



Document Type	Policy
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# RISK MANAGEMENT POLICY

## 1 Policy Overview

<b>Who</b> must use this policy:	All staff of Bethanie Group Incorporated (collectively referred to as Bethanie), including agency staff, consultants and volunteers, are required to adhere to this policy.
<b>Why</b> this policy is important:	<p>This policy supports Bethanie to:</p> <ul style="list-style-type: none"> <li>• Achieve strategic objectives</li> <li>• Maintain competitive advantage through protection of reputation</li> <li>• Embed a strong governance framework throughout the organisation</li> <li>• Make informed decisions within defined boundaries</li> <li>• Maintain a consistently high standard of care and services across the business</li> <li>• Meet its external regulatory obligations, by providing evidence that decisions were made in an informed manner</li> <li>• Improve performance and leadership, encourages innovation, and improves productivity</li> <li>• Protect staff and business assets</li> <li>• Ensure financial sustainability and minimises financial losses</li> </ul>
<b>When</b> this policy applies:	This policy applies wherever an assessment or decision is made regarding an action. It is part of all interactions with stakeholders, and should consider external and internal context of Bethanie, including human behaviour and cultural factors.
<b>Who</b> to ask for more information:	<p>Risk Management queries relating to:</p> <ul style="list-style-type: none"> <li>• Your role, activities and / or duties - Your manager, the relevant General / Group manager / line manager, or Governance, Risk and Compliance (GRC)</li> <li>• This policy and associated framework - Governance, Risk and Compliance</li> </ul>

## 2 Policy Statement

The purpose of the Risk Management Policy is to set out the Bethanie’s approach to risk and risk management, including risk events, incidents and business continuity. The policy supports the embedding of organisation-wide capability in risk management that provides a consistent method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by Bethanie. This is achieved through the adoption of the Three Lines Model. The model assists in identifying structures and processes that best help in the achievement of objectives and facilitates strong governance and risk management. It focuses on the contribution risk management makes to achieving objectives and creating



value and promotes behaviours and decisions that underpin appropriate and cohesive risk culture. (Refer to Appendix A).

Bethanie manages risk through alignment to the principles, framework and processes set out in ISO 31000:2018 Risk Management. It provides a common and systematic approach for managing risk across Bethanie. This approach aims to build a culture of risk awareness, ensure the appropriate management of risks and enable meaningful comparison and aggregation across business lines. Bethanie maintains a Risk Management Framework, which sets out the implementation of the risk management cycle and supporting procedures. All parts of Bethanie are required to implement and use this common risk management framework.

Bethanie acknowledges that growth involves acting appropriately to anticipate risks, to avoid excessive risks, to embrace necessary or desirable risks with appropriate safeguards, and how to respond to risk through insurance, control frameworks or avoidance as deemed proportionate. These risk tolerances are described in operationalising of the Risk Appetite Statement, which is approved annually by the Board as part of the review of the 5 Year Strategy and Strategic Plan, including the Strategic Risks.

Bethanie proactively manages risks, taking all reasonable measures to contain potential threats in line with its risk appetite. The external and internal risks facing Bethanie are dynamic, requiring management to:

- Build Bethanie-wide capability through knowledge sharing;
- Deal with ambiguity, uncertainty and increasing complexity;
- Prioritise resources, make decisions and implement solutions in a timely manner;
- Communicate and report on risks in a transparent and timely manner;
- Recognise and act on opportunities;
- Work to ensure agreed outcomes despite changing operating environments; and
- Foster organisational resilience to deal with significant unforeseen events and impacts.

Risk management is integrated to all of Bethanie's strategic and operational planning, budgeting processes and day to day operations.

### **3 Risk Appetite Statement**

The Risk Appetite Statement is about the pursuit of risk and the total amount that Bethanie can bear in a given risk profile. This is based on criteria and tolerance.

Risk tolerance is related to the acceptance of the outcomes of a risk should they occur and having the right resources and controls in place to "tolerate" the given risk, expressed in qualitative and/or quantitative risk criteria. Risk appetite is related to the longer-term strategy of what needs to be achieved.

The Risk Appetite Statement for Bethanie has been represented in line with an example provided by the Aged Care Quality and Safety Commission (ACQSC). The Risk Categories, Risk Appetite Statement (Definitions), Risk Appetite Rating, Key Risk Indicators and Risk Appetite Tolerances are directly from the approved Risk Management Consequence Matrix.

The Statement incorporates key risk indicators, targets and tolerances as follows:

1. Risk Appetite Statement - is the definition for each of the risk consequence categories
2. Risk Appetite Rating - the level of risk that Bethanie is prepared to take



3. Key Risk Indicators – measures that help to identify when risk exposures are within or outside of Bethanie’s risk appetite
4. Risk Target – KRI measures that Bethanie should operate within. These are insignificant or minor consequence rating / low to medium risk rating.
5. Tolerance – KRI measures where Bethanie undertakes active monitoring to ensure the risk does not eventuate. These have a moderate to major consequence rating / medium to high risk rating.
6. Unacceptable – KRI measures where attention and action is required as this is outside of the risk appetite. These have a catastrophic consequence rating / high to extreme risk rating.

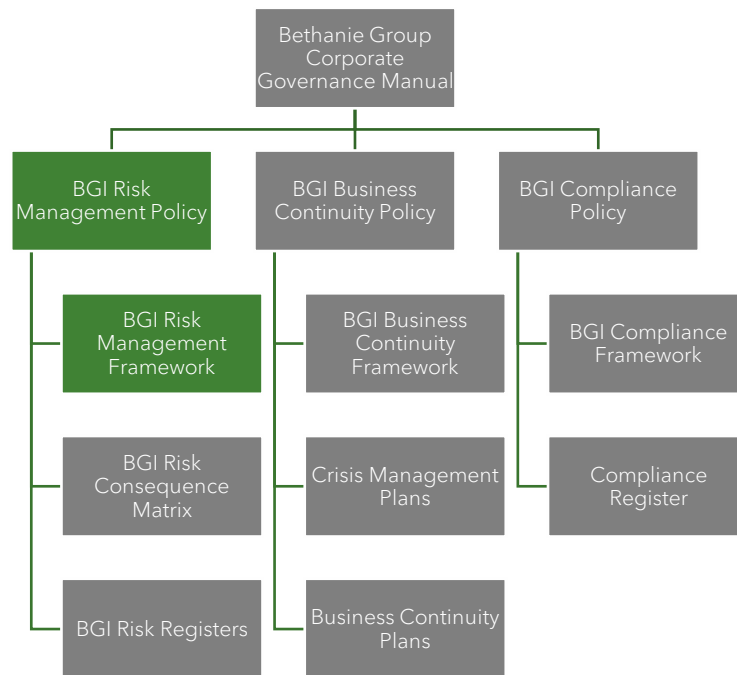
In line with current assessments, Bethanie has a low risk appetite for all risk categories except for Asset Management. This signals a low risk appetite in aggregate. High Strategic Risks operate within the Maximum Tolerance category. These risks are part of strategic activity, are monitored continuously and can, in most instances, have active risk treatments to facilitate the reduction of this risk over time.

This risk appetite aligns to a highly regulated and high-risk industry, with a social responsibility to provide care and accommodation for vulnerable members of the community, operating in an environment of change, funding uncertainty and constraints, high inflation and interest rates.

Bethanie also recognises the need to take on risk in controlled measures with regard to growth and customer experience. This allows Bethanie to be a leader in the industry and innovation in aspects of customer engagement.

(Refer to Appendix B)

## 4 Policy Context



Note: BHL has independent risk, compliance and business continuity documentation.



## 5 Definitions

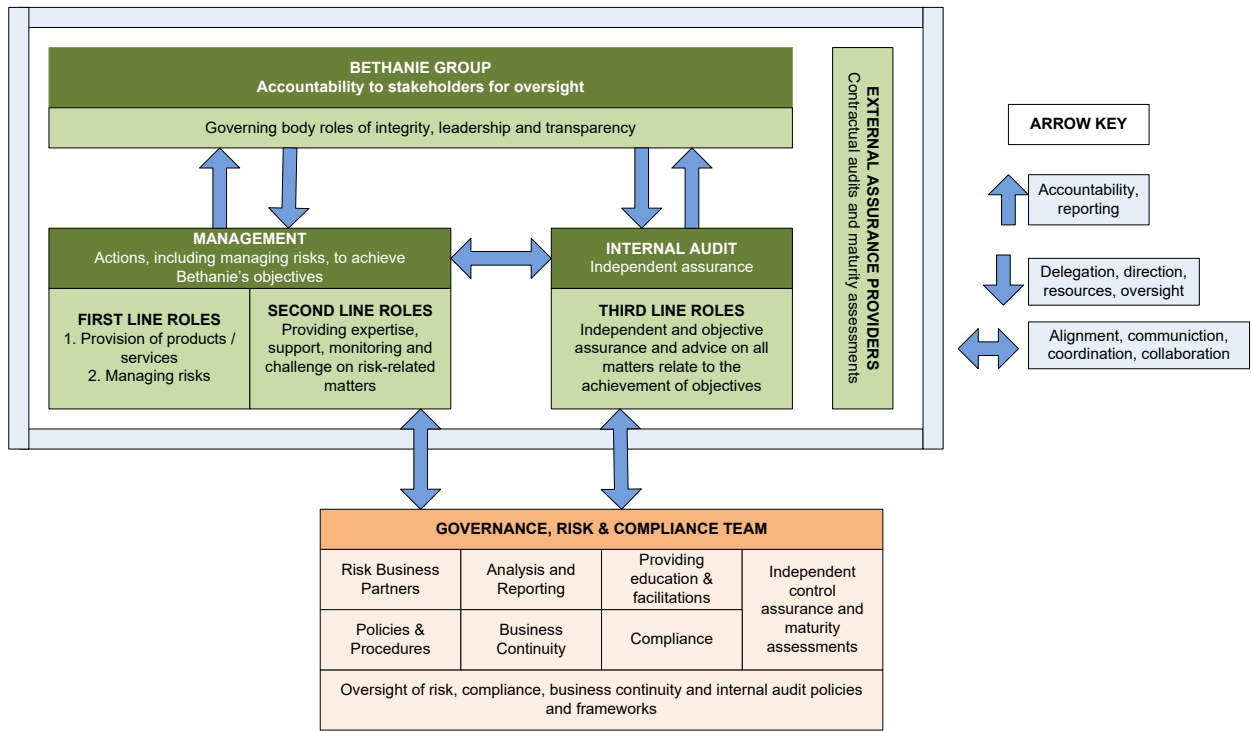
Term	Definition	Definition source
Consequence	Outcome of an event affecting objectives. A consequence can be certain or uncertain and can have positive or negative direct or indirect effects on objectives. Consequences can be expressed qualitatively or quantitatively. Any consequence can escalate through cascading and cumulative effects.	ISO 31000:2018
Control	Measure that maintains and/or modifies risk. Controls include, but are not limited to, any process, policy, device, practice, or other conditions and/or actions which maintain and/or modify risk. Controls may not always exert the intended or assumed modifying effect.	ISO 31000:2018
Likelihood	Chance of something happening, whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically.	ISO 31000:2018
Risk	Effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats.	ISO 31000:2018
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.	ISO 31000:2018
Risk Source	Element which alone or in combination has the potential to give rise to risk.	ISO 31000:2018
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity.	ISO 31000:2018

## 6 Document Control

Approved by	BGI Board	Next Review	June 2027
Document Owner or Author	Manager Governance, Risk and Compliance	Review Cycle	Biennially
Version Number	4.0	Version Date	June 2025
Description of Change	Full Review		
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Previous Versions	Description of Changes	Date	
2.0	Review	June 2021	
2.1	Updated to reflect reporting cycle and NDIS references	April 2022	
3.0	Review	May 2023	
3.0	Approved by ARMC	June 2023	
3.1	Review	May 2025	
4.0	Approved BGI Board	27 June 2025	



## Appendix A - Three Line Model



## Appendix B - Risk Appetite Statement - Tolerance Levels against revised Risk Consequence Categories

Risk Category	Risk Appetite Statement	Risk Appetite Rating <sup>1</sup>	Key Risk Indicators	Risk Target (Low / Medium) <sup>1</sup> (Insignificant / Minor) <sup>2</sup>	Maximum Tolerance (Medium / High) <sup>1</sup> (Moderate / Major) <sup>1</sup>	Unacceptable Tolerance (High / Extreme) <sup>1</sup> (Catastrophic) <sup>2</sup>
<b>Safety - Staff, Contractors, Visitors</b>	Providing a safe environment for staff, contractors and visitors. For employees and contractors, this includes failing to control the significant physical and psychosocial hazards in the workplace and mitigating them to an acceptable level.	Low	1. Non-compliance with WHS legislation 2. Staff injury	1. Non-compliance with WHS legislation resulting in no closure of business unit 2. Single event resulting in no harm or requiring medical treatment injury	1. Non-compliance with WHS legislation resulting in short term closure of a business unit (BU) 2. Single event causing lost time injury to staff	1. Non-compliance with WHS legislation results in prolonged or permanent closure of one or a critical mass of BU 2. Fatality or injury requiring hospitalisation within 24 hrs
<b>Customer Experience</b>	Providing a level of care or service that is considered safe and appropriate. This includes not only the provision of clinical and personal care, supports for daily living and management of customer feedback but also the innovation risk to develop and introduce improvements to services and care to customers.	Low	1. Customer injury 2. Customer satisfaction	1. No or a single injury requiring medical intervention 2. Hospitalisation < 3days 3. Unsatisfied customer issue rectified by management or escalated to ETM	1. Event causing moderate injury 2. Hospital stay > 3 days 3. Significant prolonged external negative feedback impacting objectives or medium-term outcomes 4. >5% fall in customer Net Promoter Score	1. Event causing serious harm, injury or death 2. Significant prolonged external negative feedback impacting BU objectives or medium-term outcomes. 3. >10% fall in Customer Net Promoter Score
<b>Mission</b>	Delivery of Bethanie's Mission Discernment Framework and alignment to Signature Behaviours.	Low	Impact or inconsistency with Mission	A decision, act or activity which has a no measurable or minor impact against Bethanie's Mission	A decision, act or activity which has a notable or major detrimental impact against Bethanie's Mission	A decision, act or activity which could be materially detrimental to or inconsistent with the Mission
<b>Regulation &amp; Compliance</b>	Level of engagement with regulators and ability to act in accordance with regulatory requirements, including avoidance or failure to comply with laws, regulations, industry codes or contractual obligations.	Low	1. Non-compliance sanctioning 2. Legal action	1. Single site or region non-compliance or engagement with regulatory authority, with no regulatory impact 2. Legal action requiring minor compensation	1. Single Site/Community region sanction and / or multiple sites/Community regions with non-compliances. 2. Prolonged legal action requiring dedicated management attention or significant costs	1. Sanctioning multiple sites / Community regions. Known sustained breach. 2. Criminal or civil legal action. Loss of Approved Provider or PB/NFP status.
<b>People &amp; Culture</b>	Skilled and capable people to carry out business functions, and misalignment between Bethanie's values and the behaviours of its people.	Low	Staff satisfaction, culture	Staff unsatisfied to the point that service provisions or customer experience is negatively impacted	Degradation of culture that causes abnormal staff absenteeism or 'work-to-rule'- approach to service delivery	1. Significant, prolonged staff absence so core services cannot be delivered 2. Degradation of people and culture that stops delivery of core services

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<b>Brand &amp; Reputation</b>	Damage to reputation or brand.	Low	Media attention	Negative feedback that requires discussion with individuals or state wide discussions with customers	Negative media attention from multiple sources resulting in changing customer preference	Sustained, national negative media attention resulting in loss of social licence to operate, causing loss of trust equity for Bethanie
<b>Finance (\$ Cash)</b>	Maintaining financial sustainability, including profit, cash flow and balance sheet management. This includes financial risks such as liquidity and capital management, preventing fraud, and meeting accounting and regulatory standards.	Low	Impact on cash	Less than \$500k	\$501k<x<\$1m	\$1m - to liquidity crisis
<b>Asset Management</b>	Inability to manage or maintain assets that facilitate the provision of care and services. Assets include real estate, buildings and infrastructure, equipment and workers (e.g. staff, agency workers, medical and allied health providers, catering, cleaning and all other support services).	Medium	Damage to asset	Minimal damage or damage requiring significant unplanned maintenance	Significant damage to asset requiring extended period of maintenance	1. A significant loss of key assets /services over extended period or unavailability of critical mass of assets to organisational failure  2. Property development prime contractor fails during construction of major asset
<b>Technology &amp; Information Management</b>	Failure to adequately protect the confidentiality and privacy of information and data maintained by Bethanie, including data breaches and cyber-attacks. Includes inadequate or non-existent systems and processes to support and manage information, communications and technology.	Low	1. Privacy breach 2. ICT data breach	Non reportable data or privacy breach or reportable breach with no customer / public consequences	Attempted cyber-attack which results in a reportable data or privacy breach with customer / public consequences	Cyber-attack or pviacy breach that causes systemic failure of all or some key systems, resulting in reportable breach with customer / public consequences

**Notes:**

1. Risk Ratings - Low, Medium, High, Extreme
2. Consequence ratings - Insignificant, Minor, Moderate, Major, Catastrophic



## **Appendix C – Associated Frameworks, Procedures and Forms**

### POLICIES

Compliance Policy

Business Continuity Policy

### FRAMEWORKS

Risk Management Framework

Compliance Framework

Business Continuity Framework

### OTHER DOCUMENTS

Risk Matrix

Risk Registers

Compliance Register

Business Continuity Plans

Crisis / Emergency Management Plans