

# FSANZ Board Risk Appetite Statement

## Introduction

The FSANZ Board Risk Appetite Statement sets the amount of risk the Board is willing to accept or retain in order to achieve agency objectives. It summarises the Board's appetite for risk across a range of agency activities which underpin achievement of our goals and strategic objectives, support delivery of Portfolio Budget Statement performance outcomes and ensure compliance with statutory requirements for efficient and effective public governance. The Risk Appetite Statement is dynamic and will be reviewed on an annual basis.

## Our Goals

FSANZ was established to help achieve a high standard of public health protection throughout Australia and New Zealand through the following goals:

- A high degree of consumer confidence in the quality and safety of food that is produced, processed or sold in, or imported into or exported from, Australia and New Zealand.
- An effective, transparent and accountable regulatory framework in which industry can work efficiently.
- The provision of adequate information relating to food to enable consumers to make informed choices.
- The establishment of common rules for both countries and the promotion of consistency between domestic and international food regulatory measures without reducing the safeguards that apply to public health and consumer protection.

## Our Strategic Objectives





The FSANZ Board has set three key strategic objectives for the agency:






- Food you can trust
- Helping consumers to make informed choices
- Supporting food systems innovation





## Statement of Risk Appetite




Risk appetite is the amount of risk an organisation is willing to accept to achieve its objectives. Risk tolerance is the acceptable deviation from the organisation's risk appetite. Unacceptable risk is the level of risk beyond the organisation's tolerance. If breached, this level of risk would likely prompt reporting and potential corrective actions. The FSANZ Board has established a **low to moderate risk appetite** for the majority of risks associated with identified agency activities, listed at **Attachment A**. The Board has **no appetite for risk** associated with workplace health and safety for staff, Commercial Confidential Information and misconduct, fraud, harassment or discrimination. The Board has **moderate to significant appetite for risk** for activities and processes which advance enhancement of staff wellbeing, improve organisation culture and support innovation outcomes. Unacceptable risk is anything that exceeds the risk tolerance. **Attachment A** defines the risk appetite and tolerance levels for risk categories and identified agency activity.

FSANZ Risk Appetite and Tolerance

Risk Category	Risk Appetite <i>The amount and type of risk that the Board is willing to accept or retain in order to achieve the agency's objectives.</i>	Risk Tolerance			
		Low	Moderate	Significant	High
<b>Overall Strategy</b>	<p>FSANZ confirms and sets its strategic direction annually through statutory and business planning. In order to achieve its strategic outcomes, FSANZ must be willing to take and accept risk. FSANZ has a <b>moderate risk appetite</b> for undertaking activities aligned with FSANZ overall strategies.</p> <p>FSANZ has a <b>low risk appetite</b> to accept risks which have no alignment with our strategies.</p>	 <p>FSANZ is willing to take a <b>significant level of additional risk</b> (in certain circumstances) for undertaking activities aligned with FSANZ overall strategies.</p>			
<b>Activities not strategically aligned with FSANZ objectives</b>	<p>FSANZ is committed to maintaining a high degree of public and industry trust in food safety by setting clear objectives, effectively delivering our essential functions and demonstrating excellence in public administration. In order to deliver activities aligned with strategic objectives, FSANZ must be willing to take and accept risk.</p> <p>FSANZ has a <b>low risk appetite</b> for undertaking activities not aligned with FSANZ objectives.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) when undertaking activities aligned with FSANZ objectives.</p>			
<b>Shared food-related public health and safety responsibilities</b>	<p>Food-related public health and safety is a shared responsibility of the Australian, New Zealand, state, territory and locals governments, industry and consumers. FSANZ is responsible for developing food regulatory measures, providing food standards and labelling information and coordinating regulatory activities with Australian and NZ jurisdictions.</p> <p>FSANZ has a <b>low risk appetite</b> for undertaking activities not aligned with shared food-related public health and safety responsibilities.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) when undertaking activities aligned with shared food-related public health and safety responsibilities.</p>			
<b>Financial</b>	<p>FSANZ needs to remain financially sustainable to continue to serve its purpose.</p> <p>FSANZ has a <b>low risk appetite</b> for activities that materially damage its financial position or result in a lack of resources to achieve responsibilities set out in the FSANZ Act.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional financial risk</b> (in certain circumstances) in relation achieving its purposes and sustainability.</p>			

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		Low	Moderate	Significant	High
<b>Activities resulting in lack of appropriate resources to achieve our objectives</b>	<p>FSANZ must govern in a way that promoted the proper use and management of public resources, the achievement of the purposes of the entity and the sustainability of the entity. FSANZ needs to remain financially sustainable and adequately resourced to continue to serve its purpose.</p> <p>FSANZ has a <b>low risk appetite</b> for activities that result in a lack of appropriate resources to achieve our objectives.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) in activities to deliver appropriate resources.</p>			
<b>Interruptions at critical periods of operations impacting staff</b>	<p>FSANZ's ability to support operations on a day-to-day basis without disruption is critical to delivering agency objectives and activities. FSANZ must ensure interruptions impacting staff at critical periods are avoided and dealt with quickly if they occur.</p> <p>FSANZ has a <b>low risk appetite</b> for activities that result in interruptions at critical periods of operations, impacting staff.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) in activities that avoid interruptions at critical periods.</p>			
<b>Changes to ensure the right resources, capabilities / structure to optimise operations</b>	<p>FSANZ must maintain the right mix of resources, capabilities and operating structure to optimise operations and deliver on objectives.</p> <p>FSANZ has a <b>moderate risk appetite</b> for changes to ensure the right resources, capabilities and organisational structure to optimise operations.</p>	 <p>FSANZ is willing to take a <b>significant level of additional risk</b> (in certain circumstances) in changes to secure resources, capabilities and structure.</p>			
<b>Changes that compromise reputation of the agency</b>	<p>FSANZ must work collaboratively with domestic and international stakeholders to identify threats to its activities, trans-Tasman food safety or the agency's reputation.</p> <p>FSANZ has a <b>low risk appetite</b> for changes that compromise the reputation of the agency.</p>	 <p>FSANZ is willing to take a <b>moderate level of risk</b> in activities that may compromise the reputation of the agency.</p>			
<b>Health and safety of staff</b>	<p>FSANZ prioritises the health and safety of staff. The agency fosters a strong culture of health and safety awareness and risk management, including</p>				

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	<p>identifying and managing health and safety risks to the greatest extent possible.</p> <p>FSANZ has a <b>zero risk appetite</b> for risks that could compromise the health or safety of staff.</p>	<p>FSANZ has a <b>zero risk tolerance</b> and is unwilling to take additional risks that may impact staff health or safety.</p>			
<b>Processes to enhance wellbeing</b>	<p>As an APS workplace of choice, FSANZ maintains processes to maintain and enhance staff wellbeing.</p> <p>FSANZ has a <b>low risk appetite</b> for processes that negatively impact staff wellbeing.</p>	 <p>FSANZ is willing to take a <b>significant level of additional risk</b> (in certain circumstances) for processes that enhance wellbeing.</p>			
<b>Disclosure of Confidential Commercial Information (CCI)</b>	<p>FSANZ seeks to comply with relevant statutory requirements. We achieve this through strong governance and management which in turn shapes the organisation's culture for compliance, ethical conduct and living our values.</p> <p>FSANZ has robust processes and procedures in place to protect personal and confidential information, including Confidential Commercial Information (CCI). FSANZ has a <b>zero risk appetite</b> for CCI disclosure.</p>	 <p>FSANZ has a <b>zero risk tolerance</b> and is unwilling to take additional risks that may result in CCI disclosure.</p>			
<b>Fraud, harassment and discrimination</b>	<p>FSANZ takes any breaches of the APS Code of Conduct very seriously. The agency complies with relevant statutory requirements for preventing fraud, harassment and discrimination through strong governance and management which in shapes the organisation's culture for compliance, ethical conduct and living our values.</p> <p>FSANZ has a <b>zero risk appetite</b> for fraud, harassment and discrimination.</p>	 <p>FSANZ has a <b>zero risk tolerance</b> and is unwilling to take additional risks that may result in fraud, harassment and discrimination.</p>			
<b>Staff conduct</b>	<p>FSANZ relies on motivated, diverse and highly-qualified staff to perform its functions. It aims to create an environment where staff are empowered to do their best. FSANZ staff are expected to conduct themselves with a high degree of integrity, respect and excellence in the work they perform.</p> <p>FSANZ has a <b>low risk appetite</b> for inappropriate staff conduct.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) to ensure appropriate staff conduct.</p>			

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<b>Processes to enhance the culture of an agency</b>	<p>FSANZ values a positive and productive agency culture. Measures and processes are in place to support and enhance the culture of the agency in a way that responds to staff and stakeholder needs over time.</p> <p>FSANZ has a <b>significant risk appetite</b> for processes to enhance the culture of the agency.</p>	 <p>FSANZ is willing to take a <b>high level of additional risk</b> (in certain circumstances) in measures and processes to enhance the culture of the agency.</p>			
<b>Innovation</b>	<p>FSANZ embraces innovation and continuous improvement of its processes, enabling infrastructure and technology.</p> <p>FSANZ has a <b>significant risk appetite</b> for innovation and the value it will bring to FSANZ as well as our stakeholders.</p>	 <p>FSANZ is willing to take a <b>high level of additional risk</b> (in certain circumstances) in measures and processes to enhance the innovation of the agency.</p>			
<b>Activities deterring the pursuit of innovation and growth</b>	<p>Innovation and growth are central to attracting staff and maintaining our reputation as a leader in regulatory science and the development of world-leading food standards.</p> <p>FSANZ has a <b>low risk appetite</b> for activities deterring the pursuit of innovation and growth.</p>	 <p>FSANZ is willing to take a <b>moderate level of additional risk</b> (in certain circumstances) to undertake activities in the pursuit of innovation and growth.</p>			

\* Unacceptable risk is anything that exceeds the risk tolerance.