## 1.0 RISK APPETITE STATEMENT

Resource Recovery Group (RRG) is a leading provider and innovator in the waste recovery industry and has a strong focus on maintaining a competitive advantage.

At times, this involves the taking of risk – RRG is not averse to accepting considered and structured risk and has a framework to investigate potential risks by identifying and understanding those risks, documenting them and, where necessary, putting in place robust controls to minimise risk exposure.

Business risks of all categories are to be actively managed using the RRG Risk Management Strategy.

## 2.0 SCOPE

This Policy applies to all employees of RRG.

## 3.0 OBJECTIVE

3.1 To provide a framework to manage risks related to the RRG's business activities.

3.2 To outline the Regional Council's approach to Risk Management;

3.3 To improve the accountability, decision making process and outcomes through the efficient use of risk management; and

3.4 To consolidate risk management into the daily planning of theRRG and its' operations.

## 4.0 DEFINITIONS

| Term | Definition |
|---|---|
| Risk | The chance of something happening that will have a negative impact on how the RRG pursues its' strategic priorities. Risk is measured in terms of consequence and likelihood. |
| Risk Assessment | The overall process of risk identification, risk analysis and risk evaluation. |
| Risk Management | The culture, processes, strategies and structures that are directed towards realising potential opportunities whilst managing adverse effects in the SMRC environment. |
| Risk Management Process | The systematic application of policies, processes and procedures to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk. |
| Risk Register | The documented evidence arising from the application of the Risk Management Process. |
| Risk Treatment (or Control) | The specific procedure or process developed to mitigate or minimise risk at the operational level. |

## 5.0 ROLES & RESPONSIBILITIES

### 5.1 Regional Council

The Councillors are accountable for ensuring that a risk management system is established, implemented and maintained in accordance with this Policy.

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### 5.2 Audit Committee

The Audit & Risk Committee is accountable for the oversight of the Risk Management Process and reviewing the high risks to advise Council as necessary.

### 5.3 Chief Executive Officer / Senior Management Group

The Chief Executive Officer is accountable for implementing the strategic risk management strategy and this Policy framework.

The Senior Management Group is responsible for:
- Weekly reviews of high risk evaluations of 15 and above;
- Identifying strategic risks;
- Ensure business unit managers and supervisors undertake a full risk management process for inclusion in the Operational Risk Register; and
- Quarterly reviews of the status of the Operational Risk Register and reporting to the Audit & Risk Committee.

### 5.4 Manager Corporate Services

The Manager Corporate Services is responsible for:
- Maintaining/updating Risk Register;
- Receiving reviewed and/or new Risk Plans;
- Informing about Risks to SMG, Audit & Risk Committee and Regional Council through 'Information Bulletins'; and
- Disseminating determinations to Business Unit Managers and Supervisors

### 5.5 Business Unit Managers and Supervisors

Each Business Unit Risk Register identifies the responsible employee who shall:

1. Identify, assess and evaluate risks within work area and include in risk register;
2. Ongoing reviews of the risk register and risk treatment plan; and
3. Identify and implement treatment actions.

### 5.6 SMRC Employees

All employees should be aware of the need for the effective management of risk in their own business unit activities. All employees have a role to play in the identification and management of risks within their work area.

## 6.0 CONTENT

Risk is the chance of something happening that will have an impact on the achievement of the SMRC's objective. Risk is measured in terms of consequences and likelihood of it happening.

### 5.1 Risk Management Strategy

The Risk Management Strategy is an integral part of the organisational processes and decision making. The risk management framework should be systematic and structured and the process to be dynamic and responsive to change and improvement.

An effective risk management strategy for the RRG is recognising and supporting its accountability to its stakeholders, in particular its business.

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The Risk Management Strategy of the RRG follows the ISO 31000:2018– Risk Management Standard.

The policy is an effective approach for the identification, assessment, monitoring and management of risks.

### 5.2 Risk Management Framework

The Risk Management Framework includes the goals, objectives, strategies, scope and parameters of the business to which the risk management process is being applied.

1. Strategic Plan Key Result Areas

2. Function/Activity Business Unit Areas

3. Accountability – responsible employees for each business area

4. Primary Risk issues

5. Risk Management Process – record risks under each business area in Risk Register and Treatment Plan using the SMRC risk rating matrix

### 5.3 Accountability and Reporting

Risks rated 'Extreme' will have a management plan and regular reporting.

High Risks have an evaluation factor of 15 and above.

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## 7.0    REFERENCES & REVIEW

| | |
|---|---|
| **Statutory Compliance** | ISO 31000:2018 – Risk Management |
| **Organisational Compliance** | Reg 17 Risk Management Reviews |
| **Approved by** | Regional Council |
| **Next Revision Date** | August 2023 |
| **Related Documents** | Risk Management Procedures / Risk Management Manual<br>RRG Risk Registers<br>Reg 17 Risk Management Review |

| **Policy Administration** | **Responsible Officer** | **Review Cycle** |
|---|---|---|
| Corporate | Manager Corporate Services | Biennial |

| | |
|---|---|
| **Risk Rating** | Risk Register – High |
| **Location of document** | RRG website<br>Staff Intranet<br>9 Aldous Place, Booragoon – Corporate Services<br>350 Bannister Road, Canning Vale – staff room |

## 8.0    DOCUMENT CONTROL REGISTER

| Date | Review | No. | Author | Resp Officer | Council |
|---|---|---|---|---|---|
| 2008 | Original | 1 | MAF | MAF | 31/07/08 |
| 2008 | Original | 2 | MAF | MAF | 11/2008 |
| 2010 | Revised | 3 | CO | CO | 25/02/2010 |
| 2012 | Review | 4 | DCS | DCS | 26/07/2012 |
| 2014 | Review | 5 | EMCS | EMCS | 28/08/2014 |
| 2015 | Review | 6 | EMCS | EMCS | 27/08/2015 |
| 2017 | Review | 7 | EMCS | EMCS | 24/08/2017 |
| 2019 | Review | 8 | EMCS | EMCS | 28/11/2019 |
| 2021 | Review | 9 | EMCS | EMCS | 26/08/2021 |
| 2023 | Review | 10 | EMGC | SMG | 24/08/2023 |

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