

## Risk Appetite Statements and Mitigation Strategies

### Preamble

- Our risk appetite statements communicate our expectations of how much risk we are willing to accept as we work to achieve the strategic goals set out in our Corporate Plan. Our strategic risks are the failure to adequately obtain or meet these strategic goals.
- Our risk appetite statements and tolerances also guide our decision-making and strengthen leadership alignment and consensus in the oversight of our enterprise risks. Our mitigation strategies reflect our approach to managing, reducing or eliminating these risks as much as is reasonably practicable.
- From time to time, we may need to adjust our risk appetite and tolerance in response to changing circumstances.

<b>Strategic Goal 1:</b>	<b>Enhance our regulatory approach</b>
<b>Strategic Risk 1:</b>	<b>Failure to deliver effective and efficient risk-based regulatory services</b>
<b>Risk Appetite Statement:</b>	We have <b>zero tolerance</b> for inappropriate exercise of regulatory powers; however, we have a <b>moderate tolerance</b> for testing their application where regulatory approaches are proportionate, evidence-based, and reflect due process and procedural fairness.
<b>Mitigation Strategies:</b> <ul style="list-style-type: none"> <li>• We implement our Compliance Strategy that takes a multifaceted approach to ensuring statutory obligations are met and we ensure our actions are consistent with administrative law principles and practices.</li> <li>• Our regulatory activities are subject to layers of oversight and control to include strategic oversight by our Executive Leadership Team, Compliance Committee, internal legal review and where appropriate independent specialist advice.</li> <li>• Publication of our regulatory actions demonstrates our commitment to transparent decision-making, and to advise and promote regulatory compliance.</li> <li>• We are prepared to test new regulatory tools and approaches where the actions are reasonable and have the potential to enhance compliance.</li> <li>• We will analyse changing industry trends and evolve to respond to new technologies.</li> </ul>	

<b>Strategic Goal 2:</b>	<b>Build our organisational capability</b>
<b>Strategic Risk 2:</b>	<b>Failure to secure our organisational capabilities</b>
<b>Risk Appetite Statement:</b>	We have a <b>high tolerance</b> for innovation, technological improvements and initiatives which lead to the betterment of workforce wellbeing and competency and increases the effectiveness and efficiency of our operating environment. We have <b>zero tolerance</b> for inappropriate workplace conduct.
<p><b>Mitigation Strategies:</b></p> <ul style="list-style-type: none"> <li>• We invest in digital transformation to appropriately manage the reporting of decisions, including the rationale and supporting evidence for all regulatory and corporate decisions.</li> <li>• We proactively seek opportunities to improve online portals, digitisation and remote technologies to streamline regulatory submissions and to reduce regulatory burden and associated costs.</li> <li>• Our commitment to cost efficient operations and our focus on proportionate cost recovery arrangements reflects our responsible management of resources to secure our organisational capabilities.</li> <li>• Our mechanisms to recruit and retain a specialist workforce, and our annual operating plans and policies for allocating regulatory resources, drives a systematic and consistent approach to how we efficiently allocate our regulatory resources. We are proactive with succession planning to ensure an ongoing specialist workforce.</li> <li>• Our Employee Performance Management process enables leaders to identify training needs to ensure our specialists maintain currency in their competencies and receive common training mapped to our needs.</li> <li>• We have robust systems to detect and respond to all disclosable conduct. Our values-based culture is framed by APS Values, APS Employment Principles, and the APS Code of Conduct. This culture sets out clear expectations for staff on our expected standard of conduct.</li> <li>• We are committed to the wellbeing of our staff. Our policies support flexible working arrangements and offer protections against discrimination, harassment, sexual harassment and bullying. We have an established Health and Safety Committee and Wellbeing Programme that advocate the importance of safeguarding mental and physical wellbeing.</li> <li>• We will communicate improvements on our operating environment and staff wellbeing via our internal communication channels.</li> </ul>	

<b>Strategic Goal 3:</b>	<b>Strengthen Our External Relationships</b>
<b>Strategic Risk 3:</b>	<b>Failure to effectively engage with key stakeholders</b>
<b>Risk Appetite Statement:</b>	We have a proactive approach to external engagement and <b>low tolerance</b> for inadequate engagement with government, the Advisory Board, and key stakeholders which form part of the regulated and non-regulated community. We will ensure our engagement and conduct is appropriate, fit-for-purpose, and builds trust in the delivery of our functions.
<ul style="list-style-type: none"> <li>• We actively engage across government, agencies, industry, worker's representatives, environmental advocates and the community, through meetings, forums, community and environment reference groups, online feedback, enquiry and complaints mechanisms. In particular, we will consult on major changes to our policies, national priorities and strategies.</li> <li>• We will engage industry and employee representatives on emerging risks and industry trends that influence compliance performance.</li> <li>• We provide reports to Ministers and the Advisory Board on industry performance metrics and publications, and engage global counterparts at the IRF, IOPER, and GOWRF, to ensure Australia gains experience and knowledge of international best practice.</li> <li>• Our Reconciliation Action Plan includes practical actions that drive our contribution to reconciliation both internally and externally.</li> <li>• We will listen and respond to feedback on our performance.</li> <li>• We will use our communication channels to educate key stakeholders as part of the engagement process.</li> </ul>	

**Key:** Risk Appetite Levels

<b>Zero</b>	The risk is unacceptable and may represent a breach of law or illegal conduct.
<b>Low</b>	We accept as little risk as possible and are cautious towards taking the risk.
<b>Moderate</b>	We take a balanced and informed approach to taking the risk.
<b>High</b>	We take a more vigorous approach to taking the risk for increased benefit or to achieve a strategic outcome.