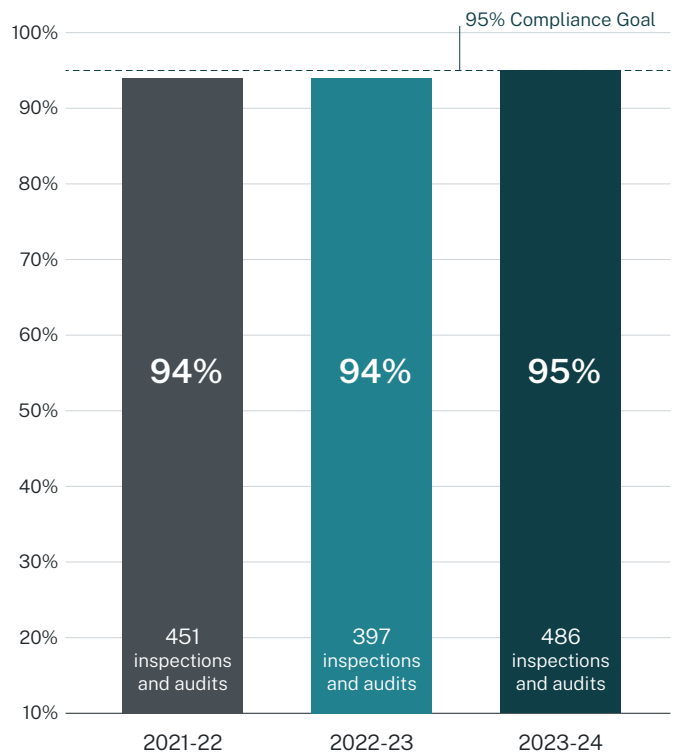
- 16 egg processors
- 240 egg producers and cold food stores.

Of the 7,645 food transport vehicles licensed with the NSW Food Authority, approximately 3,000 are authorised to transport egg products.

Compliance across the egg industry has significantly improved in the last 3 reporting years.

Continued efforts to work with the industry to comply with the Biosecurity (*Salmonella* Enteritidis) Control Order and subsequent operation responses has contributed to the increased compliance, which is now static at 95%.

Egg sector compliance rate



Compliance uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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.

Eggs

Salmonella Enteritidis Testing Project

Mandatory testing requirements for *Salmonella* Enteritidis (SE) by egg producers came into effect on 1 July 2020 with the introduction of the Biosecurity (*Salmonella* Enteritidis) Control Order 2020.

The Control Order was introduced to prevent, eliminate, minimise and manage the biosecurity risks associated with SE, and includes the requirement for licensed egg producers to sample production areas and send samples for analysis every 12-15 weeks to ensure their biosecurity management programs are effective in controlling SE.

During the 2023-2024 financial year, a project was conducted to ensure that compliance with the mandatory SE testing requirements was being met.

High compliance with SE testing requirements was observed, however the Food Authority found that reporting test results and keeping testing records could be improved. SE testing requirements will continue to be monitored to ensure high levels of food safety standards are maintained for the ongoing protection of public health.

Mandatory testing remains instrumental in limiting the spread of SE in NSW poultry and the NSW Food Authority continues to cover testing costs if submitted to approved 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 6 months and provides feedback to the NSW Food Authority and the Minister for Agriculture, Minister for Regional NSW, and Minister for Western NSW on issues relating to egg industries, including:

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

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

During the reporting year, the EICC Charter was reviewed and updated.

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)

The Henn House
(small scale free range egg producer)

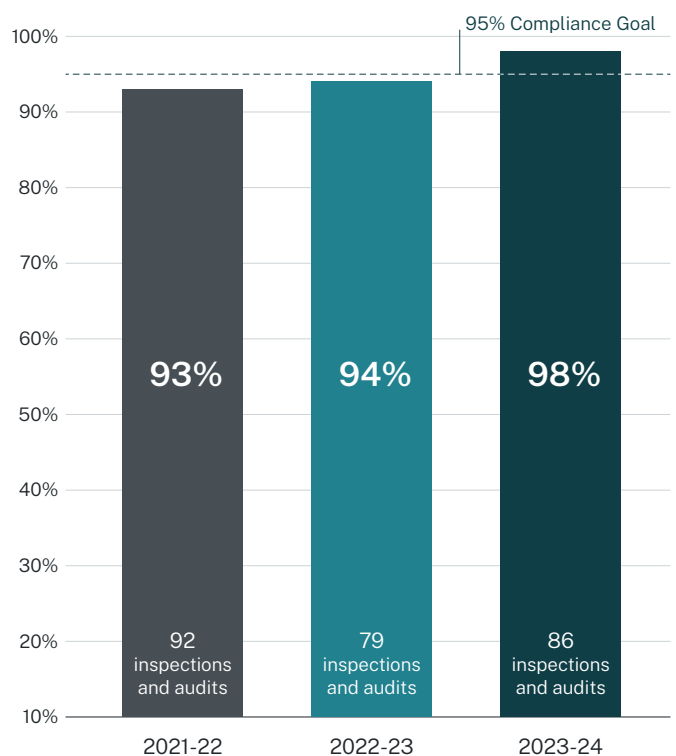
NSW Department of Primary Industries

Shellfish

The NSW Food Authority licenses 246 businesses in this sector. This includes 212 oyster farmers, one mussel farmer, and 33 shellfish wild harvest businesses.

Compliance across the sector with food safety program requirements has seen a 4% increase in the 2023-2024 financial period, now at 98% compared to the previous reporting 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 Food Authority achieved 82 annual reviews of harvest areas, 4 depuration tank assessments, 30 industry accreditations, 17 State Environmental Planning Policy-Primary Production and Rural Development application assessments, 521 harvest area closures, 21 product retrievals and worked with industry to maintain export approval for 35 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, and the recent development of an Introduction to Shellfish Safety online course ([UTAS, 2024](#)).

Depuration and Harvest & Hold courses continued to be offered by NSW Shellfish Program officers 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 Food Authority is undertaking the largest ever Australian survey of *Vibrio parahaemolyticus* (Vp) in oysters. Monthly sampling was undertaken in 5 major oyster producing NSW estuaries over a 2-year period (2022-2024). Samples collected under the survey are being analysed at the NSW Department of Primary Industries Elizabeth Macarthur Agricultural Institute.

Sample collection and analysis for total Vp levels and genetic markers that indicate virulence has been completed, with whole genome sequencing of selected isolates to be undertaken in 2024-25. This project will provide a comprehensive data set that will be utilised to assess current and future risk, particularly under potential climate change scenarios. The Food Authority is collaborating with other organisations such as the University of Tasmania and NSW Health to analyse the data from the survey and maximise benefits of the project. This work will ensure the safety of NSW seafood consumers and the continued viability of our iconic Sydney Rock Oyster industry.

Early needs recovery program – Disaster Preparedness and Industry Resilience Workshops

The Food Authority partnered with the NSW Government Early Need Recovery Program, and NSW Farmers Association to deliver a series of industry recovery and resilience workshops.

These workshops increased the capacity of industry to effectively manage risks and reduce impacts associated with extreme environmental events. Topics covered included bushfires, heat waves, floods and utilising tools such as wet storage to improve business continuity during challenging periods.

Eight workshops were delivered in locations spanning from the far north coast down to the far south coast. 108 industry participants attended the workshops.

Early needs recovery program – Local Government Estuary Water Quality Workshops

The Food Authority partnered with the NSW Government's Early Needs Recovery Program to deliver 5 workshops with local government on achieving water quality to support a viable oyster industry.

Each workshop was tailored to the specific needs of the local waterway(s). Workshops were attended by representatives from 5 coastal councils, as well as representatives from the oyster industry and other NSW government agencies such as the NSW Environmental Protection Authority, Local Lands Services, Department of Primary Industries and Regional Development and the Department of Climate Change, Energy and the Environment.

Participants discussed pathways to collaborate on estuary environmental protection such as improved catchment management, reducing the impact of sewage spills, and shared community engagement on water quality issues.

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. The current contract has been extended until September 2026.

Published papers

The Food Authority contributed to six published papers during the 2023–2024 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: Wonboyn Lake A Harvest Area, Wonboyn River. Report on Stage 1, October 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. (2023). University of Technology Sydney, Transforming Australian Shellfish Production: Cromartys Bay Harvest Area, Port Stephens. Report on Stage 1, October 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. (2023). University of Technology Sydney, Transforming Australian Shellfish Production: Cobscook Bay Harvest Area, Hastings River. Report on Stage 1, May 2018 -March 2021, Sydney, Australia, pp. 53.
- 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: Lower Limeburners Creek Harvest Area, Hastings River. Report on Stage 1, May 2018 -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. (2023). University of Technology Sydney, Transforming Australian Shellfish Production: Gogleys Lagoon Harvest Area, Camden Haven River. Report on Stage 1, March 2018 -March 2021, Sydney, Australia, pp. 46.
- 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: Wapengo Front Lake Harvest Area, Wapengo Lake. Report on Stage 1, October 2017-March 2021, Sydney, Australia, pp. 44.

NSW Shellfish Committee

The Shellfish Committee meets quarterly and provides advice to the Minister for Agriculture, Minister for Regional NSW and, Minister for Western NSW and the 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.

During 2023-2024, the Committee provided advice to the Food Authority on several key issues including new shellfish wet storage requirements, the marine heat wave response plan, Vibrio risk management, and industry communication pathways. The industry members of the committee also assisted other NSW government agencies with issues related to biosecurity, environmental protection, aquaculture management and future industry growth pathways.

During the reporting year, the Shellfish Committee Charter was reviewed and updated.

Shellfish

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' Association

NSW Oyster Extension Officer

Other NSW Government departments as needed
(i.e. EPA, Crown Lands, Local Government, etc)

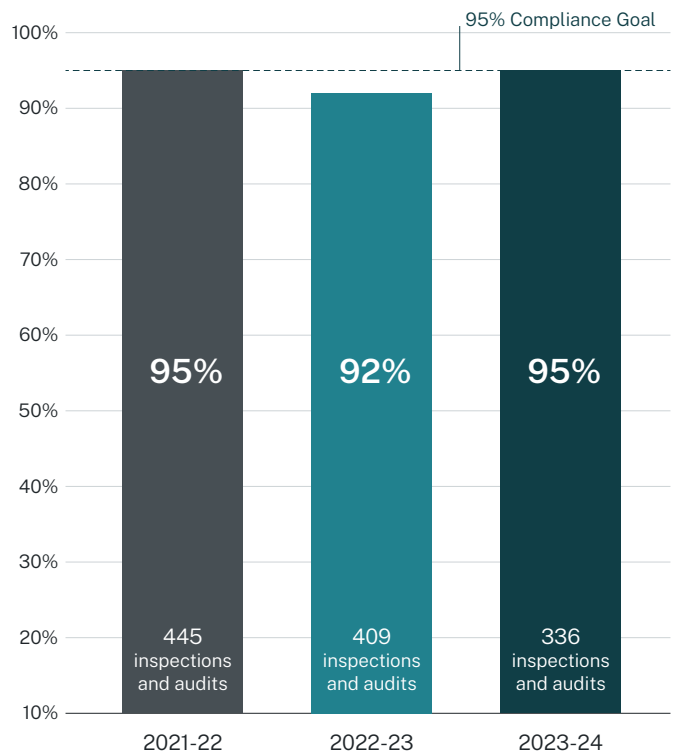
Seafood

The NSW Food Authority licenses businesses across the supply chain in this sector. This includes 177 seafood processing plants and 751 facilities that handle wild caught seafood as well as cold food stores.

Of the 7,645 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 was 95%, which is a 3% increase from the previous financial period.

Seafood sector compliance rate



Compliance uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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.

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

Seafood

continue to respond to food safety complaints and inspections, and investigations on an as needs basis across all sectors.

Seafood Processing Audit Project

During 2023-2024, a targeted audit program was conducted on licensed facilities processing seafood for human consumption to ensure this sector complied with all food safety and traceability requirements relating to the processing and sale of fresh and ready-to-eat seafood products.

This audit program highlighted that compliance within this sector remains high. A total of 16 facilities recorded audit failures with Improvement Notices issued to ensure that defects were rectified within acceptable timeframes. These businesses had follow up audits which confirmed that appropriate corrective actions had been taken to address areas of non-compliance.

NSW Seafood Industry Forum

The NSW Seafood Industry Forum (SIF) meets approximately every 6 months and provides feedback to the Food Authority and the Minister for Agriculture, Minister for Regional NSW, and Minister for Western NSW on issues relating to seafood industries, including:

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

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

During the reporting year, the SIF Charter was reviewed and updated.

Forum 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.

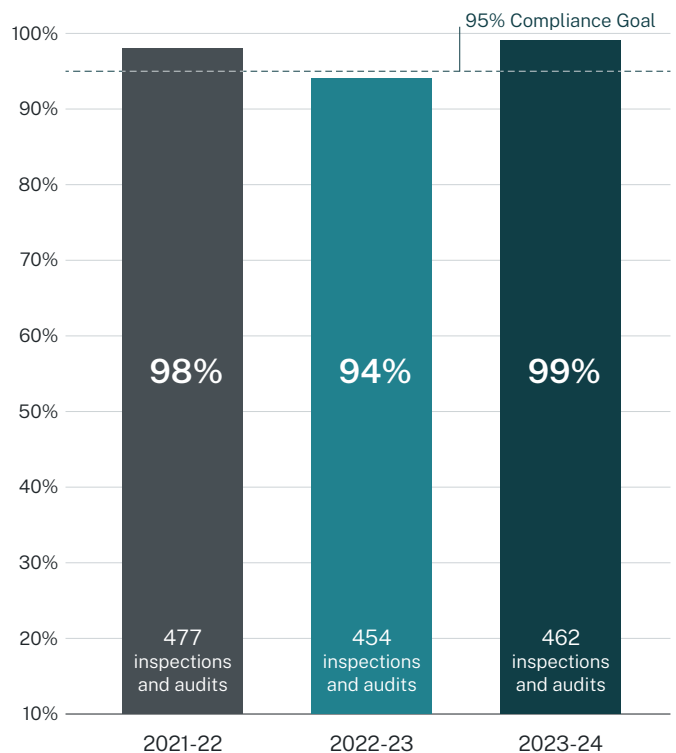
This includes:

- 462 dairy farms
- 211 dairy processing factories
- 161 farm milk collectors as well as cold food stores.

Of the 7,645 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 2023–2024 financial period was 99%, a 5% increase 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 uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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

NSW Dairy Industry Consultative Committee

The NSW Dairy Industry Consultative Committee (DICC) meets every 6 months or so and provides feedback to the Food Authority and the Minister for Agriculture, Minister for Regional NSW, and Minister for Western NSW on industry issues including the dairy food safety scheme and management of food safety risks across the NSW dairy industry supply chain.

The DICC 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.

During the reporting year, the DICC Charter was reviewed and updated.

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

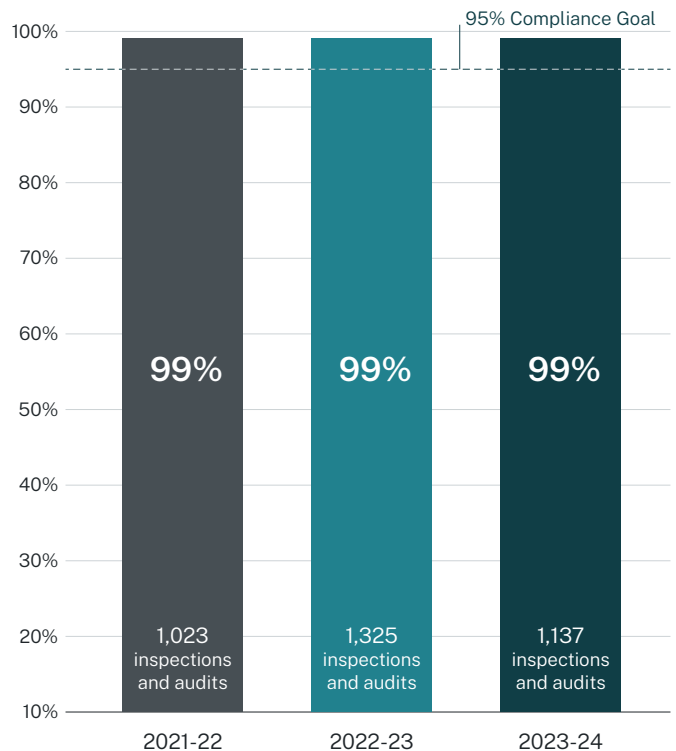
Vulnerable persons

The NSW Food Authority licenses 1,215 businesses in food service to the Vulnerable persons 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 2023-2024 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 uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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

Third party auditors

To assist the Food Authority's commitment to a high-level of compliance across licensed businesses in the Vulnerable Persons sector, the Food Authority can approve appropriately skilled, qualified and trained Third Party Auditors (TPAs) to conduct regulatory food safety audits on eligible businesses in this sector. To further mitigate food safety risk, only food businesses with a suitable compliance history from Food Authority auditors may apply to use a TPA, and a comprehensive training and skills development program operates for Auditors entering and participating in the TPA system.

Third party auditor training

During 2023-2024, the Food Authority delivered 2 face-to-face training sessions for TPAs, training 7 new TPA applicants. The training enabled applicants to understand the third party audit system, increase skills and knowledge around food legislation, maintain the required high standards and skill levels, and support compliance protecting the health and safety of vulnerable populations.

To ensure training programs remain accessible and relevant to applicant's needs, 10 modules of an online series of bespoke training modules has been developed and implemented successfully underpinning the broader TPA training program.

On 9 May 2024, a themed 'Future of Food' conference was hosted for TPAs at Paramatta's 4PSQ. There are currently 54 licensed TPAs who conduct food safety audits on behalf of the Food Authority, predominantly in the vulnerable persons (aged-care facilities) and dairy sectors (dairy farms). Now in its 8th year, the conference was attended by 48 people, including 32 TPAs.

The TPA Conference continued its evolution into a professional development forum, with this year's keynote presentation delivered by renowned food microbiologist Associate Professor Julian Cox.

Other presentations included:

- A year in review: unacceptable audit outcome process
- AIFST Food Safety Auditor Intern Project update – creating a career pathway for food safety auditors
- An update on the implementation of the new national 'Horticulture Standards' for producers and processors of berries, leafy vegetables and melons
- TPA Qualifications and Program administration update
- The Future of Food Safety in the retail sector
- Vulnerable Persons Verification Inspection Program
- Understanding the requirements for vulnerable persons in relation to ready-to-eat meats
- Lessons in Listeria – An overview of recent investigations
- The role of TPAs in the future

The TPAs were also invited to participate in an open panel session with Food Authority staff from operational units covering Compliance & Investigations, Regulatory Operations, Food incident Response & Complaints, Policy & Programs, and Local Government.

Vulnerable Persons Verification Inspection Project

A comprehensive verification inspection project was conducted on licensed facilities producing food for vulnerable persons, which was targeted at facilities audited by TPAs and internal food safety auditors.

The inspections focused on the risk mitigation measures facilities have in place to ensure that high risk food is prepared correctly. Officers also conducted detailed hygiene and structural assessments.

Vulnerable persons

The verification project resulted in a compliance rate of 76%, significantly lower than the historical audit compliance rate of >95%. The project found that 24% of facilities were failing to adequately control the risks associated with the supply of high risk packaged foods and 38% of facilities were not being maintained to an appropriate hygiene standard.

In all cases where non-compliance was found, improvement notices were issued outlining the identified defects and providing guidance on how to achieve compliance. Follow up inspections found that appropriate corrective actions had been implemented by the facilities with no further action required. The findings of this project will assist with improving auditor skills and clarify audit focus areas in the future. Verification inspection projects will be considered in the future to measure long term compliance with all legislative requirements.

Vulnerable Persons Delivered Meal Organisation (DMO) and Central Processing Unit (CPU) Audit Project

During 2023-2024, a targeted audit program was conducted on licensed facilities processing food for vulnerable populations. These facilities included central production kitchens distributing food to hospitals and aged care businesses and delivered meal organisations providing meals to aged residents living at home. This audit program ensures that food supplied to vulnerable persons is being produced safely as these clients are at an increased risk of being impacted by foodborne illness.

This audit program highlighted that compliance standards within this sector remain at an acceptable level of 92%. In cases where licensed businesses failed an audit, improvement notices were issued to ensure that defects were rectified within acceptable timeframes. These 4 businesses had follow up audits which confirmed that all businesses had taken appropriate corrective actions to address areas of non-compliance.

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. However, the Food Authority will explore online meeting technology options to re-establish this committee in the future.

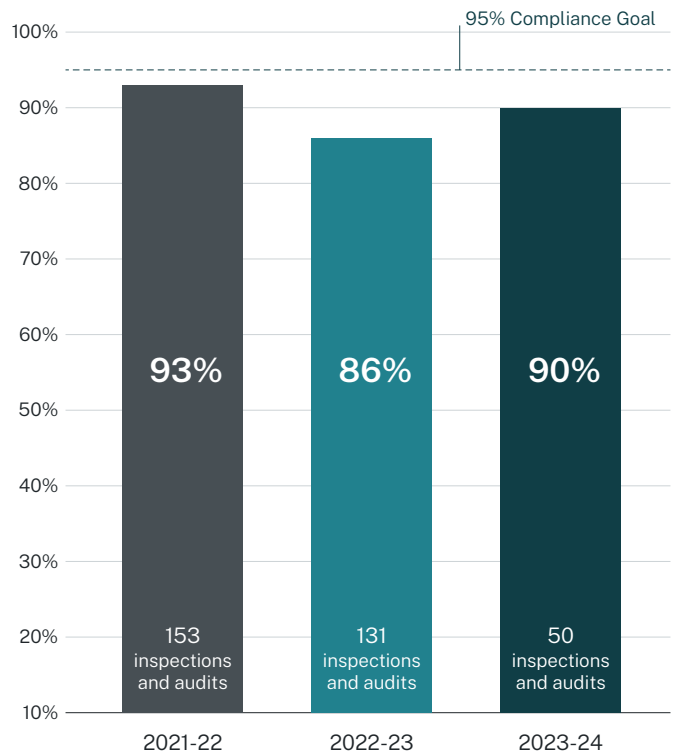
Plant

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

Of the 7,645 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 2023–2024 financial period was 90%. The 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 uses a risk-based, outcome focused operational model. Consistent with the priority classification scheme for licensed food businesses which allocates resources to areas of greatest risk, not all licensees are necessarily 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

Supporting NSW growers and processors of berries, leafy vegetables and melons

With new national food safety standards for growers and processors of berries, leafy vegetables and melons set to apply from 12 February 2025, Food Authority staff met with Greater Sydney Local Land Services and members of the Australian Chinese Growers Association to better understand how we can best support them meet the new requirements.

As a result, a dedicated webpage has been created, which includes an option for NSW growers to join a mailing list to stay informed about the new requirements and assist with further resource development. Through a collaboration with Fresh Produce Safety Centre, translated resources have also been developed.

Efforts are focused and ongoing to ensure growers and processors are prepared for the new requirements when they take effect.

The standards aim to strengthen food safety and traceability throughout the supply chain.

Consultation

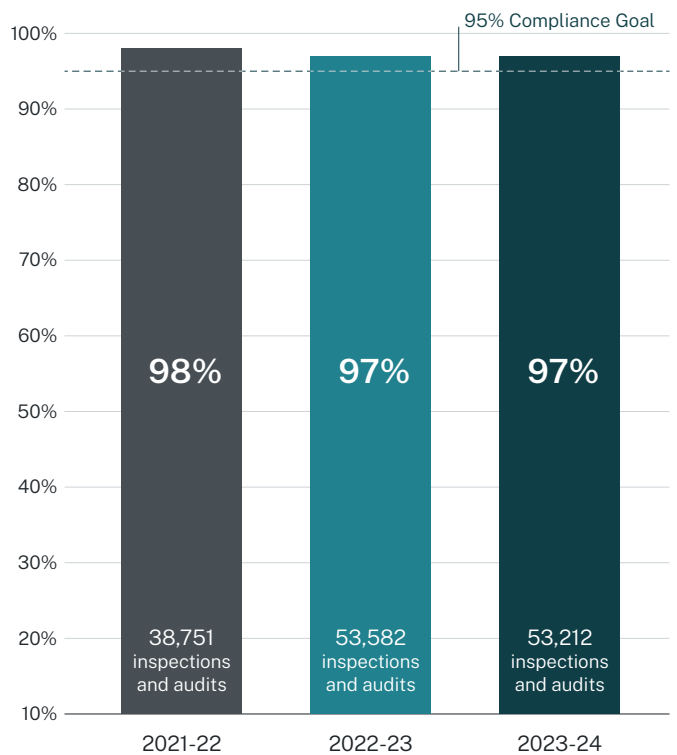
The NSW Food Authority consults directly with each licence holder in the plant products industry as needed.

Retail

There are 56,052 high and medium risk fixed retail food premises, mobile and temporary food premises in NSW.

Compliance with food safety requirements across the retail food sector for the 2023–2024 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			
	2021-22 [#]	2022-23	2023-24
Name & Shame listings	474	899	883
No. of retail food business inspections	38,751	53,582	53,212
No. of complaints about retail food businesses investigated	4,760	5,727	6,093
Overall compliance rate for food businesses regulated by councils (retail)*	98%	97%	97%
Warning letters issued by councils	5,734	6,752	7,458
Improvement notices issued by councils	794	1,342	1,367
Prohibition orders issued by councils	67	141	140
Prosecutions undertaken by councils	5	4	2
Penalty Infringement notices issued by councils	550	1,045	908

[#] 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

The Food Regulation Partnership (FRP) is a formal regulatory partnership between the Food Authority, the 128 NSW local councils in respect of their own local government areas and the Department of Climate Change, Energy, the Environment and Water 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 2023–2024, the FRP hosted 3 Food Safety Information Sessions for the retail and food service businesses in partnership with Campbelltown City, Port Macquarie-Hastings and Northern Beaches Councils.

There were 130 registrations for the session at Campbelltown, 58 registrations at Port Macquarie, and 180 registrations for the Northern Beaches session.

Attendees had the opportunity for face-to-face engagement with the hosting local council and Food Authority to learn about food safety and

Retail

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 food safety initiatives, and retail programs such as Scores on Doors and Food Safety Supervisor.

Compliance activity

Data collected from local councils for the 2023–2024 period show that compliance levels in the retail food sector remains high.

In the 2023–2024 financial year, 53,212 inspections were undertaken in the retail and food service sector.

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 2023-2024 the Food Authority conducted 3 rounds of Regional Food Group meetings (RFGM) in 16 regions across NSW. The RFGMs have 2 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 2023–2024, the training focused on the new Standard 3.2.2A -Food Safety Management Tools, plus a 'Notices Workshop' to set the standards when officers issue formal notices as part of their food surveillance duties.

The new food standard (Standard 3.2.2A) came into force in December 2023 and has introduced new food safety management tools in the

retail and food service sector. The sessions provided authorised officers with insights on the requirements and promote the suite of resources that were developed by the Food Authority to support the implementation of the legislation.

School canteens, children's services that supply food, supermarkets, greengrocers, delis, coffee vendors that sell food, correctional centres and boarding schools have until 8 December 2024 to comply.

The Notices Workshop was developed from trend analysis and developments in caselaw surrounding the issuing of penalty infringement notices. The workshop was comprehensive and covered what information is necessary to successfully issue an improvement notice and penalty notice.

The training 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.

Authorised officer (Local Government) food surveillance training

Each year the Food Authority hosts food safety training sessions for around 30 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.

Retail

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 offered 50 training positions on the program.

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. This session had 24 attendees.

The participants receive a certificate of completion once they have met all the elements of the course. In the reporting period there were 24 participants who had successfully completed the course.

Food Safety Supervisor program

During 2023–2024, the Food Authority continued to manage the NSW Food Safety Supervisor (FSS) program, and launched the following new initiatives:

- NSW FSS Branding Guidelines – to ensure a consistent visual identify system for all approved Registered Training Organisations (RTOs) when promoting the delivery of FSS training in NSW
- RTO approval numbers – now published on the Food Authority website and on FSS certificates, providing assurance to students and food businesses that qualifications are legitimate and valid
- RTO Portal – with enhanced security and easier access for approved RTOs when accessing NSW FSS specific resources.

During the reporting year, the Food Authority collaborated with the National Allergy Council and Allergy & Anaphylaxis Australia to update allergen management training and assessment materials for the NSW FSS program. The plain English updates were designed to improve prospective FSS's understanding of food allergies and relevant laws.

In addition, the Food Authority joined the National Allergy Council and Anaphylaxis Australia on a panel titled *Making it all about allergens: working together for best practice food allergen management* at the 17th IFEH World Congress on Environmental Health in May.

Throughout 2023-2024, the Food Authority continued to support approved RTOs in the delivery of training to support compliance with Standard 3.2.2A Food Safety Management tools, which took effect on 8 December 2023. The FSS program continues to enjoy positive growth with 30,738 FSS certificates issued, and the approval of 18 RTOs during 2023–2024.

Retail

Name and Shame

Introduced in 2008, the NSW Food Authority’s Register of Offences, also known as the ‘Name and Shame register’, gives consumers visibility of NSW food businesses who have failed to meet food safety standards.

In 2023–2024, a total of 543 food businesses received penalty notices for failing to meet food safety standards. A total of 883 penalty notices appeared on the register, which represents around 1.6% per cent of NSW retail food businesses.

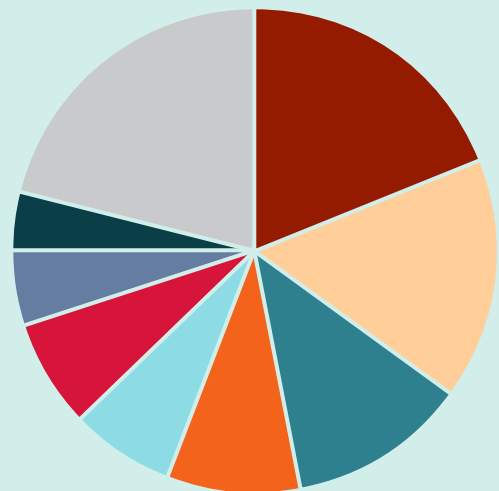
Penalty notices appear on the register for a maximum of one year from the time they are first eligible for publication.

The register, updated weekly and promoted on social media, attracts millions of hits – 4,589,267 during 2023-2024 alone.

Since its launch, the number of businesses appearing on the register has significantly decreased, with the vast majority appearing only once – proving that it’s an effective deterrent. For example, in 2009–2010, a total of 1,309 food businesses received penalty notices, resulting in 2,329 notices appearing on the register.

The most common food safety breaches under the Act during 2023–2024 were:

- unclean food premises (19%)
- improper food storage (16%)
- poor handwashing facilities (12%)
- unclean fixtures and fittings and equipment (9%)
- poor pest control (7%)
- poor facility, construction and maintenance (7%)
- poor display conditions (5%)
- poor cleaning and sanitising (4%)
- other (21%)



Name and Shame register			
	2021–22#	2022–23	2023–24
No. of penalty notices published	474	979	883
No. of facilities that had penalty notices published	257	517	543

Impacts from 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 2023–2024, one prosecution was published.

Retail

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.

As at 30 June 2024, there were 62 councils participating in the program, which remains the same participation rate as from the previous financial year. These 62 councils represent 25,713 eligible food businesses, capturing 64% of all eligible retail food businesses in NSW.

The Food Authority has plans to rebuild efforts to grow participation in the Scores on Doors program. This includes seeking stakeholder feedback on the program to inform what changes, if any, might be needed to ensure the current model is appropriate and fit for purpose.

Food Regulation Forum Committee

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

The committee met twice during 2023–2024 period via teleconference. The committee considers matters relating to the regulation of the retail food industry and the strategic focus of the FRP.

A new Committee was appointed in 2024.

Committee representation

Chair: Cr Claire Pontin

Dr Lisa Szabo representing NSW Food Authority

Mr Greg Vakaci representing NSW Food Authority

Cr Phyllis Miller
(representing Local Government NSW)

Cr Dr Elizabeth Adamczyk
(representing Local Government NSW)

Cr Jay Suuval
(representing Local Government NSW)

Mr Hugh Waters
(representing Environmental Health Australia)

Ms Erin Hogan
(representing Environmental Health Australia)

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

Ms Sally-Anne Donahue
(representing Development and Environmental Professionals' Association)

Mr Peter Fitzgerald
(representing Local Government Professionals Australia)

Ms Genevieve Taylor
(representing Local Government Professionals Australia)

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

During the 2023-2024 financial year, the Food Authority conducted 202 inspections under this program:

- 25 unacceptable inspection results and 11 subsequent follow-up inspections
- 6 warning letters were issued for labelling and licensing breaches
- 29 improvement notices were issued for hygiene issues
- 13 penalty notices were issued for cross contamination, hygiene and labelling issues
- 1 prohibition order was issued to the manufacturing sector for hygiene & maintenance issues. This prohibition order remained in place until sufficient corrective actions were taken by the licensee.
- A Sydney based bakery wholesaler that supplies products to several retail outlets was convicted and fined. The matter saw 23 charges for offences under the *Food Act 2003* be put to the company and the same 23 charges be put to the pursuant to section 122 of the *Food Act 2003* on the basis of executive liability. The offences were related to hygiene, cleanliness, food storage, maintenance of premises, pest access and labelling of food products.

Poor performing manufacturing food businesses

This targeted compliance program focused on facilities under the Manufacturers & Wholesalers Inspection Program (MWIP) with a poor compliance history. The following businesses were included in this compliance program.

Businesses that:

Manufacturing and wholesale businesses

- Have failed more than 50% of their inspections in the last 5 years.
- Were issued 2 or more improvement notices in the last 3 years.
- Were issued a prohibition order, penalty notice or been prosecuted in the last 3 years.

During the 2023-2024 financial year, 11 facilities were inspected under this program to assess, and where necessary, lift compliance with the NSW *Food Act 2003* and the Food Standards Code.

Seven of these businesses significantly improved and are now rated as acceptable. Of the 4 facilities that continued to be non-compliant, 2 were bakeries producing high moisture baked goods, 1 was a caterer and 1 was a fresh rice noodle manufacturer.

Enforcement action was escalated in accordance with the Compliance and Enforcement Policy and officers worked to educate food businesses to increase their level of compliance.

Compliance and enforcement

Significant investigations and results

• Bakery wholesale facility and Company Director prosecuted for multiple offences

A Granville bakery wholesale facility - L'Oven Bakery Supplies Pty Ltd, who supplies products to several retail outlets was prosecuted and fined \$82,500 by the Food Authority after pleading guilty to 23 charges for offences under the *Food Act 2003*.

The same 23 charges were also put to the Company Director, pursuant to section 122 of the *Food Act 2003* on the basis of executive liability. The Company Director was also issued with \$82,500 in fines after pleading guilty to all charges.

The offences related to hygiene, cleanliness, food storage, maintenance of premises, pest access and labelling of food products.

2023-24 Compliance and enforcement statistics (enforcement actions)			
ACTIVITY	ACTUAL 2021-22	ACTUAL 2022-23	ACTUAL 2023-24
Audits	2,839	4,684	3,404
Failed audits	124 (4.3%)	196 (4.2%)	210 (6.1%)
Inspections of food businesses	5,131 ¹	4,292	4,355
Failed inspections of food businesses	230 (7.3%)	304 (7.1%)	251 (5.7%)
Complaints received	2,347	2,703	3,306
Investigations of foodborne disease incident (two or more people)	226	308	373
Labelling Compliance Surveillance Program investigations	218 ²	253 ²	421 ²
Labelling Compliance Surveillance Program investigations resulting in enforcement action	45	20	14
Investigations of unlicensed businesses (resulting in enforcement action)	203	162	219
Written warnings	76	33	17
Improvement notices	177	352	306
Penalty notices	68 ³	91	102
Prohibition orders	14	15	10
Product seizures	2	3	10
Licence cancellations	0	0	0
Use of emergency orders	0	0	0

Table continues over page

Compliance and enforcement

2023–24 Compliance and enforcement statistics (enforcement actions) cont.

Prosecutions (finalised after hearing or plea of guilty)	5	0	46
Company instigated food recalls (nationwide)	79	92	83
Company instigated food recalls (NSW companies)	20	25	28
Shellfish harvest area closures	589	501	521

¹Includes COVID-19 inspections of retail food businesses

²Majority of the labelling issues relates to allergic reaction to an undeclared ingredient

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

2023–24 Summary of product seizures

Commodity	Estimated quantity	Reasons for seizure
Meat products		
Meat carcass	320 kgs of horse meat	Evidence of unlicensed activity - Unlicensed knacker
	114 kgs of pig fat	
	41.24 kgs of beef mince	
	157.39 kgs of lamb	Evidence of unlicensed activity - Unlicensed abattoir
5.58 kgs sheep offal		
636 kgs meat from multiple species		
	Beef carcass 220 kgs	
	Rabbit 1.6 kgs	Evidence of offence – Food Safety Programs/branding
Ready-to-eat meats	750 kgs	Operating a food business without having a licence and the required food control measures in place
Plant products		
Betel nut varieties	2.67 kgs	Betel Nuts are prohibited plant listed in Schedule 23 of Food Standards Code
Other products		
Takeaway container (empty) which contained salt/caustic soda	2 units	Unsuitable food label indicates presence of ingredients not permitted by Food Standards Code
Cocktail glass rimmer (empty) which contained salt/caustic soda		

Compliance and enforcement

2023–24 Licence numbers	
Business activities	No. of licensed facilities 2023–24
Meat	
Abattoir -poultry	16
Abattoir -poultry & poultry primary production	10
Abattoir -poultry & red meat	3
Abattoir -red meat	27
Animal food field depot	36
Animal food field harvesting	17
Animal food processing plants	31
Game meat field depot	74
Game meat field harvesting	655
Game meat primary processing plants	7
Knackery	7
Meat processing plants	367
Meat retail	1,324
Rendering	7
Poultry primary production	263
Dairy	
Dairy primary production	445
Dairy primary production and processing plants	17
Dairy processing plants	152
Food storage not requiring temp control (dairy)	23
Farm milk collectors (raw milk transport)	161
Egg	
Egg & poultry primary production	39
Egg grading facilities	5
Egg primary production	201
Egg processing plants	5
Vulnerable Persons	
Food service to vulnerable persons	1,215

Table continues over page

Compliance and enforcement

2023–24 Licence numbers (cont.)	
Shellfish	
Oyster farmers	183
Oyster farmers & seafood processing	30
Shellfish wild harvest	33
Plant Products	
Plant Product processing plants	49
Seafood	
Seafood processing plants	113
Handling wild caught seafood	751
Multi permissioned businesses¹	
Cold food storage (meat, dairy, seafood, plant &/or egg products)	502
Food transport vehicles (meat, dairy, seafood, plant &/or egg products)	7,645
Food Processing facilities (meat, dairy, egg, seafood and or plant products)	100
TOTAL number of licensed facilities	14,513

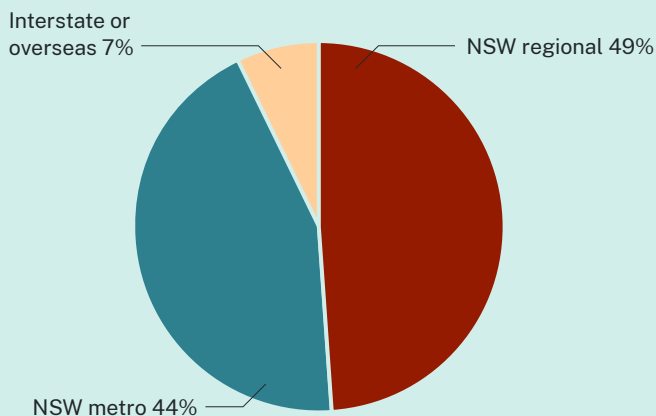
¹Multi permissioned businesses that carry out 2 or more processing activities that include, meat, seafood, dairy, plant and/or egg processing

Working with our customers and stakeholders

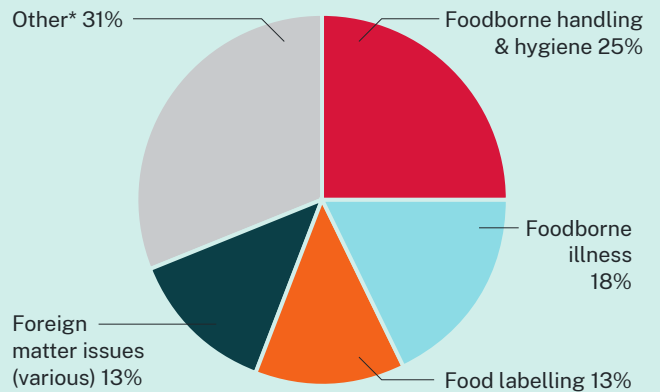
NSW Food Authority customer engagement

The NSW Food Authority provides food safety guidance to businesses and consumers by phone and online through the contact centre, website and social media channels. The helpline resolved 95% 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 Authority



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

2,600 of all calls, emails and online forms received were food complaints investigated by the Food Authority. An additional 1,479 food complaints about retail outlets were received and referred to the relevant local council.

Customer channel	
Contact centre	21,145 calls, emails, online forms
Website	1,335,362 total users / 4,025,693 event count
facebook	2,084,136 total reach / 2,242,094 impressions
X (twitter)	1,719 engagements / 32,220 impressions

Working with our customers and stakeholders

Food Handler Basics training

The Food Authority's free online training for food handlers saw 180,735 certificates issued to participants between 1 July 2023 and 30 June 2024. 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 2023-2024 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.

2024 Sydney Royal Easter Show

Held over 12 days, from 22 March to 2 April, the 2024 Sydney Royal Easter Show provided the Food Authority with the opportunity to engage with thousands of stakeholders to educate them on the importance of food safety in the home.

After the successful experience at the 2023 Show, the hand washing exhibit was reactivated where visitors were challenged to demonstrate how effective their hand washing skills are.

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 to walk them through the process, provided food safety advice and armed all visitors to the stand with take away information to educate their family and friends. This included fridge thermometers to test the temperature of their fridge at home, an insulated cooler bag or ice brick branded with the Golden Rules of Food Safety message – *keep it hot, keep it cold, keep it clean, check the label* and a copy of the *FSI: Food Safety Investigation* activity book for kids to complete at home with an activity to rate the cleanliness and safety of their own kitchen.

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 to put 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.

Food allergy awareness research

In October 2023, the Food Authority commissioned research to investigate how consumers manage food allergen risk. The project involved in-depth interviews with people with food allergies and their carers, and an online survey in March 2024 open to all NSW residents – both with and without food allergy.

The responses helped the Food Authority better understand food allergy awareness in the state

Working with our customers and stakeholders

and the challenges experienced by those living with food allergy. New resources are being developed to address information gaps identified in the research.

Lunch box survey results

The engaging crowds at the 2023 Sydney Royal Easter Show allowed us to gather data in our Lunch Box survey to determine if the type of foods children take to school had changed since 2009 when the study was last conducted.

2,425 survey responses showed sandwiches continued to be the most popular choice, followed by cut fruit and pasta.

We already knew from the 2009 study that keeping sandwiches cool helped to slow bacterial

growth. For the latest experiment, we extended the data to include cut fruit, using watermelon.

Food Authority food scientists ran an experiment to test how warm these lunches get and sent the samples to the lab for testing. Key findings included:

- lunches with ice bricks were between 6°C and 10°C cooler than those without
- the higher the temperature, the more organisms grew
- bacteria in cut watermelon, without an ice brick to keep it cool, were 13 times higher by 2pm.

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.

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 2023 to 30 June 2024, 3,366 samples were submitted for testing.

	2021-22	2022-23*	2023-24
Verification programs	159	520	961
Research including targeted surveys**	536	784	892
Food Safety Compliance	2,330	1,755	1,318
Contribution to National food surveys ***	41	1,293	195
Total	3,066	4,352	3,366

* 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.

** The sample number in this category includes SE mandatory testing samples (see the explanation below).

*** Contribution to National food surveys included surveys on: AMR, Patulin in Apple products, Pyrrolizidine Alkaloids (PAs) in honey, Enoki mushrooms and Australian Total Dietary Survey (ATDS).

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 2025. The 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 310 samples were tested at these laboratories in 2023-2024. 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 2025.

It is proposed to progress with re-making Food Regulation 2015 over the 2024–2025 financial year, with a view of a new regulation gazetted before 1 September 2025.

Implementation of Standard 3.2.2A Food safety management tools

Standard 3.2.2A of the Food Standards Code introduced new food safety requirements for food businesses in NSW that handle and serve unpackaged, ready-to-eat food that requires temperature control. The changes began for most sectors from 8 December 2023.

NSW amended the Food Regulation 2015 to provide extra time to comply until 8 December 2024 for school canteens, children's services that supply food, supermarkets, greengrocers, delis, coffee vendors that sell food, correctional centres and boarding schools. The Food Regulation 2015 amendment also retained effective aspects of the existing NSW Food Safety Supervisor program.

Participation in the Australian Meat Regulators Working Group (AMRG)

NSW operated as the Secretariat of the Australian Meat Regulators Group for the 2023-2024 financial year. Key Issues dealt over the 2023-2024 reporting period included:

- Finalisation of the amended NLIS (National Livestock Identification System) sheep and goat standards for the implementation of electronic identification tagging for farmed sheep and goats.
- Participation on the Technical Working Group for the re-design of the NLIS database.
- Input to the seafood section for the FSANZ microbiological compendium for food.

Legislative changes and reduced regulatory burden

Participation in the Horticulture Industry Working Group (HIWG)

NSW chaired the Horticulture Industry Working Group for the 2023-2024 financial year.

Key issues dealt over the 2023-2024 reporting period included:

- Developing compliance assistance materials for the forthcoming FSANZ Primary Production and Processing Standards for berries, leafy vegetables and melons.
- Work with Australian horticulture Global Food Safety Initiative (GSFI) schemes to design a recognition system for producers operating in a GSFI scheme.
- Engaging with local businesses to inform on the forthcoming FSANZ food safety standards.

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 2023–2024, 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 NSW, and Minister for Western NSW, 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 3 priority areas to further strengthen the food regulation system. Throughout 2023–2024 the Food Authority continued to work towards the 3 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 2023–2024, progress was made on a number of activities that shape the implementation of these priority areas. The 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 1062 – Defining added sugars for claims

FSANZ prepared Proposal 1062 in response to the request from Ministers at their meeting in July 2023 to prioritise a definition for added sugars in the Australia New Zealand Food Standards Code (the Code) for the purposes of making health related claims about food products. This proposal was also undertaken to ensure alignment of any such claims with dietary guidelines. FSANZ undertook public consultation on the proposal in September 2023 and following some revision based on stakeholder feedback finalised the proposal in November 2023.

Ministers did not request a review of Proposal 1062 when they considered this matter at their December 2023 meeting. A 48-month transition period and 24-month stock-in-trade period apply to the Proposal 1062 changes, that commenced on 13 December 2023 to align with other proposed labelling changes under consideration.

Proposal 1028 – Infant formula

Ministers were provided with the approval report for the review of the infant formula product standard in the Code in June 2024. This report sought comprehensive update of the infant formula product standard including regulatory framework, compositional requirements and labelling requirements.

Ministers considered the approval report for Proposal 1028 at their meeting in July 2024 and did not seek a review. The revised standard came into effect on 13 September 2024, with 60-month transition period (inclusive of stock-in-trade). This standard will apply in Australia only.

Application 1269 – Cultured quail as a novel food

FSANZ assessed an application from Vow Group Pty Ltd (NSW based company) seeking permission to use and sell their cell-cultured quail product in Australia and New Zealand. This is the first application for cell-cultured foods considered by FSANZ.

FSANZ undertook one round of public consultation in December 2023. The second round of public consultation will occur in Q3 2024, with the intention to finalise this Application during financial year 2024-2025.

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

The 3 new Primary Production and Processing Standards for the berry, leafy vegetable and melon sectors come into effect in February 2025.

NSW has continued 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 1053 – Food Safety Management Tools

Proposal 1053 food safety management tools (Standard 3.2.2A) commenced in December 2023.

Participation in the national agenda

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 gave some previously exempt businesses an additional 12-month transition period to allow time to train staff and prepare systems. The FSS program and Standard 3.2.2A will apply to these businesses from 8 December 2024.

NSW was active in the national ISFR working group developing implementation tools to facilitate consistent implementation of the new food safety arrangements in the retail food service sector.

Food Standards finalised over 2023–2024

Draft standards finalised and gazetted into the Australia New Zealand Food Standards Code during the 2023–2024 Financial Year included:

- Proposal P1061 – Code Revision (2023)
- Application A1227 – Alpha-arabinofuranosidase from GM *Trichoderma reesei* as a processing aid
- Application A1228 – Endo-1,4-beta-xylanase from GM *Trichoderma reesei* (gene donor: *Talaromyces leycettanus*) as a processing aid
- Application A1229 – Carboxypeptidase from GM *Aspergillus oryzae* as a processing aid
- Application A1245 – Alpha-glucosidase from GM *Trichoderma reesei* as a processing aid in brewing
- Application A1262 – Food derived from insect-protected corn line MON95275
- Application A1264 – Food derived from drought-tolerant and herbicide-tolerant soybean line IND-00410-5
- Application A1265 – 2'-FL/DFL, LNT, 6'-SL sodium salt and 3'-SL sodium salt as nutritive substances in infant formula products
- Application A1266 – Endo-1,4-beta-xylanase from GM *Trichoderma reesei* (gene donor: *Fusarium verticillioides*) as a processing aid
- Proposal P1062 – Defining added sugars for claims
- Application A1243 – Harmonisation of marine biotoxin standards for bivalve shellfish
- Application A1250 – Pullulanase from GM *Bacillus subtilis* (gene donor: *Bacillus deramificans*) as a processing aid
- Application A1267 – Fructanase from GM *Trichoderma reesei* as a processing aid
- Application A1268 – Steviol glycosides produced by bioconversion using new enzymes produced by GM *Escherichia coli*
- Application A1270 – Food derived from herbicide-tolerant and insect-protected corn line DP51291
- Proposal M1021 – Maximum Residue Limits (2022)
- Application A1271 – Cellulase from GM *Aspergillus niger* as a processing aid
- Application A1272 – Food derived from herbicide-tolerant and insect-protected corn line DP915635
- Application A1274 – Food derived from disease-resistant banana line QCAV-4
- Application A1278 – Beta-Fructofuranosidase from GM *Trichoderma reesei* as a processing aid
- Application A1254 – Rosemary Extract as a Food Additive – extension of use
- Application A1273 – Steviol glycosides as a food additive in Food for special medical purposes
- Application A1275 – Transglutaminase from GM *Bacillus licheniformis* as a processing aid
- Application A1276 – Food derived from herbicide-tolerant soybean line MON94313
- Application A1277 – 2'-FL from GM *Escherichia coli* K-12 (gene donor: *Helicobacter enhydrae*) in infant formula products

Management and Accountability

4

Human resources

Since 1 July 2014 the NSW Food Authority has not directly employed staff, rather all staff are employed by the 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 2023-2024* for the period 1 July 2023 – 30 June 2024. This information is accessible from the [NSW Government 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, Housing and Infrastructure *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 2023 – 30 June 2024 appears in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Consultants

No consultants were engaged by the NSW Food Authority in 2023-2024 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 Insurance and Care NSW (icare). Policies held by the NSW Food Authority under this scheme include Legal Liability, Property and Miscellaneous Cover.

Risk management and all other insurance activities for the NSW Food Authority for the period 1 July 2023 – 30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Public Interest Disclosures

Public Interest Disclosures (PIDs) for the NSW Food Authority are managed centrally and for the period 1 July 2023 – 30 June 2024, appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government 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 2023 – 30 June 2024, appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Annual Report production

There was no external cost for the production of the NSW Food Authority Annual Report 2023–2024. 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 2023 – 30 June 2024, appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

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

Internal Audit and Risk Management attestation

Food Authority



20 August 2024

Director
Financial Management and Accounting Policy
NSW Treasury
PO Box 5469
Sydney, NSW 2001

Email: finpol@treasury.nsw.gov.au

**Re: Internal Audit and Risk Management Policy Attestation Statement
for the 2023-2024 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 "Eric Davis".

Eric Davis
Acting Chief Executive Officer
NSW Food Authority

Encl

Internal Audit and Risk Management Attestation Statement
2023-2024 Financial Year
NSW Food Authority

I, Eric Davis, Acting 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 2025
- **Member** – Mrs Kerry Adby; Start: 1 November 2020 -Finish 30 October 2025
- **Member** – Mr Gary Humphreys; Start: 1 November 2020 -Finish 30 October 2025

Shared Arrangements

I, Eric Davis, Acting 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

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.



Eric Davis

Acting Chief Executive Officer
NSW Food Authority

Sustainability



Workforce diversity

Information relating to workforce diversity initiatives for the period 1 July 2023–30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Work health and safety

Information relating to work health and safety for the period 1 July 2023–30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Modern Slavery Act 2018 (NSW)

Information relating to the *Modern Slavery Act 2018 (NSW)* for the period 1 July 2023–30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Disability Inclusion Action Plans

Information relating to Disability Inclusion Action Plans for the period 1 July 2023–30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Climate-related Financial Disclosures

Information relating to Climate-related Financial Disclosures for the period 1 July 2023–30 June 2024 appear in the Department of Regional NSW *Annual Report 2023-2024*. This information is accessible from the [NSW Government website](#).

Financial Performance



NSW Food Authority
Statement by the Director Food Safety & CEO NSW Food Authority
for the year ended 30 June 2024

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 2024 and the Treasurer's directions, and
- (b) present fairly NSW Food Authority's financial position, financial performance and cash flows



Eric Davis
Acting Director Food Safety & CEO NSW Food Authority

Date: 27 September 2024



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 and CEO NSW Food Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material 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 2024* (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

2 October 2024
SYDNEY

NSW FOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Expenses excluding losses				
Employee related expenses		-	2	-
Operating expenses	2(a)	17,221	19,773	14,457
Depreciation and amortisation	2(b)	1,164	927	778
Grants and subsidies	2(c)	586	630	684
Total expenses excluding losses		18,971	21,332	15,919
Revenue				
Industry levies and license fees	3(a)	8,891	8,701	7,796
Grants and contributions	3(b)	8,940	9,738	7,637
Investment revenue	3(c)	263	450	175
Miscellaneous income and fees for services	3(d)	1,566	2,084	1,730
Total revenue		19,660	20,973	17,338
Gains / (losses) on disposals	4	-	-	(28)
Gains / (losses) on Impairment of receivables	6	108	-	(141)
Net Result		797	(359)	1,250
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	(1,602)	-	2,732
Total other comprehensive income		(1,602)	-	2,732
TOTAL COMPREHENSIVE INCOME		(805)	(359)	3,982

The accompanying notes form part of these financial statements.

NSW FOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	5	10,981	13,199	13,413
Receivables	6	4,930	1,703	1,807
Total Current Assets		15,911	14,902	15,220
Non-Current Assets				
Property, plant and equipment				
Land and buildings		10,206	11,348	11,674
Plant and equipment		249	690	490
Total property, plant and equipment	7	10,455	12,038	12,164
Intangible assets	8	3,667	4,208	3,909
Total Non-Current Assets		14,122	16,246	16,073
Total Assets		30,033	31,148	31,293
LIABILITIES				
Current Liabilities				
Payables	10	4,806	5,475	5,261
Total Current Liabilities		4,806	5,475	5,261
Total Liabilities		4,806	5,475	5,261
Net Assets		25,227	25,673	26,032
EQUITY				
Accumulated funds		19,554	18,399	18,757
Reserves		5,673	7,274	7,275
Total Equity		25,227	25,673	26,032

The accompanying notes form part of these financial statements.

NSW FOOD AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Accumulated Funds \$000	Asset Revaluation Reserve \$000	Total \$000
Balance at 1 July 2023		18,757	7,275	26,032
Net result for the year		797	-	797
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	7	-	(1,602)	(1,602)
Total other comprehensive income for the year		-	(1,602)	(1,602)
Total comprehensive income for the year		797	(1,602)	(805)
Balance at 30 June 2024		19,554	5,673	25,227
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

The accompanying notes form part of these financial statements.

NSW FOOD AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		-	(2)	-
Payments to suppliers		(17,711)	(19,559)	(14,004)
Grants and subsidies		(586)	(630)	(684)
Total Payments		(18,297)	(20,191)	(14,688)
Receipts				
Industry levies, licenses and other		7,477	8,805	9,950
Sale of goods and services		-	2,084	-
Grants and contributions received		8,940	9,738	7,637
Interest received		263	450	175
Total Receipts		16,680	21,077	17,762
NET CASH FLOWS FROM OPERATING ACTIVITIES	11	(1,617)	886	3,074
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for property, plant and equipment	7	(123)	(200)	(383)
Payment for intangible assets	8	(692)	(900)	(839)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(815)	(1,100)	(1,222)
NET INCREASE/(DECREASE) IN CASH		(2,432)	(214)	1,852
Opening cash and cash equivalents		13,413	13,413	11,561
CLOSING CASH AND CASH EQUIVALENTS	5	10,981	13,199	13,413

The accompanying notes form part of these financial statements.

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****1. STATEMENT OF MATERIAL 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 2024 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 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) 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 2024****1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)****(g) Changes in accounting policies, including new or revised Australian Accounting Standards***i) Effective for the first time in FY2023-24*

The accounting policies applied in 2023-24 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 2023-24. The adoption of the revised Australian Accounting Standards has not had any significant impact on the Authority.

ii) Issued but not yet effective

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

- AASB 17 *Insurance Contracts*
- AASB 18 *Presentation and Disclosure in Financial Statements*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- 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 2022-9 *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*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*
- AASB 2023-3 *Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier*
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

(h) Impact of Climate-related matters on financial reporting

The financial statements of the Authority have been prepared on a going concern basis. The impact of climate-related matters has been included in the financial statements based on evidence available at the **balance date**.

An independent valuer undertook the fair value assessment of the Authority's property, plant and equipment, and concluded that there was no evidence at balance date to suggest any material impact due to climate-related matters.

Under its Climate Risk Program, the Authority will follow the guidance of the Principal Department which is currently finalising its process for formal climate risk assessment, prioritisation, monitoring and reporting in line with the requirements of the NSW Government's Climate Risk Ready NSW Guide, NSW Treasury's Guidance on how to reflect the effects of climate-related matters in financial statements, and NSW Treasury's draft Reporting Framework for Year-One Climate-related Financial Disclosures (applicable for Phase 1 entities from the 2024-2025 financial year).

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****2. EXPENSES EXCLUDING LOSSES**

	2024	2023
	\$000	\$000
(a) Operating expenses include the following:		
Audit Fees	112	106
Contract laboratory services	644	347
Fee for service - Resources Agreement - DRNSW	1,789	1,821
Fee for staffing resources - Resources Agreement - DRNSW	13,530	10,756
Legal Fees	-	27
Other operating expenses	367	162
Professional Services	551	932
Travel & Accommodation	228	306
	<u>17,221</u>	<u>14,457</u>

Recognition and Measurement**Fee expense**

In accordance with the Biosecurity and Food Safety Resources Agreement (RA) for financial year 2023-24, the Authority reimbursed 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 depreciated.

(b) Depreciation and Amortisation Expense

Depreciation		
Buildings	189	156
Plant and equipment	41	39
Total Depreciation	<u>230</u>	<u>195</u>
Amortisation		
Intangibles	934	583
Total Amortisation	<u>934</u>	<u>583</u>
Total Depreciation and Amortisation Expense	<u>1,164</u>	<u>778</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	586	592
Other state government agencies	-	92
	<u>586</u>	<u>684</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 2024

3. REVENUE

	2024	2023
	\$000	\$000
(a) Industry levies and license fees		
Industry Levies	1,058	1,044
License Fees	7,833	6,752
	<u>8,891</u>	<u>7,796</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.

	2024	2023
	\$000	\$000
(b) Grants and contributions		
Grants without sufficiently specific performance obligations.	8,940	7,637
	<u>8,940</u>	<u>7,637</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.

	2024	2023
	\$000	\$000
(c) Investment revenue		
Interest revenue	263	175
	<u>263</u>	<u>175</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.

	2024	2023
	\$000	\$000
(d) Miscellaneous income and fees for services		
Audit and inspection fees	1,232	1,340
Infringement charges and fines	167	157
Other income	167	233
	<u>1,566</u>	<u>1,730</u>

4. Gains / (Losses) - Disposal of assets

	2024	2023
	\$000	\$000
Gain / (Loss) on disposal of Property, plant and equipment	-	(13)
Gain / (Loss) on disposal of Intangible Assets	-	(15)
	<u>-</u>	<u>(28)</u>

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	2024	2023
	\$000	\$000
Cash at bank and on hand	10,981	13,413
	10,981	13,413

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

Cash and cash equivalents (per statement of financial position)	10,981	13,413
	10,981	13,413

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

6. CURRENT ASSETS - RECEIVABLES

	2024	2023
	\$000	\$000
CURRENT		
Receivables	1,540	1,851
Allowance for expected credit losses	(342)	(450)
Accrued Income	3,205	-
Micellaneous	527	406
	4,930	1,807
Movement in the allowance for expected credit loss		
Balance at 1 July	450	309
Increase/(decrease) in allowance recognised in net results	(108)	141
Balance at 30 June 2024	342	450

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 2024

7. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$000
At 1 July 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>
At 30 June 2024 - fair value			
Gross carrying amount	15,501	1,039	16,540
Accumulated depreciation and impairment	(5,295)	(790)	(6,085)
Net carrying amount	<u>10,206</u>	<u>249</u>	<u>10,455</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 2024			
Net carrying amount at beginning of year	11,674	490	12,164
Additions	-	123	123
Asset reclassification transfer	323	(323)	-
Net revaluation increments/(decrements)	(1,602)	-	(1,602)
Depreciation expense	(189)	(41)	(230)
Net carrying amount at end of year	<u>10,206</u>	<u>249</u>	<u>10,455</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 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 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 2023			
Net carrying amount at beginning of year	8,867	94	8,961
Purchase of assets	-	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>

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****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 2024****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 March 2024, Australis, professionally qualified external valuer, completed a comprehensive valuation of building. The last comprehensive revaluation of land was completed in 2022-23 financial year by Australis.

Interim revaluations are also conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

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 2024****8. INTANGIBLE ASSETS**

	Total \$'000
Intangible Assets - Software	
At 1 July 2023	
Cost (gross carrying amount)	8,007
Accumulated amortisation and impairment	<u>(4,098)</u>
Net Carrying amount	<u>3,909</u>
At 30 June 2024	
Cost (gross carrying amount)	8,700
Accumulated amortisation and impairment	<u>(5,033)</u>
Net carrying amount at end of year	<u>3,667</u>
Year ended 30 June 2024	
Net carrying amount at beginning of year	3,909
Purchase of assets	692
Amortisation (recognised in 'depreciation and amortisation')	<u>(934)</u>
Net carrying amount at end of year	<u>3,667</u>
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	<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)
Disposal	(15)
Amortisation (recognised in 'depreciation and amortisation')	<u>(583)</u>
Net carrying amount at end of year	<u>3,909</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 2024****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 2024				
Property, plant and equipment (Note 7)				
Land and buildings	-	-	10,206	10,206
	-	-	10,206	10,206
At 30 June 2023				
Property, plant and equipment (Note 7)				
Land and buildings	-	-	11,674	11,674
	-	-	11,674	11,674

(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

	2024 \$000	2023 \$000
Payables		
Creditors	26	217
Accruals	3,316	3,611
GST	8	28
Unearned income		
Unearned income	1,456	1,405
	4,806	5,261

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 2024****11. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT**

	2024	2023
	\$000	\$000
Net cash flows from operating activities	(1,617)	3,074
Depreciation and amortisation	(1,164)	(778)
Gain/(loss) on disposal of Assets	-	(28)
Movement in allowance for impairment	108	(141)
Increase/(Decrease) in Receivables	3,015	(53)
Decrease/(Increase) in Payables	455	(824)
Net Result for the year	797	1,250

12. COMMITMENTS

The Authority is unaware of any capital commitments as at 30 June 2024 (2023: 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 2023-24 was a deficit of \$359,000. Actual net result for the year was a surplus of \$797,000. The favourable variance for the year of \$1,156,000 is consistent with the changes in food safety activities affected by 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 lower than budgeted at year end mainly attributable to delay in the receipt of portfolio grant funding in the amount of \$3,205,000. Decrease in actual total current assets was mainly attributable to net revaluation decrements of property, plant and equipment partially offset by net result surplus for the year.

Cash flows

Cash flows receipts were lower than budgeted mainly attributable to delay in the receipt of portfolio grant funding.

NSW FOOD AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Authority has no contingent assets or contingent liabilities at 30 June 2024 (2023: Nil).

15. STATE OUTCOMES AND PROGRAMS

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

16. RELATED PARTY DISCLOSURES

During the year, the Authority incurred \$300,485 (30 June 2023: \$275,806) in respect of the key management personnel services that were provided by the Department.

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

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

Following are the list of NSW Government entities with whom the Authority had collectively, but not individually, significant transactions during financial year 2023-2024.

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	
			2024 \$000	2023 \$000
Financial Assets				
Cash and cash equivalents	5	Amortised cost	10,981	13,413
Receivables ¹	6	Amortised cost	4,930	1,807
Financial Liabilities				
Payables ²	10	Financial liabilities measured at amortised cost	3,342	3,828

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 2024****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 2024****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 2024 and 30 June 2023 and was determined as follows:

	30 June 2024					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	1%	3%	5%	6%	100%	
Estimated total gross carrying amount (\$ 000)	674	477	33	38	318	1,540
Expected credit loss (\$ 000)	(8)	(12)	(2)	(2)	(318)	(342)

	30 June 2023					Total
	Current	<30 days	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	1,851
Expected credit loss (\$ 000)	(10)	(13)	(3)	(4)	(420)	(450)

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 2024 and 30 June 2023.

(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 2024

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
2024								
<i>Payables</i>	-	3,342	-	-	3,342	3,342	-	-
		<u>3,342</u>	<u>-</u>	<u>-</u>	<u>3,342</u>	<u>3,342</u>	<u>-</u>	<u>-</u>
2023								
<i>Payables</i>	-	3,828	-	-	3,828	3,828	-	-
		<u>3,828</u>	<u>-</u>	<u>-</u>	<u>3,828</u>	<u>3,828</u>	<u>-</u>	<u>-</u>

(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 2023. 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	-1%	+1%	\$000	\$000	
2024							
Financial Assets							
Cash and cash equivalents	10,981	(110)	(110)	110			110
Receivables	4,930	-	-	-			-
Financial Liabilities							
Payables	3,342	-	-	-			-
2023							
Financial Assets							
Cash and cash equivalents	13,413	(134)	(134)	134			134
Receivables	1,807	-	-	-			-
Financial Liabilities							
Payables	3,828	-	-	-			-

(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 2024****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

There are no other known events that would have an impact on the state of the Authority or have a material impact on the financial statements.

END OF THE AUDITED FINANCIAL STATEMENTS

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