

# RISK APPETITE STATEMENT

BE WHAT YOU WANT TO BE

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**OUR VISION** is to be Australia's most accessible, supportive and engaged university, recognised globally for innovative teaching and research excellence.

**OUR PURPOSE** is to provide world-class, transformative education and research for our students, partners and communities across Australia and internationally.

**OUR VALUES** - Engagement, Can Do, Openness, Leadership, and Inclusiveness.

## RISK APPETITE

This risk appetite for CQUniversity outlines where we are willing to engage with higher levels of risk for a greater benefit and to achieve our strategic goals. Understanding our risk appetite assists in decision-making across the University but may vary between work areas, depending on the work being carried out.

## OVERALL RISK APPETITE STATEMENT

The University's approach is to minimise our exposure to risks relating to our compliance responsibilities, environment, safety and culture, whilst accepting and supporting an increased degree of risk in pursuit of our vision and strategic goals as set out in the *Our Future Is You Strategic Plan (2019-2023)*. It recognises that our appetite for risk varies according to the activity undertaken, and that our acceptance of risk is subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established where required.

## RISK APPETITE STATEMENT PARAMETERS

- The Risk Appetite Statement is not an exhaustive list that addresses every situation but provides general guidelines.
- Everyone is empowered to interpret the Risk Appetite Statement to make pragmatic, risk-based decisions in the best interest of the University and its stakeholders.
- The Risk Appetite Statement is a forward-looking expression of risk appetite. It reflects our tolerance for accepting new or developing risks (in addition to current risks) in achieving the University's strategic goals.
- Our risk appetite and risk tolerance are dynamic and will change over time in response to different risk drivers.
- All decisions align with the University's Strategic Plan, Vision, Purpose and Values.

### RISK APPETITE SUMMARY

Extent of Risk Appetite	Risk Tolerance Level	Risk Approach	Risk Driver
<b>High Appetite (Open)</b>			
CQU will operate in this area or in this way after all options are considered and the most appropriate option selected for an acceptable level of reward or value for money. Willingness to take on risk for an acceptable level of reward.	High	Entrepreneurial Innovate Venture Explore	<ul style="list-style-type: none"> <li>▪ Strategic growth</li> <li>▪ Research</li> <li>▪ Student learning and engagement</li> </ul>
<b>Moderate Appetite (Acceptable)</b>			
CQU will operate in this area or this way after risks have been effectively mitigated in order to pursue opportunities. This is generally adopted for corporate and management activities. Willingness to take on a moderate level of risk.	Moderate Medium	Balanced Informed Confident	<ul style="list-style-type: none"> <li>▪ Reputation</li> <li>▪ Financial sustainability and commercialisation</li> </ul>
<b>Low Appetite (Tolerable)</b>			
CQU may operate in this area or in this way where the value is assessed as worthwhile, and only after risks have been effectively mitigated or uncertainty minimised. This is adopted for core business activities and for activities in pursuing strategic objectives. Willingness to take on a limited level of risk.	Limited Low	Conservative Cautious Minimalist	<ul style="list-style-type: none"> <li>▪ People</li> <li>▪ Business disruption, systems security and assets</li> <li>▪ Environmental Sustainability</li> </ul>
<b>Minimal Appetite (Unacceptable)</b>			
CQU will avoid operating in this area or in this way where there is any potential to compromise the University. All reasonably practicable measures to eliminate the risk must be taken. This is adopted for regulatory activities and mis-compliance. No willingness to take on any risk.	Minimal to Zero	Avoid Averse No compromise	<ul style="list-style-type: none"> <li>▪ Culture and values</li> <li>▪ Health and safety</li> <li>▪ Legal, compliance and regulatory</li> </ul>

	Risk Driver	Risk Appetite Position Statement	Risk Tolerance Measure
HIGH	Strategic growth	<p>CQU must be willing to take and accept risk in order to achieve our strategic plan, and adapt to changes in the technological environment, and in the nature and conduct of our activities.</p> <ul style="list-style-type: none"> <li>There is a <b>high</b> appetite to undertake transformation projects to enhance our teaching, learning, research and business development activities that achieves high growth outcomes.</li> <li>There is a <b>high</b> appetite for innovation through technology and digital transformation projects that supports changes in regulatory, student expectations, competition, and in the conduct of our activities.</li> </ul>	<p>By 2023: CQU will deliver on our strategic plan, with:</p> <ul style="list-style-type: none"> <li>No significant under achievement or major delay in achieving objectives.</li> </ul>
	Research	<p>CQU is committed to performance-driven progress and ambitious research activities about growing research productivity, impact and knowledge exchange.</p> <ul style="list-style-type: none"> <li>There is a <b>high</b> appetite for pursuing research opportunities to strengthen performance.</li> <li>There is a <b>high</b> appetite for activities to support growth in our RHD student load.</li> <li>There is a <b>high</b> appetite for development of focussed Intellectual Property.</li> </ul> <p><i>Developing research activities is subject to maintaining exemplary quality and ethical standards.</i></p>	<ul style="list-style-type: none"> <li>No significant continuous attention/concern from the public, national media or stakeholders.</li> <li>By 2023: Increase external research income to \$22.5m.</li> <li>By 2023: Grow RHD student load to 350 EFTSL.</li> </ul>
	Student learning and engagement	<p>CQU is committed to delivering high-quality student learning experiences, as well as developing enhanced approaches to learning and teaching.</p> <ul style="list-style-type: none"> <li>There is a <b>high</b> appetite for providing high-quality courses and for being innovative in the delivery of courses and online learning that involves having a curriculum which is relevant to current employment and industry needs.</li> <li>There is a <b>high</b> appetite for activities that play a part in helping students to access and participate fully in their university experience, succeed in their learning endeavours, and importantly complete their studies.</li> </ul>	<ul style="list-style-type: none"> <li>No significant continuous attention/concern from the public, national media or stakeholders.</li> <li>By 2023: Increase student numbers to 18,672 EFTSL.</li> <li>By 2023: Achieve an 80% overall student experience result.</li> </ul>
MODERATE	Reputation	<p>CQU ranks among some of the world's best universities. Our commitment to providing high-quality support, facilities and resources leads to excellent student experience results.</p> <ul style="list-style-type: none"> <li>There is a <b>moderate</b> appetite for activities that could potentially maintain or increase the value of our reputational standing (events that reinforce, sustain, or improve our reputation).</li> </ul>	<ul style="list-style-type: none"> <li>No extended negative attention/concern from the public, State media or stakeholders.</li> </ul>
	Financial sustainability and commercialisation	<p>CQU needs to remain a competitive, efficient and financially sustainable organisation, and aims to maintain our long-term financial viability and our overall financial strength.</p> <ul style="list-style-type: none"> <li>There is a <b>moderate</b> appetite for actions that support the pursuit of expansion in our student load, both domestic and internationally, while looking at areas for efficiency.</li> <li>There is a <b>moderate</b> appetite for being more commercially adept and explore avenues to diversify revenue streams through commercially viable arrangements and partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a current ratio of &gt;1.0 or more favourable.</li> <li>By 2023: Achieve a 10% EBITDA turnover target.</li> </ul>
LOW	People	<p>CQU is committed to investing in strategies to attract, manage, motivate, develop and retain competent staff to achieve our strategic goals.</p> <ul style="list-style-type: none"> <li>There is a <b>low</b> appetite for activities that threaten to diminish our ability to meet this commitment.</li> </ul>	<ul style="list-style-type: none"> <li>No increased turnover of personnel or absenteeism of &gt;5% but &lt;10%.</li> <li>Maintain an 86% overall staff satisfaction rating.</li> </ul>
	Business disruption, systems security, and assets	<p>CQU places great importance on ensuring our activities and services operate efficiently and effectively.</p> <ul style="list-style-type: none"> <li>There is a <b>low</b> appetite for any business interruptions that may jeopardise our standards of operations or could lead to a loss of confidence by our stakeholders, communities, or key government agencies.</li> <li>There is a <b>low</b> appetite for the compromise of personal information or systems security.</li> <li>There is a <b>low</b> appetite for substandard campuses and associated facilities infrastructure that do not meet functionality, condition, operation, compliance and financial performance.</li> </ul>	<ul style="list-style-type: none"> <li>No loss of critical systems leading to business disruption (&lt;8 hours).</li> <li>Zero instances of failure to report and investigate data security breaches.</li> <li>Maintain a 0.95 Facility Condition Index.</li> </ul>
	Environmental sustainability	<p>CQU has a strong interest in protecting and preserving the environment and is committed to making a significant sustainable and responsible contribution through environmental planning.</p> <ul style="list-style-type: none"> <li>There is a <b>low</b> appetite for activities which will significantly degrade the environment.</li> </ul>	<ul style="list-style-type: none"> <li>By 2023: Reduce energy usage by 20%.</li> </ul>
MINIMAL	Culture and values	<p>CQU is driven by our values and fosters a culture of support, kindness, inclusive decision making and robust intellectual inquiry within the framework of ethical behaviour.</p> <ul style="list-style-type: none"> <li>There is a <b>minimal</b> appetite for changes to our values and culture.</li> <li>There is a <b>minimal</b> appetite for conduct non-congruent to our values.</li> <li>There is a <b>minimal</b> appetite for staff or student misbehaviour or misconduct.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain an 86% overall staff satisfaction rating.</li> </ul>
	Health and safety	<p>CQU is committed to creating a safe working environment for staff, students and visitors where people are protected from physical and psychological harm.</p> <ul style="list-style-type: none"> <li>There is <b>no</b> appetite for loss of life or serious harm to individuals.</li> <li>There is <b>no</b> appetite for any deviations from our standards and legislative responsibilities in work health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>Zero Notifiable Incidents as classified by <i>Work Health and Safety Act 2011</i>.</li> <li>Workers Compensation claim cost and claim duration under industry average as reported by WorkCover.</li> </ul>

	Risk Driver	Risk Appetite Position Statement	Risk Tolerance Measure
	Legal, compliance and regulatory	<p>CQU is committed to high standards of integrity, compliance, health and safety, and ethical behaviour.</p> <ul style="list-style-type: none"> <li>▪ There is a <b>minimal</b> appetite for activities that do not support regulatory compliance.</li> <li>▪ There is a <b>minimal</b> appetite for activities that might put course accreditation and University provider registration at risk.</li> <li>▪ There is <b>no</b> appetite for bribery and other forms of corruption, or fraud by individuals, or in systems and processes, or actions that breaches any law.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Zero instances of failure to report and investigate non-compliance breaches.</li> <li>▪ Zero instances of failure to report and investigate suspected and actual material fraud and theft.</li> </ul>

## STRATEGIC PLAN RISK APPETITE SUMMARY

Range	Key Activities	Our Students	Our Research	Our People	Our Communities	Our Reputation	Our Sustainability
<b>HIGH</b> 	Learning and teaching innovation	✓					
	Online distance learning capabilities	✓					
	Research collaboration and partnership		✓		✓		
	Entrepreneurial and impactful research		✓			✓	
	Commercial and diversified revenue						✓
	Financial stewardship						✓
	Access, participation, support and wellbeing	✓					
	Industry input into curriculum	✓				✓	
<b>MODERATE</b> 	Organisational change to optimise performance	✓		✓			✓
	Research Higher Degree training		✓				
	Talented and skilled staff			✓			✓
	Research talent		✓				
	Indigenous engagement				✓		
	Graduate outcomes and employability	✓					
	Engaged and future-focussed staff			✓			✓
	Community engagement and industry partnership				✓	✓	
	Student diversity	✓					
	Social innovation				✓		
	Philanthropic activity					✓	
<b>LOW</b> 	Poor (fit for purpose) facilities infrastructure	✓		✓			✓
	Environmental impact						✓
	Enhancing the University standings					✓	
	Government relations impact					✓	✓
	Cyber security threats						✓
	Critical business disruption						✓
<b>MINIMAL</b> 	Poor staff performance			✓			
	Academic standards and integrity breaches	✓					
	Changes to values and culture			✓			
	Reputation and brand impact					✓	
	Non-compliance with legislation						✓
	Research ethics and misconduct			✓			
	Safety and wellbeing	✓		✓			
	Fraud and inappropriate behaviour						✓

### IMPLEMENTATION OF THE UNIVERSITY'S RISK APPETITE

#### Risk management system

- The Risk Appetite Statement forms part of the University's risk management system, and therefore should be read in conjunction with the [Risk Management Policy](#) and the [Enterprise Risk Management Framework](#).

#### Responsibility

- All Senior Executive and Senior Employees are responsible for the implementation of, and compliance with, this Risk Appetite Statement.
- All Senior Employees are delegated responsibility to manage their specific risks in a manner which is consistent with this Statement and appropriately escalating any risks outside appetite or agreed tolerance levels.

#### Communication

- The University's Risk Appetite Statement is to be published on the University StaffNet and University website.

#### Confirmation and review

- This Risk Appetite Statement has been considered by the University Council sub-committee of Audit, Risk and Finance, and is formally evaluated and approved each year by this Committee and Council.
- This Risk Appetite Statement is reviewed and coordinated by the Chief Operating Officer.