2025 Risk Appetite Statement Review

RISK APPETITE STATEMENTS - OVERVIEW

To support JCU's strategic objectives, the University needs to understand and effectively manage the trade-offs between Risk, business performance and cost. To effectively guide the business around these trade-off decisions, JCU has defined a 'Risk Appetite Statement' across its areas of activity.

Risk Appetite is defined as the amount and type of Risk that JCU is willing to pursue or accept in order to achieve its strategic and operational objectives. JCU cannot operate or thrive without taking on or accepting Risk.

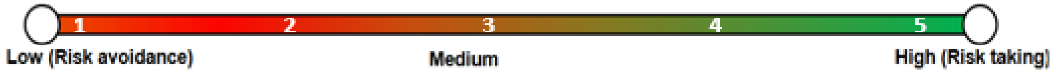
Application of Risk Appetite within JCU:

1. **Communication:** An agreed 'Risk Appetite Statement' will ensure there is a consistent and common understanding of the Council's tone and direction for Risk Management throughout the University.
2. **Decision-making:** Risk Appetite directly informs the decision-making process particularly in those transformational areas where change may result in risk-taking for increased benefit.
3. **Risk Management and Control:** All Risk Appetite categories are considered holistically when a Risk is evaluated to inform how specific Risks should be managed. Risk Appetite also guides the appropriate design of Controls e.g. avoid over or under engineering.
4. **Monitor Performance:** By setting 'Key Risk Indicators' associated with each Risk Appetite category, the University can monitor whether it is working within, close to or outside Risk Appetite and therefore allow the business to take corrective action when required.

	Risk Appetite Range				
	Very Low Appetite	**Low Appetite**	**Medium Appetite**	**High Appetite**	**Very High Appetite**
Risk taking	JCU accepts as little risk as possible	JCU takes a cautious approach towards taking risk	JCU takes a balanced approach to risk taking	JCU takes a higher level of risk for increased benefit	JCU has an open approach towards taking risk as it is considered core to JCU's strategy and purpose.
Risk treatment approach	Those risks that cannot be effectively treated or transferred are avoided	Preference to avoid risk, transfer it or share it. If these options are not available, reduce risks through internal measures	There is no preference and the risk treatment will be considered depending on the context, cost and benefit to JCU	Preference to accept or reduce risk through internal measures	Risk is accepted as much as the governing policies permits

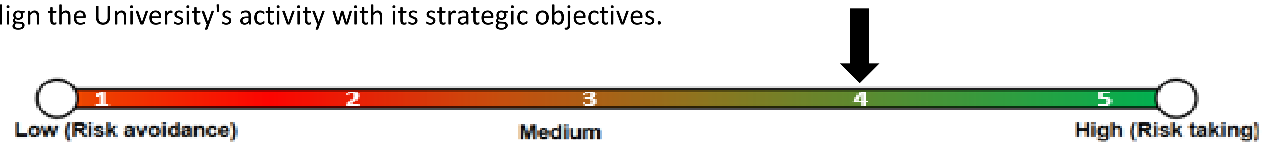
RISK APPETITE STATEMENTS - BY RISK CATEGORY

Risk appetite - JCU uses a 5-point scale to illustrate the relativity of our appetite for risk with green indicating a higher appetite for risk taking and red indicating a higher appetite for risk avoidance



KRI limits	target	tolerable	unacceptable	Reporting cycle

Risk category	Strategic Intent/objectives	appetite statement
Strategic Risk	The alignment of our activities with the Strategic Purpose, Goals and Priorities, and capacity to adapt to market competition and societal changes.	An international University as reflected in our people, our places, and our research, we take pride in being recognised as a leading tertiary institution. The University consistently delivers outstanding student outcomes with high employability for our graduates. It recognises that this should involve an increasing degree of risk given the globally competitive and digitally disrupted market as well as the changing expectations of universities - socially and politically. Our programs and activities must remain relevant to students, industry and community. JCU is comfortable in taking risks to respond innovatively and creatively to these challenges, ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established. JCU accepts a high level of risk in pursuing transformative education, digital delivery, and partnership models that support diversification and long-term sustainability. There is low tolerance however, for failing to align the University's activity with its strategic objectives.

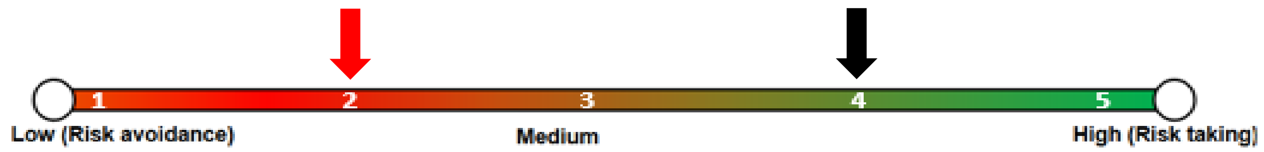


Reporting and limits

KRIs

Indicator	limits			Reporting cycle
TEQSA evaluation - financial	Low Risk	Medium	High	annually
Student Experience (QILT - overall)	> 75%	70-75%	< 70%	annually
Market share in PAM	> 45%	40-45%	< 40%	annually

Risk category	Strategic Intent/objectives	appetite statement
Sustainability Risk	A sustainable organisation serving our region – ensuring that our actions today do not limit the range of social, cultural, environmental and economic options open to future generations.	The University aims to make a significant, sustainable, and socially responsible contribution to northern Queensland, Australia and the world through its research, education, knowledge exchange and operational activities. Committed to equitable, inclusive, innovative and impactful outcomes focused on a sustainable future for our region - its environment and its people. We will consume resources responsibly, are accountable for the decisions we make considering their Environmental and Social impacts, and are transparent in meeting the voluntary standards and principles we have committed to uphold in our Governance (ESG practices and Sustainable Development Goals). There is low tolerance for actions that compromise ESG practices in the context of innovative and creative risk taking to achieve impactful outcomes in our education, research and engagement. JCU has a low risk appetite for actions inconsistent with ESG commitments and emerging climate disclosure standards.

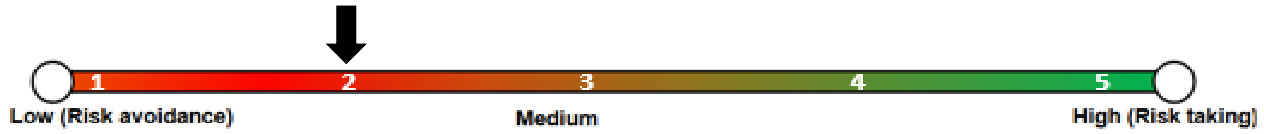


Reporting and limits

KRIs

Indicator	limits			Reporting cycle
Greenhouse gas emissions (tCO_2-e)	<72,000 t	3-5% increase	> 5% increase	annually
sustainable water consumption (KL)	<676596 KL	3-5% reduction	< 2% reduction	annually

Risk category	Strategic Intent/objectives	appetite statement
Reputational	JCU is an employer of choice for staff and a University of choice for students building a workplace and learning environment that makes our Values of Authenticity, Excellence, Integrity, and Respect visible and tangible. The University makes a difference to the success of our communities and or region through our transformative education and worldclass research.	JCU seeks to minimise the impact of events that can damage its reputation through its crisis management processes and scenario planning. The University acknowledges that adverse publicity may occur from time to time as a result of decisions, action, or inaction. Types of activity with potential for reputational damage include: redundancies/ significant workforce changes; staff/student misconduct or criminal activity; illegal and/or significant breaches of legislation or policy by the University; or negligence or mishandling of incidents of public interest. JCU accepts a low to moderate appetite for reputational exposure where transparent and values-aligned action may generate short-term criticism but supports long-term trust and credibility. There is low tolerance for any malicious or intentional conduct which violates the University's values, any activity that will seriously threaten JCU's reputation as a high quality provider, or any action which threatens the University's status as a self-accrediting institution leading to a loss of confidence from TEQSA and funders including government; or the broader community resulting in loss of market share.

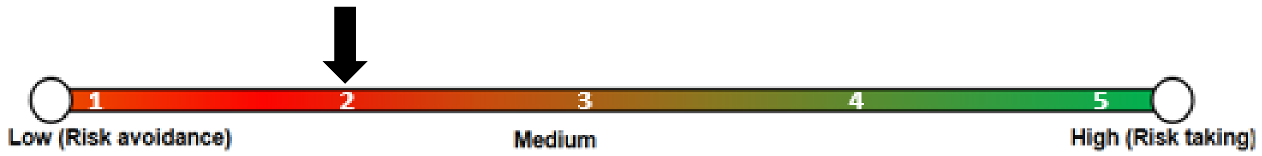


Reporting and limits

KRIs

Indicator	limits			
TEQSA evaluation - students	Low Risk	medium	High	annual
Staff conduct complaints - proven	<5	6-10	>10	quarterly
notifications to CCC	0	1-3	> 3	quarterly
student appeals - upheld	< 5	6-10	> 10	quarterly

Risk category	Strategic Intent/objectives	appetite statement
Legal & Regulatory (Compliance)	The University is committed to compliance with all applicable laws and regulations, standards and codes of practice that apply to its day-to-day activities, and that it strives to meet highest standards of professional and scientific conduct.	The University places great importance on compliance and providing strong leadership in effective and ethical decision making and accountability. The University considers all allegations of suspected fraud or corruption very seriously and responds fully according to its policies. Given the expansion of regulatory obligations across governance, gender-based violence, and information security, JCU maintains a low appetite for compliance breaches and seeks to embed compliance by design into operational processes JCU has low tolerance for any actions that may cause class actions or serious prosecution, repeated breaches of significant contractual arrangements, significant statutory intervention due to serious breach of legislation and/or breach of university policy resulting in termination of employment. JCU has no appetite for any breaches in statute, regulation, professional standards, research or medical ethics, bribery or fraud.

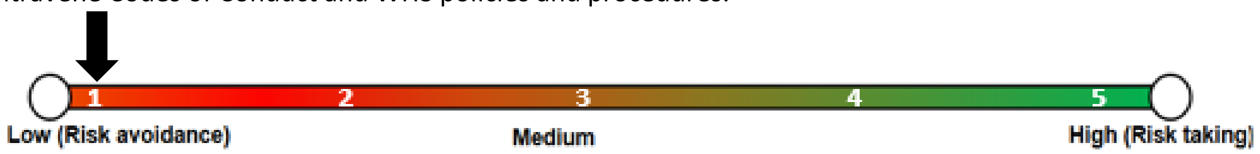


Reporting and limits

KRIs

Indicator	limits			
Unmodified audit	Yes	deficiency/ low-med risk	No/high risk issues	annually
TEQSA Evaluation - Regulatory	Low Risk	medium	High	annually
Notifiable/Reportable data breach	0	1-3	> 3	quarterly

Risk category	Strategic Intent/objectives	appetite statement
Work Health and Safety	We deliver an inclusive and supportive environment where health and safety is integrated into work, study and research enabling staff and students to access, participate and succeed in their endeavours. Safety leadership is demonstrated at all levels through actions, accountability and commitment to the health, safety and wellbeing of our people.	The University is committed to creating a safe working and study environment where people are protected from physical and psychological harm. It has low appetite for staff or student behaviour or misconduct threatening the health and wellbeing of anyone in the University Community, or which deviates its standards and legislative responsibilities in safety and security. The University aims for an embedded culture of health and safety awareness and compliance. We have very low tolerance for any action or inaction that results in a workplace fatality or injury or any long term environmental damage resulting in prosecution, and will not tolerate Actions or behaviours that are deliberate and willingly contravene Codes of Conduct and WHS policies and procedures.

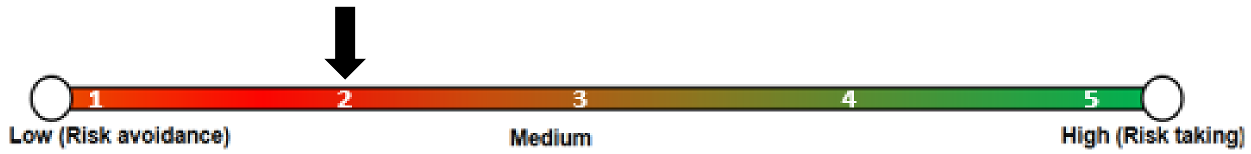


Reporting and limits

KRIs

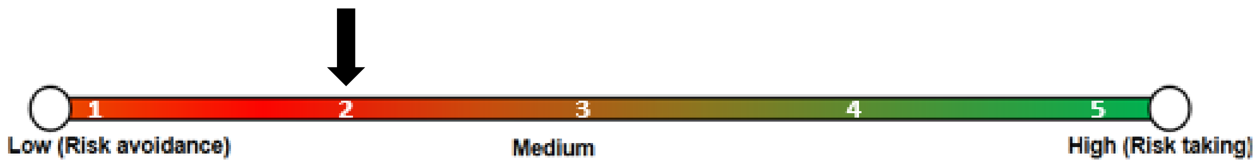
Indicator	limits			
Notifiable incidents	0-3	4-8	> 8	quarterly
Lost time injury (LTI)	< 10	11-25	> 25	quarterly
Sexual assault reports	0	1-5	> 5	quarterly
Staff Psychosocial Safety*	> 65%	45-65%	< 45%	annually

Risk category	Strategic Intent/objectives	appetite statement
Business Disruption	Acknowledging the significant investment that is made by our students to further their goals and ambitions, and the investment by governments, local communities, business and industry to support the educational and research outcomes that the University delivers, we commit to delivering meaningful returns on these investments by managing our financial resources in a manner that is sustainable, fit-for-purpose and which facilitates the efficient and effective deployment of our entire resource base.	The University aims to be a resilient organisation in preparing for and following any disaster, crisis, cyber security incident or any event impacting business continuity. The University has a low appetite for loss of any strategic and/or critical infrastructure, systems, personal data or information supporting staff, students, research or other University operations. Particularly, that which may jeopardise its standards of operation or could lead to a loss of confidence by its stakeholders, communities or key government agencies or result in regulatory action or litigation. Loss of business-critical functions or assets across one or multiple sites. However, JCU recognises the need to stress-test resilience and adapt to climate-related or cyber events through planned exercises and recovery investment. There is low tolerance for loss of utilities or ICT services during business hours providing high impact to critical business operations, the loss of raw un-reproducible data or prolonged research productivity with potential impact to JCU research standings, or the malicious or accidental loss of personal data.

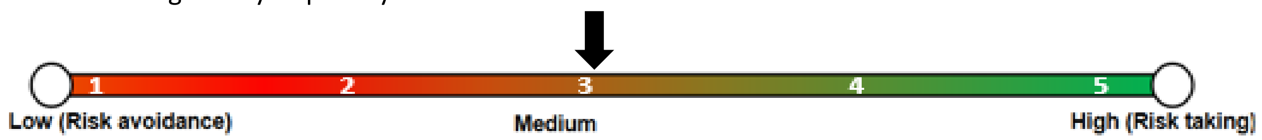


Reporting and limits				
KRIs				
Indicator	limits			
loss of utilities	partial/ occasional	campus/ occasional	campus/ recurring	quarterly
loss of critical infrastructure	nil	partial	total	quarterly
Critical incidents	1-2	3-4	> 5	quarterly
ICT major incident	0-1	2-3	> 3	quarterly

Risk category	Strategic goals	appetite statement
People	The accomplishments of our University are an aggregate of the achievements and success of our people. We are focused on ensuring that our staff and students are valued and enabled through an inclusive and respectful learning environment, and that our workforce reflects our strategic priorities. We will Empower our People by providing a values-based organisational culture; reflecting the diversity of the communities we serve; and fostering a sense of belonging and wellbeing.	The University aims to ensure our people feel valued, supported in their career development, clear about their role and its contribution to our strategic priorities, and engaged in high-performing teams empowered to shape the University's future success. It places importance on a diverse workforce reflective of the communities it serves, achieving excellence across our teaching, learning, research and support activities, and a culture founded on collegial respect, wellbeing, equity, collaboration and academic freedom. The University's workforce needs to be aligned to new and emerging market opportunities and drivers of change in higher education and research, and this implies an element of risk taking. JCU has low tolerance of systemic failure to deal with grievances and disputes leading to protracted Fair Work Commission or other tribunal/court proceedings resulting in adverse rulings against the University or prolonged University-wide industrial action potentially causing business disruption and reputational damage, but accepts medium risk in cultural transformation initiatives aimed at improving engagement and performance.

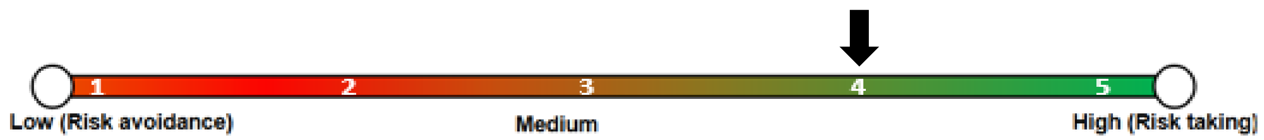


Reporting and limits				
KRIs				
Indicator	limits			
P&T voluntary turnover	6%	7-10%	> 10%	annually
Aca voluntary turnover	8%	9-12%	> 12%	annually
Employee Experience Survey Engagement	> 65%	45-65%	<45%	annually
%female staff in senior positions	45%	25-45%	< 25%	annually
% of Aboriginal/ Torres Strait Islander	3%	2%	< 2%	annually

Risk category	Strategic goals	appetite statement
Technology	At JCU, we measure our impact by the success of our students. Our students' success as graduates will be underpinned by educational opportunities that allow them to engage with emerging and evolving technologies, including Gen AI, with an emphasis on the development of the general capabilities and skills that foster their professional expertise, critical thinking, evaluation, and intellectual curiosity. At JCU, the use of Gen AI in research, learning, teaching and assessment is required to be ethical, pedagogically sound, transparent, and purposeful.	The University recognises the potential benefits of technology such as Artificial Intelligence and Quantum Computing in driving innovation, improving efficiency, and enhancing the student and staff experience. However, JCU also acknowledges the potential risks associated with the use of technology, including unintended consequences or malicious misuse, security vulnerabilities and threats, bias, and discrimination, and the loss of autonomy and control. JCU is committed to achieving ISO 27001 compliance where applicable and strives to enhance its cybersecurity maturity, guided by the NIST Cybersecurity Framework, to ensure a robust and resilient security posture. JCU is also committed to ensuring that technology systems are transparent, accountable, auditable, fair, and respectful of privacy. The University will therefore regularly review the use of technology to appropriately manage AI risk, system interoperability and privacy by design to ensure it remains within the established risk appetite. Committed to the responsible use of technology within JCU, the University has a medium appetite for risk in relation to the use of technology for driving innovation and improving efficiency, and its inclusion in the JCU curriculum to prepare students for the future of work. However, there is no tolerance for any technology usage in education, research, or other activities that could result in harm to students, staff, or other stakeholders, or breaches regulations or policies including academic or research misconduct. There is a medium appetite for responsible innovation in AI and emerging technologies, balanced by a low tolerance for ethical breaches, bias, or non-compliance with regulatory or privacy standards. 

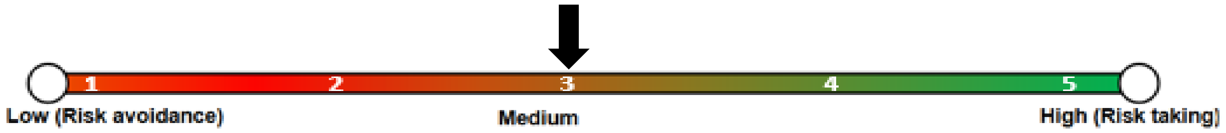
Reporting and limits

KRIs				
Indicator	limits			
Number of information security risks accepted	< 10	10-20	> 20	quarterly
Velocity of critical vulnerability remediation (within 30 days)	> 95%	85-95%	< 85%	quarterly
External Attack Surface Scorecard (Network and Applications)	A-B	C-D	E-F	quarterly
Number of security events	< 5	5-10	> 10	quarterly
Number of unplanned outages on a service with an availability of 'critical'	< 3	3-6	> 6	quarterly

Risk category	Strategic Intent/objectives	appetite statement
Academic (Education and Research)	A catalyst for innovation and connection, using international networks, industry connections and continuous learning opportunities to connect northern Australia to the global economy. Innovation and entrepreneurship benefit the communities we serve, and our global position as a world-class research university capitalises on existing strengths and expertise and focuses our investment on emerging challenges and opportunities for our region, the tropics and beyond.	The University supports students to develop a lifelong thirst for knowledge and learning, and encourage innovative and independent learners, and we are measured by the success of our students. Our curriculum emphasises experiential learning, student agency, and technology enhanced learning, assuring seamless integration and equivalency across delivery sites and modes. It expects as a minimum to be in the top quartile of surveys related to student experience and continues to strive for global excellence in research. We recognise that this will involve an increased degree of risk taking in developing education and research activities, subject to limitations imposed by ethical considerations, and ensuring that potential benefits and risks are fully understood. The University has a high appetite for innovation and entrepreneurship in the development of new courses and research which has the potential to catalyse and transform, but a low appetite for poor learning and teaching practice or academic quality. JCU has low tolerance for loss of accreditation of multiple courses, institutionalised and/or systemic academic fraud or misconduct by staff or students, including enrolments and examination processes. 

Reporting and limits

KRIs				
Indicator	limits			
Teaching quality (QILT – SES)	80%	75-80%	< 75%	annually
Total Undergrad Retention (%) in AS	82%	75-81%	< 75%	annually
% Aca staff with PhD	> 65%	55-65%	< 55%	annually
HDR Completions	> 130	100-129	< 100	annually
Research misconduct - proven	0	1-3	> 3	quarterly
Student Academic misconduct - proven (% of student load)	> 0.5%	0.5-1%	> 1%	quarterly

Risk category	Strategic Intent/objectives	appetite statement
Financial	JCU seeks to increase the value of the University to stakeholders by ensuring its long-term stability, liquidity, profitability, and efficiency, and delivering a strong, diversified financial base.	The University aims to maintain its long-term viability and its overall strength. Recognising financial risks involved in delivering a wide range of programs, research, services, and projects nationally and internationally, a medium level of risk appetite is required to pursue targeted opportunities to support revenue growth, against a backdrop of higher education policy uncertainty, and an overall environment of financial constraint. The University will manage its financial risk in accordance with Performance Measures set by Finance Committee of Council. The tolerance and limit settings will provide key Indicators to track quarterly and annually. JCU maintains a low to medium appetite for financial risk, recognising the need to balance prudence with investment in innovation and strategic growth in a constrained funding environment. There is low tolerance for financial activities and/or investment practices that contravene legislated or policy requirements, or fail to maintain or implement effective systems, processes and controls which adequately protect the University from fraudulent activity or actions that have a significant negative impact on long term financial sustainability. 

Reporting and limits

KRIs

Indicator	limits			
% deviation from forecast budget revenue	0-3%	4-10%	> 10%	quarterly
Current Ratio forecast	> 1	0.5-1	< 0.5	quarterly
Operating Margin	5-7%	-1%-5%	> -2%	annual
Cost to income**	< 70%	71-85%	>80%	quarterly
Staff expenses per total operating income***	< 65%	66-75%	> 75%	quarterly
Reduction in operating fund revenue	0-3%	3-9%	> 10%	annual

* Psychosocial Safety Factor Score from the Culture Amp Survey

** the ratio of administrative and other costs to the total operating income - income spent vs income earned

*** Indicates how many Dollars of staff expenses are needed to earn one dollar of total operating income