

# RISK APPETITE STATEMENT

Snow Australia's risk appetite statement is intended to be a clear statement of the degree of risk exposure the Organisation is willing (and able) to accept / retain in pursuit of its goals. The risk appetite statement underpins our purpose, our strategy and our operations articulating the guardrails to which we hold ourselves accountable.

## Application

This statement applies to Snow Australia's overall operations. It summarises Snow Australia's risk appetite as at October 2023.

## Background

A well-considered, clearly articulated risk appetite is the foundation of sound risk management. Without this, risk management will be carried out with unclear boundaries and expectations.

The risk appetite statement is intended to guide directors, staff and volunteers in their actions and ability to accept and manage risks.

The Snow Australia Board sets it, the CEO champions and operationalises it and all staff and volunteers need to live it.

## Frequency of Review

In accordance with Snow Australia's risk management framework, this risk appetite statement is to be reviewed annually, or following material changes in the:

- legislative or regulatory framework;
- Snow Australia's operational environment; or
- Snow Australia's risk profile or strategic plan.

Note:

- in the event of risk exposures leading to levels of risk beyond appetite or tolerance, further mitigating actions are required to reduce risk to an acceptable level or alter the appetite or tolerance levels.
- Where the risk exposure is equal to or below the risk appetite, there is no further risk treatment actions required. Best practice recommends consideration of deployment of additional controls to further reduce the overall risk impact or likelihood.

## Risk Appetite & Acceptance

The risk appetite is the degree of risk that Snow Australia is willing to accept in pursuit of its strategic objectives and operational plan.

## Responsibilities

The Snow Australia Board is responsible for setting the Organisation's risk appetite.

## Definitions

<b>Risk Appetite</b>	
<b>Zero</b>	Avoidance of risk and uncertainty is a key Organisation objective. There is no interest in taking risk in a particular area
<b>Low</b>	Preference for ultra-safe options that are low risk (generally only have a potential for limited reward). This is typically because the consequences would not be acceptable to Snow Australia should the risk eventuate.
<b>Moderate</b>	Preference for safe options that have a moderate degree of risk and may only have limited potential for reward. There is a willingness to take a modest level of risk in an area where Snow Australia holds a core competency.
<b>High</b>	Willing to consider all potential options and choose the one most likely to result in higher rewards despite greater inherent risk. A more aggressive willingness to accept risk, noting that such willingness also increases the likelihood that external support may be required.

## Current Risk Appetite

<b>Strategic and tactical - HIGH</b> Snow Australia has a high tolerance for strategic and tactical risk arising from expansion of our community reach, developing new training facilities and growing our total sport footprint.	<b>Regulatory and compliance - LOW</b> Snow Australia seeks to conduct business in compliance with all internal policies and external requirements. Only minor and infrequent regulatory compliance breaches are tolerated and these require action to reduce the likelihood that they reoccur. Reportable regulatory compliance breaches likely to cause regulatory intervention in operations will not be tolerated.
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<p><b>Investment and asset - LOW</b></p> <p>All financial investments are to be held in cash and fixed interest.</p> <p>Snow Australia has a low tolerance for asset-liability mismatch risk.</p> <p>Snow Australia has a low tolerance for liquidity risk. Monthly and Annual cash flow projections are performed.</p>	<p><b>Operations - MODERATE</b></p> <p>Snow Australia has a moderate tolerance for operational risk, being the risk from inadequate or failed internal processes, people or systems or from external events or inadequate resourcing.</p> <p>Snow Australia has a moderate tolerance for minor business system disruption including technology security and cyber breaches, but a low tolerance for extreme business disruption.</p> <p>Snow Australia has a low tolerance for internal and external fraudulent activity.</p>
<p><b>Workplace, Health and Safety - LOW</b></p> <p>There is a low tolerance for key staff turnover. This reflects that Snow Australia operates with a relatively small core team and is susceptible to risks and costs associated with staff turnover, particularly in key positions.</p> <p>Snow Australia has a zero tolerance for threats to the work health and safety of its staff.</p> <p>Snow Australia has a zero tolerance for child safety threats.</p>	<p><b>Governance - LOW</b></p> <p>Snow Australia has a low tolerance for governance risk through material breaches of its code of conduct and ethics and integrity frameworks.</p>
<p><b>Athlete Injury Risk - MODERATE</b></p> <p>Athlete injury is acknowledged as an unavoidable consequence of extreme sport participation. Snow Australia capability and capacity to manage this risk is reviewed and adapted regularly.</p>	<p><b>Facilities Infrastructure - MODERATE</b></p> <p>Snow Australia is not immediately dependent on significant pieces of infrastructure for day-to-day operations including athlete training facilities. Facilities are a key feature for meeting long term objectives, and although failures are tolerated in the short term, long term maintenance is a key requirement to drive quality and safe outcomes.</p>

**Sporting Capabilities - HIGH**

Snow Australia views its capability and capacity to manage risks associated with both on and off-snow activities as its competitive advantage and constantly strives to ensure that its knowledge and knowhow are well enough advanced to comfortably manage associated risks better than its International competitors.

**Financial - LOW**

Snow Australia views its capability and capacity to manage business operational and financial risks as being moderate. On this basis financial and operational complexities are minimized to reduce the levels of risk.

Snow Australia is heavily dependent on government funding of operations and therefore has a low tolerance to complex acquittal models.

**Reputational - LOW**

Snow Australia takes all reasonable steps to minimise the likelihood of reputational damage. Reputation and confidence in our capabilities are valued as a critical of assets for Snow Australia.

**Member satisfaction - MODERATE**

There is a moderate tolerance for member dissatisfaction relating to isolated incidents or activities.