

RISK APPETITE

UNIVERSITY APPETITE

The University's appetite for risk has been approached by identifying those categories of risk most relevant to the University, beginning with its statutory objective, its academic mission. These categories of risk are not to be seen in the same way as Enterprise Risks. Enterprise Risks are those risks where failure to achieve a condition or set of circumstances, may adversely impact the University's capacity to deliver on strategic plans. By contrast, risk appetite is *the amount of risk the University is willing to accept or retain in order to achieve its objectives*.

CLASSIFICATION OF APPETITE

The University adopts the definitions for risk appetite and risk tolerance set out in the Standard¹.

- Risk appetite: *the amount of risk the University is willing to accept or retain in order to achieve its objectives*.
- Risk tolerance: *the levels of risk taking acceptable to achieve a specific objective or manage a category of risk*.

Risk appetite is assessed in terms of three bands: *conservative, balanced or entrepreneurial* as follows:

- **Conservative:** unless there is a compelling reason to do so, the University should not accept opportunities with risks attached that could result in significant exposure or loss, and should proceed with caution in pursuing these opportunities.
- **Balanced:** there is some risk associated with the opportunity being pursued, however there are mitigating actions available to help reduce these risks to an acceptable level of exposure.
- **Entrepreneurial:** there is some higher risk associated with the opportunity being pursued, there are treatments available to mitigate the risk, and the opportunity is worth pursuing / too good to miss.

Risk Category	Less willing to take risks			Greater willingness to take risks					
	Conservative			Balanced			Entrepreneurial		
	1	2	3	4	5	6	7	8	9
1. Academic mission					■	■	■		
2. Strategic growth							■	■	■
3. Student experience					■	■	■		
4. Research						■	■	■	
5. Teaching					■	■	■		
6. Culture and values				■	■	■			
7. Financial viability				■	■	■			
8. Service disruption	■	■	■						
8. Safety and health	■	■	■						
10. Regulatory and compliance	■	■	■						
11. Environmental and social responsibility					■	■	■		

Table 1: Risk appetite - broad categories of risk

RISK TOLERANCE

Risk appetite *sets the tone* for risk-taking in general; risk tolerance *informs*

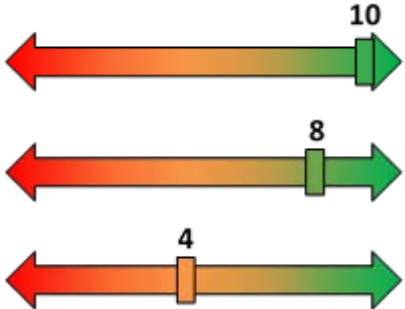
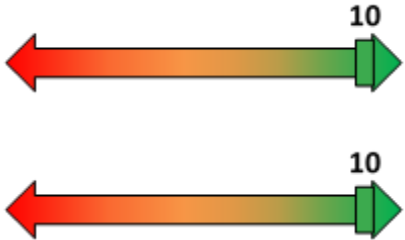
- expectations for mitigating and pursuing specific types of risk;
- boundaries and thresholds for acceptable risk taking; and
- corrective actions to be taken when tolerances are reached or breached.

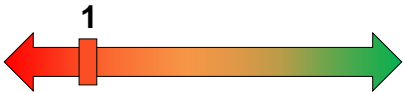
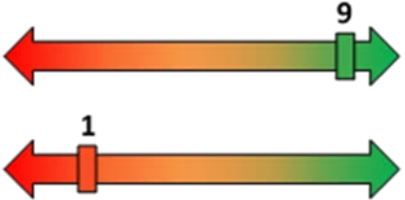
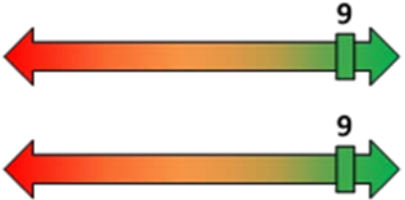
The table below articulates risk tolerance statements associated with the general risk appetite categories. In most categories there will be a range of tolerances from the highest level of tolerance (10) to the lowest level (1) or zero tolerance (0). These tolerances are not exclusive; they are intended to help guide thinking around risk appetite.

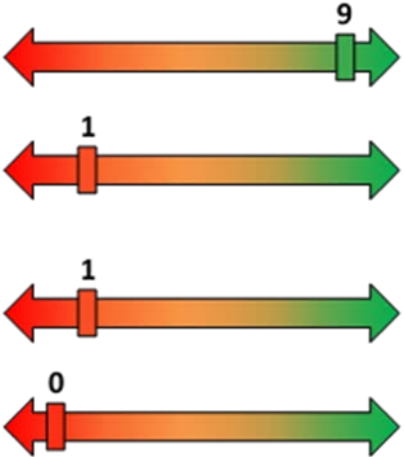
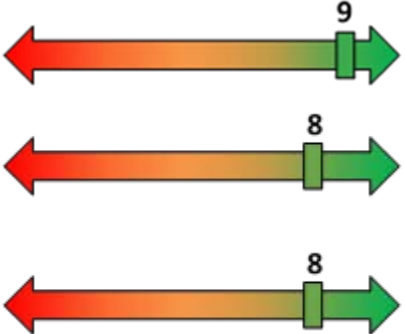
¹ ISO Standard 31000:2018 Risk Management – Guidelines

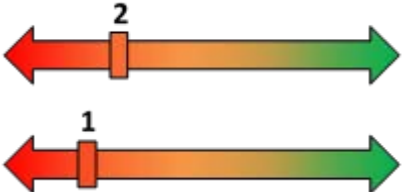
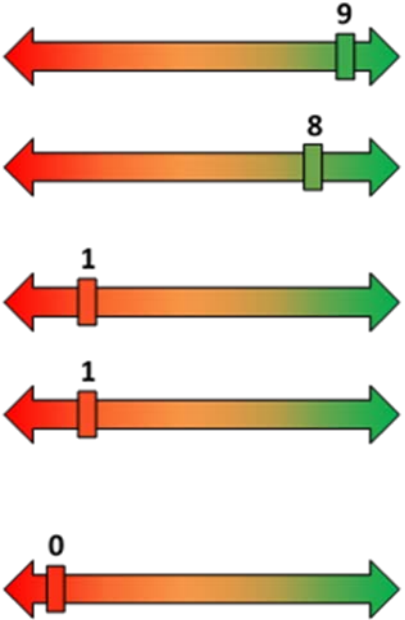
RISK TOLERANCE

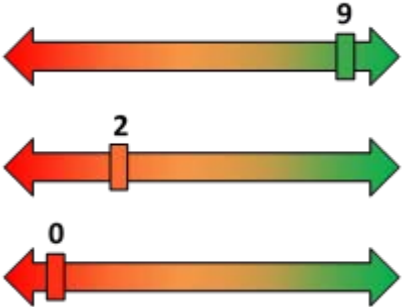
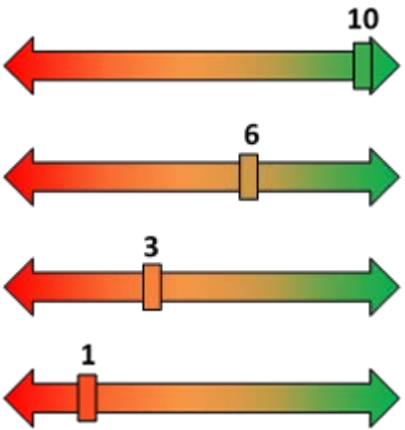
Table 2 below articulates the risk tolerance statements associated with the general risk categories.


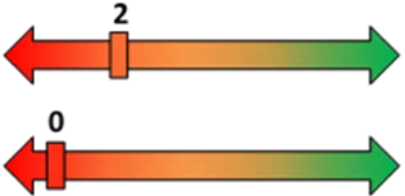


Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
Pursuit of academic mission	<p style="text-align: center;">Lowest to highest 0 = lowest tolerance 10 = highest tolerance</p> 	<p>The University recognises that creative and enterprising people will thrive in a culture that encourages ambition, facilitates participation, and celebrates success. We aspire to a culture founded in excellence, respect, intellectual curiosity and collegial decision-making.</p> <p>The University has a balanced to entrepreneurial appetite for risk in pursuing the advancement of learning and knowledge, including the provision of university education (statutory objective / academic mission).</p> <p>Highest tolerance for Academic Freedom, recognising that the expression of Academic Freedom must always be respectful.</p> <p>High tolerance for our institutional autonomy, and the decisions made to enhance our strategic mission or protect our reputation.</p> <p>Lower tolerance for decisions made without appropriate information and evidence, or without broad consultation.</p>
Strategic growth		<p>The University's growth and development is set out in the Strategic Plan, <i>Future Making</i>. The 5 key pillars align global connectivity, research scholarship and human potential with the social, intellectual and economic needs of young leaders locally, nationally and internationally.</p> <p>The University has an entrepreneurial appetite for risk towards strategic growth.</p> <p>Highest tolerance for engaging in proposals, projects and partnerships that will result in highly prepared graduates able to engage globally and become citizens of tomorrow, and/or enhanced learning and teaching and research outputs / income.</p> <p>Highest tolerance for promoting and supporting start-ups and early capital investment in prospecting and market testing, to deliver the desired markets and products.</p>

Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
	Lowest to highest 0 = lowest tolerance 10 = highest tolerance	
		<p>Lowest tolerance for engaging in projects, proposals and partnerships without due diligence and appropriate project management and contract stewardship.</p>
Student experience		<p>The University is committed to providing a high quality academic and research experience for its students. That commitment extends to the pastoral and cultural aspects of the students experience (including student safety, mental wellness and wellbeing), to ensure that support is available, accessible and appropriate, and that the students are satisfied, and stay engaged and connected with the University and their studies (future alumni).</p> <p>The University has a balanced to entrepreneurial appetite for risk towards student experience.</p> <p>Higher tolerance for pursuing activities and projects that result in student engagement, and improve student satisfaction levels and retention rates.</p> <p>Lowest tolerance for compromises to the agreed minimum standard for an acceptable student learning experience and acceptable research experience.</p>
Research		<p>The University is committed to expanding and diversifying its research programs and industry engagement, the recruitment of high calibre students and staff, while maintaining the student experience and our reputation. At all times, our initiatives must remain ethical and must be appropriately considered in terms of the feasibility of success and the investment required.</p> <p>The University has a balanced to entrepreneurial appetite for risk towards research.</p> <p>Higher tolerance for pursuing research opportunities, partnerships and high performing staff that contribute to the translation of research, our reputation of excellence, and enhance our rankings.</p> <p>Higher tolerance for responding to and accommodating the industry specific (Industry Engagement Partners) appetites for investment in development (R&D).</p>

Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
	<p style="text-align: center;">Lowest to highest 0 = lowest tolerance 10 = highest tolerance</p> 	<p>Higher tolerance for systems, philosophy and spaces that activate the maximum benefit of R&D outcomes (utilisation, management of conflict of interest).</p> <p>Lowest tolerance for engagement with organisations who don't share our values, or from whose association with us will cause unacceptable risk to our reputation and brand, and damage our overall engagement with community.</p> <p>Lowest tolerance for compromising the quality of research.</p> <p>Zero tolerance for research misconduct, breach of relevant National Codes, fraudulent research, or false publication of research data or material.</p>
Teaching		<p>The University is committed to ensuring a high quality educational program (the product) to meet the future needs of students, employers, industry and the broader community (the people), and to employing high calibre teaching professionals to deliver the programs in a transformative and innovative manner, complying at all times with prescribed Standards and aligned with the expectations of the University's <i>Academic Performance Expectations</i> (the how).</p> <p>The University has a balanced to entrepreneurial appetite for risk towards teaching.</p> <p>Higher tolerance for pursuing transformative and innovative teaching programs, (process techniques, recruitment).</p> <p>High tolerance for a blended profile of experience or qualifications in the academic / teaching workforce (including people from a non-academic background).</p> <p>High tolerance for growing the student cohort (domestic and international)</p> <p><i>coupled with a</i></p>

Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
	<p>Lowest to highest 0 = lowest tolerance 10 = highest tolerance</p>	
		<p>Low tolerance for growing student cohort at expense of students' opportunity to thrive or succeed, and low tolerance for compromising the University internal standards (entry requirements/English language) and compromising the student experience.</p> <p>Lowest tolerance to any compromise to academic integrity (permit mistakes).</p>
Culture and values		<p>The University values a culture of scholarship, discovery, sustainability, engagement, social justice and integrity and is cognisant of society and community expectations. In balancing competing priorities, the University may need to accept some degree of risk; subject always to ensuring that the potential benefits and risks are fully understood before initiatives are authorised, and that sensible measure to mitigate unacceptable risk are established.</p> <p>The University has a balanced appetite for risk towards culture and values.</p> <p>Higher tolerance for meaningful and innovative engagement within the University, and with business, industry and government (BIG), the higher education sector, and the broader community.</p> <p>High tolerance for transparency and consultation in our communications.</p> <p>Lowest tolerance for failure to declare conflicts and / or manage conflicts of interest.</p> <p>Lowest tolerance for inappropriate behaviour or performance that falls short of the University Code of Conduct and agreed values and behaviours, and for poor behaviour or conduct that compromises academic integrity and/or impacts the University and beyond (reputational impact/damage).</p> <p>Zero tolerance for unethical or unlawful behaviour, or for behaviour / conduct that puts people at risk, or threatens their safety or wellbeing, including threatening, harassing or violent behaviour.</p>

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Financial viability	<p style="text-align: center;">Lowest to highest 0 = lowest tolerance 10 = highest tolerance</p> 	<p>Over and above our willingness to achieve our efficiency targets, we also require a stable financial position to be preserved as outlined in our financial statements / reserves / investments. As we have so many stakeholders relying on us, and we are entrusted with public funds, we must have a strong focus on performance measurement and management.</p> <p>The University has a balanced appetite for risk towards financial viability.</p> <p>Higher tolerance for exploring innovative methods for financing our strategic growth objectives.</p> <p>Low tolerance for non-compliance with accounting standards & Treasurers Instructions, (government financial orders).</p> <p>Zero tolerance for internal fraud; and the risk may only be accepted where all legislative fraud control requirements are in place and the risk has been reduced to the point where additional controls have negative cost / benefit.</p>
Service disruption		<p>University activities and services operate throughout the calendar year, and at all times of the day. It is important that these activities are high quality, and that the services operate efficiently and effectively when needed.</p> <p>The University has a conservative appetite for risk towards service disruption.</p> <p>Highest tolerance for quality services (best available - associated with property, technology, or people).</p> <p>Moderate tolerance towards manual systems and outages of non-critical internal systems, accepting that some inefficiency may exist and non-critical errors may occur, provided they do not result in a breach of regulation, privacy and/or result in litigation.</p> <p>Low tolerance towards widespread or sustained industrial action by staff, resulting in service interruption.</p> <p>Lowest tolerance for service interruption to critical systems, or to systems at critical times; or for service disruption that will impact the safety and wellbeing of students, staff and University community.</p>

Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
	Lowest to highest 0 = lowest tolerance 10 = highest tolerance	
		<p>Zero tolerance for deliberate misuse or inappropriate use of systems that results in outages to critical systems, or to systems at critical times.</p>
Safety and health		<p>The University is committed to providing a safe workplace for all employees, students, visitors and contractors.</p> <p>The University has a conservative appetite for risk towards safety and health.</p> <p>Low tolerance for lost time or injury in areas where there is inherent risk in the nature and location of some activities and environments.</p> <p>Zero tolerance for death or permanent disability due to departure from, or inadequate safety protocols, and for lost time or injury due to departure from prescribed safety protocols or standards.</p>
Regulatory and compliance		<p>Our reputation for integrity and competence should not be compromised with our key stakeholders, funders, regulators, Government industry partners and community.</p> <p>The University has a conservative appetite for risk towards regulation and compliance.</p> <p>Zero tolerance for legal and compliance breaches. While minor breaches may occur from time to time, due to the complexities of business and the environments we operate in, there should be no excuse for careless or intentional departure from regulations or standing operating procedures.</p>
Environmental and social responsibility		<p>The University is committed to ensuring sustainable campuses and creating strong platforms for engaging with the community on collective action to protect the environment (and address climate change).</p> <p>The University has a balanced to entrepreneurial appetite for risk towards environmental and social responsibility.</p> <p>Higher tolerance for activities and initiatives that prioritise sustainability and diversity, and involve and engage with relevant communities.</p>


Risk Category / key indicator	Level of Risk Tolerance	Risk Tolerance Statements
	Lowest to highest 0 = lowest tolerance 10 = highest tolerance	
		<i>Lowest</i> tolerance for adverse environmental impacts or breaches from our activities.

Table 2: Risk Tolerance Statements

-Ends-