

# FSANZ Board Statement of Risk Appetite 2020-21<sup>1</sup>

## Introduction

Understanding the environment in which FSANZ operates, including the potential risks, helps us build a sensible path towards our goals. We need to effectively manage risks to make the most of opportunities, manage threats, foster confidence and achieve our purpose.

## Statement of Risk Appetite

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, and
- 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 Focus*

The FSANZ Board has set three key focus areas for the agency in 2020-21:

- A trusted leader
  - A trusted source of advice on food safety and food-related public health
  - A leader in its areas of expertise
  - Leaders in regulatory science in the region
  - A source of wisdom on emerging risks
- Deeply engaged with stakeholders
  - Enhanced engagement with our domestic and international stakeholders
- An independent contributor to a robust and agile food regulatory system
  - Effective and efficient
  - Provider of expert evidence into risk analysis and policy making processes
  - Maintaining its role in national response within Australia

Our Risk Appetite Statement summarises our tolerance for risk in each of a whole range of activities undertaken. The risk appetite statement is dynamic and will be reviewed on a regular basis in conjunction with FSANZ's planning cycle.

FSANZ's risk appetite statement is broadly articulated for key activities aligned to the risk categories, which enable the achievement of FSANZ's strategic and operational objectives. The table below details the risk appetite descriptions established for each key activity identified.

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<sup>1</sup> As at 11 May 2020

Key activity	Risk Appetite statement
<p><b>Overall Strategy</b></p>	<p>In order to achieve its objectives, FSANZ must be willing to take and accept risk. We have a moderate risk appetite in the pursuit of our strategies.</p> <p>We have a low willingness to accept risks which have no alignment with our strategies or have the potential to damage FSANZ's reputation.</p>
<p><b>Shared food-related public health and safety responsibilities</b></p>	<p>Food-related public health and safety is a shared responsibility of the Australian, New Zealand and state and territory governments, industry and consumers. FSANZ is responsible for developing food regulatory measures, for providing information and scientific assessments and for coordinating regulatory activities in consultation with, or at the request of, Australian jurisdictions or New Zealand.</p> <p>In the context of the shared responsibility for food-related public health and safety, we have a low risk appetite.</p>
<p><b>Financial</b></p>	<p>FSANZ needs to remain financially sustainable to continue to serve its purpose.</p> <p>FSANZ has a low risk appetite for any activities that could materially damage our financial position.</p> <p>We also have a low risk appetite for any activity which may result in a lack of appropriate resources to achieve our roles as set out in the FSANZ Act.</p>
<p><b>Delivery of services and capabilities</b></p>	<p>FSANZ has a low risk appetite for business interruptions at critical periods of operations impacting staff.</p> <p>The ability to support operations on a day-to-day basis is important. FSANZ has a moderate risk appetite for change to ensure that it has the right resources, capabilities and organisational structure to optimise performance into the future.</p> <p>FSANZ will seek to ensure transparent and clear communication to ensure key stakeholders and the community are well informed. FSANZ has rich data sources that are fostered by open channels of communication, allowing the highest level of information to be conveyed effectively to stakeholders.</p> <p>We have a low risk appetite for activities that will compromise the reputation of the agency.</p>
<p><b>Health, safety and wellbeing</b></p>	<p>Whilst FSANZ strives for zero risk in relation to the workplace health and safety of its staff, the willingness to accept risk in this area is low.</p> <p>A strong culture of health and safety awareness and risk management is expected of all staff and the Board. This includes identifying and managing health and safety risks to the best extent possible.</p> <p>FSANZ has a moderate to high risk appetite for introducing processes which enhance the wellbeing of staff in the agency.</p>

Key activity	Risk Appetite statement
<p><b>Governance and compliance</b></p>	<p>FSANZ seeks to comply with relevant statutory requirements. We achieve this through strong governance and management which shapes the organisation’s culture for compliance, ethical conduct and living our values.</p> <p>Whilst FSANZ strives for zero risk in relation to misconduct, fraud, harassment or discrimination and non-compliance behaviour that undermines our reputation, the willingness to accept risk in these areas is low.</p>
<p><b>Organisation and Culture</b></p>	<p>FSANZ relies on motivated, diverse and high-quality staff to perform its functions. It aims to create an environment where staff are empowered.</p> <p>FSANZ staff are expected to conduct themselves with a high degree of integrity, respect and excellence in the work they perform and the outcomes they achieve. We have a low risk appetite for behaviours which do not meet these standards. FSANZ takes any breaches of the APS Code of Conduct very seriously.</p> <p>FSANZ has a moderate to high risk appetite for introducing processes which enhance the culture of the agency.</p>
<p><b>Innovation</b></p>	<p>FSANZ embraces innovation and continuous improvement of its staff and processes. Innovation and growth are central to attracting staff and maintaining our reputation as a leader in regulatory science and the development of standards.</p> <p>We have a moderate to high risk appetite for innovation and the value it will bring to FSANZ as well as our stakeholders.</p> <p>We have a low appetite for activities that deter the pursuit of innovation and growth.</p>

The above statements of risk appetite are mapped diagrammatically in the following Risk Appetite Summary.

Risk Appetite Summary			
Risk Appetite Range	Low Appetite	Moderate Appetite	High Appetite
Approach to Risk	Accepts as little risk as possible and takes a cautious approach towards taking risk	A balanced and informed approach to risk taking	A more aggressive approach to taking risk for increased benefit or to achieve strategy
Key Activities			
Overall Strategy	● <i>No alignment with our strategies or could possibly damage FSANZ's credibility or reputation</i>	● <i>Pursuit of our strategies</i>	
Shared responsibility	● <i>Food-related public health and safety</i>		
Financial	● <i>Financial sustainability</i>	● <i>Activities adversely impacting resources required to fulfil role</i>	
Delivery of services and capabilities	● <i>Core business interruptions</i>	● <i>Organisational changes to optimise performance</i>	● <i>Fostering open communication</i>
Health, safety and wellbeing	● <i>Health, safety and wellbeing</i>	● <i>Processes which enhance the wellbeing of the staff in the agency</i>	
Governance and compliance	● <i>Fraud and inappropriate behaviour</i>	● <i>Compliance with key legislation</i>	
Organisation and Culture	● <i>Behaviours which do not meet the APS code of conduct or FSANZ values</i>	● <i>Processes which enhance the culture of the agency</i>	
Innovation	● <i>Activities that deter the pursuit of innovation and growth</i>	● <i>Innovation</i>	