

**FOOD STANDARDS AUSTRALIA  
NEW ZEALAND**

**Agency Resources and  
Planned Performance**

**FSANZ**



# Food Standards Australia New Zealand

Health Portfolio Agency

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## **Section 1: Agency Overview and Resources**

1.1:	Strategic Direction Statement .....	328
1.2:	Agency Resource Statement .....	329
1.3:	Budget Measures .....	330

## **Section 2: Outcomes and Planned Performance**

2.1:	Outcomes and Performance Information .....	331
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## **Section 3: Explanatory Tables and Budgeted Financial Statements**

3.1:	Explanatory Tables.....	336
3.2:	Budgeted Financial Statements .....	337

The logo for Food Standards Australia New Zealand (FSANZ), consisting of the letters 'FSANZ' in white, oriented vertically on a black rectangular background.

## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through Food Standards Australia New Zealand (FSANZ), aims to ensure that Australia's food supply is safe and well managed in order to minimise the risk of adverse health events.

FSANZ was established by the Australian Government to achieve the goals of: a high degree of confidence in the quality and safety of food that is available in Australia and New Zealand; an effective, transparent and accountable regulatory framework within which industry can work efficiently; the provision of adequate information about food to support informed food choices; and the harmonisation of food standards in Australia and New Zealand, and internationally.

Through the operation of treaty arrangements, FSANZ develops some food standards for New Zealand. Food standards are implemented through multi-jurisdictional arrangements with Australian and New Zealand Governments that are overseen by the Council of Australian Governments (COAG) Legislative and Governance Forum on Food Regulation.

FSANZ also coordinates national food surveillance and food recall activities and provides advice to the Department of Agriculture to assist that Department to control imported foods.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991*. FSANZ is prescribed as a Commonwealth authority under the *Commonwealth Authorities and Companies Act 1997*. From 1 July 2014, FSANZ will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: FSANZ Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Opening balance/reserves at bank</b>	10,985	-	10,985	11,200
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	17,495	17,495	19,306
<b>Total ordinary annual services</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>Payments from related entities</b>				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Total funds from Government</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	320	320	522
Sale of goods and services	-	100	100	200
Other	-	1,749	1,749	1,447
<b>Total other sources</b>	-	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Total net resourcing for FSANZ</b>	<b>10,985</b>	<b>19,664</b>	<b>30,649</b>	<b>32,675</b>

Notes:

All figures are GST exclusive.

FSANZ is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the FSANZ and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

### 1.3 Budget Measures

Budget measures relating to FSANZ are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: FSANZ Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	
<b>Whole of Government Measures</b>							
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>							
Food Standards Australia New Zealand							
	Departmental expenses	1.1	-	(45)	(89)	(133)	(134)
<b>Total expenses</b>			-	(45)	(89)	(133)	(134)

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices**

#### Outcome Strategy

The Australian Government aims to ensure that all Australians have access to a safe food supply and adequate, accurate information to make informed choices about the food they consume.

Regulation is a critical component of the cooperative framework established to deliver safe food in Australia. Food standards developed by FSANZ are based on risk analysis using the best available scientific and other relevant evidence. FSANZ supports the Australian Government in building consumer confidence in food regulation by improving communication with technical and non-technical audiences. FSANZ will continue to promote the use of the internet and other electronic communication tools to enhance its consultation on standards development and the provision of food safety information.

In 2014-15, FSANZ will continue to work with jurisdictions to implement improvements to surveillance and recall protocols. FSANZ will also continue work on a major proposal to revise the Food Standards Code to address issues of legal uncertainty and to improve the presentation of the Code.

## FSANZ Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for FSANZ by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for FSANZ**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Food regulatory activity and services to the Minister and Parliament</b>					
Revenue from Government					
Appropriations through the Portfolio Department	19,306	17,495	17,340	17,241	17,412
Revenues from independent sources	2,169	2,169	2,169	2,169	2,169
Operating deficit (surplus)	270	-	-	-	-
<b>Total for Programme 1.1</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
<b>Total expenses for Outcome 1</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	115	107			



## **Programme 1.1: Food Regulatory Activity and Services to the Minister and Parliament**

### **Programme Objectives**

#### *Ensure effective, evidence-based food standards*

The Australian Government established FSANZ to develop effective, evidence-based food standards. FSANZ is committed to developing standards along the whole of the food supply chain to help ensure that food in Australia and New Zealand is safe and suitable to eat or drink.

In 2014-15, FSANZ will progress reviews of several standards covering infant formula products, microbiological limits in foods and maximum residue limits for chemicals in food. FSANZ will also complete development of a new primary production and processing standard for meat and meat products.

#### *Deliver food regulation that protects public health and safety*

The Australian Government aims to ensure that the regulatory activities of FSANZ are conducted with the primary objective of protecting public health and safety. FSANZ will continue to coordinate food recalls across all Australian States and Territories through the National Food Recall Protocol and undertake surveillance activities.

In the event of a major food incident, FSANZ will coordinate the national response under the National Food Incident Response Protocol. Through the National Food Safety Network, FSANZ will extend the current coordination and information sharing/communication services provided under the Protocol to situations where national discussion of food safety issues would be beneficial without invoking the Protocol.

#### *Improve citizen and stakeholder engagement*

A key element in enabling consumers and other stakeholders to make informed decisions about food is through the provision of adequate information. FSANZ maintains a website<sup>1</sup> that contains information for the community, industry, and other stakeholders about how the Australia New Zealand Food Standards Code operates. Increasingly, FSANZ is using social media to deliver food related information. FSANZ also operates a Code Inquiry Service to answer general questions about the operation of the Food Standards Code.

In December 2011, the Council of Australian Government's Legislative and Governance Forum on Food Regulation agreed its response to the final report of the independent panel for the *Labelling Logic: Review of Food Labelling Law and Policy (2011)*. In 2014-15, FSANZ will continue to provide technical evaluation and advice, review standards, or develop proposals based on the whole-of-government response to recommendations made in the report.

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<sup>1</sup> Further information available at: [Food Standards Australia New Zealand website](#)

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Ensure effective, evidence-based food standards

Qualitative Deliverable	2014-15 Reference Point or Target
Food regulatory measures are considered in a timely manner	Applications are assessed within 12 months or less as required by the FSANZ Act

#### Deliver food regulation that protects public health and safety

Qualitative Deliverable	2014-15 Reference Point or Target
Manage the operation of the National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol	Deliver an efficient and effective incident management process through the National Food Safety Network and, as appropriate, the National Food Incident Response Protocol

#### Improve citizen and stakeholder engagement

Qualitative Deliverable	2014-15 Reference Point or Target
Participate in the implementation of the whole-of-government response to the <i>Labelling Logic</i> report	Provide technical evaluation and advice to support the whole-of-government response

### Quantitative Deliverables for Programme 1.1

#### Improve citizen and stakeholder engagement

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Consumer and Public Health Dialogue meetings	3	2	2	2	2

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Deliver food regulation that protects public health and safety

Qualitative Indicator	2014-15 Reference Point or Target
Enhanced public confidence in food incident and recall management	Industry satisfaction rating of 95 per cent or above for FSANZ's recall coordination All FSANZ staff trained in incident response procedures

### Quantitative Key Performance Indicators for Programme 1.1

#### Ensure effective, evidence-based food standards

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of Bovine Spongiform Encephalopathy food safety risk assessments completed	4	2	2	1	1

#### Deliver food regulation that protects public health and safety

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of food recalls coordinated through the National Food Recall Protocol	~50	~50	~50	~50	~50

#### Improve citizen and stakeholder engagement

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Stakeholder engagement, measured by the number of:					
<ul style="list-style-type: none"> <li>stakeholders receiving information via website publications and social media</li> </ul>	5,000	5,500	6,000	7,000	8,000
<ul style="list-style-type: none"> <li>unique visitors to FSANZ website</li> </ul>	800,000	850,000	850,000	850,000	850,000



## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to FSANZ.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to FSANZ.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because FSANZ has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to FSANZ.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of FSANZ's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Income Statement**

FSANZ has projected a break even budget in 2014-15. This result is expected to continue for the forward years.

##### **Revenues**

Revenue from other sources of \$2.169 million in 2014-15 is expected to remain over the forward years. The revenue from other sources is received primarily from the New Zealand Government, cost recovery arrangements for the processing of paid applications to amend the food standards code and interest. Reductions in interest and paid applications revenue in 2014-15 is likely to be offset by an increase in revenue from New Zealand, largely as a result of exchange rate movements.

##### **Expenses**

Expenditure in 2014-15 is anticipated to be \$19.664 million which is lower than the prior year and in line with the reduction in departmental appropriation and other revenue.

Employee expenses are anticipated to decline in 2014-15 as a result of a reduction in staff numbers in 2013-14. Supplier expenses will also decline in 2014-15. This trend is expected to continue over the forward years.

Depreciation and amortisation expenses are expected to remain stable over the forward years.

##### **Balance Sheet**

The cash balance is expected to decrease slightly over the forward years.

Intangible assets increased in 2013-14 reflecting the upgrading of key databases and data modelling systems. A small increase is anticipated across future years as asset enhancements occur with technological progress.

Employee provisions are expected to increase over the next year and then remain stable.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1: Comprehensive Income Statement (showing net cost of services)  
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	16,818	15,798	16,237	16,237	16,237
Supplier expenses	4,322	3,261	2,667	2,568	2,739
Depreciation and amortisation	605	605	605	605	605
<b>Total expenses</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	200	100	100	100	100
Interest	522	320	320	320	320
Other revenue	1,447	1,749	1,749	1,749	1,749
<b>Total revenue</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Net cost of (contribution by) services</b>	<b>19,576</b>	<b>17,495</b>	<b>17,340</b>	<b>17,241</b>	<b>17,412</b>
Revenue from Government	19,306	17,495	17,340	17,241	17,412
<b>Surplus (Deficit)</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	10,985	11,040	11,095	10,919	10,919
Receivables	644	644	644	820	820
<b>Total financial assets</b>	<b>11,629</b>	<b>11,684</b>	<b>11,739</b>	<b>11,739</b>	<b>11,739</b>
<b>Non-financial assets</b>					
Land and buildings	1,036	836	636	656	676
Property, plant and equipment	546	596	646	596	546
Intangibles	2,823	2,918	3,013	3,043	3,073
Other	166	166	166	166	166
<b>Total non-financial assets</b>	<b>4,571</b>	<b>4,516</b>	<b>4,461</b>	<b>4,461</b>	<b>4,461</b>
<b>Total assets</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	381	317	253	253	253
Other payables	2,914	2,914	2,914	2,914	2,914
<b>Total payables</b>	<b>3,295</b>	<b>3,231</b>	<b>3,167</b>	<b>3,167</b>	<b>3,167</b>
<b>Interest bearing liabilities</b>					
Leases	338	338	338	338	338
<b>Total interest bearing liabilities</b>	<b>338</b>	<b>338</b>	<b>338</b>	<b>338</b>	<b>338</b>
<b>Provisions</b>					
Employees	5,809	5,873	5,937	5,937	5,937
Other provisions	296	296	296	296	296
<b>Total provisions</b>	<b>6,105</b>	<b>6,169</b>	<b>6,233</b>	<b>6,233</b>	<b>6,233</b>
<b>Total liabilities</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>
<b>Net assets</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>
<b>EQUITY</b>					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,097	2,097	2,097	2,097	2,097
Retained surpluses or accumulated deficits	2,542	2,542	2,542	2,542	2,542
<b>Total equity</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	2,542	2,097	-	1,823	6,462
Surplus (deficit) for the period	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>2,542</b>	<b>2,097</b>	<b>-</b>	<b>1,823</b>	<b>6,462</b>



**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	279	100	100	100	100
Appropriations	19,306	17,495	17,340	17,241	17,412
Interest	522	320	320	320	320
Net GST received	519	519	519	519	519
Other cash received	1,447	1,749	1,573	1,573	1,749
<b>Total cash received</b>	<b>22,073</b>	<b>20,183</b>	<b>19,852</b>	<b>19,753</b>	<b>20,100</b>
<b>Cash used</b>					
Employees	16,644	15,734	16,173	16,237	16,237
Suppliers	5,015	3,325	2,555	2,568	2,739
Net GST paid	79	519	519	519	519
<b>Total cash used</b>	<b>21,738</b>	<b>19,578</b>	<b>19,247</b>	<b>19,324</b>	<b>19,495</b>
<b>Net cash from (or used by) operating activities</b>	<b>335</b>	<b>605</b>	<b>605</b>	<b>429</b>	<b>605</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	550	550	550	605	605
<b>Total cash used</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>Net cash from (or used by) investing activities</b>	<b>(550)</b>	<b>(550)</b>	<b>(550)</b>	<b>(605)</b>	<b>(605)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(215)</b>	<b>55</b>	<b>55</b>	<b>(176)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	11,200	10,985	11,040	11,095	10,919
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>10,985</b>	<b>11,040</b>	<b>11,095</b>	<b>10,919</b>	<b>10,919</b>

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources	550	550	550	605	605
<b>Total acquisitions of non-financial assets</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>Total cash used to acquire assets</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	1,577	1,233	3,537	<b>6,347</b>
Accumulated depreciation/amortisation and impairment	541	687	714	<b>1,942</b>
<b>Opening net book balance</b>	<b>1,036</b>	<b>546</b>	<b>2,823</b>	<b>4,405</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - internal resources	150	200	200	<b>550</b>
<b>Sub-total</b>	<b>150</b>	<b>200</b>	<b>200</b>	<b>550</b>
<b>Other movements</b>				
Depreciation/amortisation expense	350	150	105	<b>605</b>
<b>As at 30 June 2015</b>				
Gross book value	1,727	1,433	3,737	<b>6,897</b>
Accumulated depreciation/amortisation and impairment	891	837	819	<b>2,547</b>
<b>Closing net book balance</b>	<b>836</b>	<b>596</b>	<b>2,918</b>	<b>4,350</b>