

# Moira Shire Council Risk Appetite Statement

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|--------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>Version Number</b>          | 2.0                                                                                                               |
| <b>Responsible Director</b>    | Corporate Performance                                                                                             |
| <b>Responsible Officer</b>     | Manager Governance, Risk & Performance                                                                            |
| <b>Date endorsed by ELT</b>    | 26 May 2026                                                                                                       |
| <b>Date adopted by Council</b> | 26 August 2026                                                                                                    |
| <b>Scheduled for review</b>    | This statement will be reviewed annually in line with the Audit and Risk Committee Charter or sooner if required. |

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Administrative changes do not materially alter the document (such as spelling/typographical errors, change to the name of a Council department, a change to the name of a Federal or State Government department). Administrative updates can be made in accordance with the Policy Framework Guidelines.

## INTRODUCTION

Risk Management is an essential component of Council's governance framework and supports the achievement of Council's goals and objectives. Effective risk management increases the probability of successful outcomes whilst protecting the health and safety, reputation and sustainability of Council.

The risk appetite is the amount of risk an organisation is willing to accept in pursuit of its strategic objectives. The Risk Appetite Statement considers the most significant categories of potential risks to Council and provides an outline as to how much risk Council is willing to accept in these areas.

A Risk Appetite Statement plays a significant role in delivering our key risk management objectives by:

- embedding and demonstrating a positive risk culture;
- ensuring everyone understands their responsibilities for managing risks and are held accountable in line with their roles and responsibilities;
- embedding risk management into strategic and business planning and decision making;
- communicating, consulting, identifying, analysing, prioritising, monitoring, reviewing, and recording all material risks in a consistent and effective manner;
- strengthening Council's risk management capability and maturity; and
- complying with relevant regulatory requirements, standards, policies and codes of conduct.

Council's approach to risk management is consistent with the *Australian Standard AS ISO 31000:2018 Risk Management – Guidelines*.

### *Managing risks*

Risks will be managed in line with Moira Shire Council's risk appetite and risk tolerance scales and will be considered in all decision making and planning.

Everyone at Council is responsible for considering, communicating and managing risks within their area of responsibility. Risk should be considered in all decision-making at all levels of Council. Risk discussions should be open, honest and transparent. Risk management must be timely, proactive, dynamic and consistent with Council's risk appetite and in accordance with Council's Risk Management Framework. The key elements of the Risk Management Framework are:

- Risk Management Policy
- Risk Management Plan
- Risk Appetite Statement (this document)
- Risk and Control Assessment Templates
- Strategic and Operational Risk Registers

Risks that are assessed and rated as high or extreme (as per the Risk Management Plan) must be managed to a level that is as low as reasonably practicable and be monitored in accordance with Council's Risk Management Plan. In deciding how to control and treat risks, consideration should be given to the:

- ability to influence the risk exposure;
- practicality and cost of treating the risk;
- level of potential risk reduction; and
- opportunities associated with treatments (i.e. mitigation).

Risks shared with other agencies should be considered, identified and managed through collaboration, coordination and communication with those agencies.

## DEFINITIONS

The following terms are used throughout this Risk Appetite Statement.

| Term                                   | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk</b>                            | The effect of uncertainty on objectives. Risk may have a positive or negative effect and is often expressed in terms of the likelihood of an event and its consequences.                                                                                                                                                                                                                                                                                                            |
| <b>Risk Tolerance</b>                  | The acceptable variation around risk appetite. It defines the boundaries and thresholds for risk-taking within a given risk category and informs expectations for mitigating, accepting or pursuing specific risks.                                                                                                                                                                                                                                                                 |
| <b>Risk Management Framework</b>       | The set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout Council. It includes the Risk Management Policy, Risk Management Plan, Risk Appetite Statement, Risk and Control Assessment templates, and Strategic and Operational Risk Registers.                                                                                                    |
| <b>Risk and Control Assessment</b>     | A structured process and associated templates used to identify risks, evaluate existing controls and determine the level of residual risk.                                                                                                                                                                                                                                                                                                                                          |
| <b>Inherent Risk</b>                   | The level of risk that exists before any controls or treatments are applied.                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Residual Risk</b>                   | The level of risk that remains after controls and treatment actions have been applied.                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Risk Treatment / Mitigation</b>     | Actions taken to modify risk, including reducing the likelihood or consequence of a risk event.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Controls</b>                        | Measures that modify risk, including policies, procedures, practices and other actions that reduce the likelihood or consequence of a risk materialising.                                                                                                                                                                                                                                                                                                                           |
| <b>Executive Leadership Team (ELT)</b> | Council's senior management group responsible for overseeing the implementation of this Risk Appetite Statement and to whom risks outside appetite or agreed tolerance levels must be reported.                                                                                                                                                                                                                                                                                     |
| <b>Audit and Risk Committee</b>        | A committee that provides independent oversight of Council's risk management, internal controls and audit functions. The Risk Appetite Statement is presented to this Committee for review and comment prior to adoption by Council.                                                                                                                                                                                                                                                |
| <b>Councillor</b>                      | <p>Has the same meaning as the definition in the <i>Local Government Act 2020</i>.</p> <p>In accordance with the <i>Local Government (Moirira Shire Council) Act 2023</i>, Moirira Shire Council has a Panel of Administrators appointed. Administrators fulfill the role of Councillors, and the Chair Administrator fulfills the role of Mayor.</p> <p>While under Administration, any reference to the term Councillor/s can be deemed to be a reference to Administrator/s.</p> |

## RISK APPETITE

The Risk Appetite Statement summarises Council's tolerance for risk in a range of activities it undertakes.

### *A range of appetites for risk*

The overall level of risk that Council accepts can range from avoiding risks to eagerly taking risks. Where Council's appetite fits on this range can impact on its willingness to innovate, as well as its requirement to control risks. Council's overall risk appetite is 'guarded' with certain categories of risks having different risk tolerances.

Council's risk appetite is further described in the below Risk Appetite Statement and the Risk Tolerance Scale on page 4.

### *Risk Appetite Ranges*

Council categorises its level of risk appetite ranges into four categories as can be seen below:

| Risk Averse                                                                                                                                                                                                 | Guarded                                                                                                                                                                  | Open to risk                                                                                                                                                                              | Eager for risk                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• No appetite to very low appetite for taking risks.</li> <li>• Avoid risks and uncertainty.</li> <li>• Will not take risks to achieve potential rewards.</li> </ul> | <ul style="list-style-type: none"> <li>• Low appetite for risks.</li> <li>• Prefer safe options.</li> <li>• May impact on potential opportunities for reward.</li> </ul> | <ul style="list-style-type: none"> <li>• Moderate appetite for risks.</li> <li>• Willing to consider potential costs and benefits – rewards and risks – when deciding options.</li> </ul> | <ul style="list-style-type: none"> <li>• Eager to engage with risks and choose options offering potentially higher rewards.</li> </ul> |

### *Overall Risk Appetite Statement*

Moira Shire Council's risk appetite is '**Guarded**'. Council will consider options and choose one that is safe, but also may maximise its ability to innovate, deliver strategic priorities and services.

Council will:

- respond to a growing community and support the realisation of the Moira2045 Community Vision.
- care for the safety and wellbeing of staff.
- provide an acceptable level of reward and value for the community it serves and for local government.

## RISK TOLERANCE

The Risk Appetite sets the tone for risk taking in general, while the Risk Tolerance informs:

- Expectations for mitigating, accepting and pursuing certain types of risk;
- Boundaries and thresholds for acceptable risk taking; and
- Actions to be taken or consequence for acting beyond appropriate tolerances.

Council's Risk Tolerance scale is shown in the following section.

## Risk Tolerance Scale

| HIGHLY CAUTIOUS                                                             | CAUTIOUS                                                                                                                 | CONSERVATIVE                                                                                  | CONFIDENT                                                                   |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <i>Zero to very low tolerance for risk</i>                                  | <i>Low tolerance for risk</i>                                                                                            | <i>Moderate tolerance for risk</i>                                                            | <i>High Tolerance for risk</i>                                              |
| <i>Avoid taking risks and ensure there are effective controls in place.</i> | <i>Reduce risk exposure where possible. Some risk taking may be necessary due to the nature of Council's activities.</i> | <i>Willing to consider options that may incur risk where significant benefit is possible.</i> | <i>Willing to engage with risks when the potential for benefit is high.</i> |

There are 10 Risk Categories in the Risk Appetite Statement.

| Risk Category          | Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Risk Tolerance  |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Health and Safety      | <i>We are committed to providing a safe workplace and physical environments for all staff, Councillors, contractors, visitors and the community.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Highly Cautious |
| People and Culture     | <i>We are committed to providing a positive working environment &amp; attracting and retaining skilled and competent staff.<br/>We will not accept misconduct or continued employee underperformance.</i>                                                                                                                                                                                                                                                                                                                                                                                                         | Highly Cautious |
| Governance             | <i>We are committed to good governance and meeting legislated, regulatory and policy requirements and contractual obligations in a consistent and fair manner.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                | Highly Cautious |
| Cyber Security         | <i>We are committed to safeguarding Council from both external and internal threats (including financial extortion), misuse, modification and unintended damage.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                              | Highly Cautious |
| Trust and Reputation   | <i>We are committed to building and protecting our reputation as a trusted, transparent and ethical local government organisation.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Highly Cautious |
| Environmental          | <i>We recognise the importance of conserving and enhancing our environment and considering sustainability in all council decisions.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Cautious        |
| Financial              | <i>We recognise that Council has a responsibility to ensure that we have sufficient resources now and into the future and that there are financial risks involved in delivering a wide range of services, programs and capital projects.</i>                                                                                                                                                                                                                                                                                                                                                                      | Cautious        |
| Service Delivery       | <i>We recognise there may be levels of risk involved to deliver efficiencies, enhance capabilities and provide services to our community.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Conservative    |
| Infrastructure         | <i>We are committed to continuous improvement in order to provide excellent infrastructure that provides benefits to our community.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Conservative    |
| Information Management | <i>We are committed to protecting our assets contained within our ICT systems and services, through the application of appropriate internal controls, a cyber-aware workforce, effective governance, timely remediation of identified control weaknesses, persistent review of the external threat landscape and consistent management of our third-party providers. This includes the responsible, ethical and secure use of Artificial Intelligence, ensuring AI tools and platforms are governed in a manner that protects data privacy, maintains accountability and mitigates emerging AI-related risks.</i> | Conservative    |

## HEALTH AND SAFETY

HIGHLY CAUTIOUS

*We are committed to providing a safe workplace and physical environments for all staff, Councillors, contractors, visitors and the community.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Council WILL tolerate:                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Actions or behaviours that are deliberate and willingly contravene the organisations' Codes of Conduct and OHS policies and procedures.</li> <li>- Practices that knowingly compromise staff wellbeing, workplace or community safety (including discrimination, harassment or bullying).</li> <li>- Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Staff.</li> <li>- Incidents that occur arising from untrained staff or failed internal processes.</li> <li>- Failure to communicate in line with emergency management obligations about incidents that may impact the health and safety of the community.</li> <li>- Unsafe infrastructure and work environments.</li> </ul> | <ul style="list-style-type: none"> <li>- Minor unforeseen incidents or injuries that arise from time to time while undertaking normal activities.</li> <li>- Practices that are not in line with best practice if safety and duty of care are not compromised.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>- Practices and processes that ensure a safe and healthy work environment and infrastructure.</li> <li>- A positive workplace culture.</li> <li>- Retention and attraction of staff.</li> <li>- Reduced public liability and work cover claims.</li> <li>- Enhanced community wellbeing, safety and social inclusion.</li> <li>- Building trust in the community and transparency in decision making.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                           |

## PEOPLE AND CULTURE

HIGHLY CAUTIOUS

*We are committed to providing a positive working environment & attracting and retaining skilled and competent staff.*

*We will not accept misconduct or continued employee underperformance.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Behaviours and actions which do not align with the Moira Shire Council values.</li> <li>- Behaviours and actions that do not align with the Moira Shire Competency Framework.</li> <li>- Actions or behaviours that are deliberate and willingly contravene the organisational Code of Conduct.</li> <li>- Practices that knowingly compromise staff well-being, workplace or community safety (including discrimination, harassment or bullying).</li> <li>- Performance issues or poor culture, resulting in significantly increased employee turnover or absenteeism or a significant reduction in results from the previous employee satisfaction survey.</li> <li>- Events/incidents that occur arising from incompetent or undertrained staff.</li> </ul> | <ul style="list-style-type: none"> <li>- Minor temporary reduction in morale relating to improving workforce performance as a result of addressing underperformance, poor conduct, or capability concerns within the workforce.</li> <li>- Minor staff grievances that can be dealt with through normal internal mechanisms.</li> <li>- Minor morale and staff grievances due to a change within the organisation, as a result of innovation or change management processes leading to more efficient and effective outcomes.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>- Retention and attraction of staff.</li> <li>- A culture that aligns with the Moira Shire Council values.</li> <li>- Succession Planning.</li> <li>- Building organisational capability.</li> <li>- Supporting a diverse and inclusive workforce.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## GOVERNANCE

HIGHLY CAUTIOUS

*We are committed to good governance and meeting legislated, regulatory and policy requirements and contractual obligations in a consistent and fair manner.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Corrupt or fraudulent conduct by Staff, Councillors or Contractors.</li> <li>- Unreasonable delays when reporting, investigating or correcting any fraudulent, improper, unethical or corrupt conduct.</li> <li>- Any instances where Staff, Councillors or Contractors knowingly break the law, fail to comply with legal obligations or recklessly breach internal policies.</li> <li>- Breaches of legislation or regulations.</li> <li>- Breaches of organisational policies or organisational Code of Conduct.</li> <li>- Failure to consider expert / professional legal advice.</li> <li>- Unauthorised release of confidential information.</li> <li>- Any behaviour which gives rise to extensive litigation and indictable offences.</li> <li>- Failure to comply with Government Directions or orders.</li> <li>- Council officers acting outside their delegated authority.</li> </ul> | <ul style="list-style-type: none"> <li>- Decisions made on merit in accordance with Council values that are not in line with professional advice.</li> <li>- Temporary non-compliance where regulatory deadlines or obligations are unable to be met, provided the matter is documented and resolved quickly and Council communicates proactively with the relevant regulator.</li> <li>- Risks which may give rise to isolated complaints that are incidental to normal business activities despite best efforts to avoid or mitigate.</li> <li>- Streamlined governance processes to reduce complexity and improve efficiency, provided effective internal controls, legislative obligations and accountability mechanisms remain in place.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>- Embedded processes to identify and manage instances of corrupt or fraudulent conduct of Staff, Councillors or Contractors.</li> <li>- Meeting legislative and regulatory requirements.</li> <li>- Meeting staff and community expectations on Council Values and Services</li> <li>- Building trust in Council decision making.</li> <li>- Improving systems and processes through innovation to support good governance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## CYBER SECURITY

HIGHLY CAUTIOUS

*We are committed to safeguarding Council from both external and internal threats (including financial extortion), misuse, modification and unintended damage.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Council WILL tolerate:                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Cybersecurity threats or events that could have been prevented through judicious application of technical and behavioural controls.</li> <li>- Threats of financial or personal extortion that arise from any malicious cybersecurity breaches.</li> <li>- An unprepared response in the event of an external cyber-attack.</li> <li>- Significant threats to assets arising from external malicious attacks.</li> <li>- Misuse, inappropriate distribution or loss of sensitive or confidential council information due to the actions of staff.</li> </ul> | <ul style="list-style-type: none"> <li>- Some cyber threats or events which, if they were successful, would have a minor or limited impact upon Council's business because they do not compromise the integrity, confidentiality or availability of Council information or assets.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>- Effective back-up of data and information.</li> <li>- Being prepared for potential cyber-attacks through regular training and awareness programs.</li> <li>- Timely remediation of identified cyber security control weaknesses.</li> <li>- Developing and embracing the latest security measures and information in line with government and industry developments and regulations.</li> </ul>                                                                                                                                                              |                                                                                                                                                                                                                                                                                               |

## TRUST AND REPUTATION

*We are committed to building and protecting our reputation as a trusted, transparent and ethical local government organisation.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Improper, unethical, corrupt, unprofessional behaviour or failure to exercise respect and duty of care in accordance with our Council values and policies.</li> <li>- Breaches of organisational Code of Conduct.</li> <li>- Failure to advocate for the needs of the community and the key objectives of the Council Plan and other key strategies.</li> <li>- Failure to uphold the probity of Council decision-making.</li> <li>- Failure to avoid, disclose and appropriately manage conflicts of interest.</li> <li>- Failure to act in a fair, honest, transparent and accountable manner.</li> <li>- Failure to consult or involve the community in significant changes or key decisions.</li> <li>- Failure to uphold meaningful community engagement practices consistent with the Council Plan's commitment to community-centered decision making and the Moira2045 Community Vision.</li> <li>- Decision-making that is not open, honest and transparent and reflects the long-term interests of the community.</li> <li>- Failure to promptly notify management of significant incidents that may impact Council reputation.</li> <li>- Failure to respond to complaints in a prompt and professional manner and in accordance with Council policies and procedures.</li> </ul> | <ul style="list-style-type: none"> <li>- Moderate adverse local media and social media scrutiny or a volume of complaints relating to decisions and actions that are demonstrably in the long-term best interests of the community, where Council has communicated transparently and followed due process.</li> <li>- Isolated minor incidents, concerns and complaints that can be resolved quickly by management.</li> <li>- A short-term reduction in community satisfaction where Council has made difficult but necessary decisions (such as rate adjustments, service reprioritisation, infrastructure trade-offs, or environmental commitments) and has communicated the long-term community benefit clearly and transparently.</li> <li>- Temporary reputational impacts arising from decisions that are financially, environmentally or socially prudent in the long term but may be unpopular in the short term, provided due process has been followed and the decision aligns with the Council Plan and Moira2045 Community Vision.</li> <li>- Short-term negative media coverage or public commentary that arises from transparent disclosure of challenges, constraints or difficult trade-offs, where Council is acting with integrity.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>- Long-term community trust built through consistent, principled decision-making in the whole community's best interest, even where individual decisions generate short-term dissatisfaction.</li> <li>- A community that is informed about the rationale for difficult decisions and understands Council's long-term vision and obligations.</li> <li>- Demonstrated leadership and accountability in communicating challenging decisions with clarity and empathy.</li> <li>- The interests of First Nations peoples are considered.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## ENVIRONMENTAL

CAUTIOUS

*We recognise the importance of conserving and enhancing our environment and considering sustainability in all council decisions*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Decisions that do not appropriately consider the principles of ecologically sustainable development.</li> <li>- Failure to minimise significant impacts on biodiversity and reduce our ecological footprint.</li> <li>- Decisions, activities and practices that result in long-term or irrevocable environmental damage or negative climate impacts, threatens biodiversity, including extinction of flora and fauna, or is hazardous to human life.</li> <li>- Activities and practices that knowingly compromise the environment are reasonably foreseeable and preventable.</li> <li>- Failure to meet environmental commitments or legal or legislative requirements resulting in EPA fines or penalties.</li> <li>- Failure to consider and plan for climate change risks and impacts in Council projects, asset management and service planning.</li> </ul> | <ul style="list-style-type: none"> <li>- Environmental impacts offset by other activities resulting in a net neutral environmental outcome.</li> <li>- Minor environmental impacts from uncontrollable or unforeseen events or in order to deliver enduring benefits to our community well into the future.</li> <li>- Changes to procedures and practices to accommodate improved environmental outcomes</li> <li>- Minor cost impacts in the selection of products or services that have a significant positive impact on the environment.</li> <li>- Moderate disruption to existing practices and processes to implement environmental sustainability initiatives.</li> <li>- Pilot program testing new approaches to water management, urban forestry, and environmental sustainability.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>- Reducing our organisational carbon footprint.</li> <li>- Activities and practices that protect our environment from long term damage or negative climate impacts, as well as protecting biodiversity.</li> <li>- Assessing community expectations of changing environmental impacts on a regular basis.</li> <li>- Enhanced community resilience to climate change impacts</li> <li>- Implementation of Water Sensitive Urban Design across Council projects</li> <li>- Increased urban tree canopy improving liveability through the implementation of the Tree Management Policy</li> <li>- Demonstration of leadership in environmental sustainability</li> </ul>                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## FINANCIAL

CAUTIOUS

*We recognise that Council has a responsibility to ensure that we have sufficient resources now and into the future and that there are financial risks involved in delivering a wide range of services, programs and capital projects.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Financial activities and/or investment practices that contravene legislated or policy requirements.</li> <li>- Investing in assets without undertaking proper due diligence on whole of life costing.</li> <li>- Failure to maintain or implement effective systems, processes and controls which adequately protect Council from fraudulent activity.</li> <li>- Fraudulent or corrupt financial transactions.</li> <li>- Actions that have a significant negative impact on long term financial sustainability.</li> <li>- Committing ratepayer funds to capital works projects not contained in Council's 10-year capital works plan without re-scheduling other projects or seeking alternate sources of funding.</li> <li>- Accepting forecast review changes, in particular increased expenditure or decreased income, without attempting to identify offsetting budget adjustments to remain within adopted budget targets.</li> <li>- Committing to capital projects contingent on external funding without transparent disclosure of the funding dependency and a documented funding plan.</li> </ul>            | <ul style="list-style-type: none"> <li>- Minor unforeseen and unavoidable budget variations that do not materially deviate from the annual budgeted underlying operating result.</li> <li>- Minor unforeseen and unavoidable cost variations in capital projects within the established contingency allocated to each project.</li> <li>- Minor costs, or capital outlays, attributable to new processes or innovation to improve services to meet community needs.</li> <li>- Calculated financial risks to deliver infrastructure, improve service delivery or promote ecological sustainability.</li> <li>- Minor cost impacts of the implementation of weighted scoring in procurement to benefit local competent suppliers.</li> <li>- Council will tolerate minor variations in capital expenditure delivery, provided overall spending remains within the parameters of the adopted Annual Budget.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <ul style="list-style-type: none"> <li>- An underlying operating breakeven or surplus.</li> <li>- An increase in external funding opportunities.</li> <li>- Implement an integrated Project Management Framework and 10 Year Capital Works Plan to inform Council's Financial Plan.</li> <li>- Embedded systems, processes and controls that effectively protect Council from fraudulent activity.</li> <li>- Meeting or exceeding audit and compliance regulations and policies.</li> <li>- Strategic, legacy-focused decision-making — including prudent intergenerational capital investments and long-term financial planning — supports Council's reputation as a responsible and forward-thinking organisation that acts in the long-term interests of the Moira community.</li> <li>- Explore avenues to diversify revenue streams through beneficial enterprise arrangements.</li> <li>- Building trust and transparency in Council decision making with stakeholders.</li> <li>- Effective management of reputational risk arising from major financial decisions, including transparent communication of financial outcomes to the community.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## SERVICE DELIVERY

## CONSERVATIVE

We recognise there may be levels of risk involved to deliver efficiencies, enhance capabilities and provide services to our community.

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Failure to significantly meet our service commitments.</li> <li>- Failure to demonstrate a commitment to delivering quality services to our Community, Councillors and Staff.</li> <li>- Failure to document and follow policies and procedures that impairs the quality of service delivery or results in service interruptions.</li> <li>- Failure to develop plans to respond to a disruption and ensure continuity of critical business functions.</li> <li>- Failure to promptly escalate a critical business process impact or outage.</li> <li>-</li> </ul>                                                                             | <ul style="list-style-type: none"> <li>- Interruptions to critical business processes arising from uncontrollable events, where the interruption is well managed according to the Council's Business Continuity Plan and is resolved within the Maximum Acceptable Outage period.</li> <li>- Unforeseen interruptions to non-critical business functions from uncontrollable events where Council responds and communicates promptly to impacted stakeholders.</li> <li>- Moderate reputational impact from community complaints relating to service level changes aimed at achieving financial sustainability.</li> <li>- Moderate impacts to service delivery due to implementation of new technology, innovation initiatives or projects, and as Council develops digital service options, provided appropriate support is maintained for digitally excluded community members.</li> <li>- Moderate impacts arising from innovations and ideas that contribute to and encourage a flexible workplace.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>- Exceeding community expectations and building trust in our service commitments.</li> <li>- Introducing innovative and streamlined ways to improve our services to the community.</li> <li>- Prompt response and management of disruptions.</li> <li>- Enhancing effective and consistent levels of awareness, communication and engagement.</li> <li>- Ensuring that the Council has the right resources, staff capabilities and organisation structure to optimise performance.</li> <li>- Improved digital inclusion and capability across the community.</li> <li>- Delivering services that align with Council Plan objectives.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## INFRASTRUCTURE

## CONSERVATIVE

*We are committed to continuous improvement in order to provide excellent infrastructure that provides benefits to our community.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Unsafe infrastructure and work environments.</li> <li>- Non-completion of a significant portion of new or renewal infrastructure projects in line with capital expenditure budget.</li> <li>- Significant delays to projects that are considered within Council control.</li> <li>- Asset failure significantly earlier than the projected lifespan of the asset.</li> <li>- Failure to administer and manage contracts appropriately.</li> </ul> | <ul style="list-style-type: none"> <li>- Moderate financial and reputational impacts arising from the implementation of new innovative technologies.</li> <li>- Moderate impacts leading to short term disruption to community due to implementation of construction procedures which provide value for money provided community has been informed.</li> <li>- Moderate short-term financial impact on capital costs of projects where there are demonstrated long term sustainable gains.</li> <li>- Delays to major capital projects where completion is contingent on securing external funding, provided Council has actively and demonstrably pursued all reasonable funding avenues and stakeholders are informed of the dependency.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>- Delivery of projects within budget and agreed timeframes.</li> <li>- Effective management of contracts and projects.</li> <li>- Improved infrastructure for our community.</li> <li>- Effective engagement and consultation with affected communities.</li> <li>- Building the community's trust in Council's ability to deliver innovative projects.</li> </ul>                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## INFORMATION MANAGEMENT

## CONSERVATIVE

*We are committed to protecting our assets contained within our ICT systems and services, through the application of appropriate internal controls, a cyber-aware workforce, effective governance, timely remediation of identified control weaknesses, persistent review of the external threat landscape and consistent management of our third-party providers. This includes the responsible, ethical and secure use of Artificial Intelligence, ensuring AI tools and platforms are governed in a manner that protects data privacy, maintains accountability and mitigates emerging AI-related risks.*

| Council will NOT tolerate:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Council WILL tolerate:                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Prolonged unplanned outages of critical Council systems and services.</li> <li>- Failure to maintain systems and services which adequately protect Council's data and information and maintain adequate audit trails.</li> <li>- A lack of diligence in relation to information security, the procurement and implementation of ICT systems and services</li> <li>- Data loss due to inappropriate data management processes.</li> <li>- Poor information governance processes.</li> <li>- Failure to maintain recovery plans in place and test plans on a regular basis.</li> </ul> | <ul style="list-style-type: none"> <li>- Scheduled outages which are regarded as part of normal business activities</li> <li>- Implementation of new technologies, including AI, which create new opportunities for business improvement and innovation, accepting that implementation may involve minor to moderate risk subject to appropriate governance and ethical safeguards.</li> </ul> |
| Beneficial Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                |
| <ul style="list-style-type: none"> <li>- Secure Council systems and services.</li> <li>- Effective data management practices and processes.</li> <li>- Assessing and incorporating the latest information protection systems.</li> <li>- Responsible adoption of Artificial Intelligence offers Council opportunities to strengthen information management, improve data analysis, reduce administrative burden, and enhance service delivery in the long-term interest of the community.</li> </ul>                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                |

## IMPLEMENTATION OF THE RISK APPETITE STATEMENT

Council's appetite for and tolerance of risk as outlined in this Risk Appetite Statement forms the basis of our approach to managing risk in our day-to-day activities. This statement informs Council's Risk Management Framework.

Staff are responsible for managing their risk environment. This includes having appropriate controls in place and monitoring their effectiveness. These risks are identified, assessed and managed at both enterprise level ('top-down') and at operational level ('bottom-up'). Risk registers are used to document the risks. Risks outside the appetite or agreed tolerance levels should be managed in line with this statement and should be reported to the Executive Leadership Team. Accountability for compliance with this Risk Appetite Statement rests with the Chief Executive Officer. The Statement shall be presented to Councillors and the Audit and Risk Committee to support informed oversight and governance.

## REVIEW

This Risk Appetite Statement will be reviewed annually in line with the Audit and Risk Committee Charter Work Plan or whenever there is a significant change to the Council's operating environment. Staff and Councillors will be made aware of and trained/educated in the Statement on an annual basis to ensure there is an embedded and demonstrated positive risk culture within Council; as well as ensuring everyone understands their responsibilities for managing risks and being held accountable in line with their roles and responsibilities.

This review will be coordinated by the Governance, Risk and Performance Team. Changes to the Risk Appetite Statement must be endorsed by the Executive Leadership Team and are presented to the Audit & Risk Committee Meeting for review and comment before being referred to Council for adoption.

## RELATED DOCUMENTS

Risk Management Policy  
Risk Management Plan  
Council Plan 2025-2029  
Governance Framework 2024  
Financial Plan 2025-2035  
Moirā2045 Community Vision

## DOCUMENT REVISIONS

| Version | Summary of Changes                        | Approved by | Date       |
|---------|-------------------------------------------|-------------|------------|
| 1.0     | Original Statement adopted                | Council     | 27/09/2023 |
| 2.0     | Review in accordance with review schedule | Council     | 26/08/2026 |
|         |                                           |             |            |
|         |                                           |             |            |
|         |                                           |             |            |