



FOOD STANDARDS
Australia New Zealand
Te Mana Kounga Kai - Ahitereiria me Aotearoa

Board Charter

2015-16



FOOD STANDARDS AUSTRALIA NEW ZEALAND BOARD CHARTER 2015-16

Contents

1. Introduction.....	3
2. Objectives.....	3
3. Key Legislation	4
4. Accountability.....	4
5. Composition and tenure	4
6. Board roles and responsibilities	5
Chairperson.....	5
Chief Executive Officer (the CEO)	5
Board Members.....	6
Corporate and business planning	7
Performance management.....	7
Corporate governance.....	7
Development of Food Regulatory Measures.....	8
7. Managing Conflicts of Interest.....	8
8. Confidentiality of Board proceedings and documents	9
9. Additional Information.....	9
10. Meeting Frequency	9
11. Performance Measures	9
12. Reporting.....	10
13. Secretariat.....	10
14. Induction	10
15. Assessment arrangements.....	10
16. Review of Charter.....	11

1. Introduction

The business of Food Standards Australia New Zealand (FSANZ) is conducted by a Board.

The *Food Standards Australia New Zealand Act 1991* (the FSANZ Act) provides that the Board (other than the CEO) is appointed by the Australian Government Minister for Health following agreement (or consultation in the case of members nominated by the New Zealand Minister) with the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum). The FSANZ Act prescribes criteria for appointment to some Board positions. The CEO is automatically a Board member.

This Charter sets out the Board's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements. The Charter is subject to the provisions of the FSANZ Act and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

2. Objectives

The FSANZ Board's objectives are set out in various sections in the FSANZ Act; other legislation, agreements and Government policies. They are broadly:

- 2.1 As a partner in the Australia New Zealand food regulatory system to bring expertise to ensure that food regulatory measures (food standards and codes of practices) are developed and implemented to:
 - ensure a high degree of consumer confidence in the quality and safety of food produced, processed, sold or exported from Australia and New Zealand;
 - ensure an effective, transparent and accountable regulatory framework within which the food industry can work efficiently;
 - protect public health and safety;
 - provide adequate information about food to enable consumers to make informed choices;
 - prevent misleading or deceptive conduct; and
 - establish consistent regulatory measures between Australia and New Zealand and with international food regulatory measures where appropriate.
- 2.2 As a governing body, to ensure public sector governance arrangements are in place to enhance confidence in FSANZ, its decisions and actions through:
 - setting clear strategic objectives and directions for the organisation;
 - ensuring effective and efficient performance by the organisation and management team;
 - ensuring effective governance processes and practices are in place including an integrated and detailed approach to fraud and enterprise risk management;
 - ensuring FSANZ meets the requirements of the law, and community expectations of probity, accountability and openness;
 - facilitating effective consultations between FSANZ and key stakeholders; and
 - selecting and appointing the CEO.

3. Key Legislation

The Board recognises its responsibilities including, but not limited to, those under the following legislation, agreements and instruments:

- Food Standards Australia New Zealand Act 1991 (FSANZ Act);
- Agreement between the Government of Australia and the Government of New Zealand establishing a System for the Development of Joint Food Standards (the Treaty);
- Food Regulation Agreement 2002;
- Public Governance, Performance and Accountability Act 2013 (PGPA Act);
- Auditor-General Act 1997;
- Public Service Act 1999; and
- Better Practice Guidelines on Public Sector Governance issued by the Australian National Audit Office.

4. Accountability

The Board is accountable to:

- the governments of Australia – Federal, State and Territory – and New Zealand;
- the communities of Australia and New Zealand who trust the Board's judgment on food standards;
- the staff of Food Standards Australia New Zealand; and
- the producers, manufacturers, processors, importers and retailers involved in the food supply chain (by creating certainty, a level playing field with minimum effective regulation and facilitating innovation and trade).

FSANZ and the FSANZ Board are not responsible for:

- the development of food regulation policy;
- the implementation or enforcement of standards;
- regulating for food quality;
- regulating for or promoting dietary practices; or
- delivering standards for New Zealand outside the scope of the Treaty.

5. Composition and tenure

The Board of FSANZ has twelve members, including the Chairperson and the CEO. Board members may be drawn from the following areas:

- 3 nominated by the lead New Zealand Minister on the Council;
- 1 nominated by Australian consumer organisations;
- 1 nominated from the National Health and Medical Research Council;

- 3 nominated by Australian public bodies or organisations relating to science or public health; and
- 2 nominated by Australian bodies or organisations relating to the food industry.

All Board members are appointed part-time, except the FSANZ Chief Executive Officer. Appointments are for a maximum of 4 years, with the possibility of appointment for a second term. A third or subsequent term is not permitted.

The Chair of the Implementation Subcommittee for Food Regulation (ISFR), or nominated representative, attends Board meetings as an observer.

6. Board roles and responsibilities

Chairperson

The Chairperson will:

- provide leadership for the Board and FSANZ staff;
- facilitate and set the strategic priorities for FSANZ;
- encourage the identification of issues that need to be discussed by the Board and ensure that time is available either during or in association with Board meetings for these discussions to occur;
- ensure meetings are managed efficiently and effectively and that all items on the agenda are appropriately discussed;
- encourage members to prepare for and participate in meetings fully and effectively;
- actively encourage members to maintain and improve their non-executive director skills;
- act as mentor and advisor and facilitate professional development of skills of individual members;
- provide support for and liaise with the CEO on Board and other appropriate matters;
- liaise and communicate with the Assistant Minister, the Council, and individual Ministers;
- promote the effectiveness of the Board's deliberations and liaise with stakeholders;
- be the spokesperson for the Board;
- in accordance with agreed procedures, lead a recruitment process to select and appoint a Chief Executive Officer for FSANZ; and
- monitor, assess and provide feedback on the performance of the CEO in consultation with Board members.

Chief Executive Officer (the CEO)

The CEO will:

- be responsible for the day to day administration and management of FSANZ;
- have day to day control of the Authority;
- provide leadership to the FSANZ staff;

- maintain regular contact with the Chairperson and keep the Chairperson informed of developments which might require the Chairperson to take action on the Board's behalf;
- report regularly to the Board on key issues affecting FSANZ including operational and strategic management matters;
- act in accordance with any policy determinations and directions given by the Board in writing;
- oversee planning, including identifying aims and objectives and the strategies required to achieve FSANZ's mission;
- present the FSANZ budget, and assumptions behind the budget, for the Board's approval, and manage the organisation's resources;
- provide a link between the Board and staff;
- represent the organisation and its role in a strong, positive image to stakeholders;
- set the standards of behaviour for FSANZ staff by example;
- articulate FSANZ's vision and create the right internal climate for staff; and
- attract, recruit and retain high performing staff.

Board Members

Board Members (including the Chair) will:

- be independent;
- pursue the legislative objectives of FSANZ;
- pursue agreed strategic priorities of FSANZ;
- act with due diligence, care and good faith;
- be committed to act in the best interests of the organisation as a whole;
- be entitled to be heard at all meetings and should bring independent judgment to bear in decision making;
- understand and work within the legal and administrative framework of FSANZ;
- work to support public confidence in FSANZ;
- develop, strengthen, maintain and expand professional networks with respect to FSANZ;
- deal with other members, staff and stakeholders with courtesy and respect;
- maintain confidentiality;
- identify and declare any conflicts of interest, perceived or pecuniary;
- prepare for meetings, attend meetings and participate actively in discussions, raise concerns, and hold FSANZ staff and management accountable; and
- determine the level of allowances for the CEO, in accordance with determinations made by the Remuneration Tribunal.

Corporate and business planning

Board Members will ensure that corporate and business planning is timely and effective by ensuring that all organisational planning tools are integrated, cohesive and reflect agreed priorities and strategies.

Board Members will do this by:

- each financial year, setting guiding strategies for FSANZ based on a consideration of anticipated environmental impacts and statutory objectives;
- every year, approve a corporate plan that is based on these guiding strategies;
- every year, approving a rolling four-year financial plan;
- annually, but with periodic review, approving a budget for FSANZ consistent with the corporate plan and the financial plan;
- every three years (with annual review), approving a three-year internal audit plan;
- establish a Finance, Audit and Risk Management Committee, with appropriate terms of reference, and consider reports from the Committee; and
- establish a Remuneration and Senior Staff Committee, with appropriate terms of reference, and consider reports from the Committee.

Performance management

Board Members will ensure that there is a structured and regular system of performance management, review and reporting that is aligned with organisational outcomes and outputs and generates information that is appropriate for both internal performance management needs and external reporting requirements.

Board Members will do this by:

- ensuring that FSANZ has a robust system of Section and Branch performance monitoring and review;
- ensuring that FSANZ has a robust system of individual performance monitoring and review;
- at each meeting, considering a report on progress against strategic directions and progress against the standards work plan;
- periodically, considering reports of expenditure and financial performance against agreed budgets;
- periodically, considering reports of organisational performance against agreed corporate goals and strategies;
- periodically, considering internal audit reports and associated management comments; and
- annually, publishing an Annual Report of progress against the corporate priorities and strategies.

Corporate governance

Board Members will ensure that corporate governance arrangements are appropriate, documented and reviewed periodically.

Board Members will do this by:

- every two years, considering a report into the organisation's corporate governance arrangements to ensure they align with best practice;
- review and evaluate the performance of governance frameworks annually or whenever there is a significant event affecting FSANZ's accountability or management arrangements;
- periodically requiring an internal audit of corporate governance arrangements; and
- every two years, considering a report into the organisation's fraud and enterprise risk management framework, processes and practices.

Development of Food Regulatory Measures

Board Members will ensure that there is a rigorous process for developing food regulatory measures (standards and codes of practice) consistent with statutory requirements, good regulatory practice and international standards and agreements.

Board Members will do this by:

For each regulatory measure:

- ensuring regulatory approaches are consistent with statutory requirements including the protection of public health and safety, the provision of adequate information to consumers and the prevention of misleading or deceptive conduct;
- reviewing scientific assessments and technical discussions and ensuring, where appropriate, that external scientific reviews have been undertaken;
- ensuring that standards are based on risk analysis using the best available scientific evidence;
- ensuring regulatory approaches are considered having regard to Ministerial Policy Guidelines;
- ensuring regulatory approaches are consistent with COAG guidelines for good regulatory process;
- critically analysing and challenging assessment reports and the proposed response to issues raised in public submissions and consultations;
- testing the thoroughness of consultation processes – with jurisdictions, industry and consumers in both countries (where appropriate), and other stakeholders; and
- testing that political sensitivities have been identified and appropriately managed.

7. Managing Conflicts of Interest

Board Members will prior to and at each meeting consider each agenda item and identify any potential conflicts of interest and declare them before or at the start of each meeting and act appropriately.

The Board will:

- consider declared conflicts of interest and determine an appropriate action in each case, in accordance with the *"FSANZ Guide to Declarations of Interests"* for the declaration and registration of material personal interests;

- act consistently with FSANZ Act and PGPA Act requirements in respect of member's personal interests; and
- ensure that declared conflicts of interest and the outcomes for each agenda item are recorded and in the Minutes.

8. Confidentiality of Board proceedings and documents

All Board papers, reports (draft and final), research documents, verbal advice provided and discussions at the Board meetings, or provided to the Board meetings, are confidential unless otherwise stated or agreed by the Board. Research papers and attachments will be made public where it is agreed that they add to the relevant public debate.

9. Additional Information

Board Members are entitled to request and receive such additional information as they consider necessary to support informed decision making. Any Board Member has the authority to seek any information required and the organisation must comply with such requests. All requests for information, and responses, must be communicated through the Chair to the CEO. Board Members should not contact staff directly.

Any Board Member may take such independent legal, financial or other advice as they consider necessary at FSANZ cost. However, the seeking of such independent advice must be first discussed with the Chair who will, if appropriate, facilitate the obtaining of advice and its communication to all Board Members.

10. Meeting Frequency

The Board meets face to face at least four times a year and may also convene through teleconferences to discuss urgent issues. A two year schedule of meetings is maintained by the Board Secretariat.

11. Performance Measures

The Board will:

- collectively, review its performance against this Charter; and
- measure its performance against the following measures:

Board impact:

- Does the Board provide effective leadership and guidance on key strategic and performance issues?
- Does it contribute effectively to the risk identification and management process and review of governance framework and processes?
- Does the Board operate well as a team?
- Do members question and debate issues when matters of concern are raised?
- Is the Chairperson effective in fulfilling the role?
- Do members actively participate in meetings and add value to the FSANZ process?

Governance framework:

- Does the Board operate within a coherent and consistent governance framework?
- Are there regular reviews of the governance framework to test its effectiveness?
- Does the Board acquit its responsibilities in relation to oversight of the performance of the organisation?
- Implementation of the intent of this Charter will be facilitated through the annual Board Work Plan and administered through the Board Secretariat.

12. Reporting

The FSANZ Board has responsibility under the FSANZ Act to notify its decisions to the Forum.

Outcomes of Board meetings are published on the FSANZ website. A summary of key outcomes of each meeting is published on the website. The summary is not an official record of the decisions of the FSANZ Board and does not provide full details of decisions.

The minutes of each meeting of the FSANZ Board are the official record of the decisions made by FSANZ Board and no reliance should be placed on the summary of key outcomes.

Annual reporting requirements are set out in the FSANZ Act.

13. Secretariat

The CEO will discuss the draft agenda with the Chairperson at least three weeks ahead of each meeting or teleconference. The Secretariat will circulate the agenda and meeting papers to Board members two weeks prior to each meeting or teleconference. The Secretariat will provide the draft minutes of the previous meeting to the Chairperson and Board for clearance within two weeks of a meeting or teleconference. The minutes of the previous meeting are to be included in the package of papers provided for each meeting or teleconference.

14. Induction

New Board members will attend an induction program, during which they will receive relevant information and briefings on their appointment to assist them to meet their Board responsibilities, prior to attending a board meeting.

15. Assessment arrangements

The Chairperson, in consultation with the CEO, will initiate a formal review of the performance of the Board every two years. The review will be conducted using a mix of external evaluation and facilitated self-assessment with appropriate input sought from all parties including the Board, the Chief Executive Officer, the internal and external auditors, management and any other relevant stakeholders, as determined by the Board.

Two Board members will be selected at alternate meetings to evaluate that meeting. Their evaluation will be provided to the Chair who will discuss the evaluation with the CEO and other members as appropriate.

16. Review of Charter

The Board will review this Charter at least once in each two year period.