



# Risk Appetite Statement

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## Risk Appetite Statement

Risk appetite is the level and type of risk that The University of Queensland (UQ or the University) is prepared to take, accept or tolerate in the pursuit of its long term objectives.

The Risk Appetite Statement (RAS) consists of individual appetite statements, aligned to UQ's risk categories, which articulate the level of risk, per category, that the University is prepared to take.

The overall objective is not to eliminate risk, but to ensure that risk is actively monitored and maintained at a level where UQ can be confident in achieving its strategic and operational objectives.

The RAS is owned and approved by Senate, with input from management. The approved RAS is a core component of UQ's Enterprise Risk Management Framework Policy (ERMFP) and its adoption across the University, including controlled entities, is mandatory.

### 1.0 Purpose

Risk management is an essential component of the UQ's governance framework, supporting the achievement of its strategic objectives. Effective risk management increases the probability of successful outcomes while protecting the reputation and sustainability of the University.

The RAS considers the most significant types of risks the University is exposed to. It outlines the approach to managing these risks through setting clear boundaries that assist management to prioritise and deploy resources in the pursuit of strategic objectives, whilst not exceeding the prescribed level of risk.

The RAS formalises the philosophy and attitude towards risk taking and establishes consistency in behaviours by serving as an overall guide to value creation and providing guardrails to management.

### 2.0 Principles

UQ's operating environment is complex and dynamic by nature and the degree of risk that is acceptable at UQ subsequently differs across its various business areas. It is therefore important to understand and adhere to the key principles of the RAS:

1. The RAS is used to inform decision making, and all risk appetite categories are considered holistically.
2. All activities and projects informed by the RAS must also consider UQ's core purpose, strategic objectives and values.
3. All activities and projects informed by the RAS must also be managed in alignment with UQ frameworks/policies appropriate to the specific activity or project.

### 3.0 Implementation

In practice, the RAS is used to support Senate and management decisions (including business cases), the development of policies, frameworks and procedures, and the assessment of risks.

Management is expected to make informed risk-based decisions considering the RAS and its parameters as defined in the individual statements and in accordance with the principles outlined in Section 2.0.

The RAS is implemented through the application of aligned policies, delegations and other mechanisms which set the parameters within which management operates.

The RAS comprises three levels of appetite. These levels are applied to UQ’s approved Risk Appetite Summary ([Appendix 1](#)) and individual appetite statements ([Appendix 2](#)), to cement UQ’s position on the management of risks within its defined risk categories.

Management must understand these levels and refer to UQ’s Risk Appetite Summary and individual appetite statements in the execution of core activities and decisions, to ensure alignment with UQ’s RAS position and to support management’s assessment of risk.

	CAUTIOUS	BALANCED	WILLING
	UQ takes a cautious approach towards risk taking	UQ takes a balanced approach to risk taking	UQ is eager to pursue opportunities
Protecting value. (Managing risk events)	UQ takes a cautious approach towards risk taking	Measured approaches should be taken that balance the cost of risk mitigation to the outcomes achieved	UQ takes a higher level of risk for increased benefit
Creating value. (Managing uncertainty)	Strategies and plans must be based on sound assumptions and/or have minimal uncertainty	UQ can accept a degree of uncertainty to achieve an intended outcome providing that effective measures are in place to monitor the risk and limit adverse outcomes	Comfortable to pursue strategies and plans with a significant level of uncertainty to gain highly valued reward/s. The possibility of loss is accepted within defined limits
Treating Risk	Those risks that cannot be effectively treated are shared with an outside party or avoided	Risk treatment will be considered depending on the context and benefit to UQ and its stakeholders	Risk is accepted as it is core to UQ’s purpose, strategy and desired outcomes






### 4.0 Monitoring and reporting

The Governance and Risk Division is responsible for monitoring and reporting on UQ’s adherence to the RAS to the Senate. Monitoring and reporting against the RAS tolerances is through Key Risk Indicators (KRIs). KRIs are developed against the appropriate risk categories to measure and monitor UQ’s operation within the set parameters.


### 5.0 Review

The RAS is reviewed and updated on annual basis to ensure ongoing alignment with the strategic direction of UQ. The RAS undergoes out-of-cycle reviews in response to trigger events identified within the internal/external environment, such as a significant change in strategy or a risk event.

## Appendix 1 – Risk Appetite Summary

Strategy	Risk Category	Sub-Category	Risk Appetite Level Cautious	Risk Appetite Level Balanced	Risk Appetite Level Willing
Securing our future 	Learning, Teaching and Students	Teaching and Assessment Quality and Integrity			
		Student Safety			
		Student Experience (including learning outcomes)			
		Student Diversity, Equity and Inclusion			
Research and innovation 	Research and Innovation	Research Integrity and Ethics			
		Research Focus, Commercialisation and Partnerships			
Enriching our communities  Our global profile 	Strategy, Global and Community	Stakeholders			
		Reputation			
		Student Market (international and domestic)			
		Growth			
Our People 	People	Employee Health, Safety and Wellbeing			
		Employee Diversity, Equity and Inclusion			
		Employee Workforce			






<b>CAUTIOUS</b>	<b>BALANCED</b>	<b>WILLING</b>
UQ takes a cautious approach towards risk taking	UQ takes a balanced approach to risk taking	UQ is eager to pursue opportunities

Strategy	Risk Category	Sub Category	Risk Appetite Level Cautious	Risk Appetite Level Balanced	Risk Appetite Level Willing
Securing our future 	Finance	Financial Sustainability	Red	Grey	Grey
		Investment	Grey	Yellow	Grey
	Operations	Projects	Grey	Yellow	Grey
		Estate Management	Grey	Yellow	Grey
		Sustainability	Grey	Yellow	Grey
		Business Continuity	Grey	Yellow	Grey
	Technology	Third Party Risk Management (vendors/suppliers)	Grey	Yellow	Grey
		Information Security (including Cyber and Privacy)	Red	Grey	Grey
	Governance	IT Systems and Service Delivery	Grey	Yellow	Grey
		Legal and Compliance	Red	Grey	Grey
		Conduct and Ethics	Red	Grey	Grey

<b>CAUTIOUS</b>	<b>BALANCED</b>	<b>WILLING</b>
UQ takes a cautious approach towards risk taking	UQ takes a balanced approach to risk taking	UQ is eager to pursue opportunities

## Appendix 2 – Risk Appetite Statements

### Learning and Student Experience







Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Securing our future 	Learning, Teaching and Students	Teaching and Assessment Quality and Integrity	<i>We take a cautious approach to risks impacting quality and integrity within our teaching and assessment practices. The University is committed to maintaining the highest standards of integrity, ethics, and professional standards to deliver the best educational opportunities to our students.</i>			
		Student Safety	<i>We take a cautious approach to risks to student safety and prioritise the safety and wellbeing of our students. We are committed to maintaining a safe and secure environment where students can thrive academically, socially and personally.</i>			
		Student Experience (including learning outcomes)	<i>We are willing to consider opportunities to cultivate a positive student experience and enhance learning outcomes through investing in innovation, curriculum advancements and academic excellence.</i>			
		Student Diversity, Equity and Inclusion	<i>We are committed to creating an environment that allows for students of all backgrounds and perspective, to improving our understanding of all cultures and offering tailored support to foster academic excellence and development for underrepresented students.</i>			

## Research and Innovation

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Research and innovation 	Research and Innovation	Research Integrity and Ethics	<i>We take a cautious approach to risks associated with research regulatory compliance and ethical standards. We recognise the importance of fostering an environment where research is conducted with integrity, transparency and respect.</i>			
		Research Focus, Commercialisation, and Partnerships	<i>We are willing to consider opportunities to drive impactful research and innovation outcomes by making informed risk-based decisions, with appropriate due diligence, on funding and partnerships aligned to our values and strategic plan. We will continue to identify and invest in meaningful research opportunities and partnerships into the future.</i>			






## Strategy, Global and Community

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Enriching our communities   Our global profile 	Strategy, Global and Community	Stakeholders	<i>We are willing to pursue opportunities to influence and engage with stakeholder groups to enrich communities and will advocate for enhanced outcomes across the sector.</i>			
		Reputation	<i>We take a balanced approach to decisions where there may be risk of brand and reputational impact. Our balanced approach considers benefits to the university, potential impacts and our resilience and response capability.</i>			
		Student Market (international and domestic)	<i>We take a balanced approach to maintaining a healthy diversification ratio of domestic and international students. We are committed to providing a supportive learning environment meeting the unique needs and challenges of both domestic and international student markets by carefully balancing risk and opportunity in each market segment whilst maintaining alignment with our QLD Commitment.</i>			
		Growth	<i>We take a balanced approach to the pursuit and exploration of growth opportunities aligned to our core purpose. We will pursue growth opportunities with balanced consideration to sustainable development, execution capability and cost versus benefit. We will seek to balance traditional funding sources with opportunities for diversified revenue streams and partnerships with industry and community stakeholders.</i>			

## People

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Our People 	People	Employee Health, Safety and Wellbeing	<i>We take a cautious approach to employee health safety &amp; wellbeing, fostering a safety-first culture which places our people at the forefront of everything we do. We support our people to actively identify risk, and report and act on concerns by implementing effective controls to support the best possible outcomes for our people, minimising the risk to as low as reasonably practicable.</i>			
		Employee Diversity, Equity, and Inclusion	<i>We will strive to ensure our workforce is representative of our community and we value diversity of backgrounds and perspectives. We are committed to increasing understanding of all cultures and will pursue opportunities for diversity, equity and inclusion.</i>			
		Employee Workforce	<i>We take a balanced approach to attraction and retention, workforce flexibility, innovation, and future workforce planning, recognising the importance of our people in contributing to achievement of our strategic objectives. We are willing to support our leaders to manage our workforce to optimise performance and foster employee engagement.</i>			




## Finance

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Securing our future 	Finance	Financial Sustainability	<i>We take a cautious approach when considering risks associated with decisions impacting financial sustainability. We are committed to maintaining a sound and resilient financial base.</i>			
		Investment	<i>We take a balanced approach to risk around investment decisions in pursuit of long-term financial sustainability. The University will ensure that appropriate due diligence is undertaken, risk and return is understood, there is alignment with our mission and core values, and appropriate measures to mitigate risk and realise value are established.</i>			

## Operations

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Securing our future 	Operations	Projects	<i>We take a balanced approach to major projects ensuring that benefits and risks are fully understood before projects are approved, and appropriate measures to mitigate risk are established. We embed appropriate governance and change practices within the project lifecycle aligned to the achievement of our strategic objectives, delivery of benefits and management of delivery and delivered risk.</i>			
		Estate Management	<i>We take a balanced approach to managing risks and pursuing opportunities to strategically plan and preventatively maintain our ageing estates, recognising its importance to the university's core services. Our approach is guided by our commitment to compliance, safety and the efficient use of resources to ensure the ongoing performance and longevity of our estate.</i>  <i>There must be rigorous due diligence and consideration of our core business and underlying financial sustainability to support decisions surrounding investments or divestments of our estate.</i>			
		Sustainability	<i>We are committed to understanding our sustainability impact and will take a balanced approach to the management of risks and opportunities around sustainability guided by our intent and commitment.</i>			
		Business Continuity	<i>We take a balanced approach to business continuity risks, guided by our commitment to resilience, preparedness, and continuity of operations to support our core services.</i>			
		Third Party Risk Management (vendors/suppliers)	<i>We are committed to engaging with third parties and strategic partners in the pursuit of our objectives. We take a balanced approach to third party risk recognising the importance of due diligence, transparency, and accountability in managing risks of partners and service providers, whilst pursuing commercial opportunities.</i>			

## Technology

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Securing our future 	Technology	Information Security (including Cyber and Privacy)	<i>We take a cautious approach towards managing cyber threats and vulnerabilities that may impact systems and security, and in particular the management of information. Information (including academic) is handled and protected in a manner appropriate for the level of sensitivity.</i>			
		IT Systems and Service Delivery	<i>We take a balanced approach to the management of IT systems and service delivery management practices, guided by our commitment to obtaining and maintaining effective technology to ensure reliability, performance, security, and innovation (including responsible AI) in meeting the evolving needs of our university community while effectively managing associated risks.</i>			

## Governance

Strategy	Risk Category	Sub Category	Qualitative statement <i>(What behaviours do we intend to encourage?)</i>	Risk appetite level <i>(What level of risk taking do we need to take?)</i>		
				Cautious	Balanced	Willing
Securing our future 	Governance	Legal and Compliance	Our approach to compliance is risk-based ensuring focus on our core obligations. We are committed to having a fit for purpose risk-based approach to policies, procedures, legal advice and contracts which supports us in achieving our strategic objectives whilst appropriately managing risk.			
		Conduct and Ethics	We are committed to maintaining the highest standards of integrity, conduct and ethics and adopt appropriate governance, monitoring, and reporting in line with our cautious risk appetite. We are committed to the protection of freedom of speech and academic freedom.  We ensure our people understand the behaviours we expect of them and discourage complacency in processes and procedures that put us at risk of breaches of fraud, conduct and ethics.			