Risk Management Policy

1. INTRODUCTION

Risk is defined as the effect of uncertainty on objectives.

Pacific Link Housing (PLH) understands that unmitigated risks can adversely impact its stakeholders and its ability to achieve strategic, operational, financial and regulatory objectives.

Risk management involves coordinated activities to direct and control the organisation with regard to risk. It is a systematic process that involves establishing the context of risk management, identifying risks, analysing risks, addressing risks, periodically monitoring risks and communication and consultation. Risk management addresses uncertainty and is based on the best available information however, it does not eliminate all risk.

The application of risk management thinking, principles and practices aims to help PLH deliver quality services, improve decision-making, set priorities for competing demands/resources, minimise the impact of adversity and loss, ensure regulatory compliance and support the achievement of objectives.

2. PURPOSE

The purpose of this Policy is to communicate PLH's commitment to managing risks in an enterprise-wide manner. It also establishes clear responsibilities for risk across the organisation (including directors, management and employees) and supports awareness of those obligations.

3. SCOPE

This policy applies to all PLH directors, management, employees, contractors and volunteers across all PLH activities and processes.

4. POLICY STATEMENT

1 MANDATE AND COMMITMENT

PLH is committed to the systematic, structured and proactive management of risks across the organisation.

PLH recognises that whilst risk is inherent in all its activities, the management of risk is good business practice, creates value, is integral to sound corporate governance and in some instances, a mandatory legal requirement. In particular, effective risk management can lead to better decision-making and planning as well as better identification of opportunities and threats.

2 RISK MANAGEMENT FRAMEWORK

PLH's risk management framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

PLH's risk management framework (RMF) consists of:

- this Policy
- the PLH Risk Management Strategy
- the PLH Risk Management Plan (Risk Register).

The RMF enables:

- a structured approach to risk management that is appropriate to PLH's activities and operating environment; and
- a risk management approach consistent with the principles of AS/NZS ISO 31000:2018.

In addition, the RMF is supported by key policies that complement risk management, including:

- Policy - Property Acquisition and Development
- Policy - Conflict of Interest and Code of Conduct.
- Policy - Privacy & Confidentiality
- Policy - Workplace Health and Safety
- Policy - Fraud Control

3 RISK APPETITE

Risk appetite refers to the amount and type of risk that an individual or organisation is willing to take on in order to achieve their goals or objectives. It represents the balance between potential rewards and the level of uncertainty or risk that is acceptable. It is expressed in the form of a risk appetite statement which covers a number of risk categories. PLH's risk appetite statement is:

PLH recognises that to achieve its objectives and capitalise upon opportunities during a period of growth it will need to accept some level of well managed risk inherent in:

- *property acquisition and development*
- *borrowing funds and raising monies to finance development*
- *provision of innovative services to tenants, and*
- *increased reliance on partnerships with other service providers*

At the same time PLH has little or no appetite for risks that will:

- *threaten the ongoing financial viability of the organisation*
- *compromise employee and/or tenant safety*
- *damage the organisation's reputation*
- *result in loss of registration as a community housing provider*

4 IMPLEMENTING RISK MANAGEMENT

PLH is committed to ensuring that a strong risk management culture exists and will develop and maintain a risk management strategy that:

- aligns risk management processes to PLH's existing planning and operational processes;
- allocates sufficient funding and resources to risk management activities;

- provides employees with appropriate training in risk management principles;
- assigns clear responsibilities to employees at all levels for managing risk;
- embeds key controls to manage risks into business processes;
- establishes appropriate mechanisms for measuring and reporting risk management performance;
- communicates risk management policies, plans and issues to employees and other stakeholders;
- takes human and cultural factors into account; and
- is dynamic, iterative and facilitates continual improvement.

5 ACCOUNTABILITIES AND RESPONSIBILITIES FOR MANAGING RISK

The ***Board*** is responsible for setting the tone for risk management at PLH as well as adopting and committing to this risk management policy, identifying and monitoring emerging risks and considering risk management issues contained in Board reports.

The ***Finance Risk and Audit Committee*** is responsible for overseeing and monitoring the RMF, including the identification and monitoring of actions taken to minimise risk.

The ***Chief Executive Officer*** is responsible for leading the development and ongoing oversight of an enterprise risk management culture across the organisation and ensuring that the Risk Management Policy and Strategy are being effectively implemented.

The ***Executive Team*** is responsible for establishing, implementing and reviewing the processes for identifying, monitoring and managing significant business risks across the organisation within their areas of responsibility. Managers at all levels, are the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all employees, volunteers and contractors. Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their teams.

The ***Executive Manager Legal Compliance & Risk*** fulfils the role of risk management coordinator and is responsible for coordinating the processes for the management of risk throughout the organisation. This may include the provision of advice and service assistance to all areas on risk management matters.

All ***employees*** are required to act in a manner which does not place themselves or any other person in the workplace at risk of health and safety. Employees are responsible and accountable for taking practical steps to minimise PLH's exposure to risks including contractual, legal and professional liability in so far as is reasonably practicable within their area of activity and responsibility.

Policy Owner	Group Executive Manager Legal Compliance & Risk
Approval Authority	Board
Approval Date	March 2025
Next Review	March 2027
Website published	Yes