

FOOD STANDARDS AUSTRALIA NEW ZEALAND

Entity Resources and Planned Performance

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FSANZ

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT¹

The Australian Government aims to ensure that Australia's food supply is safe and well managed in order to minimise the risk of adverse health events.

Food Standards Australia New Zealand (FSANZ) was established to achieve the goals of: a high degree of consumer 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.

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 to build consumer confidence in food regulation by improving communication with technical and non-technical audiences. FSANZ will expand the use of the internet and other electronic communication tools to enhance its consultation on standards development and the provision of information about food safety and food regulation.

Through the operation of treaty arrangements, some food standards developed by FSANZ are implemented as food standards in New Zealand.

Food standards are implemented through multi-jurisdictional arrangements with the Australian, New Zealand and State and Territory Governments that are overseen by the Australia and New Zealand Ministerial Forum on Food Regulation.

FSANZ also coordinates national food surveillance and food recall activities, maintains national food composition and food consumption databases, and provides advice to the Department of Agriculture and Water Resources to assist that Department to control imported foods.

In 2017-18, FSANZ will continue work on revision of standards for novel foods and nutritive substances, and commence reviews of Chapters 3 and 4 of the Food Standards Code (food safety requirements and primary production and processing standards) and of the standard for food produced using gene technology.

¹ For more information about the strategic direction of FSANZ, refer to the current corporate plan, available at: www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx

FSANZ will also work with food regulators to develop policies to reduce the levels of foodborne illness and to better explain the role of food labelling. FSANZ will also develop an enhanced evidence-based framework to assess risks from imported foods. In addition, FSANZ will also undertake work to engage industry and the community more effectively in response activities.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991* (FSANZ Act). FSANZ is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: FSANZ Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
Opening balance/cash reserves at 1 July	10,802	11,126
Funds from Government		
Annual appropriations		
Ordinary annual services ^(a)		
Outcome 1	17,177	16,961
Other services ^(b)		
Equity injection	-	-
Total annual appropriations	17,177	16,961
Amounts received from related entities ^(c)		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	17,177	16,961
Funds from other sources		
Interest	320	320
Sale of goods and services	100	100
Other	1,749	1,749
Total funds from other sources	2,169	2,169
Total net resourcing for FSANZ	30,148	30,256
	2016-17	2017-18
Average staffing level (number)	108	107

All figures are GST exclusive.

^(a) Appropriation Bill (No. 1) 2017-18.

^(b) Appropriation Bill (No. 2) 2017-18.

^(c) Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 BUDGET MEASURES

This section is not applicable to FSANZ.



Section 2: Outcomes and Planned Performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports – to provide an entity’s complete performance story.

FSANZ’s most recent corporate plan is available at:
www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx

FSANZ’s most recent annual performance statement is available at:
www.foodstandards.gov.au/publications/annualreport201516/Pages/Annual%20Report%202015-2016.aspx

2.1 BUDGETED EXPENSES AND PERFORMANCE

Outcome 1

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

Program Contributing to Outcome 1

Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament

Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<p>Department of Health Program 2.4: Preventive Health and Chronic Disease Support The Department of Health has strategic responsibility for the development of policies that ensure Australia's food supply is safe and that Australians have access to information to make informed choices about the food they consume.</p>
<p>Department of Agriculture and Water Resources Program 2.1: Biosecurity and Export Services The Department of Agriculture and Water Resources administers the Imported Food Program, which includes managing the risks to human health and regulating imported food for compliance with Australian food standards. This program contributes to the effectiveness of the Australian food regulatory system which provides confidence to the community that the food supply is safe.</p>

Budgeted Expenses for FSANZ

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted Expenses for FSANZ

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament					
Revenue from Government					
Ordinary annual services ^(a)	17,177	16,961	16,882	16,890	16,973
Revenues from independent sources	2,169	2,169	2,350	2,350	2,375
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	19,346	19,130	19,232	19,240	19,348
Total expenses for Outcome 1	19,346	19,130	19,232	19,240	19,348
	2016-17	2017-18			
Average staffing level (number)	108	107			

^(a) Appropriation Bill (No. 1) 2017-18.



Planned Performance for FSANZ

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.² It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

Table 2.1.2: Performance Criteria for FSANZ

Purpose
To contribute to the cooperative food regulatory system by developing evidence-based standards, providing evidence-based advice, coordinating regulatory responses and providing information about food standards.
Outcome 1
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
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament
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. FSANZ develops evidence-based food regulatory measures, coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.
Delivery
<p>A. Ensuring effective, evidence-based food standards</p> <ul style="list-style-type: none"> • Develop standards in response to applications and proposals to amend the Food Standards Code. <p>B. Coordinating food regulation to protect public health and safety</p> <ul style="list-style-type: none"> • Coordinate food incident response and food recalls. • Undertake monitoring and surveillance activities to ensure that regulatory and non-regulatory activities achieve their objectives. <p>C. Providing food-related information</p> <ul style="list-style-type: none"> • Provide authoritative evidence-based information about food composition and consumption to stakeholders and consumers.

² Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 FSANZ Annual Report.

Performance Criteria				
A. Ensuring effective, evidence-based food standards				
Food regulatory measures are considered in a timely manner.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
100% of applications assessed in statutory deadlines.	Applications are assessed within 12 months or less as required by the FSANZ Act.	As per 2017-18.		
B. Coordinating food regulation to protect public health and safety				
Manage the operation of the Bi-National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Response and management of salmonella and rockmelon national food incident effectively coordinated. Effective coordination of information exchange on more than ten food issues.	Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.	As per 2017-18.		
Make a valuable contribution to ensuring that the food regulatory system is implemented consistently.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
64 food recalls relating to foods that were not safe or suitable for consumption were coordinated effectively.	FSANZ's coordination role is effectively demonstrated in the annual report on recall activities (including evaluation outcomes) to States and Territories, through the Implementation Subcommittee for Food Regulation (ISFR). ³	As per 2017-18.		
Deliver efficient and effective food recall coordination.⁴				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
Industry satisfaction with food recall coordination was ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.

³ ISFR was set up by the Food Regulation Standing Committee to foster a consistent approach across jurisdictions to implementing and enforcing food regulation. More information about the ISFR is available at: foodregulation.gov.au/internet/fr/publishing.nsf/Content/ISFR

⁴ Industry satisfaction with food recall coordination is measured by surveying industry recall participants.

C. Providing food-related information				
FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Stakeholder survey to be completed by 31 May 2017.		Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.		As per 2017-18.
Improved understanding of community food safety and public health issues through the Consumer and Public Health Dialogue (CPHD).				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The effectiveness of FSANZ's regulatory response to food safety and public health nutrition issues was improved through engagement with the CPHD.		Food policy is informed by Public Health and Consumer evidence-base.		As per 2017-18.
Encourage stakeholder engagement through up-to-date information on FSANZ's website and social media interactions.				
a. Website unique visitors.				
b. Social media interactions.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 1,100,000 visits	>850,000	>850,000	>850,000	>850,000
b. 200,000 engaged users on Facebook.	>200,000	>200,000	>200,000	>200,000
Material changes to Program 1.1 resulting from the following measures:				
<ul style="list-style-type: none"> There are no material changes to Program 1.1 resulting from measures. 				

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to FSANZ.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

FSANZ has projected a break even budget in 2017-18 and the forward years.

Revenues

Appropriation revenue in 2017-18 has decreased from 2016-17 largely reflecting the impact of previous increased efficiency dividends on the agency.

Revenue from other sources of \$2.2 million in 2017-18 is expected to remain stable next year then increase slightly 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.

Expenses

Expenditure in 2017-18 is anticipated to be \$19.1 million which is lower than the prior year and in line with the reduction in departmental appropriation.

Employee expenses are anticipated to remain in line with 2016-17 actuals with a relatively stable workforce and a slight increase in salaries. Supplier expenses will decrease in line with the reduction in appropriation.

Balance Sheet

Non-financial assets are reducing across future years as assets are depreciated over their useful life.

Employee provisions are expected to remain stable.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
EXPENSES					
Employee benefits	14,437	14,434	14,432	14,429	14,382
Supplier expenses	3,804	3,591	3,695	3,706	3,861
Depreciation and amortisation	1,105	1,105	1,105	1,105	1,105
Total expenses	19,346	19,130	19,232	19,240	19,348
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	100	100	100	100	200
Interest	320	320	320	320	200
Other revenue	1,749	1,749	1,930	1,930	1,975
Total revenue	2,169	2,169	2,350	2,350	2,375
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,169	2,169	2,350	2,350	2,375
Net cost of (contribution by) services	17,177	16,961	16,882	16,890	16,973
Revenue from Government	17,177	16,961	16,882	16,890	16,973
Surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,126	11,626	12,126	12,126	12,126
Trade and other receivables	375	375	375	375	375
Total financial assets	11,501	12,001	12,501	12,501	12,501
Non-financial assets					
Land and buildings	571	591	611	611	611
Property, plant and equipment	319	269	219	219	219
Intangibles	1,703	1,233	763	763	763
Other	282	282	282	282	282
Total non-financial assets	2,875	2,375	1,875	1,875	1,875
Total assets	14,376	14,376	14,376	14,376	14,376
LIABILITIES					
Payables					
Suppliers	211	211	211	211	211
Other payables	1,222	1,222	1,222	1,222	1,222
Total payables	1,433	1,433	1,433	1,433	1,433
Interest bearing liabilities					
Leases	228	228	228	228	228
Total interest bearing liabilities	228	228	228	228	228
Provisions					
Employees	4,625	4,625	4,625	4,625	4,625
Other provisions	345	345	345	345	345
Total provisions	4,970	4,970	4,970	4,970	4,970
Total liabilities	6,631	6,631	6,631	6,631	6,631
Net assets	7,745	7,745	7,745	7,745	7,745
EQUITY					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,254	2,254	2,254	2,254	2,254
Retained surpluses (accumulated deficits)	3,668	3,668	3,668	3,668	3,668
Total equity	7,745	7,745	7,745	7,745	7,745

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	3,668	2,254	1,823	7,745
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2018	3,668	2,254	1,823	7,745

Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	100	100	100	100	200
Appropriations	17,177	16,961	16,882	16,890	16,973
Interest	320	320	320	320	200
Net GST received	519	519	519	519	519
Other cash received	1,573	1,749	1,930	1,930	1,975
Total cash received	19,689	19,649	19,751	19,759	19,867
Cash used					
Employees	14,437	14,434	14,432	14,429	14,382
Suppliers	3,804	3,591	3,695	3,706	3,861
Net GST paid	519	519	519	519	519
Total cash used	18,760	18,544	18,646	18,654	18,762
Net cash from (or used by) operating activities	929	1,105	1,105	1,105	1,105
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	605	605	605	1,105	1,105
Total cash used	605	605	605	1,105	1,105
Net cash from (or used by) investing activities	(605)	(605)	(605)	(1,105)	(1,105)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	324	500	500	-	-
Cash and cash equivalents at the beginning of the reporting period	10,802	11,126	11,626	12,126	12,126
Cash and cash equivalents at the end of the reporting period	11,126	11,626	12,126	12,126	12,126

Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	-	-	-	-	-
Funded internally from departmental resources	605	605	605	1,105	1,105
Total acquisitions of non-financial assets	605	605	605	1,105	1,105
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	605	605	605	1,105	1,105
Total cash used to acquire assets	605	605	605	1,105	1,105

^(a) Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.6: Statement of Asset Movements (Budget year 2017-18)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	1,111	1,709	4,806	7,626
Accumulated depreciation/ amortisation and impairment	(540)	(1,390)	(3,103)	(5,033)
Opening net book balance	571	319	1,703	2,593
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	200	100	305	605
Total additions	200	100	305	605
Other movements				
Depreciation/amortisation expense	(180)	(150)	(775)	(1,105)
Total other movements	(180)	(150)	(775)	(1,105)
As at 30 June 2018				
Gross book value	1,311	1,809	5,111	8,231
Accumulated depreciation/ amortisation and impairment	(720)	(1,540)	(3,878)	(6,138)
Closing net book balance	591	269	1,233	2,093