

## Risk Appetite Statement

Glenorchy City Council's Risk Appetite Statement is set within the context of its Vision, Mission and Values:

### *Our Vision*

We are a proud city; a city of arts; of opportunity; of partnerships; a city that makes exciting things happen.

### *Our Mission*

Glenorchy City Council will be a leader in local government, representing its local community and ensuring best value services.

### *Our Values*

**People:** We believe that each person is equal and has a positive contribution to make. The rights and opinions of all are heard, valued and respected.

**Diversity:** We value differences that enrich our community and the positive contributions everyone can make in improving the quality of community life.

**Progress:** We value innovation, flexibility and imagination in building a better and sustainable community.

**Prosperity:** We commit ourselves to achieving social and economic prosperity for all.

## Background

Glenorchy City Council (Council) is a public entity, existing and administered under the direction of the Tasmanian *Local Government Act 1993* and is responsible for the following functions:

- to provide for the health, safety and welfare of the community
- to represent and promote the interests of the community, and
- to provide for the peace, order and good government of the municipal area.

In providing those functions, Council understands that during its normal operations, material risks that require mediation may occur in terms of finances, environment, health and safety of staff and the public, and the brand and operations of the organisation.

The Council funds its operations mainly with the use of public money and is ultimately responsible to its community members. It therefore believes it should mostly hold a low appetite for unmanaged risk.

## Application of Our Risk Appetite

Council’s Risk Appetite Statement expressly describes the level of risk Council will accept in carrying out its activities. Where risks are assessed as exceeding these tolerances:

- additional mitigations must be considered (treat); or
- the activity should be ceased (avoid); or
- Council approval should be sought to continue with the activity (escalate).

Where risk appetite metrics (as defined below) are not being met, Managers and Directors must consider briefing Council on the emerging situation.

All Aldermen, officers, contractors, and Council sub-committees will have regard to Council’s Risk Appetite Statement in their decision making. As such the Risk Appetite Statement will become an essential part of Council’s risk management framework.

This will enable Council to effectively assess its risks in planning and delivering its strategic and operational goods and services.

## Review

The Risk Appetite Statement will be subject to annual review.

Category	Appetite Statement
<b>Overall Risk Statement</b>	<p>Council has a LOW to MODERATE risk appetite across its operations.</p> <p>Council has minimal tolerance for injuries to persons. It is committed to creating a safe living and working environment for its staff and the community.</p> <p>Council is a provider of services to the community and regulates development activities within the municipality. It is aware of its environmental impacts and endeavours to adopt a sustainable approach to its activities. However, it recognises that the community is complex and subject to many external factors beyond the Council’s control or influence.</p> <p>Council operates within the laws and regulatory framework to which it is subject and also has a role to play in enforcing these laws.</p> <p>It is important to Council that its systems and services operate efficiently and effectively. Risks need to be effectively managed and balanced in this area to ensure sustainable delivery.</p>

Category	Appetite Statement
<b>Injury to persons (incl. Workplace Health and Safety)</b>	Council has a <b>LOW</b> risk appetite for injury to members of the public and staff. Council has a target risk of zero, wanting all persons to arrive home safely. However, it recognises incidents happen and reflects this in the low tolerance stated.
<i>Significant event outcome</i>	An event occurs, (where Council is an interested party) resulting in multiple significant injuries or death.
<i>Total Recordable Injury Frequency Rate (TRIFR)</i>	The <b>TRIFR</b> is the number of injuries (excluding fatalities) requiring medical treatment per million hours worked. Council's rolling average TRIFR is below 35%.
<i>External Oversight</i>	Council is subject to an investigation by WorkSafe Tasmania regarding a potential breach(es) of its obligations under the Work Health and Safety Act 2012.
<b>Regulatory Compliance and Legal</b>	Council has a <b>LOW</b> risk appetite for non-compliance with legislation, regulations and professional standards. This includes laws and regulations that Council administers. Council has <b>NIL</b> tolerance for illegal activities including fraud and corruption.
<i>Local Government Ombudsman</i>	All complaints to the Local Government Ombudsmen are actioned within legislated timeframes.
<i>Right to Information Compliance</i>	All Right to Information requests are actioned within the legislated timeframes.
<i>Policy Governance and Compliance</i>	Council has no significant breaches of its policies.
<b>Environment and Sustainability</b>	Council has a <b>MODERATE</b> risk appetite for environmental and sustainability risks. It recognises its operations have an environmental impact and seeks to minimise these impacts. Council complies with its regulatory obligations regarding sustainable development.
<i>Development Approvals</i>	100% of development applications are assessed to ensure compliance with environmental legislation.
<i>Environmental Protection Notice Compliance</i>	Council complies with all of its Environmental Protection Notice obligations for the Jackson Street Landfill.

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<b>Local Economic Growth</b>	Council has a <b>MODERATE</b> risk appetite to ensure it can promote local economic growth. However, it notes the local economy is subject to many external factors outside of Council's control.
<i>GDP</i>	Glenorchy's LGA (Local Government Area) GDP annual growth rate is less than Australian average annual growth rate.
<i>Unemployment</i>	Glenorchy's LGA unemployment rate as a proportion of Tasmania's unemployment rate is less than 1.63.
<b>Reputation</b>	Council has a <b>MODERATE</b> risk appetite for reputational risk. Council notes at times it is necessary to make the "right" decision and not the "most popular" decision. Council is focussed on developing sound policy.
<i>Customer Feedback</i>	Year on year trending of ratio of complaints / customers served.
<i>Customer Satisfaction Ratings</i>	At least 80% satisfaction rating from customer feedback (electronic pads in Customer Service).
<b>Business Continuity</b>	Council has a <b>MODERATE</b> risk appetite for business disruption. It acknowledges that severe weather events and cyber risks are possible and seeks to minimise disruption where possible.
<i>Incident Management Plan</i>	Council is able to provide continued and uninterrupted services to our customers.
<i>Municipal Incident Management</i>	Council operates effectively in wider municipal operations and recovery planning.

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<b>Workforce</b>	Council has a <b>MODERATE</b> risk appetite for staffing losses in the context of business continuity.
<i>Turnover of Council Staff</i>	Council turnover rates are below 15%.
<i>Staff Complaints Management</i>	All Whistleblower allegations are investigated in accordance with Council policy.
<b>Loss of Financial Funds / Assets</b>	Council has a <b>MODERATE</b> risk appetite for financial / asset risks in both its strategic and operational functions. This equates to 5% to 15% of the annualised budget.
<i>5% to 15% Annual Budget</i>	\$3 million to \$9 million.
<i>Cash at Hand</i>	At least 3 months of current expenditure (2020 circa \$15 million).
<i>Underlying Surplus</i>	The underlying surplus is positive.
<i>Asset Sustainability Ratio</i>	Council's Asset Sustainability Ratio does not fall below 80%.