

Food Standards Australia New Zealand Board Charter

March 2021

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1. Introduction

Food Standards Australia New Zealand (the Authority) is governed by its 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 member.

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

2. Objectives

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

- 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.¹
- As a governing body, to ensure public sector governance arrangements are in place to enhance confidence in the Authority, its decisions and actions through:
 - setting clear strategic objectives and directions for the Authority;
 - ensuring effective, timely and efficient performance by the Authority 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 the Authority meets the requirements of the law, and community expectations of probity, accountability and openness;
 - facilitating effective consultations between the Authority and key stakeholders; and
 - selecting and appointing the CEO.²

¹ See generally, section 3 FSANZ Act

² See Part 4 of the FSANZ Act

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* (the 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
- Resource Management Guides and Better Practice Guides issued by the Department of Finance in relation to Commonwealth Corporate Entities, particularly RMG200 *Guide to the PGPA Act for Secretaries, Chief Executives or governing boards (accountable authorities)*

4. Accountability

The Board is accountable to:

- the Australian Government, as the establishing government;
- through the COAG Ministerial Forum for Food Regulation, the governments of Australia – Federal, State and Territory – and New Zealand;
- the communities of Australia and New Zealand, who trust the Board's independence and judgment on food standards;
- the staff of the Authority; and
- the producers, manufacturers, processors, importers and retailers involved in the food supply chain (by creating certainty, a level playing field with minimal effective regulation and facilitating innovation and trade).

Within the food regulatory system, the food ministers and food regulators are accountable for:

- the development of food regulation policy (for which accountability is with ministers);
- the implementation or enforcement of food standards (for which accountability is with food regulators);
- regulating for food quality or safety (for which accountability is with food regulators and the relevant governments);
- regulating for or promoting dietary practices (for which accountability is with ministers);
or
- developing standards for New Zealand outside the scope of the Treaty (for which accountability is with ministers and their governments).

5. Composition and tenure

The Board has 12 members, including the Chair 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 by 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 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

Board members are statutory office holders for the purposes of the Public Service Regulations 1999 (the Regulations). The Regulations provide that the Australian Public Service (APS) Code of Conduct³ applies to statutory office holders. The Code of Conduct requires the upholding of the APS Values, among other things. The APS Values set out the standard of behaviour expected of agency heads, APS employees and statutory officers. The Authority also has developed a set of FSANZ-shared values and behaviours to complement the APS Values.

Each Board member shall abide by the APS Code of Conduct and behave in a way that upholds the APS Values and the FSANZ values and behaviours.

6.1 Chair

The Chair will:

- provide leadership for the Board and the Authority's staff;
- facilitate and, with the Board, set strategic priorities for the Authority;
- encourage the identification of issues that need to be discussed by the Board and ensure 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;

³ <https://www.apsc.gov.au/code-conduct>

- provide support for and liaise with the CEO on Board and other appropriate matters;
- liaise and communicate with the Minister, the Forum, 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 the Authority; and
- monitor, assess and provide feedback on the performance of the CEO in consultation with Board members.

6.2 Chief Executive Officer (the CEO)

The CEO will:

- be responsible for the day to day administration and management of the Authority;
- have day to day control of the Authority;
- provide leadership to the Authority's staff;
- maintain regular contact with the Chair and keep the Chair informed of developments which might require the Chair to take action on the Board's behalf;
- report regularly to the Board on key issues affecting the Authority 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 the Authority's mission;
- present the Authority's budget, and assumptions behind the budget, for the Board's approval, and manage the Authority's resources;
- provide a link between the Board and staff;
- represent the Authority and its role to provide a strong, positive image to stakeholders;
- set the standards of behaviour for the Authority's staff by example;
- articulate the Authority's vision and create the right internal climate for staff; and
- attract, recruit and retain high performing staff.

6.3 Board members

Board members (including the Chair) will:

- be independent;
- pursue the legislative objectives of the Authority;
- pursue agreed strategic priorities of the Authority;
- act with due diligence, care and good faith;
- be committed to act in the best interests of the Authority;
- be entitled to be heard at all meetings and bring independent judgment to bear in decision making;

- understand and work within the legal and administrative framework of the Authority;
- work to support public confidence in the Authority;
- develop, strengthen, maintain and expand professional networks with respect to the Authority;
- 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 the Authority staff and management accountable; and
- determine the level of allowances for the CEO, in accordance with determinations made by the Remuneration Tribunal.

6.4 Corporate and business planning

Board members will ensure corporate and business planning is timely and effective by ensuring the Authority's planning is integrated, cohesive and reflects agreed priorities and strategies.

Board members will do this by:

- each financial year, setting guiding strategies for the Authority based on a consideration of anticipated environmental impacts and statutory objectives;
- each financial year, approve a corporate plan that is based on these guiding strategies for the purposes of section 35 of the PGPA Act;
- each financial year, approving a rolling four-year financial plan (the Portfolio Budget Statement);
- annually, but with periodic review, approving a budget for the Authority that is 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 People and Culture Committee, with appropriate terms of reference, and consider reports from the Committee.

6.5 Organisational performance management

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

Board members will do this by:

- ensuring the Authority has a robust system of Section and Branch performance monitoring and review;
- ensuring the Authority 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
- publishing an annual report of progress against the corporate priorities and strategies in accordance with the Australian Government's Performance Reporting Framework.

6.6 Corporate governance

Board members will ensure corporate governance arrangements are appropriate, documented and reviewed periodically. Board members will do this by:

- every two years, considering a report into the Authority'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 the Authority's accountability or management arrangements;
- periodically requiring an internal audit of corporate governance arrangements; and
- every two years, considering a report into the Authority's fraud and enterprise risk management framework, processes and practices.

6.7 Development of Food Regulatory Measures

Board members will ensure 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 for each regulatory measure by:

- 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 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, where necessary, 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 political sensitivities have been identified and appropriately managed.

7. Board Meetings

7.1. Convening Meetings

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

7.2 Presiding at meetings

The Chair will preside over all meetings at which he or she is present. If the Chair is not present, the members present will appoint a Board member to preside over the meeting.

7.3. Voting at meetings

If a decision is to be determined by voting, it shall be decided by the majority of votes of Board members eligible to vote . The Chair, or the member presiding at a meeting if the Chair is not present, shall have a deliberative vote and, if the votes are equal, a casting vote.

7.4 Quorum

At a meeting of the Board, the quorum shall be the majority of the members appointed to the Board who are present.

However, if;

- (a) a Board member has a material conflict of interest and is required not to be present during deliberations or participate in making a decision on a matter; and/or
- (b) a member leaves the meeting and there is no longer a quorum present;

the remaining members at the meeting shall constitute a quorum with respect to that matter.

8. Board Committees

Under Section 118 of the FSANZ Act, the Board may establish such committees as it thinks fit to assist it in carrying out its functions, and may abolish any such committee.

In accordance with the PGPA Act, the Board must ensure that the agency has an audit committee which must be constituted, and perform functions, in accordance with any requirements prescribed by the PGPA rules.

9. 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 declared conflicts of interest and the outcomes for each agenda item are recorded and in the Minutes.

10. Confidentiality of Board proceedings and documents

All Board papers, reports (draft and final), research documents, verbal advice 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 they add to the relevant public debate.

11. 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 Authority 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, unless that contact is approved by the Chair and CEO.

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

12. Reporting

The Authority Board has responsibility under the FSANZ Act to notify the Forum if it approves a draft standard or a draft variation of a standard.

A summary of key outcomes of each Board meeting is published on the Authority's website. The summary is not an official record of the decisions of the Board and does not provide full details of decisions.

The minutes of each meeting of the Board are the official record of the decisions made by the 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 Board Secretariat is responsible for:

- organising Board meetings and Board member attendance;
- monitoring compliance with Board policies and procedures;
- coordinating the completion and dispatch of the Board agenda and supporting materials;
- preparing minutes of meetings and taking these to the Chair for approval and circulation;
- organising and facilitating the induction and professional development of Board members; and
- being a point of reference for dealings between the Board and the agency.

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. Performance Evaluation

The Chairperson, in consultation with the CEO, will initiate a formal review of the performance of the Board against the Charter 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 CEO, the internal and external auditors, management and any other relevant stakeholders, as determined by the Board.

The Board will collectively review its performance on an ongoing basis. Two Board members will be selected to evaluate that meeting and provide feedback to the meeting to facilitate good practice in line with the Charter.

16. Review of Charter

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