Food Safety

BE PREPARED FOR THE CHALLENGE

Governance guide for directors, executive and business owners

FIAL

The Food and Agribusiness Growth Centre

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Preface

This **Guide** has been prepared by the Australian Institute of Food Science and Technology (AIFST) with funding support from Food Innovation Australia Limited (FIAL) as a resource for the food industry and other stakeholders to support food safety governance practices.

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Terms and Definitions

Throughout this document, various terms are used. The meanings and definitions of these terms are provided in the body of the document.

Acknowledgment

The AIFST wishes to acknowledge New Zealand Food Safety for their permission to base this document on 'Food Safety – Good Governance Guide for Directors, Executives and Business Owners' published by New Zealand Food Safety, Ministry for Primary Industries in 2018.

The AIFST wishes to acknowledge the significant input and contribution of several industry members who contributed their collective industry expertise and experience to the development of this Guide.

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Forward

A safe food supply is vital for the wellbeing of consumers, food companies and our global trading community. The food industry and food regulators work collaboratively and productively to build and protect this reputation domestically and internationally and shared responses to recent challenges from supply chain disruptions, the COVID-19 pandemic and natural disasters have further highlighted the value of this strong collaboration. Australia can be proud of our reputation for safe food.

Internationally, Codex Alimentarius sets model food standards and takes a leadership role in promoting food safety. Codex has recognised the importance of management commitment to food safety in its overarching General Principles of Food Hygiene. Food safety culture has also been embedded in many internationally benchmarked standards.

In Australia, the government has identified food safety culture as a focal area of the national strategy to reduce foodborne illness. There is a growing recognition among regulators and industry that a positive culture can support compliance and protect consumers and businesses.

Strong ownership and leadership of food safety is needed from boards, managers, and business owners. Food safety governance should assure that risks are identified, understood, and controlled in a supportive environment. Food safety will succeed when leaders embrace responsibility for it and fully embed it in company policy, practices, and people.

This document will guide boards and managers through food safety risk management and compliance. It will assist them in making a commitment and taking steps to build a strong, positive food safety culture. The guide includes foundational material and best practice tools for food safety management.

Food safety is a risk not to be taken lightly. Food safety incidents can seriously harm people's health and businesses' viability. However, with good food safety governance and a strong culture, incidents are by and large preventable. I encourage companies to use this guide in the spirit of continual improvement.

I commend the AIFST for taking the lead in this work. Their engagement with Food Standards Australia New Zealand (FSANZ), industry representatives and other key stakeholders is an approach that leverages the benefits of a shared partnership and the strong collaboration that continues to underpin our world-leading food regulation system.

Dr Sandra Cuthbert

CEO, FSANZ

Introduction

Product safety is the foundation of the food and beverage industry.

Australians enjoy one of the safest food supply chains in the world, but food and beverage companies recognise that steps must be taken to make it even safer. Ensuring the safety of products – and maintaining the confidence of consumers – is the single most important goal of our industry.

The ground is shifting. Food safety expectations continue to grow, food supply chains are becoming longer and more complex - there is an increasing array of food products with ingredients not thought of a decade ago. Other changes, such as evolving international market requirements, improving analytical technology, and testing sensitivities and the recognition of new hazards, are affecting food safety risk profiles. In response, leading food companies are continually building and developing food safety capability to keep pace with change and to remain competitive.

Food safety has always been important for Australia's food producers, manufacturers, and marketers. Our consumers have a legitimate expectation that our food is safe, and our local and international reputations depend upon excellence in food safety outcomes. We have an enviable reputation and track record, features that we must protect, nurture, and enhance.

Food safety incidents quickly attract both local and international attention. There is also the shadow of difficult-to-predict, malicious behaviour targeting foods.

Food safety, like workplace health and safety, is a business essential. The efficient response is to develop organisation-wide systems and organisational culture that can recognise, evaluate, and prevent or mitigate these issues. Done well, food safety can lead to a competitive advantage.

The changed market environment and increased legal responsibilities mean that boards of directors, executives and business owners must ensure their collective and individual oversight of food safety in their company.

This publication, *Food Safety: Good Governance Guide for Directors, Executives and Business Owners* aims to provide foundation food safety material to inform the journey to best practice food safety.

This document will help directors, executives, and business owners to understand the importance of food safety governance, their responsibilities and role in assuring food safety performance. It will also discuss the tools to monitor and verify food safety system performance and the essentials of good food safety governance. This document, while largely written for directors and boards, is equally relevant to senior executives and business owners in the wider food industry.

This guidance document is set out in three parts.

Part 1: Why manage food safety risk sets out the case for food safety governance, introduces food safety risk and Australia's food regulation framework.

Part 2: Food safety – the board's role sets out the leadership role that boards of directors must play in the governance of food safety

Part 3: A director's briefcase includes a director's food safety checklist, sets out the legal environment, key roles in compliance with food safety regulation, what comprises a food safety system and examples of food safety performance measures.

Part One – Why Manage Food Safety Risk?

Why is food safety important for my business?

Awareness of food safety and its importance to your business is part of being a responsible leader within your business and the food industry.

Food safety has always been an important issue, but like workplace health and safety its profile is growing. Assuring food safety has become more complex with new consumer-ready products being sold in many new international markets, new production technologies, lengthening supply chains, multiplicity of ingredients and suppliers and the potential for malicious behaviour. The increasing number of variables, including the impact of climate change, that disrupt existing food safety measures that have worked up till now require ongoing vigilance.

Food safety, once the domain of technical and production functions, has become a company-wide, end-to-end business responsibility. Consequently, it must become part of board and senior executive and management oversight of company activities and performance.

Food safety is important for three key reasons:

1. It's the law
2. Safety of consumers
3. Business reputation

Positives arising from excellence in food safety

While the headlines may focus on a few high-profile food safety events, the Australian food industry has a sound history of producing and marketing safe foods. Safe food and our known food safety systems are a competitive advantage, and this brings many opportunities for international trade. It also allows Australia to work cooperatively with its many customers and efficiently resolve any issues that arise.

At a company level, excellence in food safety creates a trusted brand and business growth. It can also bring a sense of pride and connected purpose for the company's people.

It's the Law - Food Safety Regulation

Food businesses are required by law to ensure that food for sale is safe and suitable.

All Australian food businesses must comply with the Australia New Zealand Food Standards Code (the Code), which is incorporated into state and territory food acts. These Acts require that food sold is safe and suitable for human consumption and meets all standards set out in the Code.

The Code includes food safety requirements that cover every step of food handling and production from initial receipt through storage, processing, packaging, display, and transport. All food handlers must have appropriate food safety skills and knowledge. Health and hygiene requirements for food handlers and food premises must also be met. In the event that something goes wrong, businesses must be able to quickly recall unsafe food from the marketplace.

The food safety requirements are outcomes based rather than prescriptive. They are designed to enable businesses to take a proactive and preventative approach to food safety. There is a degree of flexibility to give businesses the opportunity to comply in ways that suit their particular operations.

Safety of Consumers

Foodborne illness and unsafe food resulting in adverse health effects can cause lasting harm to consumers and their families. There are many local and international incidents that have resulted in serious harm, some leading to fatalities. Deterioration of physical and mental health can also be consequences, some of these consequences are long term.

In Australia each year unsafe food causes around 4.1 million cases of gastroenteritis, 5140 cases of non-gastrointestinal illness, 35,840 cases of sequelae (conditions that arise following illness, such as reactive arthritis), 31,920 hospitalisations and 86 deaths.[1]

The economic cost of even a mild foodborne illness can be significant. For example, *Campylobacter* is one of the most common bacterial causes of human gastroenteritis in Australia and across the world (ESFA, 2014; FAO & WHO, 2009). It is estimated that foodborne illness and its sequelae costs Australia AUD 2.44 billion each year. The largest component of this cost is lost productivity due to non-fatal illness, followed by premature mortality and direct costs (including hospitalisations and other health care use). The pathogen with the highest individual cost is *Campylobacter* (AUD 365 million per year), while norovirus, other pathogenic *E. coli*, and *Salmonella* are all estimated to cost Australians over AUD $100 million each year.

Examples of food safety incidents

In 2008, melamine adulteration of infant foods in China resulted in more than 50,000 children being hospitalised and six deaths (Yan, 2011). Many children who were hospitalised have required ongoing medical care.

Rockmelons have been linked to *Salmonella* and *Listeria* poisonings in Australia and overseas. In 2018 an Australian listeriosis outbreak from rockmelons involved 22 confirmed cases, seven deaths and one miscarriage (NSW DPI 2018). Another outbreak in 2016 with 144 cases and one death was linked to *Salmonella* contamination in rockmelons (NSW OzFoodNet 2017).

Food allergen incidents can occur rapidly and without warning and have resulted in several deaths in Australia and New Zealand over the last decade. In Australia, between 2019 and 2023 most food recalls were due to undeclared allergens (192 recalls, ranging from 37% to 57% of total recalls per year) as shown in Figure 1.

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[1] (Department of Health 2014 - Foodborne Illness in Australia: Annual incidence circa 2010.). See Foodborne Illness in Australia: Annual Incidence Circa 2010 - Docest
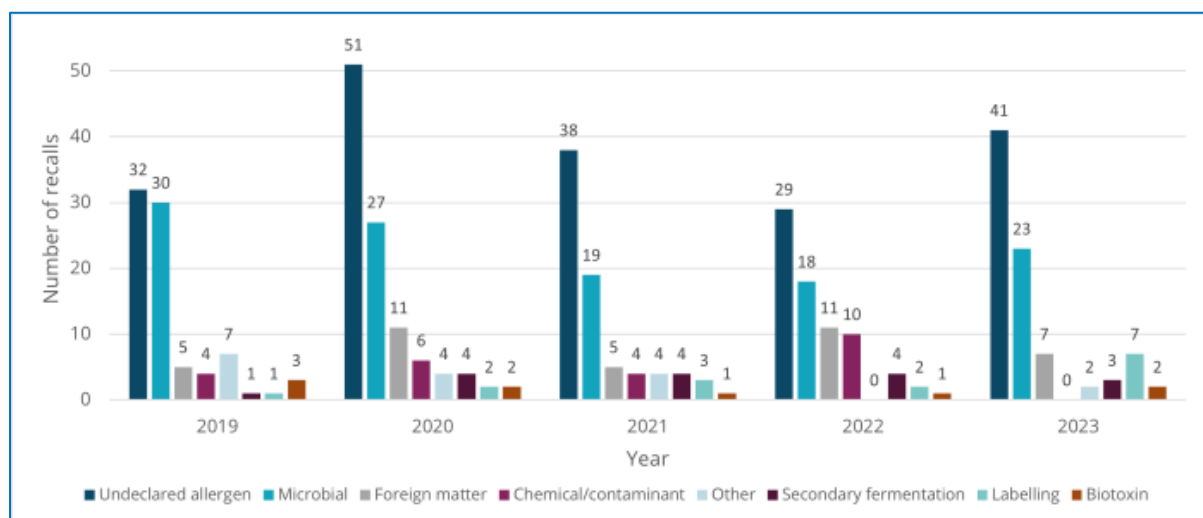
Figure 1: Food recalls by year and recall classification 2019-2023[2]

Business Reputation

Company reputations can be quickly damaged by a food safety incident and restoring reputation and trust in the marketplace can be a lengthy and costly task.

Food safety incidents can also bring lasting damage to companies. Recalls, legal proceedings, penalties, and the ensuing publicity can result in substantial loss of earnings, loss of reputation and loss of consumer trust in brands or local authorities. There are many instances around the world where food safety failures have led to business failure.

In Australia in 2015, frozen berries were linked to hepatitis A virus contamination resulting in a food recall being implemented by the brand owner, Patties Foods. In August 2015, the business reported that more than $14 million was wiped from full-year profits in the previous financial year because of the recall.[3]

The melamine incident in China resulted in bankruptcy and business failure of Sanlu. This milk powder contamination scandal caused 290,000 consumers to be affected around the world, more than 50,000 hospitalisations and six deaths in China (Yan, 2011). There was also a human cost in terms of reputation and wellbeing of all those involved in notifying, managing, and investigating these incidents. This activity and follow up of consequences take months and in some cases years. This has a significant drain on people and resources. Routine operations can grind to a stop in the face of such a challenge.

The fallout from food safety incidents is not readily contained and can have flow-on effects on other operators in a particular sector, and more broadly a whole industry or country. This was demonstrated in an outbreak of pathogenic *E. coli* in bean sprouts in Europe in the summer of 2011, which resulted in more than 3,000 infections and 50 deaths. The health, social and economic consequences were tragic to those people affected. Following this event, there was a significant loss in confidence in the supply of perishable foods and consequential economic loss to the food service sector and producers in that region (Burger, 2012).

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2 Source: FSANZ website, accessed 01 June 2024
3 Frozen berries hepatitis A scare cost Patties Foods $14 million, accessed 07 July 2022

In 2013, a recall of infant formula made in New Zealand across China and other SE Asian markets was initiated when the product was thought to contain *Clostridium botulinum*. Although no illnesses were reported and it was later determined to not be the botulinum strain, the financial and reputational losses for the companies involved were massive and resulted in prolonged legal repercussions.

The way companies respond to a food safety incident can play a significant role in public and consumer perception and confidence. Company responses and responsiveness can result in reputations being enhanced, or severely damaged in the event of a food safety crisis.

Incidents that are poorly managed may result in imposition of limits and restrictions that significantly compromise future business activities.

The final word

Food safety – like workplace health and safety – is not a cost but an investment in enterprise risk management, leading to:

- protecting the health and safety of your customers and consumers
- protecting and building your business reputation and brand value
- ensuring the ongoing success and enterprise value of your business
- performing your duties as a director
- sustaining the reputation and commercial success of "brand Australia", and
- adding value to the business that has appointed you as a director - it is wise to remember you have been appointed to a position of trust and are expected to go beyond due diligence to add something to the business. Food safety incidents and foodborne illness are largely preventable, starting with strong food safety governance in the business.

Part Two – The food safety governance model

Food Safety Governance

Risk is one of the key matters that directors, executives, and business owners are required to address. The first duty is to be proactive in understanding risk and how it is monitored effectively. Knowledge and proof of applying this knowledge is a strong defence against liability claims.

Food safety governance involves assuring that food safety risks are identified, understood, and controlled, and that this occurs within a supportive organisational culture. Identifying food safety as priority should be easy for people inside and outside the organisation. It must be unambiguous and obvious that food safety is a priority from the top down as well as bottom up in the organisation.

Food safety risk management should be incorporated into the existing business risk management framework as integral and not treated as a separate process. Directors should review the priority given to this food safety within existing risk management arrangements and consider whether the priority given is adequate/appropriate for the business.

Your role as a director

The role of a company director is to govern a company on behalf of the shareholders or members of that company.

The Corporations Act 2001 (Cth) (the Corporations Act, or CA 2001) is an Act of the Commonwealth of Australia which sets out the laws dealing with business entities in Australia at federal and interstate level.

The obligations of directors and officers under Corporations Act 2001 are to:

- act in best interests of company
- not misuse position
- exercise care and diligence – business judgement rule

As a director you cannot delegate these obligations.

The role of management

The role of the management of a company (no matter how big or small) is to implement and manage the strategies set by the board or senior executive of the business.

Table 1 sets out the roles of directors and company management with respect to key aspects of food organisation governance.

Function	Director	Management
Strategy	Set strategic direction and vision	Develop strategic plan for approval and then implement
Risk	Set risk appetite	Assess and manage risk
Decision Making	Made collectively as a board	Empowered to make decisions within their role definition and authority
Culture	Set the tone to define organisational values	Develops and adheres to codes of conduct aligned to value

Table 1: Role of Directors and Management

The food safety governance model

A food safety governance model (Figure 2) has been developed to help boards in their food safety activities. In this model, the board has two principal roles in governance of food safety.

The **first** role is creating the right environment for food safety to operate successfully. The **second role** is holding management to account for implementation of the food safety system.

Creating the food safety environment

Directors have the responsibility to create the right environment through **committing** to food safety governance, and **leading** food safety culture. These are the foundations of food safety governance and there must be clearly articulated expectations of directors and management, and of system performance outcomes.

Holding management to account – exercising due diligence and proactivity

In holding management to account, directors are required to assure that risk is actively assessed and managed, and that system design and company performance is proven to be satisfactory for now and into the future.

Figure 2: Food Safety Governance Model[4]

The food safety governance model

These two roles have been developed further as an expanded food safety governance model presented in Figure 3.

Step 1 – Commit to food safety governance – sets the policy foundation or framework for food safety governance in the food business. Establish principles that all employees as well as management can use to guide decision making.

Step 2 – Lead food safety culture – is about creating a supportive environment, one in which food safety can become part of the company "DNA" or 'the way we always do things around here'.

Step 3 – Assure food safety risk is identified, assessed, and managed – covers the practical steps required to assure that risk is being assessed and mitigation or management measures are developed and applied to reduce risk. Risk is always evolving, and it is essential that directors

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[4] Source: Food Safety – Good governance guide for directors, executives, and business owners, 2018

recognise the need for regular reporting, accountability for and review of risk to ensure that the risk-based measures are keeping pace with change.

Horizon scanning is a technique for detecting early signs of potentially important developments through a systematic examination of potential threats and opportunities, with emphasis on new technology and its effects on the issue at hand. This technique can assist with ensuring a company is positioned well in awareness of risk at global and strategic level.

Step 4 – Monitor system design and performance - comprises the ongoing processes of assuring that the system design is fit for purpose and that the food safety system is responsive to the information and data generated from the risk management activities.

Cyclic activity -The food safety governance cycle should be continued as boards and companies seek continual improvement in food safety governance and outcomes and respond to changing business conditions.

In the following pages, the 4-step food safety governance model (refer Figure 3) is expanded to provide more detail for directors to consider.
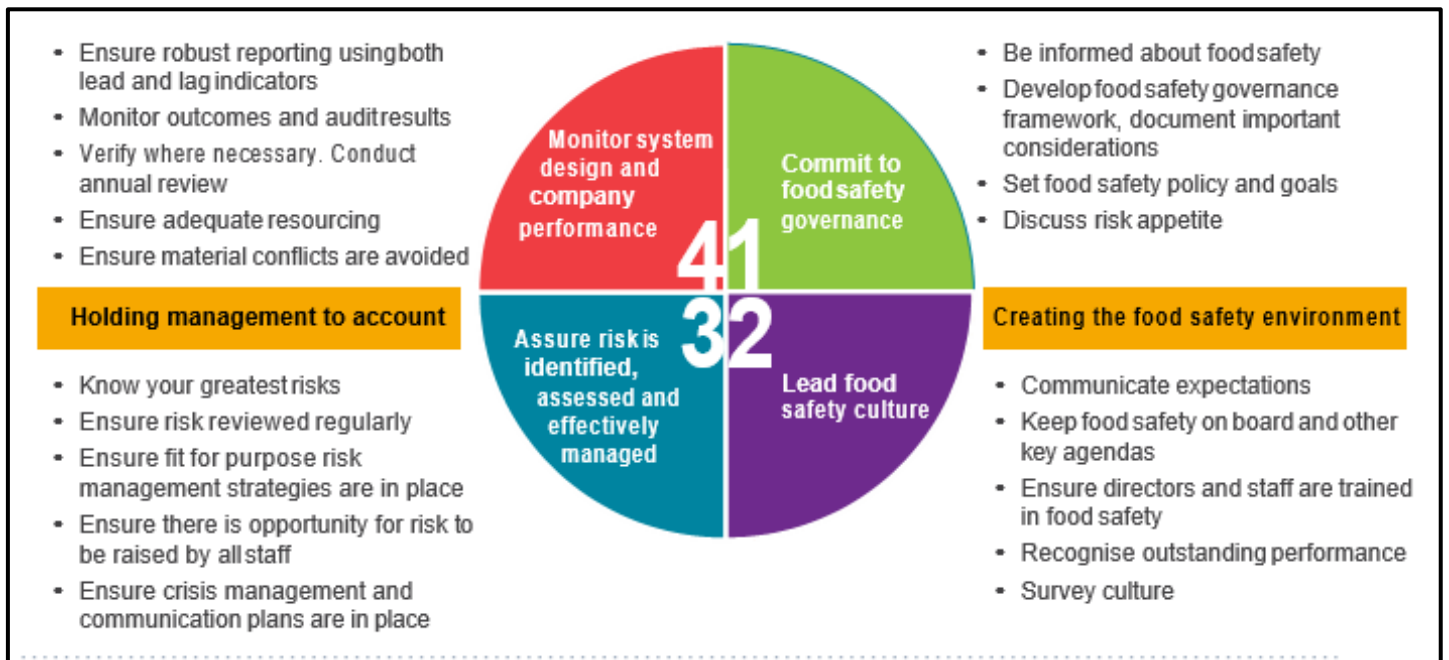

Figure 3: Expanded food safety governance model

Step 1: Commit to Food Safety Governance

Commitment can be demonstrated through:

- ensuring directors are informed about food safety - check that both the level and nature of understanding is commensurate with risks to be managed. The most important emerging criticism of directors in relation to management of food safety incidents is lack of credentials to oversight these risks (outdated or irrelevant academic skills are common flaws in governance structures). The presence of critical thinking at this level is crucial
- including food safety as a priority in the board charter
- considering food safety from a consumer's perspective and potential impacts on health and wellbeing in personal and family settings
- developing a food safety governance framework that provides a template and guidance for directors in their food safety responsibilities, including "turning one's mind to matters of food safety", monitoring on a frequent basis and documenting outcomes
- preparing business-wide food safety policy and goals and setting clear expectations such as progress in implementing food safety programs, acting on audit results, and developing a company food safety culture, and
- putting rewards and recognition in place to encourage performance and culture in line with expectations.

Commitment can be reinforced by the board by:

- having food safety as a standing item on board **agendas** with consumer focus in mind - directors should be capable of putting themselves in the position of anyone who relies on their company for consistent performance - that is, the actors along the supply chain
- expecting **constancy** from senior management in handling food safety matters
- understanding the **appetite for risk** (e.g., what will we never do; what will we always do, how do we want the difficult issues to be handled such as the "grey zone" where product is only "just outside" or "just inside" the rules). While management will make the calls in most cases, directors should be aware of the importance and nature of these important decisions, and the risk being taken on their behalf
- **holding management to account** for implementing food safety strategy and driving food safety implementation and improvement initiatives
- ensuring organisational **strategy** and **capital programs** include initiatives that can provide for continuous improvement of food safety outcomes
- openly and obviously acknowledging achievements at any level of the organisation
- learning from mistakes and tolerating false starts (failure) as part of development of robust systems, and
- **communicating** commitment widely to staff with feedback loops that monitor effectiveness of this communication (is it hitting the mark and sparking response?).

Food Safety Culture

Food safety culture is about attitudes, behaviours and the priority given to food safety in an organisation. In a food business, it is how everyone (owners, managers, employees) thinks and acts in their daily job to make sure the food they make or serve is safe. In a strong food safety culture, people take responsibility, pride and care in producing safe food. They understand the importance of making safe food and the consequences of things going wrong. People have the right knowledge and skills and a genuine commitment to doing things the right way, every time. **(FSANZ, 2024)**

Step 2: Lead Food Safety Culture

Leading food safety culture is a critical element of creating the right environment for food safety.

Culture is the underlying set of values and beliefs that underpin everyday behaviours and decisions. Culture lives in groups not people and responds to signals about both positive and negative outcomes in the environment. Culture matures over time and develops in response to the impact of everyday decisions.

It is recognised that directors can have an early opportunity to significantly influence culture, and this is fundamental to how food safety is perceived and addressed within companies.

Having the right culture and training means that directors and management can have confidence that timely decisions will be made, in all aspects of company operations, essential in a 24/7 operational environment. Yiannas (2010) makes it clear that **food safety = behaviour** and that leadership should focus on behaviour in leading food safety culture.

Food safety culture relies on strong and consistent role modelling including unequivocal support for food safety and constancy of decision making – throughout the organisation, top to bottom, side to side.

The food safety **charter**, statement of expectations and policy are the foundations of food safety culture. Once these have been set, directors can lead food safety culture through expecting unequivocal support for food safety and requiring adherence to the food safety system.

This is enabled by:

- ensuring all directors and staff acknowledge food safety as a priority and are supported with training to take up their responsibility for food safety
- expecting constancy of food safety decisions, and constancy of messaging from the board and senior management
- keeping food safety front of mind, "walking the talk" at all levels and all occasions e.g., board meetings, site visits, customer visits. When directors engage with staff, suppliers, and vendors on matters of food safety it provides a tangible recognition and reinforcement of its importance
- ensuring culture is assessed on a regular basis, and results acted upon, and
- where food safety performance is found that supports food safety culture, it is recognised and celebrated. The board can also encourage participation in groups and forums that advance food safety culture as a critical element of performance creating a community of practice.

The Global Food Safety Initiative (GFSI) have established the five dimensions of food safety culture as shown in Figure 4:

1. Vision and Mission communicate a business's reason for existence and how it translates this into expectations and specific messaging for its stakeholders.
2. People are the critical component of any food safety culture. Our behaviour and activities, from processes on the farm to practices in the kitchen, as well as consumer habits prior to eating the food, contribute to the safety of food and potentially decrease or increase the risk of foodborne illness.
3. Consistency refers to the proper alignment of food safety priorities with requirements on people, technology, resources, and processes to ensure the consistent and effective application of a food safety program that reinforces a culture of food safety.

4. Adaptability refers to the ability of an organization to adjust to changing influences and conditions and respond within its current state or move to a new one.
5. Hazards and Risk Awareness - this dimension differentiates food safety culture from the broader organizational culture. Recognizing actual and potential hazards and risks at all levels and functions represents a key element to building and sustaining a food safety culture.

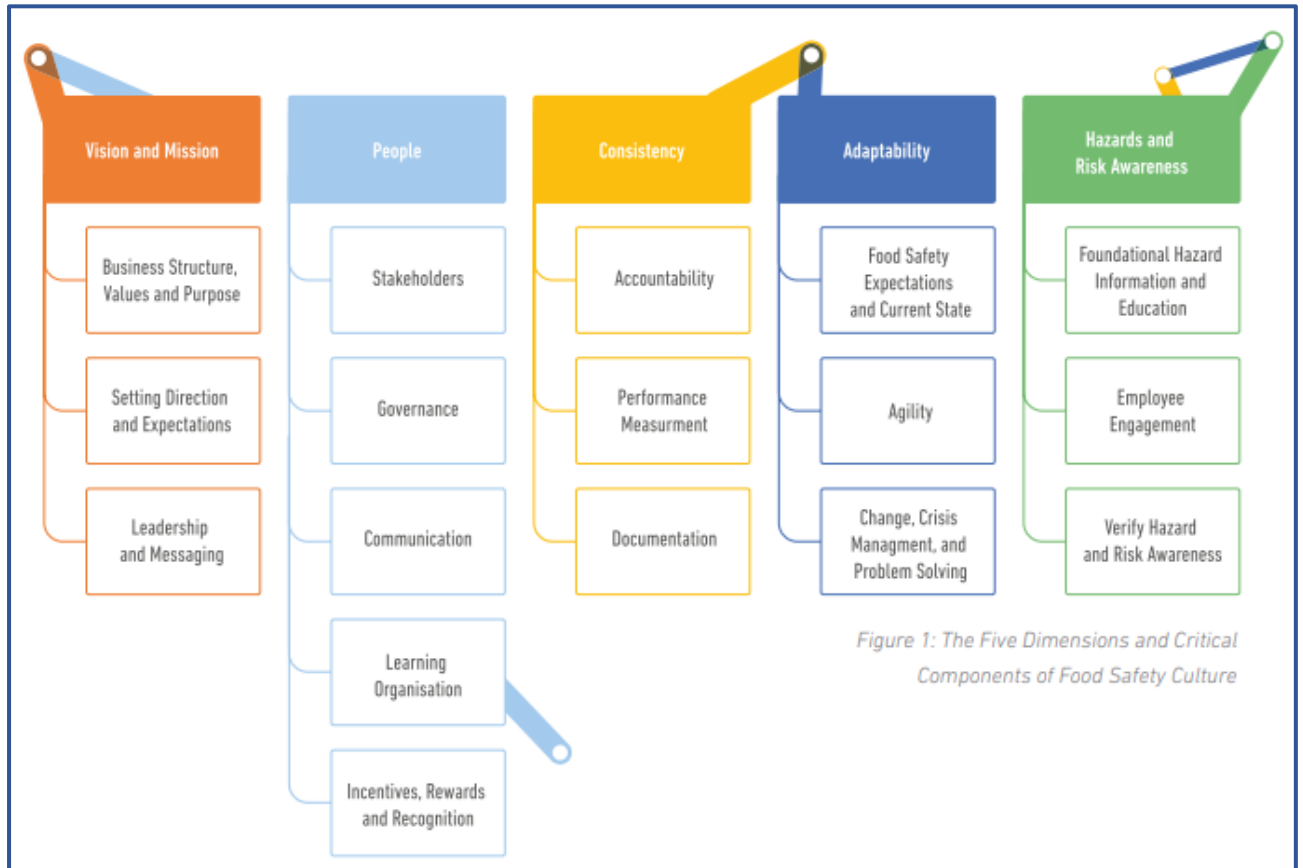Note: these are taken directly from the GFSI White Paper.[5]

Figure 1: The Five Dimensions and Critical Components of Food Safety Culture

Figure 4: The Five Dimensions & Critical Components of Food Safety Culture[6]

[5] *Source: A Culture of Food Safety – a position paper from the GFSI, 4/11/2018*

[6] *Source: A Culture of Food Safety – a position paper from the GFSI, 4/11/2018*

Step 3: Assure Food Safety Risk is Identified, Assessed and Effectively Managed

As a board, this step is about ensuring food safety is not overlooked in pursuit of other business goals and holding management to account for designing and implementing the food safety system, assuring that the food safety system design is fit for purpose and that your company's food safety risks are controlled and managed. Food safety culture is an important element. The aim in a business is for a balance, considering people, process, results, and innovation when activities are planned and implemented.

A working knowledge of food safety principles and practices is valuable in providing directors with the understanding to evaluate and contribute to effective food safety governance discussions.

Boards can achieve this by:

- evaluating food safety skills and knowledge of directors as part of board induction and addressing gaps through education and training
- members acquiring and updating their knowledge of food safety practice on a regular basis
- knowing the company's priority risk(s). Boards should keep key risks in focus and a risk "heat map" can be useful in representing relative risk
- including key food safety risks on the company risk register
- ensuring fit for purpose processes are in place and operating for the business to assess, manage and report on food safety risk and events
- ensuring a framework is in place for matters relating to risk to be raised and addressed including considering a secure, independent channel for staff at all levels of the business to participate and provide feedback
- ensuring a regular review of risk is conducted, that is, recognising that risk changes and asking what new risks are emerging or have emerged? Establish triggers for risk review in business planning and evaluation processes
- assuring that incident and crisis response and communications plans are prepared and rehearsed, and
- asking questions such as "has the possibility of malicious attack been considered?" or "has the entire supply chain been considered?"

Risk can occur in any stage of the company's operations. Risk identification, assessment and management processes should be applied and evident throughout the organisation. While much of the obvious risk can be assigned to manufacturing and operations, food safety risk should be assessed along the whole business supply chain.

For example, risks can arise if sales and marketing activities pressure production schedules or new product releases. Supply chain risk can arise from improper storage conditions or lapses in security of product control and product data.

Similarly, human resource activities, including recruitment, training, leadership, and development, can all play a role in food safety risk management capability development and decision making.

Additional material in the Director's Briefcase section in Part 3 of this guide provides information on food safety system design and scope.

Building Capacity across the Business to Reduce Food Safety Risk

Food safety is often seen as a technical and operations function. Best practice is to see food safety as the responsibility of the whole organisation. The whole business should be engaged. Consider assigning cross-functional teams with different perspectives to work together to identify risks and reduction strategies.

Consider food safety opportunities beyond core technical and operations functions. Different areas that can contribute to food safety are set out in Table 2.

Business Function	Description
Governance	Setting the company risk appetite and food safety policy, approving investment decisions, signing off on strategy and leading culture.
Sales and marketing	Responsible for new product development – commitment to new products or product delivery schedules can potentially affect food safety.
Learning and development / Human resources	Staff that have been appointed well and trained make better decisions leading to reduced risk, which is especially important in 24-hour operations.
Finance	Identifying food safety and quality costs can support opportunities to improve food safety and quality through supporting investment analysis.
Information technology departments	Contribute to food safety by avoiding or mitigating issues arising during business interruption or a cyber-attack, where loss or corruption of data can affect food safety outcomes.
Procurement and/or supply chain	Identifying requirements for traceability can significantly reduce risk through allowing rapid communications and response especially in a crisis.

Table 2: Business functions contribution to reducing food safety risk

Step 4: Monitor System Design and Company Performance

This step has two main elements.

The first element is ensuring that the food safety system is **enabled, functions, and performs as designed**, and there are no obvious or material conflicts or impediments.

Boards may consider the following:

- Ensure the Chief Executive role specification and performance measures include food safety outcomes and encourage food safety to be considered ahead of production imperatives.

Boards should ensure that they:

- Recognise and address possible conflict between food safety outcomes and production output measures in executive performance incentives.

- Consider food safety responsibility and reporting lines. Does food safety information get to the right level and place, in time? Does food safety have a voice? Are reporting lines conflicted or too complicated to enable a timely response?

- Ensure system capacity is balanced with current (and evolving) requirements. There may be imbalance between food safety demands and system capacity e.g., when significant food safety issues call upon additional product sampling and testing, raising and investigation of non-conformance reports. Unrelenting overload can lead to errors and may be an indicator of core process capability deficiencies.

- Consider audit findings and incorporate them in refreshed risk management procedures.
- Food safety is a line item in the budget. Does the capital budget have provision for improvements that enable food safety? Is Cost of Poor Quality (COPQ) monitored and used as a performance measure.

The second element is that of **monitoring system outcomes** and assuring the system is effectively managing food safety throughout the business.

Boards will be focused on exception reporting but need to understand the whole picture. Therefore, they should be clear on what reporting they would like to see so results are viewed in appropriate context. Consider benchmarking against similar businesses or industry. Suggestions regarding scope are listed below, and further examples are given in the Director's Briefcase.

- Ensure performance management reporting includes food safety system reporting using both lead (capacity building) and lag (performance or outcome) indicators such as:
  - meeting legislated requirements
  - building company-wide food safety capability, including culture, to reduce risk
  - involving all aspects of the business essential for embedding food safety throughout the business
  - reviewing company risk management performance such as serious non-conformances and the remedial action taken
  - reviewing the number of serious non-conformances outstanding and why they have not been closed out, and
  - if there are no non-conformances, ask why - is an absence of non-conformances evidence that all is well or are we missing finding/thinking of something?
- Review outcomes from third party and customer audit activities – ensure these have been actioned, and that they are reflected in an updated risk management plan.
- Recognise that risk profiles change as company activities and food safety techniques and requirements change. Ensure that there is:
  - regular review of the risk register items that relate to food safety
  - regular review of system effectiveness, and
  - periodic system refreshment.

As part of their duty of care, directors, executives, and business owners should take the opportunity to verify what is being reported on key matters.

Verification can be undertaken through taking a deep dive into a small number of specific important issues, asking for verbal reports from frontline people or more information, to ensure adequate analysis and response has taken place.

Review and reset goals

It is recommended that periodic review and resetting of goals is undertaken as normal practice. This then renews the governance cycle and is the opportunity to refresh all elements of the food safety governance model.

Reviewing capacity to respond to a food safety event

Boards should review their capacity to respond to a food safety event as part of their performance monitoring activities.

The way in which a business responds to a food safety event has a major influence on how the event affects the company. Companies that have prepared effective crisis response and communications plans and have tested or rehearsed these plans periodically are better prepared if, and when, a food safety event occurs. Review also clarifies the essential behaviours to be reinforced and rewarded. Connecting actions to consequences is a powerful motivation tool.

Where consumer health and safety concerns are present, the initial decisions and communications are critical. Informing consumers of actions taken and outcomes (expected and unexpected) is vital at all stages. Media enquiries become immediate and urgent. Have a specialist to oversight and organise media to free management to get on with the job of responding. Social media can trend within minutes. It is essential that media spokespersons (directors and executives) are trained for and are willing to deal with such events.

The board should have a policy regarding who in the organisation has authority to speak to the media. It should also consider whether it wants to review and approve public announcements before they are made, or if these should be left to management. How closely does the board want to be engaged during an event or crisis?

While typical product recalls can be rehearsed, not all scenarios can be planned for. Infrequent, high impact events, sometimes termed "Black Swan" events, can be overwhelming (see box). Building generic capability to respond is highly beneficial. Boards should review their capacity to respond to a food safety event as part of their performance monitoring activities.

> **BLACK SWAN EVENT**
>
> **A Black Swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences.**
>
> **A Black Swan is an extremely rare event with potentially severe consequences and the widespread insistence they were obvious in hindsight.**
>
> **Not all Black Swan events can be prepared for, but critical response capability can be developed, e.g., crisis response and communication plans. In the absence of an effective response plan, damage to product brand equity, consumer trust and reputation can build rapidly.**

Putting It All Together

As we've described, the food safety governance model has two principal roles for boards of directors.

The first is **creating the right environment** in which food safety can operate successfully. Directors have the responsibility to create the right environment through committing to food safety governance and leading food safety culture. These are the foundations of food safety governance and must be clearly documented, detailing expectations of directors and of management.

The second role is **holding management to account** for implementation of the food strategy and food safety system. In holding management to account, directors are required to ensure that risk is proactively assessed and managed, and that system design and company performance is satisfactory. In doing so, directors should understand the status of food safety in the company, key issues and actions being taken to resolve them.

Directors can make independent enquiry to make certain that awareness of provision for and commitment to food safety management is meeting expectations of governance and the marketplace. If directors are uncertain or dissatisfied with current performance or trends in food safety performance, they should engage constructively and delve further to ensure that facts and disciplined risk assessment guide decisions and actions. In doing so directors ensure they discharge their duty of due diligence and add value to the business. As with any significant area of risk or exposure, external advice may be helpful if these concerns are not able to be resolved.

Deliberate challenge of the system that involves all levels in the business (not just the managers and board) is the sign of a mature culture. Better to find out internally first than be told by the regulator or the market that you have a problem.

Use of a director's checklist

There is a substantial amount of information for questions in the preceding material. A director's checklist has been prepared to help directors and boards and is part of The Director's Briefcase.

Part Three - The Director's Briefcase

This section comprises information and support tools that may be helpful when developing food safety governance capability:

1. Introduction to food safety risk
2. Managing food safety
3. The food safety legal environment
4. Lessons learned

Introduction to food safety risk

Directors, executive and business owners need to be aware of all the risks that your business is potentially exposed to. A sound grasp of food safety risk is a great way to demonstrate credentials as a risk manager. It ensures your business complies with the law, puts consumer safety at the forefront of all decisions and preserves the reputation of your brand, company, and the Australian food industry. The role of the board and senior management is to horizon scan and look for what's coming as well as managing current food safety risks.

Food safety risks are dynamic - they are ever changing and evolving. Managing them well demonstrates the maturity of a business as a responsible provider in a competitive market for goods and services.

Food safety has its own language and methodologies. Food safety risk is present when a foodborne hazard (biological, chemical, allergen, physical) is combined with exposure to the hazard, usually through consumption of food containing the hazard leading to an adverse health effect as shown in Figure 5. Conversely, where the hazard is present at non-significant levels and/or the food consumption is low, adverse effects are less likely.
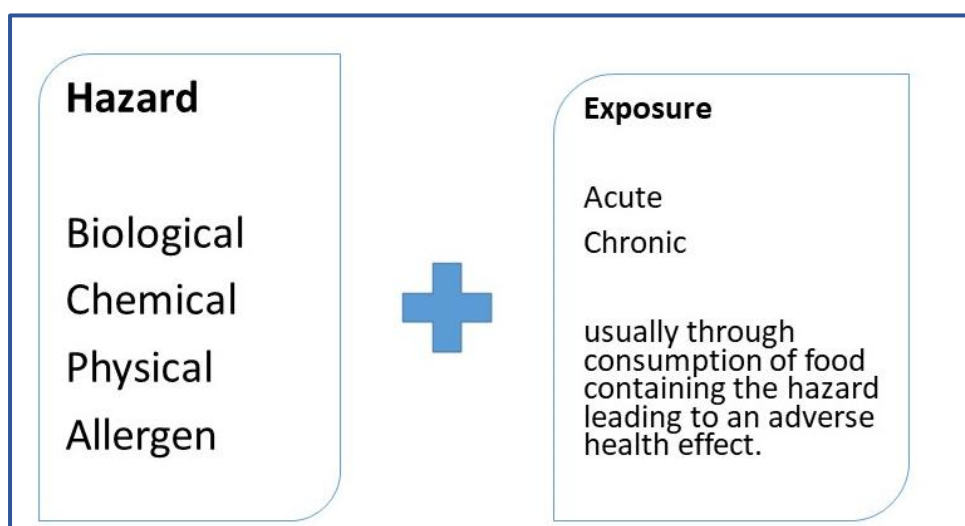

Figure 5: Food Safety Risk

Food safety hazards

Biological hazards include microbiological contamination such as pathogenic bacteria (e.g., *Salmonella*), viruses (e.g., Hepatitis A virus, norovirus), fungi, or naturally occurring toxins (e.g., tutin or marine biotoxins) and parasites.

Chemical hazards include introduced chemical contaminants, undeclared food additives and agricultural residues.

Allergen hazards include naturally occurring food allergens.

The allergens required to be declared in Australia and New Zealand are:

Wheat, barley, rye, oats, tree nuts (almond, Brazil nut, cashew, hazelnut, macadamia, pecan, pine nut, pistachio, and walnut), crustacea, egg, fish, lupin, milk, mollusc, peanut, sesame seed and soy. Added sulphites in concentrations of 10 mg/kg or more are also required to be declared.

Managing the risks associated with the presence of food allergens in ingredients and products is a major food safety challenge faced by food producers and suppliers at all levels of the supply chain. Incorrect or unclear allergen information can be a life-or-death issue for individuals living with food allergy. The Food Industry Guide to Allergen Management and Labelling is the go-to resource to assist with best practice allergen management.

Physical hazards include foreign matter such as glass or metal or more non-conventional materials such as false fingernails.

Intentional Harm

Types of intentional harm as shown in Figure 6 include:

- **Economically motivated adulteration (EMA)** or **food fraud** – illegally introducing a substance that is in some ways like an ingredient or the food product. It is a dishonest act or omission, relating to the production or supply of food, which is intended for personal gain or to cause loss to another party.
- **Malicious contamination** - such as the threat of putting poison into a food product.
- **Extortion** – obtaining or trying to obtain something, usually money, through force or threats.
- **Counterfeiting** – where a cheaper alternative product is put onto the market and represented as the original or another similar higher value product.
- **Cyber or systems attack** – where food safety risk can be brought about for example by altering processing conditions or records, corrupting quality and grade data or logistics records.
- **Espionage** – such as unlawfully obtaining formulations or processing technology.

An example of EMA was the use of melamine in baby food, where the nitrogen in melamine was erroneously determined as protein resulting in low protein infant food being sold with 'typical' protein levels. There was a severe food safety outcome from this adulteration

Figure 6: Food Safety Threats

Managing Food Safety

Effective management of food safety requires the combination of organisational **culture** that supports and drives food safety outcomes with a well-designed risk-based **food safety management system.**

Culture – the Essential Element

Having good technical systems and procedures is simply not enough – it's your people that ultimately determine whether your food is safe. Food safety must be supported and embedded in organisational culture, throughout all company operations and into the marketplace so that:

"It's the way we do things at our company. Always!"

A **culture** supportive of food safety is an essential element of sustainable food safety where being proactive about food safety is the norm. The board, executives and business owners have an important role in leading food safety culture. The aspirations and expectations of company management in relation to food safety must be visible to both employees and consumers. A mature, self-sustaining culture, placing food safety as priority is the aim.

Culture is recognised as the underpinning of behaviour and ultimately performance. With the right culture in place, the right decisions are made, 24/7. Food safety culture relies on unequivocal support and consistency of decision making throughout the organisation – top to bottom, side to side.

Create the right environment and framework

- Commit to food safety at the board or senior management level and communicate expectations
- Develop a food safety policy and goals to deliver on expectations
- Induct, educate, and train staff (including directors) in food safety – and monitor progress in training
- Set food safety key performance indicators (KPIs)
- Measure and report
- Communicate progress
- Recognise and celebrate achievement, and
- Survey culture and act on findings.

Lead by example

Directors and management actions have a huge impact on how staff react and behave, including in food safety matters. Directors have a clear leadership role in this area and can reinforce their commitment to food safety by:

- putting food safety on the board and risk sub-committee agenda
- talking about it regularly and seeking feedback from staff
- taking care when making decisions that food safety is not overtaken by financial or production expediencies
- being consistent in decision making, and
- recognising outstanding performance.

Organisation culture surveys

Many organisations survey organisational culture on a regular basis. Food safety culture should be included as a part of surveys, with clear and obvious follow up on findings and actions arising from the survey.

INDICATORS OF FOOD SAFETY CULTURE

My company cares about food safety... I know that because...

- It is clear that food safety is a priority for everyone, and it is not delegated to the QA team or manager.
- I feel I am trained in food safety
- I am encouraged to speak up about food safety issues
- Food safety is on my supervisor's agenda
- I feel confident when asked to talk about my role in food safety in my team: to management, to directors, to auditors and to customers
- I feel confident that my team members follow food safety practices
- In our company food safety is in good hands – 24/7
- Food safety issues are fixed
- Food safety decisions are separated from commercial decisions - they don't put quality or production before safety
- I feel I understand our customers' needs and expectations, and
- I understand the consequences of food safety failures/ incidents

Food Safety Management Systems

A food safety management system (FSMS) is a program that aims to prevent food safety hazards from causing adverse health effects on consumers. Food safety management systems also help food business operators comply with standards and regulations and customer requirements.

Food safety programs and HACCP plans are documented systems that detail what a business does to ensure safe food. They are preventative systems that use a systematic approach to identify hazards and put into place measures that control these hazards.

There are several FSMS available to support businesses address food safety, food defence and food fraud as shown in Figure 7.
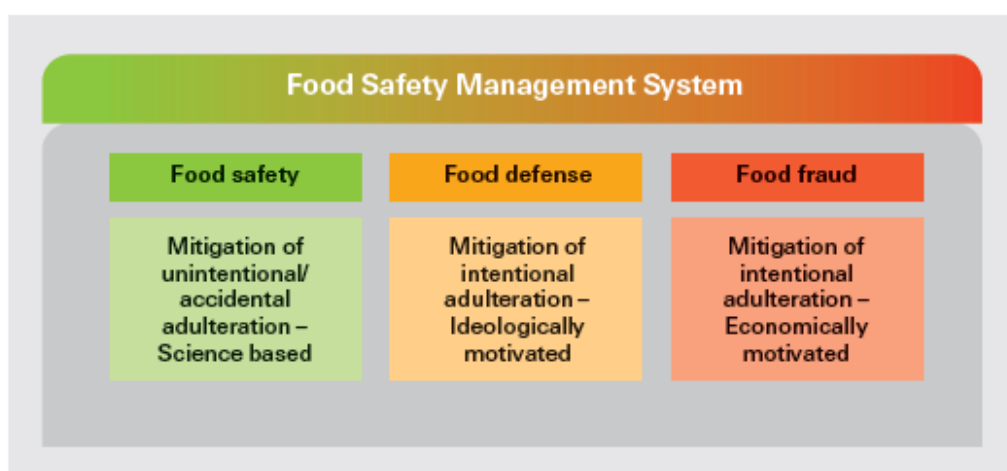
Figure 7: Food Safety Management Systems[7]

Food Safety - HACCP

HACCP stands for **H**azard **A**nalysis and **C**ritical **C**ontrol **P**oints and is a structured process for identifying and controlling hazards to reduce risk.

It is defined in the Codex Alimentarius document *FAO and WHO. 2023. General Principles of Food Hygiene. Codex Alimentarius Code of Practice, No. CXC 1-1969.*

Standards Australia has also produced an Australian standard dealing with food safety management and HACCP implementation.

Originally developed for foods used in the American space program, it is used widely in primary production and food industries.

It includes the requirement to conduct a hazard analysis to identify the potential hazard of the food operation and prepare and implement a written program to manage the identified hazards. In food manufacturing, a business may have several HACCP plans because HACCP is product and process specific.

The seven principles of HACCP are set out in Figure 8.

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[7] *Source: Nestle Food Fraud Prevention, 2006.*

Figure 8: Seven Principles of HACCP

7 Principles of HACCP

1. Conduct a hazard analysis and identify control measures.
2. Determine the critical control points (CCPs).
3. Establish validated critical limits.
4. Establish a system to monitor control of CCPs.
5. Establish the corrective action to be taken when monitoring indicates a deviation from a critical at a CCP has occurred.
6. Validate the HACCP plan and then establish procedures for verification to confirm that the HACCP system is working as intended.
7. Establish documentation concerning all procedures and records appropriate to these principles and their application.

To support the implementation of a HACCP system there are twelve steps that a business needs to implement as shown in Table 3.

Step	Description	Activity
1	Assemble HACCP team and identify Scope	Ideally you would select a group of people who will together develop your HACCP plan and maintain it. In a small business, only one or two people with a technical expert might form the team. In a larger business, the team should not just include management; it should be representative of the sections involved in the production of your product.
2	Describe product	Describe the product & its characteristics, distribution methods and target customers. Write a general description of the food, ingredients, any processing methods, and other methods of preservation.
3	Identify intended use and users	Consider here who the intended consumer is of the product. Who is your target consumer?
4	Construct a flow diagram which describes the process	The purpose of a flow diagram is to provide a clear, simple outline of the steps involved in the process. The range of the flow diagram must cover all the steps in the process which are directly under the control of the site as per the identified scope
5	On-site confirmation of flow diagram	The flow diagram must be verified on site to ensure that no part of the process is missed.

Step	Description	Activity
6 **Principle 1**	List all potential hazards. Conduct a hazard analysis to identify the significant hazard(s).	List all potential hazards that are likely to occur and associated with each step, conduct a hazard analysis to identify the significant hazards, and consider any measures to control identified hazards.
7 **Principle 2**	Determine CCPs	CCPs are to be determined only for hazards identified as significant as the result of a hazard analysis. CCPs are established at steps where control is essential and where a deviation could result in the production of a potentially unsafe food.
8 **Principle 3**	Establish validated critical limits for each CCP	Critical limits establish whether a CCP is in control, and in doing so they can be used to separate acceptable products from unacceptable ones. These critical limits should be measurable or observable.
9 **Principle 4**	Establish a monitoring system for each CCP	Monitoring of CCPs is the scheduled measurement or observation at a CCP relative to its critical limits. The monitoring procedures should be able to detect a deviation at the CCP.
10 **Principle 5**	Establish corrective actions	Specific written corrective actions should be developed for each CCP in the HACCP system in order to effectively respond to deviations when they occur.
11 **Principle 6**	Validate the HACCP plan and verification procedures	Before the HACCP plan can be implemented, its validation is needed; this consists of making sure that the following elements together are capable of ensuring control of the significant hazards relevant to the food business. After the HACCP system has been implemented, procedures should be established to confirm that the HACCP system is working effectively.
12 **Principle 7**	Establish documentation and record keeping	Efficient and accurate record keeping is essential to the application of a HACCP system. HACCP procedures should be documented

Table 3: HACCP - Implementation Steps

Food Defence - TACCP

Reducing risk from malicious or intentional attack is challenging and requires a different mindset when applying risk analysis processes.

HACCP has proven to be effective against accidental contamination. HACCP principles however have not been routinely used to detect or mitigate deliberate attacks on a system or process.

TACCP - Threat Assessment Critical Control Point, a risk management methodology, which aligns with HACCP, but has a different focus.

TACCP can help to:

- reduce the chance of a successful attack
- demonstrate due diligence, and
- provide confidence to national and international customers.

This approach is applied throughout the supply chain and business operations, asking:

- Who might want to attack us?
- How might they do it?
- Where are we vulnerable?
- How can we stop them?
- How can we prepare for an event - business continuity, crisis management and communications planning?

The steps to implementing TACCP are set out in Table 4.

Step	Description	Activity
1	Build a team	Ideally you would select a group of people who will together develop your TACCP plan and maintain it. In a small business, only one or two people with a technical expert might form the team. In a larger business, the team should not just include management; it should be representative of the sections involved in the production of your product.
2	Conduct a review	Review your process from start to finish and understand any weak points such as open product areas and goods-in, where there is a high risk of someone contaminating your products.
3	Create a TACCP plan	For each process step, outline the threat and its impact. Rate the threat and the likelihood of occurring quantitatively (on a number scale) or qualitatively (high-medium-low), and list protection measures, monitoring methods and corrective action.
4	Review the TACCP plan	You should review your TACCP plan whenever there is an emerging threat or following an incident. If neither of the above happens you should still review it annually and meeting minutes for auditing purposes.

Table 4: Implementing TACCP

Resource

PAS 96:2017

Guide to protecting and defending food and drink from deliberate attack

Department for Environment Food & Rural Affairs

Food Standards Agency food.gov.uk

bsi.

PAS 96: 2017

The purpose of PAS 96 is to guide food business managers through approaches and procedures to improve the resilience of supply chains to fraud or other forms of attack. It aims to assure the authenticity and safety of food by minimizing the chance of an attack and mitigating the consequences of a successful attack.

Food Fraud – VACCP

VACCP stands for 'Vulnerability Assessment Critical Control Points'. This is a different type of food safety system used to identify vulnerabilities for a food business due to food fraud. It focuses on food fraud but widens the scope to include systematic prevention of any potential adulteration of food, whether intentional or not, by identifying the vulnerable points in a supply chain. It is especially concerned with EMA.

The steps to implementing VACCP are set out in Table 5.

Step	Description	Activity
1	Build a team	Ideally you would select a group of people who will together develop your VACCP plan and maintain it. In a small business, only one or two people with a technical expert might form the team. In a larger business, the team should not just include management; it should be representative of the sections involved in the production of your product.
2	Complete a raw material risk assessment	This should include considerations like how the material is stored and distributed, the availability of testing to identify adulterants, the availability of the material (seasonality and shortages could increase the risk of fraud) and economic factors – what would be the return on committing fraud? If the potential financial gains are small, the risk is probably low.
3	Create a VACCP plan	For each raw material, outline the potential hazards and award them a risk rating, then identify the control measures that will be implemented to mitigate the risk.
4	Scan the horizon	Horizon scanning involves looking for and analysing threats that will emerge in the medium to long term. Regular horizon scanning is key to an effective VACCP plan as it ensures you are up to speed on what macro trends and events might increase the likelihood of food fraud for a specific raw material.
5	Review the VACCP plan	You should review your VACCP plan whenever there is an emerging threat or following an incident. If neither of the above happens you should still review it annually and meeting minutes for auditing purposes.

Table 5: Implementing VACCP

The Role of International Quality System and Food Safety Standards

Several international standards are relevant to the food industry. While these standards are widely recognised and may form part of commercial arrangements, they are not requirements of the food regulatory system in Australia.

The GFSI does not certify organizations, but has determined which food safety certifications it accepts or recognizes as set out in Table 6:

GFSI recognised Certification Schemes	Description
FSSC 22000	The Food Safety System Certification 22000
SQF	The Safe Quality Food (SQF) Program
BRCGS	BRCGS
IFS	International Featured Standards
JFSM	Japan Food Safety Management Association
Global GAP	Standards for Good Agricultural Practices
CanadaGAP	Food safety program for companies that produce, handle and broker fruits and vegetables
GRMS	Global Red Meat Standard
GSA	Global Seafood Alliance
PrimusGFS	

Table 6: GFSI Certification Schemes

International Standards Organisation (ISO)

In addition to the GFSI certification schemes, ISO 9001 is the international standard that specifies requirements for a quality management system (QMS). Organisations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

ISO 9001 sets out the criteria for a quality management system. This standard is based on several quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement.

Crisis Preparedness and Management

Food incidents happen even with the best systems, processes, and culture.

Food safety incidents quickly attract both local and international attention. The efficient response to a food safety incident is critical and companies need to be prepared with systems and processes in place.

No company can completely eradicate the possibility of a product safety issue. However robust and practised crisis management and recall plans will limit the impact on consumers and your business.

Each food safety event has the potential to cause serious harm to consumers. Whatever the cause, the way in which an incident is handled, particularly in the first 24 hours, is critical to the outcome.

A **crisis** is defined as an unplanned set of circumstances which represents an immediate and significant threat to a company, consumers, employees, or the community.

Crisis management and communications processes during an event are critical in protecting consumers and the business. This is a high-risk situation for the business – a situation that boards should consider as a key risk and develop appropriate plans and strategies.

Low-frequency, high-impact ("Black Swan") events are of particular concern. Events can escalate (e.g., if cases of illness increase) and can have even the best companies stretched. These types of events cannot be planned for in detail but building and rehearsing generic response capacity can serve to improve response and limit adverse effects.

The key elements of an effective crisis management strategy are shown in Figure 9. The response to a crisis is just one element of the strategy – being well prepared ahead of any event will assist in minimising the impact on the business, customers, and staff.

Figure 9: Key Elements of an Effective Crisis Management Strategy

Crisis Plans

The stages of crisis management are as follows:

1. Identification and assess the issue
2. Mobilise the team
3. Determine the facts and assess the risk to the business
4. Decide appropriate action
5. Identify key stakeholders and engage
6. Coordinate action throughout the supply chain
7. Monitor effectiveness
8. Review

Crisis management plans should consider all stakeholders including those in the immediate situation and international suppliers and customers.

Crisis communication

Communications are particularly important from a customer's viewpoint. If there is a problem, "they should hear it from you rather than the media".

Should a food safety event occur, external media interest is likely, and it is essential that there are media-trained executives (and directors) available to front the media early on during an event. Your reputation depends on it!

The key points to consider in crisis communication are:

- Prepare – you can never be over prepared
- Know the facts
- Set objectives
- Identify stakeholders
- Listen and keep listening
- Lead – be open, honest, and available, and
- Call on help.

The impact of social media should not be underestimated during a crisis. A business should ensure that management of social media is a key component of a crisis communications plan.

Practice makes perfect

Many companies have crisis management and communications plans prepared and these should be rehearsed and refreshed at regular intervals. Building response capacity by rehearsing or practising is essential.

It is recommended that at least one major event rehearsal is conducted annually and that it is independently observed.

The board, executive and business owners should ensure that recommendations from these rehearsals are implemented.

Food Recall

A food recall is action taken by a food business to remove unsafe food from distribution, sale, and consumption. All food businesses must be able to quickly remove food from the marketplace to protect public health and safety.

In Australia it is a legal requirement for all food manufacturers, importers, and wholesale food suppliers to have a written food recall system and to comply with this system in the event of a recall.

Preparing for a food recall should entail more than simply populating a recall plan template downloaded from the internet and filing it for future use. The recall plan is a critical tool that needs to be understood by those who will be called upon to use it, regularly reviewed to ensure it is relevant and tested to ensure it is effective.

The food recall plan should cover the following areas:

- Product traceability
- Staff training
  - Recall team & backups
  - Key business stakeholders
- Review of the plan
- Paying for a recall, and
- The recall process

The stages of a food recall are as follows:

1. Identification and assessment of an issue

2. Recall or Withdrawal decision, including level and scope

3. Identification of distribution of recalled food

4. Recall notification - government; business and the public

5. Food product retrieval and disposal

6. Monitoring of the recall's effectiveness

7. Closure of the recall

8. Post recall reporting

Food Recall – Regulatory Requirement
Australia New Zealand Food Standards Code - Standard 3.2.2 – Food Safety Practices and General Requirements – clause 12 states that:
A food business engaged in the wholesale supply, manufacture or importation of food must:
a) have in place a system to ensure the recall of unsafe food
b) set out this system in a written document and make this document available to an authorised officer on request, and
c) comply with this system when recalling unsafe food.

Resources within the business to handle a recall or withdrawal are crucial to a successful outcome. The establishment and support of a food recall team/committee is important to ensure the business is prepared to deal with a food recall. During a recall, the company's management and staff are under stress and their reputation is at risk. Food safety stewardship and contingencies to back up product recall plans are essential.

Practice makes perfect

Boards are wise to include mock recalls to test their systems and see how their management structures perform under pressure. Mock recalls are essential in testing the recall plan that the business has in place. Mock recalls can prepare the business for when an actual recall or withdrawal occurs.

Resource

FOOD INDUSTRY
FOOD RECALL PROTOCOL
Guidance on recalling food in Australia and writing a food recall plan

Last update: May 2023

Recall Resources

Food Standards Australia New Zealand (FSANZ) publish a comprehensive range of resources to assist businesses' prepare for and implement a food recall should one be necessary. FSANZ coordinates recalls with the business and food regulators.

The FSANZ Food Industry Recall Protocol and Food Recall Plan template are designed to help businesses plan for the effective recall of unsafe food products from the food supply chain.

Information on food recalls including causes and trends is on the FSANZ website. This information is updated regularly. Businesses can subscribe to receive alerts and updates and should include this information in their risk matrix.

Common Issues with Crisis & Recall Plans

- Clear criteria or authority for recall decision
- Mock exercises testing traceability not recall
- Lack of understanding of required communications
- No link with crisis plans
- Incomplete or out of date information
- Not all markets considered – e.g. international markets
- No reference to insurance obligations

The Food Safety Legal Environment

Overview

The legislation related to food safety is based on companies taking responsibility for managing their food safety risks. This is achieved using a systematic process of risk assessment, risk mitigation and risk management including validation and verification of the risk-based plans. It is up to the company to identify and manage its risk.

The regulator's role is to provide information on how the legislation works, to ensure food companies are using a recognised risk management scheme, to oversee verification activities and carry out enforcement activities. Regulators are increasingly playing an educator role to assist businesses with food safety matters.

Verification is typically carried out by a third party within a regulatory framework that is developed by the regulator. The regulator has power to intervene where food safety risk is considered to warrant special and immediate action.

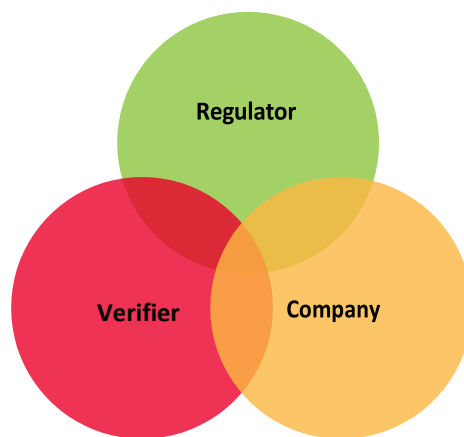The three main roles in food safety regulation are shown in Figure 10.

Figure 10: Main roles in food regulation

Consumer Protection – Australian Consumer Law

All consumer products you supply, including food, must be safe and meet consumer guarantees under the Australian Consumer Law (ACL):

- A consumer can seek compensation from a manufacturer who has supplied defective goods if the goods caused loss or damage, and
- If a product or service presents a safety risk or is non-compliant with a mandatory standard or ban, it may need to be recalled.

There are also two mandatory notification requirements:

1. Food Recall

When a product is recalled, suppliers are required by law to notify the Minister responsible for competition and consumer policy within two days. Food Standards Australia New Zealand does this on behalf of the recall's sponsor while coordinating the recall with the business.

2. Deaths, serious injury or illness

Suppliers of consumer goods and related services are required to report deaths, serious injuries or illnesses associated with consumer goods. This requirement is known as mandatory reporting.

The Australian Competition & Consumer Commission (ACCC) has prepared a guideline to help suppliers understand their product safety mandatory reporting obligations. The guideline also provides information on recommended best practice for voluntary reporting of incidents that do not meet the mandatory reporting requirements (such as near misses) which can help provide the ACCC with an early indication of product safety issues. The 'Product safety mandatory reporting guideline' (2021) is available from the ACCC website.

Food Regulation

In Australia (and New Zealand), the regulation of food is covered by a range of laws and policies. Generally, consumer protection laws require information about food to be truthful and not misleading.

Food laws cover a more specific range of food issues including safety, labelling, composition, and food handling requirements. Our food laws are not made by our Parliaments; but developed, implemented, and enforced by a strong cooperative joint system.

The system has processes for

- Policy development
- Food standards development
- Implementing and enforcing food regulations, and
- Incident response

Policy

Food policies are guidelines agreed by Ministers that provide the framework on a given topic.

Food standards

Food standards are developed by FSANZ and are mandatory requirements that must be followed by law when they are adopted by Australian Food Acts and other food related legislation.

Food safety is covered by several standards in the Australia New Zealand Food Standards Code. These standards aim to lower the incidence of foodborne illness by strengthening food safety and traceability throughout the food supply chain, from paddock to plate.

Implementation and enforcement

Australian state and territory government agencies are responsible for implementing, monitoring, and enforcing food regulation through their own various Food Acts and related legislation.

The Department of Agriculture, Fisheries and Forestry enforces the Food Standards Code at the border in relation to imported food through the Imported Food Control Act 1992.

Incident response

Surveillance and control of foodborne illness involves public health agencies, food safety agencies, laboratories and local government working together. Which agency or agencies participate in an investigation depends on the size and scope of the outbreak.

For more information, visit the Food Regulation website.

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Director's Resources

Food Safety Governance Status Checklist

This checklist has been prepared to enable directors, executives, and business owners to assess the readiness of your business and identify opportunities for improvement.

1. Commit to food safety governance	
Do I understand my food safety obligations and liabilities?	
Do I have sufficient understanding about food safety basics and the risk management program (RMP) and food control plan (FCP) structure to enable informed and productive engagement?	
Is food safety in the board charter and are expectations established? Are these known by all staff?	
Is food safety a standing item on our board agenda, and is there true engagement about issues, performance, capacity building?	
How do we listen to customer feedback including audits?	
Does food safety feature in our strategy and capital works program?	
Policy and goals	
Is there a company food safety policy and are goals established? Are these known by all staff?	
Has the board discussed risk appetite? Has the executive team been involved?	
Documentation	
Do our board minutes reflect our commitment to, and consideration of, food safety?	
2. Lead food safety culture	
How confident am I about the depth and breadth of commitment to food safety in our company?	
How does food safety fare when difficult decisions have to be made?	
When I do site visits, does food safety come up in discussion? Do I feel confident to raise it?	
Do we assess food safety culture through a staff survey? Are we acting on the findings?	
What is the status on food safety training across the business?	
3. Assure risk is assessed and managed	
Do I understand our key food safety risks? Does the Risk Register include food safety risk?	
Has there been a review of food safety risk recently? Does it reflect changes in risk profile?	
Am I assured that there are adequate business-wide food safety management processes, controls, and reporting in place?	
Does food safety involvement extend across the whole business? Have we considered upstream and downstream activities provided by other parties?	
Have incident and crisis response and communication plans been prepared and rehearsed?	
Does the communication plan identify who can say what? Is there a back-up spokesperson?	

4. Monitor system design and performance	
Design	
Does the senior food safety manager have ready access to the Chief Executive Officer (CEO)?	
Has the senior food safety manager reported to the board recently?	
Does food safety have a place in CEO performance incentives? Is there conflict between food safety and other performance measures?	
Is system capacity balanced with requirements?	
How do we address tension between food safety and other objectives e.g., production throughput, sales and marketing or research and development?	
Have we thought about malicious or criminal attacks on our business?	
Performance	
Is reporting balanced with a mix of lead and lag indicators coupled with performance reporting on specific matters?	
Do I have a clear picture of our food safety status and issues, and how they are being handled?	
Have we considered benchmarking our performance?	
Do I know what types of food safety decisions will be referred to the board?	
How are we performing in verification and customer audits? Are we learning from them?	
Would I feel concern if we had an unscheduled audit? Why?	
Incident and crisis response	
Has our crisis management and communications plan been rehearsed recently?	
Was it truly tested?	
Were there independent observers?	
Am I confident that our media response will be appropriate? Do we have a trained alternate if the primary media person is unavailable?	
Types of food safety decisions that the board may consider	
Setting the board Charter food safety statement.	
Setting food safety expectations including culture and key performance measures.	
Contributing to food safety policy.	
Setting risk appetite for food safety: • things that we will always do • things we will never do, and • a process where issues are not clear cut–the "grey areas".	
Reviewing food safety situations where decisions are not clearly covered by the risk appetite statement.	
Setting strategy with respect to food safety.	
Authorising and approving capital investment and major maintenance decisions where food safety is a decision factor.	

Food Safety Performance Measures

KPIs – Lag (assessing outcome)

Food safety performance	
Food safety reports from current production – full supply chain exceptions and trends reporting; "near misses".	
Outstanding non-conformance reports or incident reports, trends in resolution time.	
Audit performance – non-conformances (severity, number) and close out time, tracking verification outcomes.	
Crisis response and communication plan review outcomes. Customer food safety complaints – nature, resolution, trends.	
Evidence of continuous improvement.	

KPIs –Lead (improving capacity)

Building capacity to reduce risk and impact	
Breadth of the food safety plan throughout the business. *For example: including clear roles and responsibilities across different functions/sections*	
Acting on results from crisis and communication plan rehearsals including media training.	
Culture, learning and development	
Progress on issues arising from culture survey.	
Progress with learning and development and training program, including directors, in food safety and risk.	
Progress on learning opportunities arising from audits.	
Senior staff external exposure to external food safety learning opportunities and experiences.	
Preparedness for unpredictable events.	
"Black Swan" scenario(s) developed, and response plan prepared.	
Response plan rehearsed and findings documented.	

Quick Quiz

Question	Y/N
Do I feel conversant with food safety principles and current issues?	
Do I feel confident in discussing food safety matters with management, staff, auditors?	
Is there adequate reporting on food safety matters?	
Do I know and understand our greatest risk(s) and our new and emerging risks?	
Are they included in the risk register?	
Have we considered risk arising from malicious behaviour, that is, consideration of food defence?	
Do performance measures incentivise food safety?	
How often does the board hear from the senior food safety manager?	
Is the business constantly under pressure with food safety issues?	
Have we rehearsed our crisis management and communications plans?	
Can we provide initial media response within 1 hour or less?	
Are we able to monitor and use all media channels?	

Further Reading & Useful Links

Resource	Description
FSANZ – Food Recall	How to recall food
FSANZ – Food Safety Culture	Resources to assist with development of a business food safety culture
FSANZ – food safety InfoBites	A series of InfoBites with key information on the food safety standards in the Code and practical tips to reduce food safety risks
FSANZ – Safe Food Australia	A guide to the Food Safety Standards

Website	Description
Allergen Collaboration	FSANZ established the Allergen Collaboration in late 2011 to strengthen engagement and collaboration among a range of stakeholders involved in managing food allergens.
Allergen Bureau	The Allergen Bureau is the peak industry body representing food industry allergen management.

Note: if you have resources or useful links related to any aspect of food safety, please email them to aifst@aifst.com.au

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