



City of **HOBART**

## **RISK APPETITE STATEMENT**

The City of Hobart Risk Appetite Statement defines the level and type of risk that Council is willing to pursue or tolerate in order to achieve its strategic objectives. It assists the City to align its risk management strategy with its vision, mission, values, and culture.

Establishing the City's risk appetite is fundamental to implementing a systematic approach to identifying, assessing, and managing risk within the council. The City recognises that it is not practical or desirable to avoid all risk. As not all risks are equally important or acceptable, decisions need to be made about how much risk the City is willing to take or avoid. This is where risk appetite statements can become useful tools.

Using a risk appetite statement to manage risk involves applying it to our risk management activities and processes. Risk appetite statements can be used to guide risk identification, assessment, response, and reporting. For example, when undertaking an activity or program, firstly evaluate the likelihood and consequence and compare the risk rating to the risk appetite levels. The risk appetite statement can then be used to decide how to respond to the risks, whether by accepting, avoiding, transferring, or reducing them.

The City's Risk Appetite Statement will be reviewed annually.

<b>Risk Appetite Statements</b>	
<b>Overall Risk Statement</b>	<p>Council has a <b>LOW</b> to <b>MODERATE</b> 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. The City of Hobart's work health and safety goal is "All go home safe and well".</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>

Financial – Operational Expenditure	<p>Council has a MODERATE appetite for impacts in relation to operating expenditure.</p> <p>Council will manage its operating budgets and make adjustments when necessary to address changes in priorities. Council has a LOW appetite for poor financial management and will maintain budget and cost control as much as practicable. The Council will however apply financial resources where required to meet the operational needs and decisions of Council.</p>
Financial – Capital Expenditure	<p>Council has a MODERATE risk appetite for financial risk in pursuit of Council objectives.</p> <p>The Council will consider all decisions based on robust business case / analysis however the Council is willing to take on financial risk in order to deliver the infrastructure required for a growing city. Council will prioritise responsible capital spending to maintain and replace essential assets. Council will consider the community’s views and Council’s strategic plan when making choices about capital spending and will aim to achieve the best long-term value for the community, including ensuring that community assets are utilised.</p>
Regulatory and Legal	<p>The Council has a LOW appetite for legal and compliance risks consistent with its role in local government. Resources will be applied to ensure both Council and stakeholders comply with the legal and regulatory requirements.</p> <p>In relation to its own obligations, Council will aim to be compliant and where issues of non-compliance are identified, considered decisions will be made on how to resolve the issue.</p> <p>In relation to laws and regulations that Council is responsible for enforcing, Council does not wish to be heavy-handed or to apply unnecessary ‘red tape’.</p> <p>Council aims to be fair, to respond to community complaints, and to take a proactive and visible approach to monitoring compliance. Council will apply a ‘support-first’ model to assist the community in reaching compliance.</p> <p>Council will prioritise enforcement action where safety is involved.</p>
Safety and Wellbeing	<p>Council has LOW appetite for risk to safety and well-being.</p> <p>Council has a target of ‘zero harm’ to its staff and is responsible for many assets and spaces that are used by members of the public.</p>

	<p>Council will invest money to ensure the safety of its staff and the public based on a robust analysis of safety issues and how these can be most effectively addressed.</p>
Brand and Reputation	<p>Council has a MODERATE appetite for reputational impacts.</p> <p>Council is willing to accept short-term reputational impacts relating to decisions that are in the long-term best interests of the community and acknowledges that with a diverse range of stakeholders, reputation issues will be expected.</p>
Environment and Sustainability	<p>Council has a LOW appetite for environmental impacts.</p> <p>Council notes the potential for environmental impacts to have long term consequences, leading to greater compliance, financial and reputational impacts. Council will therefore apply resources to address environmental impacts and will consider environmental impacts within the decision-making process.</p> <p>Council notes that bushfire is the most significant risk to the City of Hobart and will prioritise the safety of people and property when managing bushfire risk.</p>
Capacity to Deliver Services	<p>Council has a LOW to MODERATE appetite for impacts on its capacity to deliver services.</p> <p>Council has a LOW appetite for critical services to be disrupted due to a failure by Council, however, acknowledges that external events may impact service delivery from time to time.</p> <p>Council has a MODERATE risk appetite for delivery of non-essential services and in the event of a disruption will apply sufficient resources to ensure services are restored within reasonable timeframes.</p>