



Annual Report **2000-2001**

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11 September 2001

The Honourable Keith Hamilton
Minister for Agriculture & Aboriginal Affairs
PO Box 500
East Melbourne VIC 3002

Dear Minister,

In accordance with the Financial Management Act 1994, I have pleasure in submitting to you the Annual Report & Financial Statements for Dairy Food Safety Victoria for the period 1 October 2000 to 30 June 2001.

Yours sincerely,



Dr Desmond E. Hore

CHAIRMAN

vision:

'The Victorian dairy industry's reputation for food safety and integrity of production makes our products internationally preferred.'

mission:

'The independent Authority to regulate dairy food safety.'

business philosophies:

- *A Partnership with Industry*
- *Protection for Consumers & the Dairy Industry*
- *A Commercial Reality Focus*
- *A Dairy Licence that is Valued*
- *Towards a National Framework*
- *A Strategically Focussed Organisation*
- *The Independent Regulator*
- *A Financially Responsible Business*
- *Achieving Best Practice Standards*
- *Excellence in Customer Service*

Chairman's review

The task for the Chairman of a Board at Annual Report time is to take stock of what has been achieved and to report it honestly to all stakeholders. For me, this means looking at all that has been achieved over the past 9 months and recognising that none of it would have been possible without the wholehearted support and assistance of many groups of people.

Firstly, I want to express the gratitude of the Board and staff of Dairy Food Safety Victoria (DFSV) to the farmers, manufacturers, carriers, and distributors of the dairy industry in Victoria. In this context we also want to acknowledge the support of the Victorian Government on whose behalf we administer the legislation.

No doubt many will reserve final judgement on the direction being taken with dairy food safety in Victoria. Nevertheless, I have been heartened by the willingness to give the new organisation a go and to support the funding arrangements for dairy licences that we have introduced.

I am also grateful for the active support given by the industry, industry organisations and the United Dairyfarmers of Victoria (UDV) in helping us to convey information about the new safety arrangements to their members throughout Victoria and to enlist their participation in the new licensing arrangements.

DFSV is a small organisation with 17 staff covering the activities of 7409 farms, 148 manufacturers, 160 distributors and 65 carriers. To meet its obligations, the Board of DFSV has agreed to a funding model involving the value of services provided to industry and the scale of operations of each licensee. The Board will continue to review the model to ensure that the costs of delivering services are contained, that the costs across the industry are distributed equitably and that best value for industry is achieved consistent with high and reputable standards.

The Board has been cognisant of its corporate governance obligations and the requirements of the Dairy Act 2000. Board Committees have been established to oversee internal audit and risk management as well as the broad policy direction of operations. In addition, the Board fully participated in the development of DFSV's new Corporate Plan.

During the year, the Board invited key industry stakeholders to present their views on a range of issues including the impact of industry deregulation, services expected of DFSV, on-farm food safety programs and the development of non-traditional dairy industry enterprises.

To Dr Anne Astin, CEO, all her staff and to my fellow Board members, I extend my thanks for successfully dealing with complex issues, deadlines and the workload to make the transition from the Victorian Dairy Industry Authority (VDIA) to DFSV.



Dr Desmond E. Hore
CHAIRMAN

...I want to express the gratitude of the Board and staff of Dairy Food Safety Victoria (DFSV) to the farmers, manufacturers, carriers, and distributors of the dairy industry in Victoria. In this context we also want to acknowledge the support of the Victorian Government on whose behalf we administer the legislation...



CEO's report

This is the first annual report by Dairy Food Safety Victoria (DFSV) and covers the first nine months of operation since its establishment on 1 October 2000.

DFSV was established under the new Dairy Act 2000 and the transition period has provided numerous opportunities and challenges. The opportunity to focus solely on dairy food safety as our core business is greatly valued. However, the challenge is to establish a business that is credible, has a reputation of trustworthiness and competence, and a sense of vision in line with industry thinking.

We intend to retain total independence in discharging our role while mindful that industry is fully committed to supporting our organisation financially. The excellent reputation of the industry for dairy food safety and ultimately the quality of its products is our shared objective.

We took heart last year from the clear preference by industry for DFSV to be established as a specialist dairy food safety regulatory body. I believe that our new vision, mission and strategic directions, which are outlined in this Annual Report, are a direct response to that preference. Our Corporate Plan, to be tabled with this Report, provides detail about new style thinking in line with directions taken by industry.

The key message for all stakeholders is that we are listening to you, and we are adopting a business philosophy centred on some key principles:

- A commitment, in partnership with industry, to market growth, industry prosperity and consumer protection.
- A focus on commercial realities including the importance of the dairy licence.
- An understanding that dairy food safety is our core business and regulatory products and services must be clearly defined.
- Use of the full spectrum of approaches to the delivery of regulatory services including self-regulation and co-regulation, voluntary guidelines, mandatory codes of practice and inspection.
- A commitment to work nationally to simplify and unify dairy food safety standards in the interest of effectiveness, simplicity and efficiency for the industry.
- A commitment to independence, tempered with fairness and common sense.
- Integrity and excellence in all DFSV operations.

The Victorian dairy industry deserves the highest praise for its continuing record of excellence in food safety matters. Once again, there has been no disease outbreak associated with any dairy product in the past year and product performance in surveys of chemical and microbiological parameters has been excellent.

During the year, we saw ice cream designated as a dairy food product and the regulation of its manufacturing processes integrated as a responsibility for DFSV. There have been challenges for all concerned, but the transition has been mostly characterised by goodwill and cooperation.

The coordination of audits by overseas countries has resulted in growing trust in the industry by export markets as well as reliance on DFSV audits. For the first time, a new South American market has taken product on the basis of DFSV audits without first hand inspections. This is a very encouraging development that signifies an emerging acceptance of our role.

The cooperation of the United Dairyfarmers of Victoria and of its farmer members has been greatly appreciated. On farm food safety programs are an integral part of the industry's response to growing demands from consumers and markets for assured product quality and safety through the whole food chain. DFSV will continue to work with the industry to ensure these programs are adopted.

I wish to acknowledge my appreciation for the remarkable efforts of DFSV staff in coping professionally and cheerfully with changes during a long transition period. I would also like to thank the Chairman and Board members for their support and guidance in setting a strong strategic foundation for DFSV. With our new Corporate and Operational plans in place, and a commitment to an ongoing dialogue with industry, the path ahead will be both challenging and exciting.

Dr Anne M. Astin
CHIEF EXECUTIVE OFFICER



...We intend to retain total independence in discharging our role while mindful that industry is fully committed to supporting our organisation financially. The excellent reputation of the industry for dairy food safety and ultimately the quality of its products is our shared objective...



Highlights of the Year - **Industry**

- Victoria continues to be an acknowledged supplier of dairy products to world markets in over 100 countries.
- Positive reviews of the Victorian dairy industry by European Union, US Food and Drug Administration and South American countries.
- Acceptance by all industry sectors of the need for on-farm food safety programs.
- Successful transition of ice cream manufacturing to licensed participation under the Dairy Act.
- Full schedule of audits and other DFSV programs delivered during transition to a new organization.
- All dairy products in the market place satisfied food safety standards.
- High level of support achieved among all stakeholder groups for DFSV's role and purpose.

Highlights of the Year - **DFSV**

- Corporate Plan developed with full participation by the Board and staff, with feedback from industry stakeholders.
- Funding model for DFSV accepted by industry and implemented from 1 January 2001 following extensive consultation.
- New corporate identity developed and a web site established at www.dairysafe.vic.gov.au
- Preparation of a DFSV strategy to guide its communication with key stakeholder groups.
- DFSV staff recognised and invited to participate in and support a range of industry initiatives during the year.





The board of **directors**

From left to right:

Front row – W. Anne Adams, Margaret Darton

Second row – Des Hore, Chris Nixon, Richard Welton

In Absentia – Paul Ford, Vivian Lin

Dr Desmond Hore Ph.D, B.V.Sc.

CHAIRMAN

Previously held positions as Chairman and CEO of a wide range of Commonwealth, State, industry and academic bodies and Councils. Held positions as a field veterinarian and researcher for more than two decades. Currently, a member of the Victorian Casino and Gaming Authority and an advisor on livestock and related services.

W. Anne Adams M.A.I.C.D.

DEPUTY CHAIRMAN

A dairy farmer from Wangoom. Currently a member of the Boards of the Australian Dairy Corporation, Warrnambool Co-operative Society Ltd. and the Institute of Land and Water Resources. Previously held position as Deputy Chair on the Board of the Victorian Dairy Industry Authority. Member of the Hopkins Falls Landcare group.

Margaret Darton B.App.Sci, Dip.App.Chem, Grad.Dip.Lib.

PRINCIPAL POLICY ANALYST, DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

A member of the Dairy Food Safety Working Group to establish Dairy Food Safety Victoria. Has responsibility for the implementation of the Victorian Government's food safety policy across all primary industry sectors. Member of the National Safe Food Working Group and the Victorian Food Safety Council.

Paul Ford Dip. Dairy Technology, Fellow, Australian Rural Leadership Program

RESEARCH DIRECTOR, AUSTRALIAN INGREDIENT CENTRE

Thirty years commercial experience in dairy processing. Founder Director Australian Starter Culture Research Centre. Past Director, Dairy Research and Development Corporation. Past Director Murray Dairy. Previously held senior management positions with the Commonwealth Department of Primary Industry and Bonlac Foods.

Prof. Vivian Lin BA (Yale), M.Pub.Health & Dr.Pub.Health (UC Berkeley)

PROFESSOR AND HEAD OF SCHOOL OF PUBLIC HEALTH AT LA TROBE UNIVERSITY

President of the Chinese Medicine Registration Board. Previously held positions in the NSW Health Department, National Occupational Health and Safety Commission and the Victorian Health Department. Consults for the World Bank and AusAID on Health Sector Projects to China.

Chris Nixon B.Eng (Melbourne), B.Eco (La Trobe), Grad.Exec.Mgt (Stanford)

CONSULTANT AND STRATEGIC ADVISOR

Chairman, Geoffrey Gardiner Dairy Foundation Ltd. Has over 30 years experience in various engineering, manufacturing and senior management roles. Currently advisor to various private and publicly listed companies. Former Managing Director, Containers Packaging, past Chairman of Bayside Trains.

Dr Richard Welton B.Sc (Hons), Ph.D (Microbiol), Dip.Ed (Tert)

CONSULTANT

An experienced manager, strategist and scientist. 30 years experience in senior management, dairy food safety regulation, business development, commercialisation of public sector resources, corporate and strategic planning, consulting, university teaching and international scientific research.



Our **staff** members

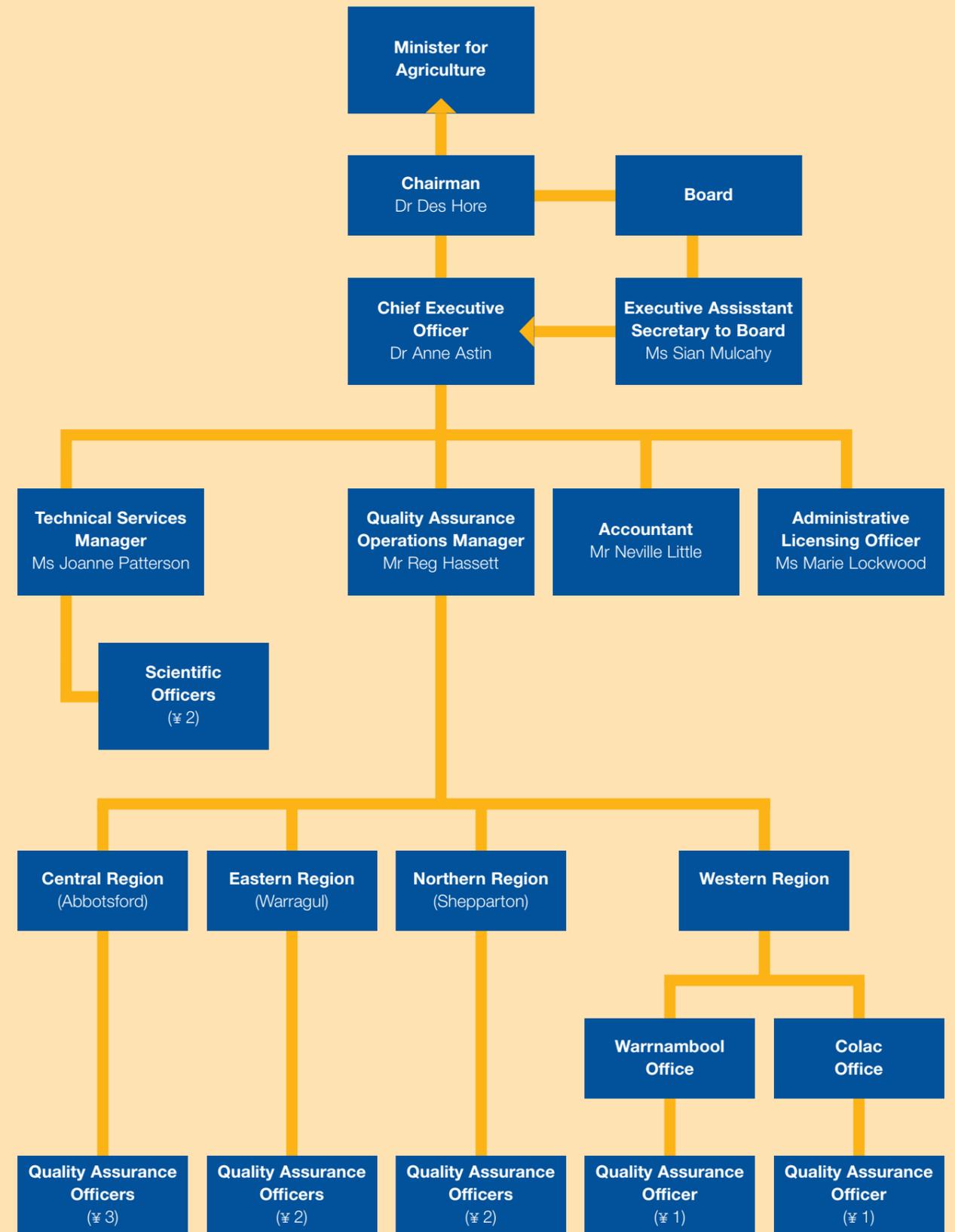
From left to right:

Front row – Heather Varley, Gavin Patchett, Marie Lockwood, Reg Hassett, Kelly Long, Robert Bell

Middle row – Scott Carpenter, Anne Astin, Lawrie Sharp, Jessie COCO (CONTRACTOR), Sian Mulcahy, Joanne Patterson

Back row – Neville Little, Ian Haynes, Neville Collins, Bill Bloomfield, Anne Prince, Greg McDonald

In Absentia – Calvin Robinson (CONTRACTOR)



Dairy Food Safety Victoria - **Organisation 2000**

A Successful New Organisation

Dairy Food Safety Victoria (DFSV) started business on 1 October 2000 following the closure of the Victorian Dairy Industry Authority (VDIA). It is a small organisation with a strategic mandate to work cooperatively with industry to safeguard the excellent reputation that the dairy industry enjoys in domestic and export markets.

DFSV continues to act as the Government statutory authority accountable for the safety of dairy food produced in Victoria. However, whilst acting as the independent Authority, DFSV has embarked on a journey of developing close consultative relationships with industry and responding to key industry needs.

Industry Relationships

DFSV is committed to providing a service that meets the needs of its customers and recognises the need to involve industry in matters of strategic importance to the industry. Over the last nine months it has established strong rapport with key industry bodies as well as its customers in all sectors of the dairy industry. DFSV has consulted with industry in relation to licensing and technical issues. It has also sought industry feedback through its planning process to ensure that the business addresses the key concerns of the dairy industry. It has established working groups, held Board meetings in regional locations and conducted plenary sessions with regional groups.

It is intended to continue this participative process to ensure that DFSV is effective in its role as the regulator of dairy food safety in Victoria.

Policy and Strategy

While dairy deregulation was being planned in the late 1990s, the Victorian Government commissioned a review to determine its future role in the dairy industry. Industry indicated its preference for a separate food safety organisation specific to the needs of the industry, to ensure the maintenance of public health standards and to protect access to markets.

DFSV has a commitment to reduce competitive barriers and duplication of licensing arrangements between the various State and Commonwealth agencies. The organisation supports a consistent nation-wide application of dairy standards that will eventually lead to a national dairy framework.

The Board and DFSV staff have prepared a Corporate Plan comprising a five-year vision and operational strategies for the first three years. Industry stakeholders were consulted and their inputs were considered during the planning process. It is envisaged that operational strategies will continue to evolve in line with industry direction and priorities.

DFSV also participates in national committees (the Australian Dairy Authorities Standards Committee and the Dairy Export Industry Consultative Committee) comprising Commonwealth and State Dairy and Food Authority representatives. The main purpose of these committees is to ensure consistency in the development and implementation of operational policy and application of dairy food safety standards, where appropriate. Liaison with the State agencies responsible for development of legislation (Food Safety Victoria, Department of Human Services; Department of Natural Resources and Environment) and its administration (the Victorian Meat Authority; Local Councils) has also been actively maintained.

Services to Industry

While industry is increasingly taking responsibility for meeting the standards of safety for dairy products, DFSV independently validates the industry's safety systems.

Core services provided directly by DFSV staff include operational policy and standards development, systems validation and audit, issues and emergency management, provision of technical information and advice and industry licensing.

DFSV continues to deliver services including audit and export facilitation on behalf of the Australian Quarantine Inspection Service (AQIS) at export registered premises.

DFSV has a significant role in determining the impact on dairy food safety of on-farm practices including the use of reclaimed water and biosolid wastes.

The incidence of chemical residues and veterinary medicines in milk is monitored through the industry funded Australian Milk Residue Analysis survey coordinated by DFSV.

Other industry investigatory surveys of specific contaminants are coordinated by DFSV on a strategic basis.

Funding Arrangements

To meet its obligations, the Board of DFSV has agreed to a funding model involving the value of services provided to a licensee, the value of industry wide benefits and the scale of operations of each licensee. With the agreement and support of industry, DFSV was able to implement the agreed funding model ahead of schedule.

Dairy manufacturer, carrier and distributor licence fees have increased. The new fee structure is outlined in Table 1.

Dairy farm licence fees did not increase in 2000/01 in line with Victorian Government policy. The funding model and fees will be reviewed in 2002, again in consultation with industry.

For the period of this report, DFSV has operated within its established budgetary targets. The total cost of operating the business including establishment and transition costs in the 9 months to 30 June 2001 was \$2.03 million. It is expected that DFSV will be fully funded by industry in the 2002/03 financial year. The DFSV establishment grant of \$1.8 million enabled licence fees to be held at a lower rate in 2000/01 than will apply from 2001/02 (see table below.)

The overall charge to industry for 2000/01 equated to 0.045cents for every litre of milk produced in Victoria.

LICENCE FEE STRUCTURE FOR DAIRY MANUFACTURERS, CARRIERS AND DISTRIBUTORS			
Dairy Manufacturers			
Liquids (litres p/a)	2000/01	2001/02	2002/03
< 0.05m	\$300	\$500	\$500
0.05m – 1m	\$500	\$900	\$900
1m – 1.5m (1.7m from 2001)	\$750	\$1350	\$1350
> 1.5 m (1.7m from 2001)	0.045c per litre	0.08c per litre <small>(to be reviewed at end of this year)</small>	0.08c per litre <small>(subject to review)</small>
Solids (tonnes p/a)	2000/01	2001/02	2002/03
< 50	\$300	\$500	\$750
51 – 1,000	\$500	\$900	\$900
1,001 – 1,500 (1,700 from 2001)	\$750	\$1350	\$1350
> 1,500 (1,700 from 2001)	45c per tonne	80c per tonne <small>(to be reviewed at end of this year)</small>	80c per tonne <small>(subject to review)</small>
Dairy Distributors			
Less than 1m litres p/a		\$100	
More than 1m litres p/a		\$200	
Dairy Carriers			
2 Tankers or less		\$50	
Each additional tanker		\$20	

"A new organisation for an era of greater industry self-responsibility"



Corporate Plan

The 2001-2006 Corporate Plan sets out key directions and planned achievements for the next five years. It contains five core drivers, outlined below.

Our Core Drivers...

- **Leadership**

Setting an international benchmark in dairy food safety regulation

We will measure our success by the rate of adoption of benchmark standards for dairy food safety by industry and our ability to respond to the needs of industry for information and advice.

- **Services**

Achieving continuous improvement in industry performance

We will measure our success by a minimum number of incidents and recalls and by positive trends in audit performance.

- **People**

DFSV people, a valuable asset for the dairy industry

We will measure our success by the level of inquiry and the value placed upon advice and information provided to industry by our people.

- **Communication Networks**

An active network with stakeholders and customers understanding and endorsing our role

We will measure our success by the extent to which DFSV's role develops as an integral part of the information network within industry on all matters concerning dairy food safety.

- **Finance**

Funded by industry to a level permitting strategic and business objectives to be met

We will measure our success by the level of industry support for the funding model in place and by perceptions of our services being of value to licence holders within industry.

The Dairy Licence

The Australian dairy industry enjoys an excellent reputation in both our export and domestic markets. Our record for food safety in Victoria is second to none.

Not all producing nations operate to such high standards, and consumers throughout the world are demanding greater scrutiny of food safety than ever before. End-product quality alone is not sufficient for discerning customers. They also want **independent verification** of the integrity of the production processes themselves.

In Victoria, the Government has established DFSV as the independent authority accountable for safety of dairy food products. Its goal is for all industry sectors to **work in partnership** to produce safe dairy foods every time. Experience shows that a breakdown in food safety at any point in the chain has severe consequences for all other participants.

The licence issued to farmers, manufacturers, carriers, and distributors is the passport to operate in the Victorian dairy industry. It offers identity and legitimacy, inhibits unregulated entry to the industry and provides industry **protection and security**. As such, the licence deserves to be highly valued and protected.

Our dairy licence system is all-inclusive. Only properly licensed persons or businesses are permitted to produce milk or be involved in its transport, manufacture or distribution. Further, all licence holders are subject to verification of their operating procedures.

Auditors from overseas countries who visit Victoria are increasingly satisfied with the approach the industry is taking and believe that we are highly credible and well placed to offer assurances about food safety and public health to consumers everywhere.

Substantial economic benefits flow to all licence holders from measures that protect the dairy industry's reputation for safety and quality. For example:

- DFSV is currently promoting the adoption of industry developed food safety programs on farms and will audit the procedures to provide independent assurance of these programs. Non-participating farms however, will be more closely scrutinised. The new Code of Practice being developed by DFSV will also ensure that all dairy farmers are meeting their obligations.
- DFSV coordinates product surveys and traceback for chemical residues, antibiotics and other veterinary medicines and oversees the control of non-conforming product.
- Verification is undertaken in factories of testing procedures for food safety parameters and for fat and protein testing which is used as the basis for farmer payments.
- DFSV is a key player in the development and implementation of emergency management plans pertaining to serious incidents such as animal disease outbreaks.
- Licence holders also benefit from the assessment of the risks associated with on-farm practices including the use of reclaimed water, biosolid wastes and stockfeeds containing animal by-products. Policy initiatives in these and other areas are influenced by advice from DFSV.
- DFSV continuously monitors the latest developments, trends, research and information on current and emerging issues that may have an impact on dairy food safety.

*"Setting our business objectives
- the way ahead"*

"Passport to operate in a thriving industry"



Industry Performance

In the 2000/01 period, there were 7409 dairy farms, 148 dairy manufacturers, 65 dairy food carriers and 160 dairy distributors licensed. However, it is clear that significant rationalisation is proceeding across both the farming and manufacturing sectors.

Deregulation of the dairy industry continues to present challenges. Major restructuring during the past nine months has included the purchase of a significant stake in a large domestic cooperative by a multinational dairy company, and additional investment in domestic manufacturing plants and equipment. Further change and consolidation is anticipated. At the same time, there has also been an increase in the number of dairy manufacturer licences issued to smaller volume plants in specialty areas of the industry.

Milk brokers who source milk directly from dairy farmers for supply to processing plants and dairy manufacturing premises, have emerged as new players in the industry.

Ice cream was included as a dairy food for the first time following the introduction of the Dairy Act 2000. After consultation with the ice cream manufacturers, transition arrangements have been put in place for DFSV to regulate their food safety programs. Full integration is targeted for 1 January 2002.

HACCP based quality management systems in place at all dairy manufacturing establishments greatly reduce the risk of product falling outside acceptable standards reaching the market place. For the period from 1 October, there was only one public recall of a dairy product manufactured in a Victorian factory. In that instance the cause was microbiological contamination and corrective action was initiated to ensure no repeat of the incident.

The product testing program conducted by DFSV for the 2000/01 year showed maintenance of the high levels of compliance across the range of dairy products tested.

DFSV is extending its Pathogen Management Program

to emphasise pathogen prevention in the light of emerging threats.

The Australian Milk Residue Analysis (AMRA) survey funded by the Australian Dairy Corporation was conducted to monitor the presence of agricultural and veterinary residues in milk. Approximately 1200 samples are collected and analysed each year. Analysis showed a compliance rate of 99% consistent with previous years.

Since October 2000, the European Union (EU), Brazil, Peru and the United States Food and Drug Administration (USFDA) have all conducted reviews of export operations at Victorian dairy factories as well as scrutiny of DFSV itself. **Victoria has become a 'showcase' for national EU assessment.** Some matters of detail need to be addressed but all reviews had a successful outcome. DFSV played a leading role in facilitating these reviews of the industry.

An industry working group was convened by DFSV to review the Code of Practice for the Quality Assurance of Milk and Dairy Produce. Extensive industry consultation and involvement will enable the new Code of Practice to focus on aspects of food safety of most relevance to industry. The new Code will be introduced in 2002.

In keeping with its strategy for communication with stakeholders, DFSV conducted a seminar program for manufacturers on matters of interest and concern. Meetings were held both on site and at the DFSV offices.

During the year, the Chairman and CEO undertook on-site visits to all major manufacturers to discuss and receive feedback about the funding model. Invitations were also extended to all industry sectors to meet with the DFSV Board and most Board meetings included face-to-face discussion with key industry representatives.

Looking Forward

Improved services to industry

During 2001/02, DFSV will review all the services it provides to industry to make sure that they:

- (i) Are consistent with the corporate and business objectives and assessed risk,
- (ii) Provide value and contribute to better industry performance,
- (iii) Are aligned with best practice standards and international benchmarks, and
- (iv) Are provided in the most cost effective, socially and environmentally responsible manner.

DFSV believes that it can most effectively support industry growth by targeting its services to areas of greatest risk while continuing to raise the industry performance levels against established standards. There will also be a continuing trend towards fee for service reflecting established performance standards by various operators.

Improvements to funding arrangements

The DFSV Board has decided on a three year funding model with a review at the end of the second year of its operation. The criteria for the development of a new model will include transparency, administrative simplicity and equity.

Towards a national food safety framework

There is inconsistency in interpretation and implementation of dairy food safety standards across Australia. This leads inevitably to cost inefficiencies and duplication. The establishment of a strategic framework within which all State and Federal dairy food safety objectives can be harmonised will be actively promoted.

Improving industry consultation

The Board will establish a reference group to advise it on a range of issues concerning dairy food safety. It is envisaged that representation will be mainly from industry but may also include technical and scientific specialists.

Towards a better informed client base

An improved intelligence network linking industry, government and DFSV will monitor trends and developments at home and abroad that are likely to impact on dairy food safety in Victoria. The network will look particularly at threats posed by disease and contamination as well as new initiatives and opportunities through improved technology and process management. DFSV will ensure that relevant information identified through the network is disseminated to all industry sectors.

Investing in our people

Anticipating the future skills and competencies needed for DFSV to deliver its corporate and business strategies is a priority. DFSV will continue to actively develop a highly skilled workforce.

"The road ahead"

"A World class standard for the whole industry"



Corporate Governance Statements

Charter and Purpose

Establishment of the Authority

Dairy Food Safety Victoria is established under the Dairy Act 2000. The organisation is a statutory authority that reports to the Minister for Agriculture and Aboriginal Affairs.

Objectives of the Authority

The objectives of the Authority as outlined in the Dairy Act 2000 are to:

- a. Ensure that standards which safeguard public health are maintained in the Victorian dairy industry, and
- b. Ensure that it performs its functions and exercises its powers efficiently and effectively.

Functions of the Authority

The functions of DFSV as stated in the Dairy Act 2000 are to:

1. *establish, maintain and improve -*
 - i. the food safety standards of dairy food
 - ii. the construction and hygiene standards for plant and equipment in dairy manufacturing premises
 - iii. the maintenance, cleanliness and hygiene standards of dairy transport vehicles
2. *monitor and review the above standards*
3. *approve and monitor the implementation of food safety programs*
4. *administer the DFSV licensing systems*
5. *ensure appropriately qualified persons are appointed as authorised officers*
6. *fix and charge fees for carrying out of its functions and exercising its powers*

7. *protect public health in consultation with the Department of Human Services or a Municipal Council, and*
8. *advise the Minister on matters relating to dairy food safety administration.*

Powers of the Authority

Dairy Food Safety Victoria has all the powers needed to enable it to perform its functions under the Dairy Act 2000.

Also, Dairy Food Safety Victoria may:

- a. enter into agreements or arrangements with third parties for the provision of services to or by Dairy Food Safety Victoria,
- b. fix and charge fees for its services, including the services of its authorised officers, and
- c. expend its funds in carrying out its functions or in paying salaries and allowances to its members.

A complete statement of DFSV's functions, powers and duties is available at www.dairysafe.vic.gov.au.

Board of Directors

The DFSV Board consists of seven members who are appointed on the basis of their skills and expertise rather than industry sector representation.

The Minister appoints the Chairperson and may also appoint one member nominated by the Secretary of the Department of Natural Resources and Environment. The Minister appoints the remaining five members acting upon the recommendations of a selection committee.

Board members must have expertise in one or more of the following areas:

- *on-farm milk production dairy food manufacturing public health*

- *food technology and safety*
- *business management*
- *consumer issues, or*
- *any other area the Minister considers relevant to the Authority's functions.*

Each member holds office for three years and is eligible for re-appointment.

Board Committees

The Board has established a Finance and Audit Committee to undertake the broad functions of internal audit and risk management. Members of this Committee are Mr Chris Nixon (Chair) and Ms Anne Adams. This Committee has representation from the outsourced internal audit service provider, Ernst and Young. A risk assessment for the new organisation has been completed and presented to the Board.

The Operations Review and Policy Committee has been established to review present and emerging risks to industry and to oversee dairy food safety audit arrangements, incident and emergency management and regulatory frameworks. Members of this Committee are Dr Richard Welton (Chair), Ms Margaret Darton, Mr Paul Ford and Professor Vivian Lin.

The Board participated fully in the development of DFSV's Corporate Plan.

Ethical Standards

For the interim, DFSV operates under The Code of Conduct for the Victorian Public Service, which provides guidance on addressing possible or perceived conflicts of interest. All employees are required to act with the utmost integrity and objectivity at all times in all dealings.

Victorian Public Service guidelines for protecting merit and equity are observed.

Occupational Health and Safety

An OH&S Committee consisting of staff and management representatives has been established and is undertaking the full range of health and safety obligations.

Freedom Of Information

DFSV is a prescribed authority for the purposes of the Freedom of Information Act 1982. During the nine months ended 30 June 2001, no FOI requests were received by DFSV.

Consultants

During the nine months ended 30 June 2001, five consultants were engaged at a total cost of \$47,241.

Building Act 1993

DFSV did not undertake any building works, which fall within the provisions of the Building Act 1993.

Declaration

In accordance with Direction 9.1.3(iv) of the Financial Management Act 1994, the following information is available from the Accounting Officer on request:

- Statement that declarations of pecuniary interests and shares held have been duly completed by relevant officers
- Details of publications produced by the entity about the entity and the places where the publications can be obtained
- Details of any major external reviews carried out on the entity
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and the services it provides



- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved.

Multicultural Statement

DFSV is committed to policies, programs and strategies that deliver culturally appropriate services to all Victorians. Special initiatives were not needed by the organisation during the period October 1 2000 to June 30 2001.

Equal Employment Opportunity

As stated in the provisions of the Public Authorities (Equal Employment Opportunity) Act 1990. DFSV is committed to an equitable workplace. An EEO program is under development and a discrimination and sexual harassment policy will be prepared for Board endorsement. Currently, the policies of the Department of Natural Resources and Environment are being utilised by DFSV.

National Competition Policy

The Government largely adopted the recommendations presented in July 1999 and incorporated them into the Dairy Act 2000.

DFSV Contacts

Head office

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