Risk appetite statement

The department monitors risks that may impact the achievement of strategic objectives according to the level of appetite.

The department has the lowest appetite for risks associated with:
- safety of children and students;
- workplace health and safety of its staff and the community;
- security of confidential and personal information held by the department; and
- fraud and corruption.

As its foundation, the department has a core requirement to comply with its legislative obligations in its pursuit of quality outcomes for children, students and the community.

The department is willing to accept a higher level of risk when pursuing innovation and opportunities that further its strategic objectives to give all children a great start, engage young people in learning and creating safe, fair and productive workplaces and communities.

How to apply risk appetite to our decision making

The risk appetite statement outlines the level of risk that can be taken in delivering the department's objectives. In areas where the department has the lowest appetite, staff must implement controls and actions to make sure the risk level is within the acceptable range. In areas of lowest appetite, the target risk level must be low.

In making decisions about processes, systems or initiatives which affect service delivery, consideration must be given to:
- the level of risk (or opportunity) the decision will create;
- whether the proposed level of risk (or opportunity) aligns with the department's risk appetite; and
- what actions or controls can be taken to reduce the impact of the risk to an acceptable level (or to maximise the opportunity).

The risk appetite statement should guide schools, regions, business units, and divisions to put in place appropriate controls (e.g. resources, policies, procedures, monitoring) and actions to reduce the chance of the risk occurring.

Risk categories and appetite

Risk categories	Description	Appetite Statement
Safety of children and students	• Enterprise risk concerning safety of children and students	**Low** The department has the lowest appetite for risks that could compromise the safety of children or students.
Workplace health and safety of staff and the community	• Enterprise risk concerning workplace health and safety of staff and the community • Industrial relations	**Low** The department has the lowest appetite for risks that could compromise workplace health and safety of staff and the community.
Security of confidential and personal information	• Enterprise risk concerning security of confidential and personal information	**Low** The department has the lowest appetite for risks that could compromise the security of confidential or personal information.
Fraud and corruption	• Enterprise risk concerning fraud and corruption	**Low** The department has the lowest appetite for risks that could expose the department to fraudulent or corrupt conduct/activities.
Financial and economic	• Financial strategy and policy • Economic conditions • Labour market	**Cautious** The department aims to maintain a sustainable service delivery model and has a cautious appetite for risks that limit its achievement of the department's long –term financial viability and sustainability.
Service delivery	• Industrial action • Major community initiatives • Community relationships • Business continuity and disruption • Disasters and emergencies	**Cautious** The department has a cautious appetite for risks that could compromise service delivery as this could lead to a loss of public confidence or increased exposure to enterprise risks.
Infrastructure, Information and technology	• Infrastructure, IT and information management policies and standards • ICT systems and initiatives • Land acquisitions and capital works • Fleet management • Infrastructure management • Building security, maintenance and repairs	**Moderate** The department will provide infrastructure, and information and technology in line with better practice and industry standards. Where these support the achievement of quality outcomes for children, students and the community, the department is willing to accept a moderate level of risk as long as these are fully understood and accepted.

Risk categories and appetite

People, capability and organisational culture	• Attraction and retention • HR and workforce policies • Recruitment and selection • Staff development and performance • Workforce planning and management	**Cautious** The department aims to create a positive and inclusive workplace culture. It values compliance with the Code of Conduct and Public Service Values and has a cautious appetite for risks that compromise these (except where it relates to an enterprise risk, then risk appetite will be low).
Strategic priorities	• Departmental strategic priorities	**High** The department is willing to accept a higher level of risk when pursuing innovation to achieve its strategic priorities, as long as the potential benefits and risks are fully understood and accepted.
Legislative compliance	• Legislative and regulatory compliance • Delegations and policy • Planning, performance, reporting and risk management	**Low** The department has as its foundation a core requirement to comply with its legislative obligations in its pursuit of quality outcomes for children, students and the community, with a low appetite set for their non-compliance.

Legend

High	Moderate	Cautious	Low
Seek to engage with risk and innovation in the pursuit of potential benefits, where risks are fully understood and accepted	Prepared to pursue innovative options in a measured and considered way, where risks are fully understood and accepted	Prefer safer options so as to limit the department to adverse risk exposure	Seek to avoid and limit exposure to risks where they impact on the areas of lowest appetite