

RLC LTP Risk Appetite Workshop

Elected Member Workshop | 28 September 2026

From Individual Votes to Collective Direction

See the results | Test the boundaries | Set the direction

From individual judgement to governance direction

17 SEPTEMBER → 28 SEPTEMBER → DRAFT → 7 OCTOBER

- 1 | **INDIVIDUAL** - Anonymous independent voting
- 2 | **COLLECTIVE** - See the complete results
- 3 | **TEST** - Explore daylight, tensions and trade-offs
- 4 | **SET** - Agree appetite direction, conditions and boundaries
- 5 | **TRANSLATE** - Risk Appetite & Tolerance Statements

“It depends”

...is exactly what we need to understand today.

The final product is not a score. It is a decision-making framework.

The **VOTE** gives us direction

The **CIRCUMSTANCES** tell us what matters

The **BOUNDARY** tells us where appetite stops

The **TOLERANCE** tells management when to act or escalate

Look beyond the average

Same average. Very different governance signal.

Today we will look at:

ALIGNMENT | SPREAD | POLARISATION | COLLISIONS

EXAMPLE 1 (Avg=3 – STRONG ALIGNMENT)

- Score 3
- Score 3
- Score 3
- Score 3
- Score 3
- Score 3
- Score 3

EXAMPLE 2 (Avg=3 – SIGNIFICANT DAYLIGHT)

- Score 1
- Score 1
- Score 1
- Score 5
- Score 5
- Score 5
- Score 3

The 'why' behind the number

Those are our conditions, boundaries and tolerances.

Your original response remains anonymous

Nobody has to defend their original vote

Different views are useful information

You can reconsider your position after discussion

We are seeking clear governance direction — not artificial unanimity

Your collective risk appetite

The overall pattern emerging from your individual responses. This is the landscape not the final Risk Appetite

PROTECT MORE

- Health & Safety
- Legal & Regulatory
- Cyber
- Key Relationships

BALANCE/ MANAGE

- Financial
- Reputation

MORE PERMISSION

- Service Change
- Assets
- Innovation & AI
- Strategic Decision Making

WHERE WE ARE MOST ALIGNED

8 elected members participated. These are the questions where there is the strongest alignment in views.



Based on responses from
8 elected members
(24 September 2026)



WHAT THIS SHOWS

These are the questions where elected members were most consistent in their risk appetite views, showing a clear shared position.



HOW TO READ THIS

- Each bar shows the distribution of 8 responses (1 = very low appetite, 5 = very high appetite).
- These questions have the highest level of alignment, with most respondents clustering at the low or high end of the scale.
- The % aligned shows the proportion of respondents with the same low (1–2) or high (4–5) appetite.
- These results indicate areas of shared views and provide a strong foundation for developing risk appetite statements and tolerances.



STRONG ALIGNMENT — LOW APPETITE (We want to avoid or minimise this risk)

VERY HIGH ALIGNMENT

#	QUESTION (ABBREVIATED)	DISTRIBUTION OF 8 RESPONSES	% AT 1–2 (LOW APPETITE)	KEY MESSAGE
H1	 Multiple fatalities (natural hazard event) Loss of life from a natural-hazard event (single or mass casualty).	6 1 0 0 0	88%	Very low appetite for loss of life from natural hazards.
L2	 Statutory obligation Non-compliance with a legal or regulatory requirement.	2 6 0 0 0	100%	Very low appetite for non-compliance with statutory obligations.
R1	 PSGE relationship damage Significant damage to relationships with PSGE.	6 2 0 0 0	100%	Very low appetite for significant damage to PSGE relationships.



STRONG ALIGNMENT — HIGH APPETITE (We are prepared to accept more risk in this area)

VERY HIGH ALIGNMENT

#	QUESTION (ABBREVIATED)	DISTRIBUTION OF 8 RESPONSES	% AT 4–5 (HIGH APPETITE)	KEY MESSAGE
S1	 Temporary service disruption for longer-term benefit Accepting temporary disruption to improve service delivery in the long term.	0 0 0 5 3	100%	High appetite to accept short-term disruption for long-term benefit.
S5	 Asset condition below preferred standard Assets operating below our preferred condition standard.	0 1 0 2 5	88%	High appetite to accept assets below preferred condition standard.
S11	 AI and emerging technologies Adoption of new technologies and emerging solutions.	0 1 1 2 4	75%	High appetite to adopt AI and emerging technologies.
GOV	 Evidence-based decision despite criticism Proceeding with a sound, evidence-based decision despite potential criticism.	0 0 0 6 2	100%	High appetite to make evidence-based decisions even if unpopular or criticised.

RESPONSE SCALE



KEY TAKEAWAY

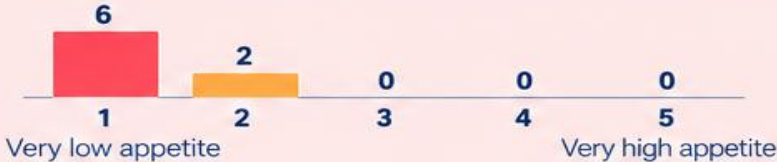
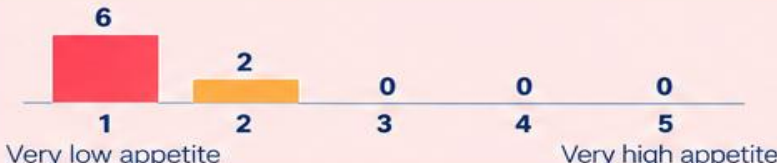
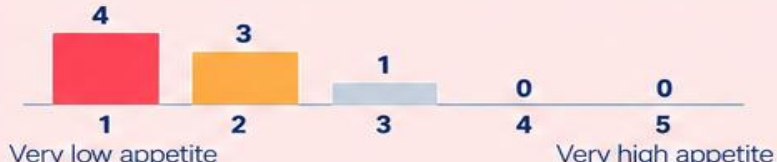
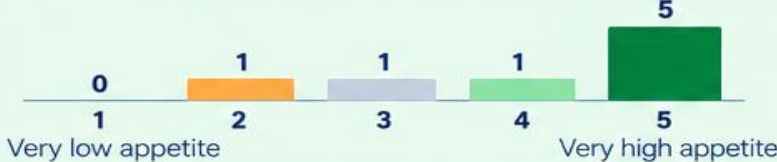
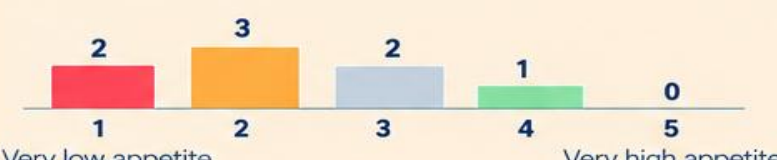
Elected members are strongly aligned on both ends of the risk appetite spectrum — very low appetite for serious safety, legal and relationship impacts, and high appetite for service disruption (for long-term benefit), asset condition, AI and making evidence-based decisions.

WHERE THERE IS DAYLIGHT

These are the questions with the widest range of views, showing the biggest differences in risk appetite.



Based on responses from
8 elected members
(24 September 2026)

#	QUESTION (ABBREVIATED)	DISTRIBUTION OF 8 RESPONSES	KEY TAKEAWAY										
R2	 Iwi & Hapū relationship damage Significant damage to relationships with Iwi & Hapū.	 <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>6</td><td>2</td><td>0</td><td>0</td><td>0</td></tr></table> Very low appetite Very high appetite	1	2	3	4	5	6	2	0	0	0	WIDE SPREAD – LOW APPETITE 6 of 8 (75%) selected 1 and 2, with 2 of 8 (25%) selecting 2. No members selected 3–5. This is a clear area of low appetite.
1	2	3	4	5									
6	2	0	0	0									
R1	 PSGE relationship damage Significant damage to relationships with PSGE.	 <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>6</td><td>2</td><td>0</td><td>0</td><td>0</td></tr></table> Very low appetite Very high appetite	1	2	3	4	5	6	2	0	0	0	WIDE SPREAD – LOW APPETITE 6 of 8 (75%) selected 1 and 2, with 2 of 8 (25%) selecting 2. No members selected 3–5. This is a clear area of low appetite.
1	2	3	4	5									
6	2	0	0	0									
H7	 Serious injury with direct Council connection Serious injury event with a direct Council connection (staff or public).	 <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>4</td><td>3</td><td>1</td><td>0</td><td>0</td></tr></table> Very low appetite Very high appetite	1	2	3	4	5	4	3	1	0	0	DIFFERENT VIEWS – MOSTLY LOW 4 of 8 (50%) selected 1, 3 of 8 (38%) selected 2, and 1 of 8 (13%) selected 3. No members selected 4–5. Overall low appetite, with a small number more moderate.
1	2	3	4	5									
4	3	1	0	0									
F9	 Local supplier premium Paying a premium to use local suppliers.	 <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>0</td><td>1</td><td>1</td><td>1</td><td>5</td></tr></table> Very low appetite Very high appetite	1	2	3	4	5	0	1	1	1	5	WIDE SPREAD – HIGH APPETITE 5 of 8 (63%) selected 5, with 1 each at 2, 3 and 4. This shows a strong higher appetite, but with some more moderate views.
1	2	3	4	5									
0	1	1	1	5									
F4	 Fees & charges Increasing fees and charges (above inflation).	 <table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>2</td><td>3</td><td>2</td><td>1</td><td>0</td></tr></table> Very low appetite Very high appetite	1	2	3	4	5	2	3	2	1	0	MIXED VIEWS – LOWER TO MODERATE 2 of 8 (25%) selected 1, 3 of 8 (38%) selected 2, 2 of 8 (25%) selected 3, and 1 of 8 (13%) selected 4. No members selected 5. Views are mixed, with a lean towards lower appetite.
1	2	3	4	5									
2	3	2	1	0									

RESPONSE SCALE



KEY TAKEAWAY

These five questions show the greatest differences in views among elected members. Relationship risks (Iwi & Hapū and PSGE) and serious injury with a direct Council connection have consistently low appetite. Fees & charges show mixed views, while the use of local suppliers shows a strong higher appetite.

WHEN APPETITES COLLIDE

Individually, both positions can make sense. Together, they create a boundary we need to understand.



1. ASSETS × SAFETY / COMPLIANCE



HIGHER APPETITE

Assets below preferred condition or reduced availability.

- Maintain service availability
- Tolerate below preferred asset condition where justified



VERY LOW APPETITE FOR SERIOUS SAFETY OUTCOMES

- Multiple or single fatalities
- Serious injury / H&S incidents
- Regulatory and statutory breaches



KEY QUESTION

Where does permission to “sweat the asset” stop?



2. INNOVATION / AI × CYBER



HIGHER APPETITE

AI and emerging technology and innovation.

- Explore and adopt new technologies
- Innovation and service improvement
- Commercial opportunities



LOWER APPETITE Cyber disruption and information exposure.

- Cyber disruption to services
- Data sovereignty and privacy risk
- Loss or exposure of sensitive information



KEY QUESTION

What guardrails must exist before management proceeds?



3. SERVICE CHANGE × FINANCIAL



HIGHER APPETITE

Temporary service disruption for longer-term benefit.

- Service redesign and improvement
- Alternative delivery models
- Short-term disruption for long-term value



LOWER APPETITE Material overall financial variance.

- Overall budget variance (operating or capital)
- Financial sustainability
- Cost escalation and unplanned costs



KEY QUESTION

What can management trade, and what requires escalation?



4. STRATEGIC DECISIONS × RELATIONSHIPS



HIGHER APPETITE

Evidence-based decisions despite criticism.

- Proceed with sound, evidence-based decisions
- Appetite for informed risk and constructive challenge
- Strategic focus over short-term noise



LOW APPETITE Significant damage to important relationships (e.g. with PSGE).

- Damage to iwi and hapū relationships
- Damage to PSGE relationships



KEY QUESTION

When should relationship impact change the decision?



THESE ARE NOT NECESSARILY CONTRADICTIONS.

They tell us where we need conditions, boundaries and tolerances.

COLLISION 1 – ASSET CONDITION VS SAFETY / COMPLIANCE

The same asset. Two different risk contexts. A clear difference in risk appetite.



Based on responses from
8 elected members
(24 September 2026)

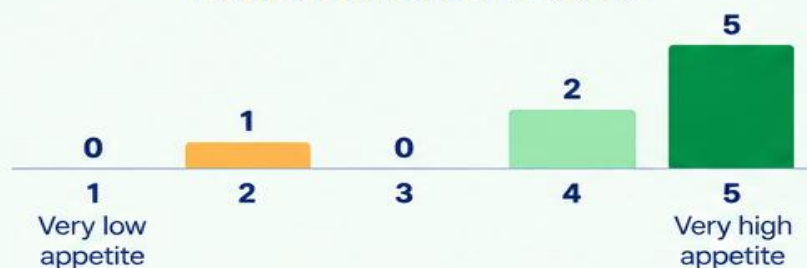


ASSET CONDITION / AVAILABILITY

Asset operating below preferred standard.

HIGHER APPETITE

DISTRIBUTION OF 8 RESPONSES



7 of 8
(88%)

selected 4 or 5
(higher appetite)

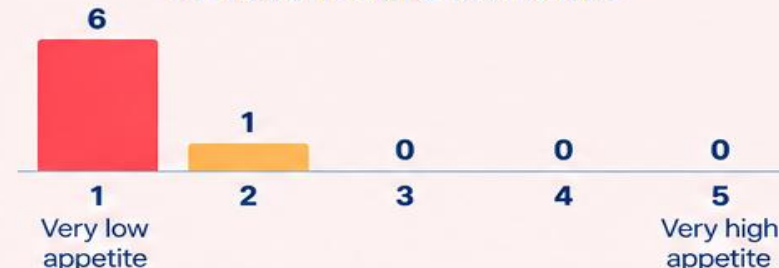


SAFETY / COMPLIANCE

Multiple fatalities (natural hazard event).

VERY LOW APPETITE

DISTRIBUTION OF 8 RESPONSES



7 of 8
(88%)

selected 1 or 2
(lower appetite)



THE COLLISION

Elected members show a higher appetite to accept assets operating below their preferred standard (to maintain service availability), but a very low appetite for serious safety outcomes such as multiple fatalities.



THE SCENARIO

A key Council asset (e.g. a road, bridge, water or community facility) is below its preferred condition standard. Keeping it open maintains service availability, but increases the risk of a serious safety incident (e.g. a natural-hazard event resulting in multiple fatalities).

Would you accept the asset operating below preferred standard to maintain service availability, knowing this may increase the risk of a serious safety outcome?



WHAT THIS MEANS



HIGHER APPETITE FOR ASSET AVAILABILITY

- 7 of 8 at 4–5 for asset condition.
- Indicates tolerance for accepting lower asset condition in order to maintain service delivery and availability.
- Reflects a willingness to accept short to medium term risk to support community outcomes.



VERY LOW APPETITE FOR SERIOUS SAFETY OUTCOMES

- 7 of 8 at 1–2 for multiple fatalities (natural hazard).
- Indicates a strong expectation to avoid loss of life.
- Council should not accept risks that could reasonably lead to multiple fatalities.



IMPLICATIONS FOR RISK APPETITE

- Asset management decisions should explicitly consider safety risks when accepting lower asset condition.
- Where there is a credible risk of a serious safety outcome, additional controls, monitoring or time-bound remediation should be in place.
- Helps inform risk appetite statements and tolerances for asset condition, service availability and safety.
- Supports prioritisation of investment and clear escalation criteria when safety risks are material.

RESPONSE SCALE (RISK APPETITE)



KEY TAKEAWAY

Elected members are aligned on avoiding serious safety outcomes, while also showing higher appetite to accept lower asset condition to maintain services. The collision is about finding the right balance between service availability and safety.

COLLISION 2 – INNOVATION / AI VS CYBER / INFORMATION EXPOSURE

The same opportunity. Two different risk contexts. A clear difference in risk appetite.



Based on responses from
8 elected members
(24 September 2026)

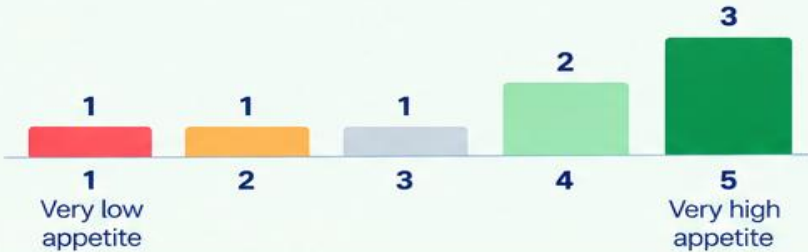


INNOVATION / AI

Adoption of new technologies and emerging solutions.

HIGHER APPETITE

DISTRIBUTION OF 8 RESPONSES



5 of 8
(63%)

selected 4 or 5
(higher appetite)

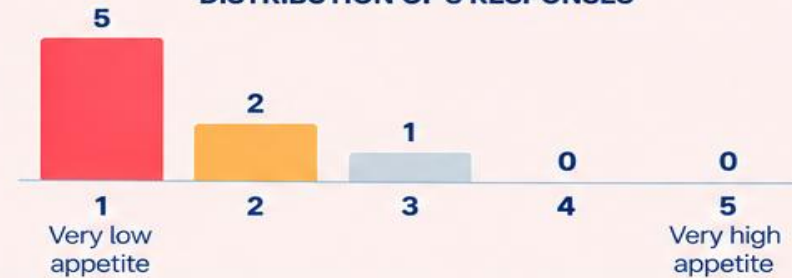


CYBER / INFORMATION EXPOSURE

Significant cyber incident or information security breach.

LOWER APPETITE

DISTRIBUTION OF 8 RESPONSES



7 of 8
(88%)

selected 1 or 2
(lower appetite)



THE COLLISION

Elected members show a higher appetite to adopt AI and emerging technologies, but a lower appetite for the risk of a significant cyber or information security incident. This creates a tension between innovation and protection of information assets.

KEY QUESTION

How do we enable innovation and the use of AI, while managing the risk of a significant cyber incident or information exposure?



THE SCENARIO

Council is considering the use of AI tools (e.g. for decision support, service delivery or internal efficiency). These technologies offer benefits, but may increase the risk of a significant cyber incident or information exposure.

Would you support the adoption of AI and emerging technologies, while knowing this may increase the risk of a cyber or information security incident?



WHAT THIS MEANS



HIGHER APPETITE FOR INNOVATION / AI

- 5 of 8 at 4–5 for innovation/AI.
- Indicates a willingness to explore and adopt new technologies and emerging solutions.
- Supports a forward-looking and innovative Council.



LOWER APPETITE FOR CYBER / INFORMATION EXPOSURE

- 7 of 8 at 1–2 for cyber or information exposure.
- Indicates a strong expectation to avoid significant cyber incidents or information breaches.
- Requires robust controls, assurance and monitoring if AI and emerging technologies are adopted.



IMPLICATIONS FOR RISK APPETITE

- Innovation and AI should proceed with clear guardrails, governance and risk controls.
- A stronger focus on cyber security, data protection and information management is required.
- Risk appetite statements should reflect a higher tolerance for innovation, but a lower tolerance for cyber and information exposure.
- Investment in security, privacy and assurance will be critical to enable safe adoption of AI and emerging technologies.

RESPONSE SCALE (RISK APPETITE)



KEY TAKEAWAY

Elected members are open to innovation and AI, but expect strong protection against cyber and information risks. The collision is about enabling innovation in a controlled and secure way.

COLLISION 3 – SERVICE CHANGE VS FINANCIAL

The same decision. Two different risk contexts. A clear difference in risk appetite.



Based on responses from
8 elected members
(24 September 2026)

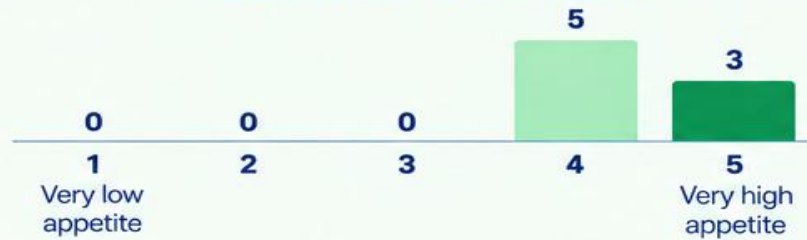


TEMPORARY SERVICE DISRUPTION FOR LONGER-TERM BENEFIT (S1)

Accepting temporary disruption to improve service delivery in the long term.

HIGHER APPETITE

DISTRIBUTION OF 8 RESPONSES



8 of 8
(100%)

selected 4 or 5
(higher appetite)

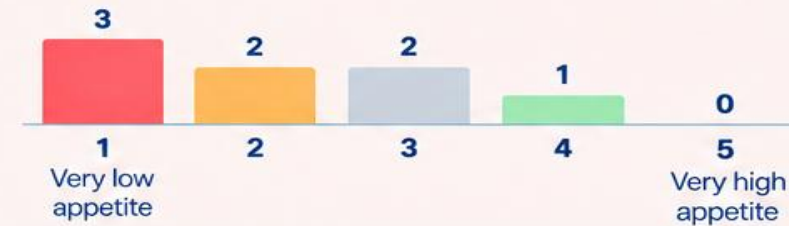


MATERIAL OVERALL FINANCIAL VARIANCE (F5)

A significant overall financial variance (operating or capital).

LOWER APPETITE

DISTRIBUTION OF 8 RESPONSES



5 of 8
(63%)

selected 1 or 2
(lower appetite)



THE COLLISION

Elected members show a high appetite to accept temporary service disruption to achieve longer-term benefits, but a lower to moderate appetite for a material overall financial variance. This creates a tension between investing now (and accepting short-term disruption) and the financial impact.

KEY QUESTION

How do we balance the need to invest and accept short-term service disruption to achieve long-term benefits with the requirement to manage financial impact?



THE SCENARIO

Council is considering a significant change to a core service (e.g. upgrading an asset, changing a service model or implementing a new system). This will result in temporary disruption to service delivery but is expected to deliver better outcomes in the long term.

Would you accept temporary service disruption to improve service delivery in the long term, knowing this may result in a material overall financial variance?



WHAT THIS MEANS



HIGHER APPETITE FOR SERVICE CHANGE

- 8 of 8 at 4–5 for temporary service disruption.
- Indicates a strong willingness to accept short-term disruption to achieve long-term benefits.
- Supports investment in change, improvement and resilience.



LOWER APPETITE FOR FINANCIAL VARIANCE

- 5 of 8 at 1–2 for material overall financial variance.
- Indicates concern about the size of financial impact (either operating or capital).
- Suggests the need for clear financial cases, phasing, mitigation and defined tolerance levels.



IMPLICATIONS FOR RISK APPETITE

- Service change proposals should clearly articulate long-term benefits, the nature and extent of short-term disruption, and the expected financial impact.
- Financial impact should be assessed and managed within agreed tolerances, with options to phase investment and mitigate cost risk.
- Decision-making should balance long-term community outcomes with financial sustainability.
- Helps inform risk appetite statements and tolerances for service delivery, investment and financial management.

RESPONSE SCALE (RISK APPETITE)



KEY TAKEAWAY

Elected members are prepared to accept short-term service disruption to achieve long-term benefits, but expect financial impacts to be carefully managed and justified. The collision is about investing for the future while maintaining financial discipline.

COLLISION 4 – STRATEGIC DECISION-MAKING VS RELATIONSHIPS

Sound, evidence-based decisions can attract criticism. These can impact important relationships.



Based on responses from
8 elected members
(24 September 2026)

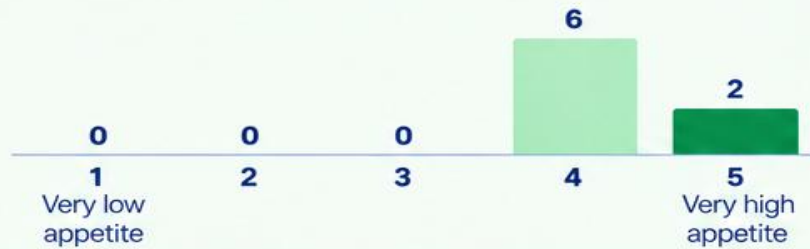


EVIDENCE-BASED DECISION DESPITE CRITICISM (GOV)

Proceeding with a sound, evidence-based decision despite potential criticism.

HIGHER APPETITE

DISTRIBUTION OF 8 RESPONSES



8 of 8
(100%)

selected 4 or 5
(higher appetite)

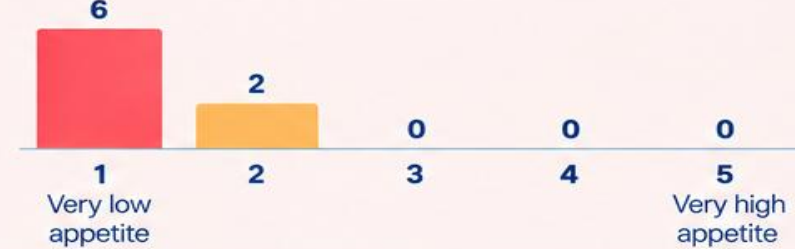


SIGNIFICANT IMPACT ON IMPORTANT RELATIONSHIPS (R1)

Significant damage to relationships with PSGE.

LOWER APPETITE

DISTRIBUTION OF 8 RESPONSES



8 of 8
(100%)

selected 1 or 2
(lower appetite)



THE COLLISION

Elected members show a high appetite to proceed with sound, evidence-based decisions even if these attract criticism, but a low appetite for significant damage to important relationships (e.g. with PSGE). This creates a tension between doing what is right and evidence-based, and maintaining key relationships.

KEY QUESTION

How do we make and stand by sound, evidence-based decisions, while minimising damage to important relationships?



THE SCENARIO

Council needs to make a significant decision based on sound evidence (e.g. on a major project, service change or regulatory matter). The decision is expected to be controversial and may attract criticism from parts of the community, including key relationships such as PSGE.

Would you support proceeding with a sound, evidence-based decision knowing this may result in significant damage to important relationships?



WHAT THIS MEANS



HIGHER APPETITE FOR EVIDENCE-BASED DECISIONS

- 8 of 8 at 4–5 for proceeding despite criticism.
- Indicates a strong willingness to make and support decisions based on evidence and what is right, even if unpopular.
- Supports a principled and courageous Council.



LOWER APPETITE FOR RELATIONSHIP IMPACT

- 8 of 8 at 1–2 for significant damage to PSGE relationships.
- Indicates a clear expectation to avoid or minimise significant damage to key relationships.
- Requires careful engagement, early involvement and relationship management when making contentious decisions.



IMPLICATIONS FOR RISK APPETITE

- Major decisions should be evidence-based, well-justified and documented.
- early and genuine engagement with PSGE and other key stakeholders is critical.
- Relationship impacts should be assessed and included in decision-making and risk management.
- Careful communication and change management can help maintain trust, even when decisions are controversial.
- Supports clear risk appetite statements and tolerances for decision-making and stakeholder/relationship risk.

RESPONSE SCALE (RISK APPETITE)



KEY TAKEAWAY

Elected members are prepared to make and support sound, evidence-based decisions even if they attract criticism, but expect significant damage to important relationships to be avoided or carefully managed.

What have collisions taught us?

PROVIDED THAT... | UNTIL... | UNLESS... | ESCALATE WHEN...

Collision

ASSETS × SAFETY / COMPLIANCE

INNOVATION / AI × CYBER

SERVICE × FINANCIAL

STRATEGIC DECISIONS × RELATIONSHIPS

What we are testing

Higher asset appetite **provided that...**

Permission to innovate **provided that...**

Management discretion **until...**

Difficult decisions acceptable **unless...**

How we set the direction

PROVIDED THAT... | UNTIL... | UNLESS... | ESCALATE WHEN...

PATH 1 – Where the direction is clear

RESULTS + DISCUSSION

PROPOSED DIRECTION

CONFIRM / REFINE

PATH 2 – Where direction needs testing

RESULTS + DISCUSSION

POSITION 1 | POSITION 2 | POSITION 3

WHICH IS CLOSEST

REFINE

Health & Safety

VERY LOW APPETITE

Proposed direction:

Council has very low appetite for risks that could result in fatality or serious harm to staff, contractors or the public, and expects credible health and safety risks to be appropriately controlled.

THIS DOES NOT MEAN ZERO RISK

Residual risk may remain after appropriate controls are applied.

Question

Does this fairly reflect the governance direction you intend?

What would make this incomplete or misleading?

Legal & Regulatory

VERY LOW APPETITE FOR NON COMPLIANCE

Proposed direction:

Council has very low appetite for material statutory or regulatory non-compliance and expects activities and decisions to operate within applicable legal requirements.

NON-COMPLIANCE ≠ LEGAL CHALLENGE

Council can make a lawful, evidence-based and properly made decision even where judicial review, litigation or other legal challenge is possible.

Question

Is that distinction the governance direction you intend?

Assets – Which position is closest?

Which is closest to the permission you intend management to have?

POSITION 1 — LOWER APPETITE

Council seeks to maintain assets at or close to preferred condition and availability standards and has limited appetite for deferred renewal or reduced service.

POSITION 3 — MODERATE APPETITE

Council accepts managed variation in asset condition and availability where this supports affordability and prioritisation, provided safety, compliance and required service outcomes are maintained.

POSITION 5 — HIGHER APPETITE

Council accepts materially lower asset condition, reduced availability and deferred renewal where this creates greater overall value, subject to defined safety, statutory, regulatory and critical-service boundaries.

Service Delivery – Which position is closest?

How much permission should management have to change how services are delivered?

POSITION 1 — LOWER APPETITE

Council prioritises continuity and consistency of existing services and has limited appetite for material disruption or reduction.

POSITION 3 — MODERATE APPETITE

Council accepts temporary or targeted service disruption where credible longer-term benefits justify it, provided critical services and material community impacts are appropriately managed.

POSITION 5 — HIGHER APPETITE

Council accepts significant service redesign, disruption or reduction where this materially improves affordability, effectiveness or longer-term outcomes, subject to defined critical-service and community-impact boundaries.

Financial – Which position is closest?

Where does management discretion stop and governance reconsideration begin?

POSITION 1 — LOWER APPETITE

Council has low appetite for financial outcomes outside approved budgets and financial parameters and expects emerging pressures to be addressed early.

POSITION 3 — MODERATE APPETITE

Council accepts managed financial variation where this supports agreed outcomes and remains within defined affordability and sustainability parameters.

POSITION 5 — HIGHER APPETITE

Council accepts greater financial variation or investment exposure where there is a credible prospect of significant strategic or community benefit, while maintaining longer-term financial sustainability.

Innovation with Guardrails

HIGHER APPETITE

Proposed direction:

Council has a higher appetite for controlled experimentation and adoption of AI and emerging technologies where there is credible potential to improve community outcomes, services or productivity.

PROVIDED THAT

Privacy, cyber security, safety, legal, ethical and information-management requirements are appropriately managed.

BOUNDARY

No material uncontrolled exposure of people, critical systems or sensitive information

Question

Does this give management the right amount of permission — with the right guardrails?

Relationships – Which position is closest?

When does disagreement become unacceptable relationship harm?

POSITION 1 — LOWER APPETITE

Council places substantial weight on protecting important relationships and has low appetite for decisions likely to cause significant relationship harm.

POSITION 3 — MODERATE APPETITE

Council seeks to protect important relationships while recognising that legitimate decisions may create disagreement or temporary relationship strain.

POSITION 5 — HIGHER APPETITE

Council is prepared to accept significant relationship tension where a lawful, evidence-based decision is necessary to achieve important strategic or community outcomes, provided impacts are understood and actively managed.

Reputation – Which position is closest?

What reputational consequence should actually change an otherwise sound decision?

POSITION 1 — LOWER APPETITE

Council has limited appetite for decisions expected to create significant adverse public or media reaction.

POSITION 3 — MODERATE APPETITE

Council accepts reasonable reputational risk and short-term criticism where decisions are lawful, evidence-based, transparent and aligned with agreed outcomes.

POSITION 5 — HIGHER APPETITE

Council accepts substantial criticism or unpopularity where a decision is lawful, evidence-based and necessary to achieve important outcomes, provided Council's integrity and longer-term trust are protected.

Strategic Decision-Making

HIGHER APPETITE

Proposed direction:

Council is prepared to make evidence-based strategic decisions involving meaningful uncertainty, criticism or short-term adverse consequences where there is a credible prospect of achieving agreed longer-term outcomes, provided other agreed risk boundaries are respected.

Question

Does this reflect the permission you intend to give?

Do you expect management to have permission to make a well-considered decision that may ultimately not succeed?

Your new collective risk appetite – *to be confirmed during workshop*

1. Does anything give management **MORE** permission than you intended?
2. Does anything constrain management **MORE** than you intended?
3. Does anything look inconsistent when you see the whole picture?

PROTECT MORE

- Health & Safety
- Legal & Regulatory
- Cyber
- Key Relationships

BALANCE/ MANAGE

- Financial
- Reputation

MORE PERMISSION

- Service Change
- Assets
- Innovation & AI
- Strategic Decision Making

What happens to your direction?

APPETITE → TOLERANCE → CONTROL → MONITORING → ASSURANCE

APPETITE - What are we prepared to accept?

TOLERANCE - How far can we go?

CONTROL - How do we stay within it?

MONITOR - Where are we now?

ESCALATE - What happens when we approach or cross the boundary?

ASSURE - How does governance know?

Who does what from here?

GOVERNANCE SETS THE BOUNDARIES. MANAGEMENT OPERATES WITHIN THEM.

ELECTED MEMBERS

- Set risk appetite
- Set material boundaries
- Clarify significant trade-offs
- Challenge where necessary
- Receive assurance

MANAGEMENT

- Translate appetite into tolerances
- Design and operate controls
- Make decisions within agreed boundaries
- Monitor exposure
- Escalate exceptions
- Provide assurance

What happens next

Risk Appetite Statements and an initial tolerance framework

TODAY — 28 SEPT

Governance direction

Results + deliberation + boundaries

CONSOLIDATE

Capture today's discussion and any changed/clarified positions

DRAFT

Risk Appetite Statements + initial tolerance framework

QUALITY CHECK

Test drafting against the direction established today

7 OCTOBER REPORT TO COUNCIL The drafting will reflect the governance direction established today.

This is where it must show up

RISK APPETITE ONLY MATTERS IF IT CHANGES A DECISION

Risk Appetite application

LTP & annual plan
Budget & investment
Business cases
Service decisions
Asset management
Projects & change
AI & technology
Risk reporting
Assurance

Management Process

1. Inside appetite? → Management acts
2. Approaching tolerance? → Management responds
3. Outside tolerance? → Escalate

Final governance check

If something remains unresolved, we record it — we don't manufacture agreement.

1. Does anything in today's emerging direction materially misrepresent what you intended?
2. Is there any important boundary that remains unclear?
3. Is there anything material preventing us from drafting the Risk Appetite and Tolerance Statements from today's direction?

RLC LTP Risk Appetite Workshop

Elected Member Workshop | 28 September 2026

Thanks & Close