



Risk Appetite Statement



Contents

1. Executive Summary 1

2. Summary 1

3. Risk Tolerance..... 3

4. Risk Appetite Statements 4

5. Risk Tolerances17

6. Conclusion17

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1. Executive Summary

Risk Appetite is an articulation of an organisation's willingness to take, retain or accept risks. Because it operates at a strategic and operational level, it is an integral part of any risk management capability. Risk appetites are a key influence, along with cost / benefit considerations, when determining the target risk ratings of specific risks. Understanding and applying an effective risk appetite is highly beneficial when managing risk.

Charters Towers Regional Council has articulated its appetite for taking, retaining and accepting risk through this qualitative Risk Appetite Statement, which is based on Council's nominated risk categories. Council has chosen to identify its risks within eleven risk categories, that contain primary and secondary (where appropriate) risk appetites.

Through a workshop exercise involving Councillors and Council's Executive Leadership Team, risk appetite levels have been determined for each of Council's risk categories. The risk appetite levels produced are based on an ordinal scale of four levels: **Avoid**, **Resist**, **Accept** and **Receptive**. In this order, the levels provide an indication of an increasing willingness to take on, retain, or accept risk. Avoid and Resist are considered more conservative options and Accept and Receptive are considered less conservative.

Information provided by Council's Risk Appetite Statements will be used to identify the strategic risks to Council and build a register that will be used to inform decisions making, internal audit and review.

It should be noted Risk Appetite Statements provide guidance only on Council's appetite for risk with regards to its risk categories. There are many variables that should be considered in decision making and the organisation's appetite for taking, retaining or accepting risk is only one of them.

Council's strategic objectives are clearly defined in the Community Strategic Plan (CSP). The strategic risks identified consider what objectives could be affected if the identified risk was realised. The strategic risks also assist in identifying what sits inside and outside of the risk appetite.

Where risks are identified that sit outside the risk appetite, they are either:

- prioritised for attention,
- considered as to the course of action to be taken, or
- a review of the risk appetite in that instance is undertaken.

2. Summary

The Risk Appetite Statements for Charters Towers Regional Council are based on the amount of risk the Council is willing to take, retain or accept in pursuit of its objectives over the life of the current Community Strategic Plan 2025-2035. The Council has a strategic focus on multiple areas and many different and varied operations are carried out to support the Local Government Area. As such, appetites for taking risk can vary across these difference operations and strategic focus areas. Therefore, Council's Risk Appetite Statement has been developed against each of Council's risk categories. These Statements use a four level ordinal scale to indicate the amount of risk Council is will to take, retain or accept for each category. Table 1 illustrates the four level ordinal scale, with a definition for each.

Table 1 – Risk Appetite Levels and Definitions

Avoid	
	(Little to no appetite) Avoidance of adverse exposure to risks even when outcome benefits are higher
Resist	
	(Small appetite) A general preference for safer options with only small amounts of adverse exposure.

Accept	
	(Medium appetite) Options selected based on outcome delivery with a reasonable degree of protection
Receptive	
	(Larger appetite) Engagement with risks based more on outcome benefits than potential exposure

Table 2 provides a summary of Charters Towers Regional Council's risk appetite positions across its identified risk categories. Each category has one coloured cell, which represents the Primary Appetite position and one 'greyed' cell, which represents the Secondary Appetite position for those categories with an identified secondary appetite. These positions are defined as follows:

Primary Appetite: indicates a general appetite for taking, retaining or accepting risk for the given risk category.

Secondary Appetite: indicate an appetite by exception position for taking, retaining or accepting risk in specific circumstances. It is not necessary for all risk categories to have a Secondary Appetite position.

Table 2: Summary of Council's Risk Appetite Positions

Risk Category	Avoid	Resist	Accept	Receptive
Finance and Economic	Primary			
Human Resources	Primary			
Work Health and Safety	Primary			
Infrastructure and Assets	Primary	Secondary		
Legal, Governance, Compliance, Regulatory & Liability (inc Environment)	Primary			
Information Technology	Primary		Secondary	
Reputation / Political	Primary			
Fraud and Misconduct	Primary			
Service Delivery	Primary			
Environment and Heritage	Primary	Secondary		
Positive Consequences			Primary	

3. Risk Tolerance

Risk appetite sets the tone for risk taking broadly, whilst risk tolerance informs specific risks and assists in identifying how much risk Council is prepared to tolerate. Council uses the risk matrix with numerical values to help quantify risk tolerance and prioritise risk response. Based on Council's Risk tolerance, Table 2 outlines the responsibility and actions required when risks are identified.

Table 3 – Risk Tolerance Response

Risk Rating	Response	Action
Extreme (23-25)	Executive Management attention required Action plan required	Immediate response Specify management responsibility
High (14-22)	Management Team attention Action plan required	Response required within 7 working days Specify management responsibility
Medium (6-13)	Implement specific monitoring or response procedures	Heightened action Specify management responsibility
Low (1-5)	Manage by routine procedures. Unlikely to require a specific application of resources	Business as usual. Response may not be necessary.

4. Risk Appetite Statements

Table 2 below contains the 'long form' primary and secondary Risk Appetite Statements for each risk category of Charters Towers Regional Council. These statements are qualitative in nature and designed to provide an indication of Council's general position when deciding to take, retain or accept risk, in pursuit of strategic objectives.

Note: The effectiveness of Risk Appetite Statements will be improved through the development of quantifiable Risk Tolerances from representative metrics for each risk category.

Table 2: Risk Appetite Statements

Finance and Economic			
	Level	Risk Appetite Statement	
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining finance and economic risk. Council seeks to avoid financial and economic risks due to their high likelihood and potentially severe consequences, which could jeopardise its ability to deliver essential services and maintain financial sustainability.	
<i>Financial and economic risks to Council are high to very high due to the likelihood and the flow on effect.</i> <i>Council continues to focus on providing essential services such as water and sewer supply, waste collection, roads and drainage, and planning considerations, which results in challenges with respect to financial sustainability and infrastructure management. This is further complicated with growing and shifting requirements placed on local government.</i> <i>Management of multiple years of Disaster Recovery Funding Agreement (DRFA) grant monies also place strain on Council's financial resources as projects are paid from Council's own source funding and reimbursement of those costs can be delayed by up to two years.</i> <i>Council is heavily reliant upon grant funding, and any threat to this ongoing source of revenue will have catastrophic consequences for Council's financial sustainability.</i>			
Risk	Likelihood	Consequence	Risk Rating
As a result of poor decision making or from an uninsured event, Council faces extensive financial loss (>25% annual budget), resulting in loss of programs, job losses, and/or business operations.	Unlikely	Level 5	High (19)
Council is no longer able to secure Federal or State grant funding resulting in extensive financial loss (>50% annual budget), resulting in loss of programs, job losses, and/or business operations.	Possible	Level 5	High (22)
A further disaster occurs in the region, requiring Council to manage a fourth year of funding and projects above business as usual requirements. Council financial resources become increasingly strained due to slow repayment methodologies	Likely	Level 5	Extreme (24)
Council faces financial liability because of outdated systems and manual errors.	Possible	Level 2	Medium (8)

Key Risk Indicators
- Budget planning and reporting - Insurance review and renewal - Service reviews - Longer term financial plan (LTFP)
Community Strategic Plan Objectives
Our Economy F2.3 – Infrastructure Investment and planning F2.4 – Establish a clear vision and strategic goals for the region’s visitor economy
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making F4.3 – Long term financial sustainability

Human Resources			
	Level	Risk Appetite Statement	
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining human resource risks. Council seeks to avoid human resource risks to protect its reputation as an employer of choice and ensure continuity in service delivery.	
<i>People and culture risk includes the risks associated with human resource management, and the general workplace culture. This can be generated through poor decision making involving staff, or overlooking poor behaviour.</i> <i>People and Culture consequences include damaged reputation for Council as an employer of choice, staff losses and loss of valuable workplace knowledge, difficulty attracting and retaining new staff, increases in psychosocial claims, and ultimately a reduction in service provision.</i> <i>Council recognises it needs to accept a medium amount of risk and this may involve a high risk appetite for recruitment and a low risk appetite for employee turnover.</i>			
Risk	Likelihood	Consequence	Risk Rating
Failure to address workplace issues, and an acceptance of inappropriate behaviours creates a poor culture resulting in loss of staff, an increase in workers compensation claims, an inability to attract and recruit suitable staff, and a reduction in service provision.	Possible	Level 5	High (22)
Council is unable to attract qualified staff, resulting in service delivery deficiencies and increased risks of unqualified staff being responsible for decision making	Likely	Level 4	High (20)
Council experiences an increase in psychosocial claims due to increased work loads as a result of staff shortages, resulting in unmanaged stress and poor support.	Possible	Level 3	Medium (12)

Key Risk Indicators			
• Staff survey responses and feedback • Staff turnover rates / industry standards • Recruitment data • Claims information and claims costs • Incidents and incident investigations			
Community Strategic Plan Objectives			
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making F4.2 – People first customer services F4.4 – Innovation in service delivery			
Work Health and Safety			
	Level	Risk Appetite Statement	
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining work health and safety risks. Council seeks to avoid work health and safety risks to meeting its legal duty of care under the <i>Work Health and Safety Act 2011</i> and to protect the wellbeing of its workers. Failure to manage these risks not only endangers lives but also exposes Council and its officers to serious legal consequences, including personal liability.	
<i>Council has a legislative primary duty of care under the Work Health and Safety Act 2011 to ensure, as far as is reasonably practicable that:</i> <i>(a) the provision and maintenance of a work environment without risks to health and safety, and</i> <i>(b) the provision and maintenance of safe plant and structures, and</i> <i>(c) the provision and maintenance of safe systems of work, and</i> <i>(d) the safe use, handling and storage of plant, structures, and substances, and</i> <i>(e) the provision of adequate facilities for the welfare at work of workers in carrying out work for the business or undertaking, including ensuring access to those facilities, and</i> <i>(f) the provision of any information, training, instruction, or supervision that is necessary to protect all persons from risks to their health and safety arising from work carried out as part of the conduct of the business or undertaking, and</i> <i>(g) that the health of workers and the conditions at the workplace are monitored for the purpose of preventing illness or injury of workers arising from the conduct of the business or undertaking.</i>			
Risk	Likelihood	Consequence	Risk Rating
A member of Council’s workforce (including volunteers and contractors) is killed, or one or more persons suffer life altering injuries, and Council is found to be responsible and liable.	Possible	Level 5	High (22)
Council is found non-compliant with WHS legislation, resulting in fines or prosecution	Unlikely	Level 4	High (18)
Unsafe work practices remain in use due to cultural norms, leading to compensation claims.	Possible	Level 3	High (14)

Key Risk Indicators	
	• Claims history and incident investigations • Insurance information and current trends • Facility and amenity inspections
Community Strategic Plan Objectives	
<i>Our Civic Leadership</i> F4.1 – Transparent and accountable processes and decision making F4.2 – People first customer services F4.4 – Innovation in service delivery	

Infrastructure and Assets			
	Level	Risk Appetite Statement	
 	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining infrastructure and asset risks. It will however takes a Resist stance where non essential infrastructure is concerned in certain instances. Council seeks to avoid infrastructure and asset risks to ensure the safety, functionality and longevity of critical community facilities and services. The financial and resource burden of maintaining roads, water, sewerage and stormwater infrastructure is significant and whilst some risks can be insured, poor asset management can lead to service disruptions and increased costs.	
	RESIST	Council may however adopt a resist stance for non essential infrastructure to ensure limited financial and human resources are prioritised toward maintaining critical assets and services, particularly during natural disaster events. Prioritising non essential assets during natural disasters could divert resources from essential functions, increasing the risk of service disruption and compromising long term sustainability.	
<i>Council is responsible for many community buildings and infrastructure. To maintain our built environment, Council also must have access to suitable and safe plant and equipment.</i> <i>There are many risks facing Council's built environment and some of these can be transferred to insurance. However, the upkeep of buildings, roads, water, sewer, playgrounds, levees, etc. places substantial strain on Council's financial and human resources.</i>			
Risk	Likelihood	Consequence	Risk Rating
Council loses vital infrastructure due to catastrophic event affecting the ability to continue business operations or provide community services.	Possible	Level 5	High (22)
Due to strain on Council resources (finance and staff), Council is unable to maintain or replace assets as required resulting in unusable or unsafe assets which in turn affects business operations and the provision of services.	Likely	Level 3	High (17)

Council experiences delays in asset renewal or maintenance due to poor asset management plans, leading to safety hazards and disruption of services.	Likely	Level 4	High (21)
Key Risk Indicators			
- Asset management plans - Condition report /facility inspections - Risk assessments / workplace inspections			
Community Strategic Plan Objectives			
Our Community F1.3 – Deliver high quality community facilities			
Our Economy F2.1 – Regional collaboration and advocacy F2.2 – Investment attraction and local business support F2.3 – Infrastructure investment and planning F2.5 – Additional Housing to Support Regional Migration			
Our Environment F3.4 – Manage issues associated with flying-fox roosts within the local government area F3.4 – Maximising renewable energy opportunities F3.5 – Effective waste management			
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making F4.3 – Long term financial sustainability			

Legal, Governance, Compliance, Regulatory and Liability (inc Environment)		
	Level	Risk Appetite Statement
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining legal, governance, compliance, regulatory or liability risks. Council seeks to avoid these risks to uphold its strong compliance culture and protect the organisation, staff and the community from serious legal consequences, including prosecution and regulatory action. Non-compliance can also damage Council's reputation, erode public trust and expose individuals to personal liability.
<i>Legal risk involves significant legal consequences that flow from actions attributable to Council business and Council's individual staff members. Legal consequences may involve the risk of prosecution, regulatory action, and/or claims.</i> <i>Legal risk also extends to broader ethical issues and includes community and internal reputational concerns.</i> <i>Council has a strong compliance culture, and low appetite for non-compliance with legislation, regulations, and professional standards.</i> <i>Below are the worst-case legal risk scenarios.</i>		

Risk	Likelihood	Consequence	Risk Rating
Council is at risk of significant fines and/or class action as a result of failing to meet contractual and/or statutory duties.	Unlikely	Level 5	High (19)
Individual Council officers face significant fines and/or imprisonment as a result of failing to adhere to legislative requirements and/or laws.	Possible	Level 4	High (18)
Council investigated for governance failures impacting reputation and possible dismissal action	Unlikely	Level 5	High (19)
Key Risk Indicators			
- Review of Legislative Compliance Register - Public and Professional Indemnity Insurance for Councillors and executive staff maintained - Code of Conduct – complaints received - Disclosure of Interest Forms completed			
Community Strategic Plan Objectives			
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making			

Information Technology		
	Level	Risk Appetite Statement
 	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining information technology risks. It may however take an Accept stance when adopting new technologies. Council seeks to avoid cybercrime related risks to protect its systems, data and reputation from the potentially devastating financial and operational impacts possible in response to the various types of cyber crime.
	ACCEPT	However, it may adopt an accept position when trialling new technologies to improve efficiency and service delivery, provided robust safeguards are in place to prevent exposure to threats such as ransomware or privacy data breaches.
<i>Technology risk refers to the potential for financial losses, operational disruptions, and damage to Council's reputation from cyber-attack and also from a failure to develop with new technology.</i> <i>Investment in technology is required to ensure Council's systems evolve with new developments, to ensure we are working at a performance level required to service our community and meet compliance requirements.</i> <i>The secondary accept appetite level reflects Council's willingness to trial new technology to maintain efficiencies.</i> <i>The avoidance appetite level reflects that, whilst Council is willing to pursue technological advancement, there is no appetite to place Council in a precarious position where cyber-attack and ransomware are possible.</i>		

Risk	Likelihood	Consequence	Risk Rating
As Council relies heavily on technology, disruption due to outage or cyber-attack has the potential to halt Council services for significant periods of time.	Possible	Level 5	High (22)
Council is at risk of technology obsolescence, increasing the risk of disrupting services, poor cyber security and increasing service inefficiencies.	Possible	Level 3	High (22)
Council fails to adopt new technologies, reducing its ability to appropriately service the community	Unlikely	Level 3	Medium (9)
Key Risk Indicators			
- Phishing emails and scam reports - External audit - Insurance renewal (cyber crime) - Staff survey			
Community Strategic Plan Objectives			
Our Economy F2.3 – Infrastructure investment and planning			
Our Civic Leadership F4.4 – Innovation in service delivery			

Reputation / Political			
	Level	Risk Appetite Statement	
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining reputational / political risks. Council seeks to avoid reputation and political risks to maintain community trust, uphold its values and ensure transparent, inclusive decision making. Failing to engage effectively with the community, or adhere to governance standards, can lead to public dissatisfaction, reputational damage and diminish confidence in Council's leadership.	
<i>This area is focused on Council doing the right thing by our community.</i> <i>It involves ensuring we are recognising and servicing the needs of all community members, that we are doing this by consulting with our community and keeping them informed, and we are adhering to strict governance frameworks which is aligned with our values.</i>			
Risk	Likelihood	Consequence	Risk Rating
Poor relationships between Council and the community, exacerbated by poor consultation and a lack of understanding around Council's role and responsibilities results in reputational damage, poor	Possible	Level 2	Medium (8)

media exposure, misdirected complaints via social media, and unrealistic expectations of Council.			
Charters Towers local government area experiences a decline in population, tourism, and business growth due to varying factors such as climate change, progressive/attractive neighbouring Councils, declines in services, and an inability to attract funding.	Unlikely	Level 3	Medium (9)
Council suffers serious reputational damage due to corrupt or fraudulent activity by elected members or staff.	Unlikely	Level 5	High (19)
Key Risk Indicators			
• Social media posts • Customer complaints • Print media reports • Councillor complaints • Internal audit • External audit			
Community Strategic Plan Objectives			
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making			

Fraud and Misconduct		
	Level	Risk Appetite Statement
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining fraud or misconduct risks. Council seeks to avoid fraud and misconduct risks to safeguard public trust, uphold ethical standards and prevent financial loss, legal liability and reputational damage. Given the serious consequences of unethical or illegal behaviour by staff, contractors, or elected officials, Council maintains a zero tolerance stance to ensure integrity and accountability across all operations.
<i>Fraud and misconduct risk refers to the unethical, illegal or dishonest behaviour of employees, contractors or elected officials that could result in financial loss, reputational damage, legal liability, or operational disruption. These risks may arise from:</i> • <i>asset misappropriation (such as theft of funds, equipment or resources),</i> • <i>procurement fraud (including collusion, kickbacks, or falsified invoices),</i> • <i>conflict of interest (such as the non-disclosure of relationships that may influence decision making),</i> • <i>corruption or bribery (either of staff or elected officials),</i> • <i>misuse of confidential information, and / or</i> • <i>false reporting or manipulation of Council records.</i>		

Risk	Likelihood	Consequence	Risk Rating
Council suffers financial loss and reputation damage due to internal fraud involving procurement or asset misappropriation.	Possible	Level 5	High (22)
Elected officials or staff engage in misconduct resulting in legal action, media scrutiny and loss of community trust	Unlikely	Level 5	High (19)
Failure to detect or report fraudulent activity leads to prolonged exposure and systemic issues across departments	Possible	Level 4	High (18)
Key Risk Indicators			
• Internal Audit • External Audit • Code of Conduct • Public Interest Disclosures • Staff training • Segregation of duties • Policy non-compliance reports			
Community Strategic Plan Objectives			
Our Environment F3.4 – Maximising renewable energy opportunities			
Our Economy F2.3 – Infrastructure investment and planning			
Our Civic Leadership F4.1 – Transparent and accountable processes and decision making F4.3 – Long term financial sustainability			

Service Delivery		
	Level	Risk Appetite Statement
	AVOID	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining service delivery risks. Council seeks to avoid service delivery risks to ensure the consistent, timely and effective provision of essential services the community relies on daily.
<i>Service delivery risk refers to the potential failure to provide essential services to the community in a timely, efficient and effective manner. This includes disruptions to core functions such as waste collection, water and sewer services, road maintenance, customer service and community programs.</i> <i>Risks in this area may arise from:</i> • resource constraints (staffing, funding, equipment etc), • system failures or outages, • poor planning or prioritisation,		

- *poor asset management practices,*
- *external events (such as natural disasters), or*
- *ineffective communication or co-ordination.*

Council's appetite for service delivery risk is an avoid position, reflecting a commitment to continuity and reliability.

Risk	Likelihood	Consequence	Risk Rating
Disruption to essential services (e.g. water, sewer, waste, roads) due to resource shortages, or equipment failure	Likely	Level 4	High (20)
Failure to meet community expectations due to delays in maintenance or poor quality service delivery.	Likely	Level 4	High (21)
Inadequate planning or co-ordination results in missed strategic objectives and reputational damage	Unlikely	Level 4	Medium (10)

Key Risk Indicators

- Service interruption logs
- Customer complaints and satisfaction surveys
- Staffing levels and absenteeism rates
- Equipment availability and maintenance records
- Asset management plans
- Project reporting
- Incident reports and root cause analyses

Community Strategic Plan Objectives

Our Community

- F1.3 – Deliver high quality community facilities
- F1.4 – Strengthen partnerships and relationships within our community

Our Economy

- F2.1 – Regional collaboration and advocacy
- F2.2 – Investment attraction and local business support
- F2.3 – Infrastructure investment and planning
- F2.4 – Establish a clear vision for the region's visitor economy
- F2.5 – Additional housing to support regional migration

Our Environment

- F3.1 – Sustainably develop natural resources
- F3.2 – Manage issues associated with flying fox roosts within the local government area
- F3.3 – Provide strategic direction for the management of invasive plants and animals
- F3.4 – Maximising renewable energy opportunities
- F3.5 – Effective water management

Our Civic Leadership

- F4.1 – Transparent and accountable processes and decision making
- F4.2 – People first customer service
- F4.3 – Long term financial sustainability
- F4.4 – Innovation in service delivery

Environment and Heritage

	Level	Risk Appetite Statement	
 	AVOID RESIST	In the pursuit of its Strategic Outcomes, Council prefers to Avoid taking or retaining heritage risks. It will however take a Resist stance where environmental risks resultant of climate change are considered. Council seeks to avoid risks to cultural, heritage and sacred sites to preserve the region's identity, respect Traditional Owner connections and protect irreplaceable assets of historical and spiritual significance. Damage or neglect in this area can lead to community distress, reputational harm and loss of cultural value. Council may however adopt a resist risk appetite regarding weather events related to climate change due to its location in North Queensland, where extreme weather such as cyclones, flooding and heatwaves pose frequent and severe threats. While Council cannot eliminate these risks, it must actively resist exposure by investing in resilient infrastructure, emergency preparedness and climate adaptation strategies to protect community safety and service continuity.	
<i>Council is exposed to risks to the natural environment not only through adverse actions, but also as a result of inaction, specifically in relation to climate change.</i> <i>The natural environment also plays an important role in our tourism sector, so the risks have flow on effects to our region's economy.</i>			
Risk	Likelihood	Consequence	Risk Rating
Council's acts or omissions result in catastrophic environmental damage where there is significant flora and fauna losses and involving long-term remediation.	Unlikely	Level 5	High (19)
Council fails to adequately manage invasive species which leads to ecological damage	Possible	Level 3	Medium (1)
Council does not consider climate change impacts on its financial and physical resources, negatively affecting its long term sustainability	Likely	Level 4	High (20)
Key Risk Indicators			
- Climate change adaptation measures - Tree assessments - Customer complaints - EPA reports			
Community Strategic Plan Objectives			
Our Community F1.2 – Celebrate our unique character, identity and history			

Our Economy F2.4 – Establish a clear vision and strategic goals for the region’s visitor economy
Our Environment F3.1 – Sustainably develop natural resources F3.2 – Manage issues associated with flying fox roosts within the local government area F3.3 – Provide strategic direction for the management of invasive plants and animals

Positive Consequences			
	Level	Risk Appetite Statement	
	ACCEPT	In the pursuit of its Strategic Outcomes, Council prefers to Accept taking or retaining of some positive risks. Council seeks to accept positive consequence risks to embrace opportunities for innovation, community engagement, economic growth and environmental sustainability. By being open to uncertainty in pursuit of strategic gains, Council can avoid stagnation and better serve its community’s evolving needs.	
<i>Unlike traditional risk categories that focus on adverse outcomes, positive consequence risks refer to missed opportunities or failure to capitalise on beneficial outcomes. These include innovation, community engagement, economic development and environmental sustainability. The risk lies in being too risk-averse and thereby failing to achieve strategic gains.</i> <i>Council’s appetite for positive consequence risk takes an accept position, reflecting a willingness to pursue opportunities that align with strategic objectives, even if they carry some uncertainty.</i>			
Risk	Likelihood	Consequence	Risk Rating
Council fails to pursue innovative projects due to conservative decision making processes, missing out on long term benefits	Likely	Level 3	High (17)
Opportunities for regional collaboration or funding are missed due to slow response or lack of strategic alignment.	Possible	Level 4	High (20)
Community led initiatives are not supported, resulting in reduced civic engagement and missed social benefits.	Possible	Level 2	Medium (10)
Key Risk Indicators			
• Grant application success rate • Community engagement metrics • Strategic partnerships • Staff suggestions or improvement initiatives • Monitoring of emerging trends and opportunities			
Community Strategic Plan Objectives			
Our Community F1.2 – Celebrate our unique character, identity and history F1.3 – Delivery high quality community facilities			

F1.4 – Strengthen partnerships and relationships within our community
<i>Our Economy</i> - F2.1 – Regional collaboration and advocacy - F2.2 – Investment attraction and local business support - F2.4 – Establish a clear vision and strategic goals for the region’s visitor economy - F2.5 – Additional Housing to Support Regional Migration
<i>Our Environment</i> - F3.4 – Maximising renewable energy opportunities - F3.5 – Effective waste management
<i>Our Civic Leadership</i> - F4.1 – Transparent and accountable processes and decision making - F4.2 – People first customer service - F4.3 – Long term financial sustainability - F4.4 – Innovation in service delivery

5. Risk Tolerances

Quantifiable risk tolerances are essential to operationalising Council's risk appetite statements. They provide clear, measurable thresholds that define acceptable levels of risk across key categories, enabling consistent decision making, prioritisation of resources and timely escalation when risks exceed defined limits. By aligning tolerances with strategic objectives, Council ensures risk is managed proactively and transparently, supporting both accountability and resilience.

Table 3 below describes Council's agreed risk tolerances.

Table 3: Risk Tolerance Thresholds

Risk Category	Risk Tolerance Thresholds
Finance and Economic	Monetary loss not exceeding: • \$50,000 per incident (excluding insurance incidents that have an excess threshold defined in Council's insurance policies). • 10% of total approved project costs unless otherwise approved by Council.
Human Resources	Service delivery disruption not exceeding 3 consecutive days or failure to meet minor strategic objectives
Work Health and Safety	Injuries resulting in no more than 7 days lost time in total annually and no common law claims.
Infrastructure and Assets	Damage resulting in no more than 3 days of service disruption and repairs within existing operational budgets.
Legal, Compliance, Regulatory and Liability	Breaches that are contained, with no fines or litigation and no external investigation.
Information Technology	System outages not exceeding 4 hours, with no data loss or privacy breach.
Reputation / Political	Issues limited to local community concern, resolved through standard public relations
Fraud and Misconduct	Zero confirmed unethical or illegal behaviours supported after investigation
Service Delivery	Interruptions not exceeding 24 hours, with no failure to meet strategic objectives.
Environment and Heritage	Environmental impacts that are minor, contained on site, and repairable without external assistance.

6. Conclusion

The Risk Appetites expressed in this document will provide guidance to decision makers as to where Council's general position is with regard to the level of risk it is willing to take, retain or accept in pursuit of its strategic outcomes. The statements should be considered and reviewed during strategic planning and can be used as an influence when determining whether to increase or decrease control activity on specific risks, or whether to pursue opportunities. Additionally, it is better practice to review Risk Appetite Statements thoroughly at least on a semi-annual basis and every time there is a substantial shift in Charters Towers Regional Council's operating environment.

Risk tolerances will provide further guidance on whether the risk appetite levels are set appropriately as well as provide indicative measures of whether Council is operating within its expressed appetite level for taking risks.

It should be noted that Risk Appetite Statements provide guidance only on Council's appetite for risk with regard to certain risk categories. There are many variables that should be considered in decision making and the organisation's appetite for taking, retaining and accepting risk is only one of them.



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