

**FOOD STANDARDS
AUSTRALIA
NEW ZEALAND**

**Agency resources and
planned performance**

Food Standards Australia New Zealand

Health and Ageing Portfolio Agency

FSANZ

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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 also sets some food standards in 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 recalls and provides advice to the Department of Agriculture, Fisheries and Forestry on the control of 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*.

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 2012-13 as at Budget May 2012

	Estimate of prior year amounts available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	Total estimate 2012-13 \$'000	Estimated available appropriation 2011-12 \$'000
Opening balance/reserves at bank	2,806	-	2,806	3,587
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	-	18,783	18,783	19,155
Total ordinary annual services	-	18,783	18,783	19,155
Other services²				
<i>Non-operating</i>	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	-	18,783	18,783	19,155
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	-	18,783	18,783	19,155
FUNDS FROM OTHER SOURCES				
Interest	-	522	522	522
Sale of goods and services	-	821	821	816
Other	-	1,446	1,446	1,446
Total other sources	-	2,789	2,789	2,784
Total net resourcing for FSANZ	2,806	21,572	24,378	25,526

All figures are GST exclusive.

FSANZ is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Health and Ageing which are then paid to FSANZ and are considered 'departmental' for all purposes.

¹ Appropriation Bill (No. 1) 2012-13.

² Appropriation Bill (No. 2) 2012-13.

³ Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.

1.3 Budget Measures

Section 1.3 is not applicable to FSANZ in 2012-13.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

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 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 by completing a major upgrade of its web presence.

In 2012-13, FSANZ will continue to work with jurisdictions to implement improvements to surveillance and recall protocols. In 2011-12, FSANZ established the Code Interpretation Service to provide a single source of advice about the interpretation of the Food Standards Code. FSANZ has also commenced a major project to revise the Food Standards Code to address issues of uncertainty and to improve the presentation of the Code. Together, these projects will build confidence in the food regulatory system.

FSANZ Budgeted Expenses and Resources

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

Table 2.1.1: Budgeted Expenses and Resources for FSANZ

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Program 1.1: Food regulatory activity and services to the Minister and Parliament					
Revenue from Government					
Appropriations through the Portfolio Department	19,155	18,783	18,648	18,785	18,906
Revenues from independent sources	2,784	2,789	2,169	2,169	2,169
Operating deficit (surplus)	490	-	-	-	-
Total for Program 1.1	22,429	21,572	20,817	20,954	21,075
Total expenses for Outcome 1	22,429	21,572	20,817	20,954	21,075
	2011-12	2012-13			
Average staffing level (number)	129	129			

Program 1.1: Food regulatory activity and services to the Minister and Parliament

Program Objectives

Ensure effective, evidence-based food standards

The Australian Government established FSANZ to develop effective, evidence-based food standards. FSANZ is committed to developing these 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 2012–13, FSANZ will complete a review of its role in providing advice on imported food control arrangements together with the Department of Agriculture, Fisheries and Forestry, and complete a range of primary production and processing standards, such as those for horticulture and 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 build confidence in its capacity to protect public health and safety by providing greater transparency about its food risk analysis model and the integration of risk governance in standards setting with its other risk management frameworks.

FSANZ will continue to coordinate food recalls across all Australian states and territories through the National Food Recall Protocol. In the event of a major food incident, FSANZ will lead the national response by enacting strategies laid out in the National Food Incident Response Protocol.

Improve citizen and stakeholder engagement

The Australian Government recognises the importance of enabling consumers and other stakeholders to make informed decisions about food through the provision of adequate information. FSANZ maintains a website¹ 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 these messages, and also operates the Code Inquiry Service to answer general questions from the public, including stakeholders, about the operation of the code.

In December 2011, the Council of Australian Governments' Legislative and Governance Forum on Food Regulation agreed its response to *Labelling Logic*, the final report of the independent panel for the Review of Food Labelling Law and Policy. In 2012–13, FSANZ will support the Government's response by providing technical evaluation and advice on recommendations made in the report and by examining proposed changes to standards on food labelling.

¹ Available at: <www.foodstandards.gov.au>.

Program 1.1: Deliverables²

Table 2.1.2: Qualitative Deliverables for Program 1.1

Qualitative Deliverables	2012-13 Reference Point or Target
Ensure effective, evidence-based food standards	
Food regulatory measures are considered in a timely manner	Applications are assessed in 12 months or less as required by the FSANZ Act
Deliver food regulation that protects public health and safety	
Manage the National Food Incident Response Protocol	Deliver an efficient and effective incident management process through the National Food Incident Response Protocol
Improve citizen and stakeholder engagement	
Participate in the implementation of the whole-of-government response to the <i>Labelling Logic</i> report	Develop labelling standards that are effective, efficient, and permit informed decision-making

Table 2.1.3: Quantitative Deliverables for Program 1.1

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Improve citizen and stakeholder engagement					
Consumer and Public Health Dialogue face-to-face meetings	3	3	3	3	2

² In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Program 1.1: Key Performance Indicators

Table 2.1.4: Qualitative Key Performance Indicators for Program 1.1

Qualitative Indicator	2012-13 Reference Point or Target
Deliver food regulation that protects public health and safety	
Enhanced public confidence in food incident and recall management	Evaluation of compliance with the National Food Incident and Recall Protocols through the triennial review of the protocols shows improved performance of food recall

Table 2.1.5: Quantitative Key Performance Indicators for Program 1.1

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Ensure effective, evidence-based food standards					
Number of Bovine Spongiform Encephalopathy food safety risk assessments completed ³	≤5	3	3	3	3
Deliver food regulation that protects public health and safety					
Compliance rate of FSANZ with the Food Recall Protocols	100%	100%	100%	100%	100%
Improve citizen and stakeholder engagement					
Number of stakeholders receiving information via website publications and social media	N/A	4,000	4,500	5,000	5,500

³ This indicator has been revised to provide a more precise target that reflects increased certainty about required timeframes.

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 2012-13 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program 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

In 2012-13, the Australian Government Indigenous Expenditure 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 budgeted financial statements for 2012-13 is provided below.

Departmental Resources

Income Statement

FSANZ has projected a breakeven position in 2012-13. This trend is anticipated to continue in the forward years.

Revenues

Appropriation revenue in 2012-13 has decreased from 2011-12 reflecting the application of an additional 2.5% Australian Government efficiency dividend.

Revenue from other sources of \$2.789m in 2012-13 includes survey funding from the Australian Bureau of Statistics (\$0.567m). This is the final year of funding so revenue is expected to decrease in the forward years. The revenue from other sources is received primarily from the New Zealand Government (\$1.600m), cost recovery arrangements for the processing of paid applications to amend the food standards code (\$0.100m) and interest (\$0.522m).

Expenses

Expenditure in 2012-13 is anticipated to be \$21.572m which is lower than the prior year due to the reduction in departmental appropriation.

Employee expenses are anticipated to be higher in 2012-13, due to collectively agreed pay rises.

Supplier expenses will decrease in 2012-13 offsetting the increased employee costs and 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 increase slightly over the forward years.

Intangible assets increased in 2011-12 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 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
EXPENSES					
Employee benefits	15,876	15,907	15,798	15,798	16,237
Supplier expenses	5,948	5,060	4,414	4,551	4,233
Depreciation and amortisation	605	605	605	605	605
Total expenses	22,429	21,572	20,817	20,954	21,075
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	816	821	200	200	200
Interest	522	522	522	522	522
Other revenue	1,446	1,446	1,447	1,447	1,447
Total revenue	2,784	2,789	2,169	2,169	2,169
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,784	2,789	2,169	2,169	2,169
Net cost of (contribution by) services	19,645	18,783	18,648	18,785	18,906
Revenue from Government	19,155	18,783	18,648	18,785	18,906
Surplus (Deficit)	(490)	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	(490)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(490)	-	-	-	-

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,806	2,955	3,010	3,065	3,296
Receivables	6,485	6,485	6,485	6,485	6,309
Total financial assets	9,291	9,440	9,495	9,550	9,605
Non-financial assets					
Land and buildings	585	285	85	65	45
Property, plant and equipment	742	792	842	892	942
Intangibles	2,053	2,448	2,543	2,458	2,373
Other	213	213	213	213	213
Total non-financial assets	3,593	3,738	3,683	3,628	3,573
Total assets	12,884	13,178	13,178	13,178	13,178
LIABILITIES					
Payables					
Suppliers	195	282	218	154	90
Other payables	1,425	1,435	1,435	1,435	1,435
Total payables	1,620	1,717	1,653	1,589	1,525
Interest bearing liabilities					
Leases	9	1	1	1	1
Total interest bearing liabilities	9	1	1	1	1
Provisions					
Employees	5,402	5,607	5,671	5,735	5,799
Other provisions	290	290	290	290	290
Total provisions	5,692	5,897	5,961	6,025	6,089
Total liabilities	7,321	7,615	7,615	7,615	7,615
Net assets	5,563	5,563	5,563	5,563	5,563
EQUITY					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	983	983	983	983	983
Retained surpluses or accumulated deficits	2,757	2,757	2,757	2,757	2,757
Total equity	5,563	5,563	5,563	5,563	5,563

**Table 3.2.3: Departmental statement of changes in equity — summary of movement
(Budget year 2012-13)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	2,757	983	-	1,823	5,563
Surplus (deficit) for the period	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-
Estimated closing balance as at 30 June 2013	2,757	983	-	1,823	5,563

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	895	900	279	200	200
Appropriations	19,155	18,783	18,648	18,785	19,082
Interest	522	522	522	522	522
Net GST received	519	519	519	519	519
Other cash received	1,446	1,446	1,447	1,447	1,447
Total cash received	22,537	22,170	21,415	21,473	21,770
Cash used					
Employees	15,280	15,732	15,624	15,734	16,173
Suppliers	6,576	5,460	5,107	4,615	4,297
Net GST paid	79	79	79	519	519
Total cash used	21,935	21,271	20,810	20,868	20,989
Net cash from (or used by) operating activities	602	899	605	605	781
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,383	750	550	550	550
Total cash used	1,383	750	550	550	550
Net cash from (or used by) investing activities	(1,383)	(750)	(550)	(550)	(550)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(781)	149	55	55	231
Cash and cash equivalents at the beginning of the reporting period	3,587	2,806	2,955	3,010	3,065
Cash and cash equivalents at the end of the reporting period	2,806	2,955	3,010	3,065	3,296

Table 3.2.5: Capital budget statement

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'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	-	-	-	-	-
Funded internally from departmental resources	1,383	750	550	550	550
Total acquisitions of non-financial assets	1,383	750	550	550	550
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,383	750	550	550	550
Total cash used to acquire assets	1,383	750	550	550	550

Table 3.2.6: Statement of asset movements (2012-13)

	Buildings	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012				
Gross book value	935	892	2,280	4,107
Accumulated depreciation/amortisation and impairment	350	150	227	727
Opening net book balance	585	742	2,053	3,380
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - internal resources	50	200	500	750
Sub-total	50	200	500	750
Other movements				
Depreciation/amortisation expense	350	150	105	605
As at 30 June 2013				
Gross book value	985	1,092	2,780	4,857
Accumulated depreciation/amortisation and impairment	700	300	332	1,332
Closing net book balance	285	792	2,448	3,525