

RISK MANAGEMENT POLICY

Policy Owner:	Finance, Governance & Risk
Adoption:	2 September 2025
Version:	5
Link to Corporate Plan:	Accountable Council – We are providing good stewardship built on a foundation of trust.
Head of Power:	<i>Local Government Act 2009</i>

1 PURPOSE

This policy establishes Council's approach to risk management and establishes a risk management framework that supports informed decision-making, enhances governance and promotes the achievement of strategic and operational objectives by identifying, assessing, and managing risk.

2 SCOPE

This policy applies to all Councillors, Council employees, volunteers, contractors, consultants, and any other individuals or entities engaged in activities or functions on behalf of Gladstone Regional Council. This includes those involved in the delivery of services, management of assets, or any other Council-related operations, unless expressly excluded. The policy applies to the management of Corporate Risk, Operational risk, Project Risk and Unforeseen Risk.

3 POLICY STATEMENT

3.1 Council's Risk Management Framework

A range of internal and external factors impact Council's ability to achieve its strategic and operational objectives. Through effective risk management, Council aims to reduce the likelihood and impact of adverse events, identify and realise opportunities, improve performance, encourage innovation, and deliver value to the community. Council is committed to the development, implementation, and continual improvement of a comprehensive and integrated Risk Management Framework across all of Council's activities.

3.1.1 Risk Management Principles

The following principles guide Council's approach to risk management supporting consistent, informed, and accountable practices across all areas of the organisation:

- Risk Management is a shared responsibility;
- A risk-aware culture supports Council in achieving objectives and identifying opportunities;
- Risks are identified and managed as Corporate Risks, Operational Risks or Project Risks;
- Risk management is embedded into strategic planning, service delivery and decision making processes;
- Decision making is risk-informed, transparent, and aligned with best practice; and
- Council's risk culture supports compliance with legislative and regulatory obligations.

3.2 Risk Appetite

Council's Risk Appetite Statement outlines the level and type of risk it is willing to accept to achieve its strategic and operational goals and objectives. It guides consistent, informed decision making, supports the delivery of Council's Corporate Plan, and ensures risks are managed transparently across key areas. Council's Risk Appetite Statement is set out in Attachment 1.

3.3 Risk Tolerance

Risk Tolerance sets the specific boundaries within which Council accepts risk to achieve its strategic goals. It translates the broader Risk appetite into measurable thresholds, guiding decision-making, resource allocation, and operational planning. Council's Risk Tolerances are set out in Attachment 1.

3.4 Roles & Responsibilities

Roles	Responsibility
Councillors	<ul style="list-style-type: none">• Set the strategic direction and endorse Council's risk appetite.• Adopt the Risk Management Policy and ensure alignment with Council's objectives.• Provide oversight of the Risk Management Framework.• Consider risks in all Council decisions to support good governance
Chief Executive Officer	<ul style="list-style-type: none">• Provide leadership in fostering a risk-aware culture.• Ensure the Risk Management Framework is implemented, maintained, and reviewed in accordance with this policy.• Promote integration of risk management into strategic and operational decision-making.• Support accountability and transparency in risk reporting.
General Managers	<ul style="list-style-type: none">• Implement the Risk Management Policy within their business units.• Identify, assess, manage, and monitor risks that may impact operational and strategic objectives.• Promote a culture of risk awareness and escalation.• Ensure risk management is embedded in planning, reporting, and performance processes.• Ensure our people are trained and equipped to manage risks effectively.
Managers and Specialists	<ul style="list-style-type: none">• Facilitate risk assessments and maintain business unit risk registers.• Monitor and report on risk treatment actions.• Provide technical advice and support on risk matters.• Escalate material risks to the Executive Leadership Team.• Ensure compliance with the Risk Management Framework.• Support our people to develop capability in risk management.
Governance & Risk Team	<ul style="list-style-type: none">• Review and maintain the Risk Management Policy and Framework.• Provide risk management reporting to Executive Leadership Team, Audit, Risk & Improvement Committee and Council.• Supporting employees with their risk management responsibilities, providing guidance for risk management activities and provision of tools and training.• Ensuring risk management is consistently applied across Council.

All Employees	<ul style="list-style-type: none"> • Identify and manage risks associated with their roles and responsibilities. • Comply with the Risk Management Policy and framework. • Report emerging or escalating risks to managers. • Contribute to a proactive and transparent risk culture.
Risk Owners	<ul style="list-style-type: none"> • Risk Owners are accountable for managing their respective risk environment. • Ensuring appropriate controls are in place and monitored. • Where risk exceeds risk appetite, implement a risk treatment to bring risk into acceptable boundaries.
Contractors, Consultants, and Volunteers	<ul style="list-style-type: none"> • Manage risks associated with their activities in accordance with Council's Risk Management Framework. • Report any identified risks or incidents to their Council contact. • Comply with relevant Council policies and framework.
Audit, Risk & Improvement Committee	<ul style="list-style-type: none"> • Provide independent assurance on the effectiveness of Council's risk management, internal control, and governance systems. • Monitor the implementation and performance of the Risk Management Framework. • Support the development of a risk-aware culture through oversight and advice.

4 RELATED LEGISLATION

- *Local Government Act 2009*
- *Local Government Regulation 2012*

5 RELATED DOCUMENTS

- Corporate Plan
- Risk Management Corporate Standard
- Risk Management Procedures
- Corporate Risk Register and Risk Treatment Plans
- AS ISO 31000:2018 Risk Management – Principles and Guidelines.

6 CONSIDERATION OF HUMAN RIGHTS

Gladstone Regional Council has considered the human rights protected under the *Human Rights Act 2019 (Qld)* when adopting and/or amendment this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to any human rights relevant to the decision.

7 ATTACHMENTS

Attachment 1 – Risk Appetite Statement and Tolerance

8 EVALUATION OF POLICY

This policy will be successful when risk are identified, assessed, managed, and monitored consistently across all areas of Council. Its effectiveness will be demonstrated by improved risk awareness, informed decision-making, enhanced organisational resilience, and a strong risk-aware culture.

Evaluation measures may include:

- (a) Evidence of integration of risk management into strategic and operational planning processes.
- (b) The quality and consistency of risk registers and reporting across business units.

- (c) The number and nature of risks escalated and addressed through appropriate governance channels.
- (d) Indicators of improved risk culture, such as increased engagement in risk identification and reporting, proactive risk discussions in planning and operational meetings.
- (e) Feedback from internal audits, the Audit, Risk & Improvement Committee, and other oversight bodies regarding the effectiveness of the framework.

9 DEFINITIONS

To assist in interpretation of this policy the following definitions apply:

Term	Definition
Corporate Risk	The effect of uncertainty on objectives associated with the sustainability of Council or its ability to deliver on the objectives of the Corporate Plan.
Project Risk	The effect of uncertainty on the achievement of objectives specific to a defined project, program, or initiative.
Operational Risk	The effect of uncertainty on the achievement of objectives related to Council's day-to-day operations, services, and business unit activities.
Risk	The effect of uncertainty on objectives.
Risk Appetite	The amount and type of residual risk that an organisation is willing to pursue, retain or take in the pursuit of its objectives. It is a statement or series of statements that describes the organisations attitude towards risk taking.
Risk Tolerance	The acceptable level of variation in outcomes related to specific risks that the organisation is willing to withstand.
Inherent Risk	The level of risk before any controls or mitigation strategies are applied.
Residual Risk	The level of risk once controls have been applied.
Control	A measure or action that currently maintains/modifies the risk residual rating. Controls may include policies, procedures, practices, processes, or physical devices that are designed to prevent, detect, reduce, or manage the impact or likelihood of a risk.
Risk Treatment	A risk treatment involves implementing actions/tasks to treat the risk further.
Likelihood	The chance of something happening, often expressed qualitatively or quantitatively.
Risk Management	Coordinated activities to direct and control an organisation regarding risk.
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Owner	The person or entity with the accountability and authority to manage a risk.
Unforeseen Risk	An event that was not expected to happen or could not have been known about beforehand.

10 REVIEW

This policy is to be reviewed upon the earlier of:

1. Two years from the date of adoption of the most recent version;
2. Any relevant statutory review periods;
3. The related legislation or governing documents are amended or repealed; or
4. A request from the Chief Executive Officer or Council.

11 DOCUMENT CONTROL

Version	Reason/Change	Date	Council Resolution
	Adoption	18/09/2012	G/12/1239
1	Amendment 1	21/01/2014	G/14/1880
2	Amendment 2	06/06/2017	G/17/3065
3	Amendment 3	01/09/2020	G/20/4311
4	Amendment 4	05/09/2023	G/4.3
5	Amendment 5 – Refresh of Risk Appetite and inclusion of Risk Tolerance	TBA	TBA

ATTACHMENT 1 – RISK APPETITE STATEMENT AND RISK TOLERANCE

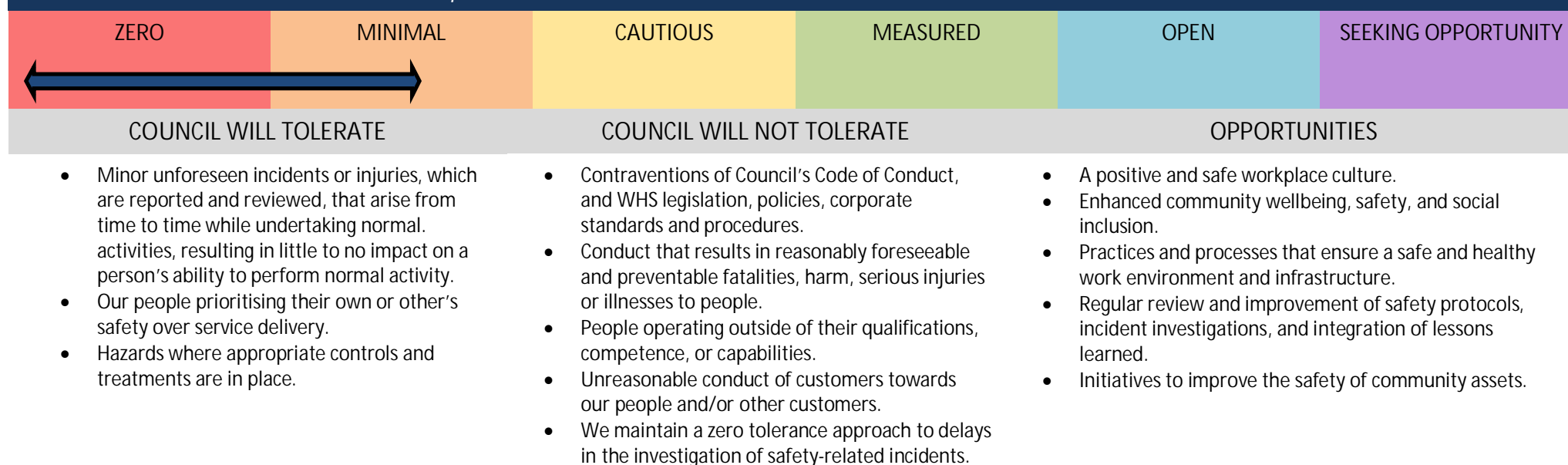
Risk Appetite Summary

	ZERO	MINIMAL	CAUTIOUS	MEASURED	OPEN	SEEKING OPPORTUNITY
Health Safety & Wellbeing						
Financial						
Reputation						
Regulatory & Compliance						
Environment						
Service Delivery						

ZERO	Avoid exposure to risk even at the cost of potential benefit.
MINIMAL	Pursuing safe options that are low risk, applying reasonable, practical and affordable measures to eliminate risk where possible. Low drive for reward and prefer safe options.
CAUTIOUS	Pursuing options that are low to medium risk, applying reasonable, practical and affordable measures to reduce risk, recognising that risk is inherent in what we do. Low drive for reward.
MEASURED	Pursuing options that may involve a medium level of risk where the risk can be effectively mitigated. Moderate drive for reward.
OPEN	Pursuing options that may involve a medium to high level of risk in pursuit of innovation and improvement where the risk can be effectively mitigated. High drive for reward and willing to consider potential costs and benefits during decision making.
SEEKING OPPORTUNITY	Pursuing options that may involve high levels of risk prioritising reward. Pursuing reward.

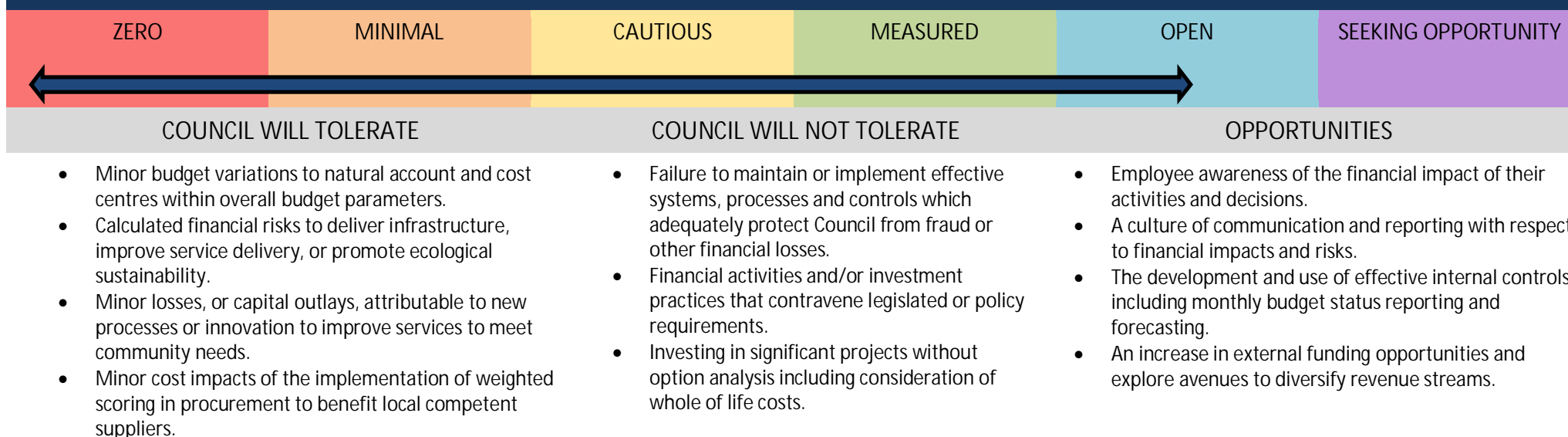
HEALTH SAFETY & WELLBEING – MINIMAL

Risk Appetite Statement: Council aims to create workplaces that have no work-related injuries or injury to people. Council has Minimal appetite for work practices, actions or inactions that compromise the wellbeing and safety of people, including our employees, councillors, contractor's, volunteers and community but recognise that risk is inherent in the delivery of many of our core services. Council pursues safe options that are low risk, applying reasonable, practical and affordable measures to eliminate risk where possible. Low drive for reward.



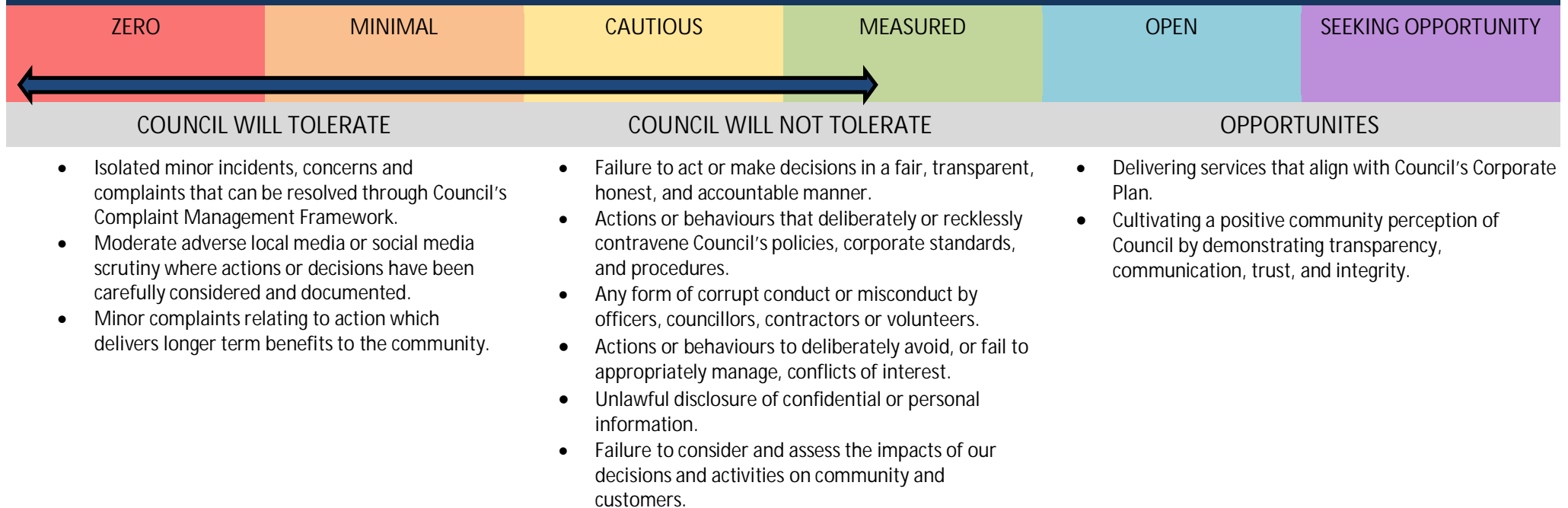
FINANCIAL – OPEN

Risk Appetite Statement: *Council recognises the financial risks involved in delivering a wide range of services, programs and capital projects. Council has an open appetite for variation in financial performance providing that long-term financial sustainability is not threatened. Council recognises the opportunity to build a dynamic and sustainable organisation by maximising existing income and generation of sustainable new income streams. Council has an open appetite for opportunities with increased financial risk in pursuit of achieving its financial goals, whilst implementing risk mitigation strategies to prevent long-term financial loss.*



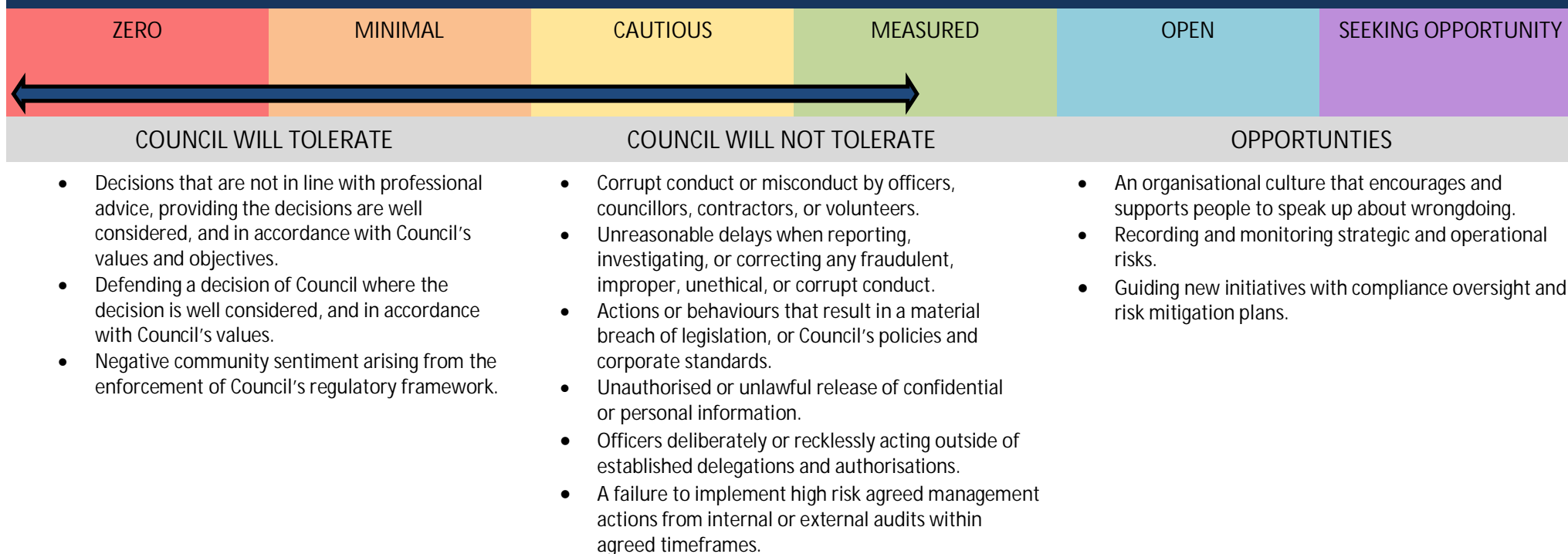
REPUTATION – MEASURED

Council recognises the importance of protecting its brand, reputation and relationship with stakeholders and will work strongly to generate a positive image of Council. Council does however understand that negative publicity may occur where there are competing priorities and interests in the Community. Council has a Measured appetite for significant impacts on Council's reputation ensuring Council actively manages potential reputational damage through mitigation strategies.



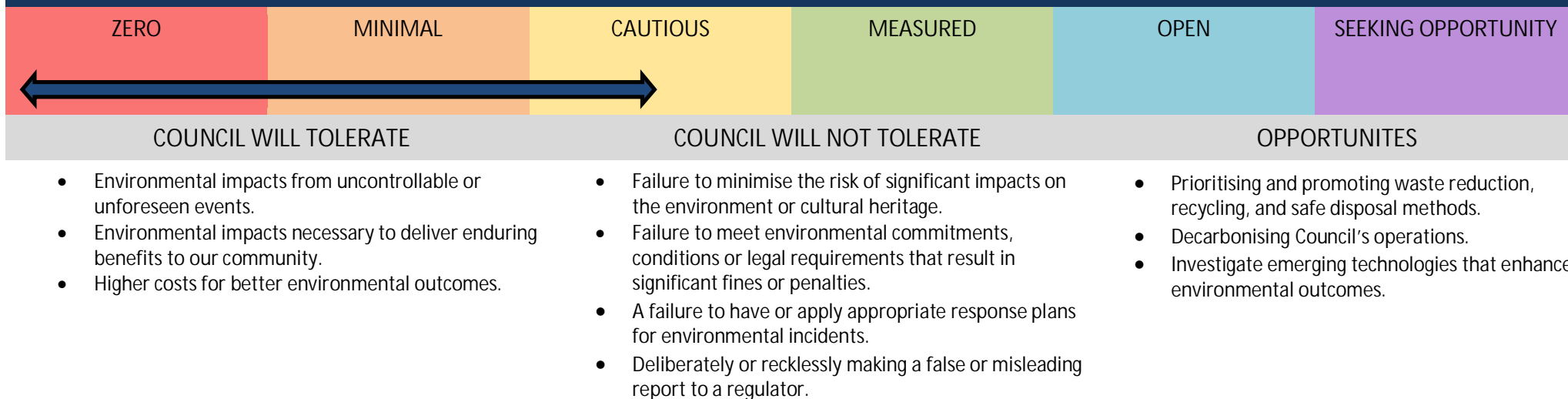
REGULATORY AND COMPLIANCE – MEASURED

Risk Appetite Statement: Council is committed to good governance and meeting legislated and regulatory requirements. Council has a Measured appetite for innovative approaches to governance practices subject to compliance with legislation and protection of our interests. Council accepts that full compliance is a significant undertaking and accepts the risk of not being able to achieve full compliance while mitigating significant risks.



ENVIRONMENT – CAUTIOUS

Risk Appetite Statement: *Council recognises the importance of conserving and enhancing our environment and understands that sustainability considerations in all council decisions is important. Council has a cautious appetite for environmental impacts arising from normal business activities or projects, however, is open to innovative practices for the betterment of the environment and compliance with legislative requirements.*



SERVICE DELIVERY – OPEN

Risk Appetite Statement: Council delivers a range of community services, events and facilities which contribute to our community. Council is committed to delivering quality core services and is Open to creativity and innovation, willing to take some level of risk to deliver efficiencies, enhance capabilities and provide a service to be proud of to our community. Council is open to taking moderate risk to enhance service delivery and provide better community outcomes.

