

# City of Greater Geraldton Council Policy

## 4.7 RISK MANAGEMENT

### STRATEGIC THEME

#### Leading

### OBJECTIVES

The purpose of this Policy is to state the City of Greater Geraldton's (the City's) commitment to managing risk to its ongoing operations and to ensure the City understands and manages risk within acceptable risk appetite and tolerance levels.

### POLICY STATEMENT

This Policy applies to all City of Greater Geraldton operations. It provides guidance on the City's willingness to assume or be exposed to a level of risk to achieve its objectives. It is linked to the City of Greater Geraldton Corporate Business Plan 2025–2029 and the City of Greater Geraldton Community Strategic Plan 2025-2035 and informs the business planning process.

### POLICY DETAILS

1. Risk Management Approach
  - 1.1. The City recognises that risk is inherent in all its operations and that effective management of risk is necessary to protect its people, assets, liabilities and community against potential losses and negative consequences.
  - 1.2. The City will maintain the City of Greater Geraldton Risk Management Framework consistent with the guidelines and principles of risk management as set out in the Australian Risk Management Standard AS/NZS ISO31000.
  - 1.3. The City will utilise the City of Greater Geraldton Risk Management Framework which details the process that the City will follow when undertaking risk management within the organisation.
  - 1.4. The City will communicate with the community about the City's approach to managing risk.
  - 1.5. The City will integrate risk management into its corporate culture and its everyday business operations at the strategic, project, operational, and emergency risk levels.
2. Establishing Risk Appetite and Tolerance
  - 2.1. Risk is an inherent part of any organisation's business operations. The exposure to and tolerance of risk differs across the City's operations. The City recognises that its level of risk appetite and risk tolerance must be set at a level that encourages entrepreneurship and innovative organisational development. However, the City is also committed to building a sound foundation of quality control systems and a culture that identifies and manages risk associated with the level of risk appetite and tolerances set by the Council.
  - 2.2. The City has defined its risk appetite through the development and endorsement of the City's risk assessment and acceptance criteria. The criteria are included within the risk management framework and procedures and are subject to ongoing review in conjunction with this Policy.

### 3. Risk Appetite Criteria

- 3.1. As a public authority the City has a natural and in some cases statutory predisposition to a conservative appetite for risk. In particular the City has little or no appetite for risk which will:
  - 3.1.1. Have a significant negative impact on the City's long-term financial sustainability.
  - 3.1.2. Result in major breaches of legislative requirements and/or significant successful litigation against the City.
  - 3.1.3. Compromise the safety and welfare of staff, contractors and/or members of the community.
  - 3.1.4. Cause significant and irreparable damage to the environment.
  - 3.1.5. Result in major disruption to the delivery of key City services.
  - 3.1.6. Result in widespread and sustained damage to the City's reputation.
  - 3.1.7. Significantly impact on the City's ability to recruit and retain staff.
- 3.2. The City provides a large and diverse range of services to a growing population. To provide these services, the City must accept some level of risk.  
The City therefore has some appetite for risks that need to be taken to:
  - 3.2.1. Improve efficiency, reduce costs and/or generate additional sources of income.
  - 3.2.2. Maintain and where necessary improve levels of service to the community.

The level of risk that is acceptable will be assessed and determined on a case-by-case basis.

### 4. Risk Tolerance Criteria

- 4.1. Risk tolerance represents the practical application of the City's risk appetite and is typically aligned to categories of risk such as strategy, financial, service or reputation.
- 4.2. Risk tolerance is the boundaries or level of risk outside of which the City is not prepared to venture in the pursuit of its long-term strategic objectives.
- 4.3. The City's risk management framework defines the required process that must be followed in establishing the levels of acceptable risks and the levels of authority associated with the risk.

### 5. Consideration of Complex Risk Exposures

- 5.1. Where the City is considering undertaking a new function, project or investment that has risk consequences or rewards with far-reaching impacts on the community or City operations, a comprehensive risk assessment must be undertaken in accordance with the Risk Management Framework.
- 5.2. In the case of specific high-risk functions, the City must establish specific risk management guidelines that detail the acceptable level of risk.

## KEY TERM DEFINITIONS

**Risk Appetite** The amount and type of risk that the City is willing to pursue or retain.

**Risk Tolerance** Is defined, as the level of risk the City is willing to accept after risk treatment to achieve its specific objectives.

**Risk Management** is the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

## ROLES AND RESPONSIBILITIES

The CEO is responsible for the implementation of this Policy.

The City of Greater Geraldton Risk Management Framework outlines in detail all roles and responsibilities associated with managing risk within the City.

## WORKPLACE INFORMATION

City of Greater Geraldton Risk Management Framework

Department of Local Government & Communities Risk Management Resources

AS/NZS 31000:2018 Risk Management – Guidelines

## POLICY ADMINISTRATION

Directorate		Officer	Review Cycle	Next Due
Corporate Services		Manager Corporate Compliance	Biennial	2028
Version	Decision Reference	Synopsis		
5	Click or tap here to enter text.	Policy review		