

FOOD STANDARDS AUSTRALIA NEW ZEALAND

Entity Resources and Planned Performance

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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 implement an agreement with States and Territories 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.

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.

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 its online engagement to enhance consultation on standards development and the provision of information about food safety 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 them to control imported foods.

In 2018-19, FSANZ will continue work on: revision of standards for novel foods and nutritive substances; progress reviews of the Food Standards Code (food safety requirements and primary production and processing standards); and the application of the standard for food produced using gene technology.

FSANZ will also work with food regulators to develop policies to reduce the levels of foodborne illness, especially salmonella and campylobacter.

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

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.aspx

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, 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 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July	11,496	11,996
Funds from Government		
Annual appropriations		
Ordinary annual services ^(a)		
Outcome 1	16,961	16,899
Other services ^(b)		
Equity injection	-	-
Total annual appropriations	16,961	16,899
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	16,961	16,899
Funds from other sources		
Interest	320	320
Sale of goods and services	100	100
Other	1,749	1,930
Total funds from other sources	2,169	2,350
Total net resourcing for FSANZ	30,626	31,245
	2017-18	2018-19
Average staffing level (number)	107	107

All figures are GST exclusive.

^(a) Appropriation Bill (No. 1) 2018-19.

^(b) Appropriation Bill (No. 2) 2018-19.

^(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 that 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.aspx

FSANZ's most recent Annual Performance Statement is available at:

www.foodstandards.gov.au/publications/annualreport201617/Pages/default.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</p> <p>Program 2.4: Preventive Health and Chronic Disease Support</p> <p>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</p> <p>Program 2.1: Biosecurity and Export Services</p> <p>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>

FSANZ

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward Year 1 \$'000	2020 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament					
Revenue from Government					
Ordinary annual services ^(a)	16,961	16,899	16,907	17,023	17,122
Revenues from independent sources	2,169	2,350	2,350	2,375	2,375
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	19,130	19,249	19,257	19,398	19,497
Total expenses for Outcome 1	19,130	19,249	19,257	19,398	19,497
	2017-18	2018-19			
Average staffing level (number)	107	107			

^(a) Appropriation Bill (No. 1) 2018-19.

Planned Performance for FSANZ

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered and where 2018-19 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 food standards that are informed by the best available evidence and enable efficient implementation of food laws. To provide food standards information and advice to regulators and information about food standards to all stakeholders.
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 food standards that are informed by the best available evidence and enables efficient implementation of food laws. It coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.
Delivery
<p>A. Developing 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. Providing advice and coordinating regulatory responses</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 information about food standards</p> <ul style="list-style-type: none"> Provide authoritative evidence-based information about food to stakeholders and consumers.

Performance Criteria				
A. Developing food standards				
Food regulatory measures are considered in a timely manner.				
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target		
100% of applications assessed within statutory deadlines.	Applications are assessed within 12 months or less as required by the <i>Food Standards Australia New Zealand Act 1991</i> .	As per 2018-19.		
B. Providing advice and coordinating regulatory responses				
Coordinate major food incidents under the National Food Incident Response Protocol.				
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target		
The response and management of national food incidents were effectively coordinated. (e.g. listeria and rockmelon) Information exchange on more than ten food issues was effectively coordinated.	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 2018-19.		
Make a valuable contribution to ensuring that the food regulatory system is implemented consistently.				
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target		
FSANZ coordinated 80 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. ²	As per 2018-19.		
Deliver efficient and effective food recall coordination to minimise risk to public health and safety.³				
a. Industry satisfaction with food recall coordination.				
2017-18 Estimated result	2018-19 Target	2019-20 Target	2020-21 Target	2021-22 Target
a. ≥95%	≥95%	≥95%	≥95%	≥95%

² The Implementation Subcommittee for Food Regulation was set up by the Food Regulation Standing Committee to foster a consistent approach across jurisdictions to implementing and enforcing food regulation. Further information is available at: foodregulation.gov.au/internet/fr/publishing.nsf/Content/ISFR

³ Industry satisfaction with food recall coordination is measured by surveying industry recall participants.

C. Providing information about food standards				
FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.				
2017-18 Estimated result	2018-19 Target		2019-20 (& beyond) Target	
Stakeholder satisfaction with FSANZ is over 70%.	Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.		As per 2018-19.	
Encourage stakeholder engagement through up-to-date information on FSANZ's website and social media interactions.				
a. Unique website visitors.				
b. Social media interactions.				
2017-18 Estimated result	2018-19 Target	2019-20 Target	2020-21 Target	2021-22 Target
a. 1,000,000	>850,000	>850,000	>850,000	>850,000
b. 200,000 Facebook users	>200,000	>200,000	>200,000	>200,000
Material changes to Program 1.1 resulting from the following measures:				
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 2018-19 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 2018-19 and the forward years.

Revenues

Appropriation revenue in 2018-19 has decreased from 2017-18 largely reflecting the impact of previous increased efficiency dividends on the agency.

Revenue from other sources of \$2.4m in 2018-19 is expected to remain stable next year and 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 bank interest.

Expenses

Expenditure in 2018-19 is anticipated to be \$19.2m which is in line with the agency's resourcing.

Employee expenses are anticipated to remain consistent with 2017-18 actuals given the relatively stable workforce and a slight increase in salaries. Supplier expenses will increase slightly in line with the general increase in prices.

Balance Sheet

Non-financial assets and liabilities will remain broadly constant over the future period. Employee and other provisions are expected to remain stable across future years.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	14,434	14,432	14,429	14,382	14,382
Supplier expenses	3,591	3,712	3,723	3,911	4,010
Depreciation and amortisation	1,105	1,105	1,105	1,105	1,105
Total expenses	19,130	19,249	19,257	19,398	19,497
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	100	100	100	200	200
Interest	320	320	320	200	200
Other revenue	1,749	1,930	1,930	1,975	1,975
Total revenue	2,169	2,350	2,350	2,375	2,375
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,169	2,350	2,350	2,375	2,375
Net cost of (contribution by) services	16,961	16,899	16,907	17,023	17,122
Revenue from Government	16,961	16,899	16,907	17,023	17,122
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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,996	12,496	12,496	12,496	12,496
Trade and other receivables	284	284	284	284	484
Total financial assets	12,280	12,780	12,780	12,780	12,980
Non-financial assets					
Land and buildings	670	690	690	690	690
Property, plant and equipment	274	224	224	224	224
Intangibles	1,699	1,229	1,229	1,229	1,229
Other	296	296	296	296	296
Total non-financial assets	2,939	2,439	2,439	2,439	2,439
Total assets	15,219	15,219	15,219	15,219	15,419
LIABILITIES					
Payables					
Suppliers	873	873	873	873	873
Other payables	1,592	1,592	1,592	1,592	1,592
Total payables	2,465	2,465	2,465	2,465	2,465
Interest bearing liabilities					
Leases	68	68	68	68	68
Total interest bearing liabilities	68	68	68	68	68
Provisions					
Employees	4,527	4,527	4,527	4,527	4,527
Other provisions	351	351	351	351	351
Total provisions	4,878	4,878	4,878	4,878	4,878
Total liabilities	7,411	7,411	7,411	7,411	7,411
Net assets	7,808	7,808	7,808	7,808	8,008
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 or accumulated deficits	3,731	3,731	3,731	3,731	3,931
Total equity	7,808	7,808	7,808	7,808	8,008

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	3,731	2,254	1,823	7,808
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2019	3,731	2,254	1,823	7,808

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	100	100	100	200	200
Appropriations	16,961	16,899	16,907	17,023	17,122
Interest	320	320	320	200	200
Net GST received	-	-	-	-	-
Other cash received	1,749	1,930	1,930	1,975	1,975
Total cash received	19,130	19,249	19,257	19,398	19,497
Cash used					
Employees	14,434	14,432	14,429	14,382	14,382
Suppliers	3,591	3,712	3,723	3,911	4,010
Net GST paid	-	-	-	-	-
Total cash used	18,025	18,144	18,152	18,293	18,392
Net cash from (or used by) operating activities	1,105	1,105	1,105	1,105	1,105
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	605	605	1,105	1,105	1,105
Total cash used	605	605	1,105	1,105	1,105
Net cash from (or used by) investing activities	(605)	(605)	(1,105)	(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	500	500	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11,496	11,996	12,496	12,496	12,496
Cash and cash equivalents at the end of the reporting period	11,996	12,496	12,496	12,496	12,496

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 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	1,105	1,105	1,105
Total acquisitions of non-financial assets	605	605	1,105	1,105	1,105
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	605	605	1,105	1,105	1,105
Total cash used to acquire assets	605	605	1,105	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 2018-19)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	1,557	1,808	5,087	8,452
Accumulated depreciation/ amortisation and impairment	(887)	(1,534)	(3,388)	(5,809)
Opening net book balance	670	274	1,699	2,643
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 2019				
Gross book value	1,757	1,908	5,392	9,057
Accumulated depreciation/ amortisation and impairment	(1,067)	(1,684)	(4,163)	(6,914)
Closing net book balance	690	224	1,229	2,143