



Policy Document Administrator	Quality Manager
Policy Document Approver	Finance, Risk, Audit and Compliance Committee
Responsible Body/Person	Finance, Risk, Audit and Compliance Committee
Next Review date	July 2028
Superseded documents	None
Related documents	Affiliated College Risk & Compliance Reporting Framework Financial Alert Protocols Affiliated College Risk & Compliance Alert Protocols Annual College Review Self-Assurance Handbook
Related HE Standards	5.4.2, 6.2
Related National Code Standards	N/A
Glossary	Definitions for any words in Bold in this document can be found in the Policy Glossary

1. PURPOSE

To establish the desired risk appetite level for the management of operational and strategic risks. The statements guide the setting of a tolerated risk level for each risk identified in the Risk Register.

2. RISK APPETITE STATEMENT

At **AUT** eight principal **risk** categories have been identified and each has been assigned a qualitative **risk appetite** statement. The Risk Register further disaggregates these categories and outlines mitigations and a tolerated risk level for each. Likewise, the **Affiliated College Risk & Compliance Reporting Framework** and the Affiliated College Risk & Compliance Alert Protocols address the operational adherence to the risk appetite statement at the **affiliate college** level.

The risk appetite for investment is stated separately in the [AUT Investment Policy](#).

Risk Factors

2.1 AUT acknowledges the following risk categories:

No.	Risk Category	Definition
1.	Governance	Qualified and skilled participants in strategic, academic and financial governance are essential to the success of AUT.
2.	Policy and Funding	Higher education in Australia is heavily dependent on government policy and regulation, which may change

		with political developments.
3.	Financial viability and safeguards	AUT must meet accepted financial viability and accounting standards, meet its obligations and maintain systems that guard against fraud.
4.	Academic Quality Integrity	Failure to meet regulatory educational and ethical standards leads to financial and reputational damage.
5.	Student Wellbeing	AUT accepts its duty of care to all its students that enables them to achieve the best possible educational outcomes.
6.	Digital infrastructure	Higher education is increasingly dependent on secure and reliable data platforms.
7.	Reputational and operational risk from Affiliated Colleges	AUT relies on affiliated colleges to deliver key academic and operational activities, which may create reputational and operational risks if standards are not maintained.
8.	Safe environments	AUT is committed to providing an environment that protects staff, students and the public from abuse, bullying, harassment, and other harmful behaviour.

Risk Appetite Levels

2.2 AUT categorises its level of risk appetite into four categories:

Risk Appetite Level	Definition
No Appetite	Risk not tolerated.
Low Appetite	A limited level of risk is accepted.
Moderate Appetite	A moderate level of risk is accepted to pursue benefits that enhance operational objectives.
High Appetite	A higher level of risk is accepted to maximise operational gains.

3. 2026 - 2028 RISK APPETITE STATEMENT

No.	Risk Category	Risk Appetite Level	Risk Appetite Statement
1.	Governance	Low Appetite	AUT has a low appetite for the risk of inadequate oversight by the Council and its governance committees.
2.	Policy and Funding	Moderate Appetite	AUT accepts the potential for changes in government policy in relation to provider obligations in Higher Education, and government funding presents a moderate risk.
3.	Financial viability and safeguards	No Appetite	AUT has no appetite for financial mismanagement or fraud.
4.	Academic Quality Integrity	Low Appetite	AUT has a low appetite for risk to academic quality and integrity.
5.	Student Wellbeing	Low Appetite	AUT has a low appetite for the risk of inadequate performance in pedagogy and student support.
6.	Digital infrastructure	Low Appetite	AUT has a low appetite for the loss, or unauthorised disclosure of personal or sensitive data or the failure of its data systems.
7.	Reputational and operational risk from Affiliated Colleges	Low Appetite	AUT has a low appetite for the risk of Affiliated Colleges creating a reputational or operational risk impacting its ability to carry out its core business activities.
8.	Safe environments	No Appetite	AUT has no appetite for unsafe practices at any level of its operation.

4. VERSION HISTORY

Version	Approved by	Approval Date	Effective Date	Changes made
1.0	A&RMC	2018	2018	New document
1.1	Board of Directors	May 2020	N/A	Document review
1.2	Board of Directors	September 2021	September 2021	Document review, update to item 7
1.3	FRAC	August 2022	N/A	Document review, proposed update to item 7
1.4	Board of Directors	June 2023	June 2023	Document review, context added in Risk Appetite Statements section; editorial updates
1.5	FRAC	July 2024	July 2024	Document review, minor editorial updates
1.6	FRAC	July 2026	July 2026	Changed the format of the document, added definitions to the different Risk appetite levels and changed the document to align with the University format.

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