



North Burnett Regional Council Strategic Risks

PURPOSE

- 1) North Burnett Council's Strategic Risk Register has been implemented to ensure that:
 - Strategic risks are identified;
 - Strategic risks are assessed;
 - The effectiveness of existing controls is evaluated;
 - Residual risk is assessed;
 - Risk treatment options are considered;
 - Actions are determined and prioritised; and
 - Action plans are implemented.
- 2) The Strategic Risk Register supports the ongoing development and review of the Council's Corporate objectives.

SCOPE

- 3) The Strategic Risk Register covers corporate risks relating to the North Burnett Regional Council.
- 4) The Register has been compiled from data sourced through:
 - Consultation with key stakeholders;
 - Reviews of the Council's identified operational risks;
 - Completion of strength, weakness, opportunity and threat (SWOT) analysis;
 - Validating against known categories/types of strategic risks;
 - Researching risks identified by comparative local government authorities.
- 5) Council's Strategic Risk Register is based on the requirements of Australian Standard AS/NZS ISO 31000:2018 Risk Management – Guidelines.
- 6) The Strategic Register is to be reviewed as required by the Executive Leadership Team (ELT), and at least annually as part of the Enterprise Risk Management framework.

STRATEGIC RISK CATEGORIES

- 7) In consultation with the community, Council has developed a Corporate Plan focusing on three priority themes:
 1. Essential Service Delivery – Getting the basics right
 2. Sustainable Communities – To retain population and attract investment
 3. Prosperous Future – To ensure economic growth for future generations
- 8) The identified Strategic Risk Categories are linked to the Corporate Plan. Strategic Risk Categories as detailed are:
 - **Constrained Revenue** - Limited capacity to raise revenue and heavy reliance on State and Commonwealth government for funds and financial assistance do deliver programs, operations and services.
 - **Regulatory Changes** - State of Federal Government changes in administrative or regulatory arrangements which impedes or prevents the effective and efficient delivery of plans, programs, projects and or services.
 - **Infrastructure Failure** - Failed or deficient infrastructure and related services (including transport networks, reticulated water and wastewater or solid waste systems or services) resulting in public health impacts, environmental harm, budgetary constraint, uncertainty community benefit, liability exposure and/or regulatory sanction.
 - **Damage or harm to others** - Personal injury, property damage or community harm that occurs during the delivery of projects, operations or services by the Council.
 - **Procurement or contractual failure** - Inadequate or deficient procurement and contract management policies, procedures, systems and processes resulting in inefficiency, sub optimal contractor performance, excessive cost, liability exposures, fraud, legal sanction, or reputation harm.

- **Systemic change or disruption** - Population, demographic, technological or other societal changes that disrupt existing models and arrangements for local government decision-making, program design, budgeting, assets and infrastructure and/or service delivery.
- **Failing to meet community expectations** - Community, social and cultural infrastructure services that do not align with community expectations or are not sufficiently responsive to changed / evolving community expectations, or are beyond Council's capacity for delivery.
- **Climate change** - Climate change driven impacts on Council's assets, workforce, programs and services leading to cost and management implications for the organisation and impacts on the capacity to deliver planned and budgeted programs and services.
- **Disaster event** - A natural hazard or human-related event occurs which leads to the destruction or significant damage to public and/or private infrastructure and assets, loss of life, injuries or illness, and/or disrupts or prevents the delivery of plans, programs and services.

ROLES AND RESPONSIBILITIES

- 14) Councils Chief Executive Officer has overall responsibility for administering risk management systems, policies and procedures.
- 15) General Managers and Managers oversee the identification, assessment and management of risks. This includes reporting the status and effectiveness of risk treatments recorded in their business units localised/operational Risk Register.
- 16) Governance Policy and Risk Advisor is responsible for overseeing the identification, assessment and management of strategic risks including administering the Strategic Risk Register.
- 17) Employees, Contractors and Volunteers are responsible for applying risk management practices generally, and are responsible for the timely completion of activities contained within risk treatment plans.

Councils risk assessment matrix has been applied to each identified risk. This risk assessment matrix can be found in the Risk Management Policy.

APPLICABLE LEGISLATION AND REGULATION

- 18) Under the *Local Government Regulation 2012*, Council is required to keep a record of the risks the local government is exposed to and the control measures adopted to manage those risks (s164).

RELATED DOCUMENTS

- 19) Related documents include:
- Enterprise Risk Management Policy
 - Enterprise Risk Management Framework
 - ISO 31000:2018 Risk Management – Guidelines
 - Operational Risk Register
 - Business Unit Risk Treatment Plans

RESPONSIBLE OFFICER

Chief Executive Officer

APPROVAL DATE

October 2021

REVIEW DATE

October 2023 (**Biennial**)

REVISION HISTORY

Version	Meeting or Officer	Approval Date	History
1	Chief Executive Officer	October 2021	New

Strategic Risk Register	Doc ID 1048915
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APPENDIX 1 – STRATEGIC RISKS
APPENDIX 2 – RISK CALCULATORS

North Burnett Regional Council Strategic Risks

Risk (Short Description)	Risk (Long Description)	Causes	Consequences	Likelihood	Conseq. Level	Inherent Risk	Existing Risk Treatments (these need to be better considered as they are listed out based on best practice treatments)	Likelihood	Conseq. Level	Residual Risk	Effectiveness	Responsible Officer	Treatment Plan	
													Record/Ref Number	Rating Date
Constrained Revenue	Limited capacity to raise revenue and heavy reliance on State and Commonwealth government for funds and financial assistance do deliver programs, operations and services.	Limited rate base; fiscal imbalance; change in financial assistance grants arrangements; tyranny of distance; false or incomplete financial data on assets and liabilities; lack of information; poorly designed, implemented, monitored or enforced policies, procedures and systems; training deficiency or failure; leadership or management failure; community engagement and communication failure.	Interference or failure in delivery of planned projects, programs and services delivery; upward pressure on revenue streams including rates and charges; reputational damage and loss of public confidence; erosion of staff confidence and workplace culture; "blame" seeking and finger pointing.	Likely	Major	High	Regular budget reviews and significant financial reporting; Undertake finance training for Councillors and staff, Implement an external Audit Committee, Undertake regular Internal Audits around Financial Sustainability, Implement QTC's Decision Making Framework for large projects, Undertake Long Term Financial modelling and have the model reviewed by an external party (QTC / Internal Auditor); Develop a list of all grants and subsidies that are available from either the State & Federal Government; Undertake and implement W.O.L. assessments in all major capital projects; Review and implement efficiencies into the organisation.	Possible	Moderate	Medium	Adequate	Manager Financial Services		
	Link to Corporate Plan: Essential Service Delivery – Getting the basics right													
Regulatory Changes	State of Federal Government changes in administrative or regulatory arrangements which impedes or prevents the effective and efficient delivery of plans, programs, projects and or services.	Lack of information, inflexible systems, processes, legislation and governance; leadership or management failure; poor or deficient intergovernmental engagement and/or communication; funding constraints.	Interference or failure in delivery of planned projects, programs and services delivery; low or poor asset utilisation rates; ballooning and unbudgeted costs; upward pressure on revenue streams including rates and charges; liability exposure; reputational damage and loss of public confidence; erosion of staff confidence and workplace culture.	Possible	Major	High	Implement and develop a robust communication strategy to enable the dissemination of information to staff and community; Implement and develop project management systems to ensure capital works projects are managed within the budget and within timeframes, Implement and develop robust reporting mechanisms to management and council.	Possible	Moderate	Medium	Adequate	Strategic Projects Manager		17 August 2021
	Link to Corporate Plan: Essential Service Delivery – Getting the basics right													
Business impact event	An incident, event or crisis that disrupts or prevents the delivery of essential programs, services and/or functions by the Council.	ICT failure; failure to undertake adequate/sufficient business impact analysis of critical functions, services and infrastructure; cybersecurity threat; electrical failure; facility fire; industrial accident; transport network/infrastructure failure; training or skills deficiencies.	Interference or failure in delivery of planned projects, programs or services delivery; data/record loss or uncertainty regarding "data truth"; personal legal liabilities for executive and management; financial costs; legal liability exposure; reputational damage and loss of public confidence; external inquiries or reviews and possible intervention/sanction by the State; political and media interest; harm to health and safety of the public or staff; erosion of staff confidence and workplace culture.	Possible	Major	High	Develop and implement a Business Continuity Plan (BCP); Undertake regular scenario testing of the BCP; Undertake an Internal Audit of Councils ICT network and framework; Perform risk assessments on key services to the community (water, sewerage, waste); Undertake a review of insurance requirements in the event of an incident (eg: Cyber Cover; Theft, Recovery of Records etc.); Implement a contingency plan to supply key infrastructure with an alternative power source (eg: generator); Implement training to all staff and Councillors on BCP	Possible	Moderate	Medium	Not Adequate	CEO / Strategic Projects Manager		
	Link to Corporate Plan: Essential Service Delivery – Getting the basics right, Sustainable Communities – To retain population and attract investment													
Infrastructure Failure	Failed or deficient infrastructure and related services (including transport networks, reticulated water and wastewater or solid waste systems or services) resulting in public health impacts, environmental harm, budgetary constraint, uncertainty community benefit, liability exposure and/or regulatory sanction.	Poorly designed, implemented, monitored or enforced policies, procedures and systems; training deficiency or failure; leadership or management failure; planning and reporting failure; inadequate planning and budgeting; poorly integrated financial, asset and operational planning and management; maintenance program deficiencies.	Infrastructure, property or asset damage or loss; reduced asset life; changes in maintenance required for infrastructure and assets; harm to public health and safety; cost and budgetary pressure; reputational damage and loss of public confidence; financial costs; legal liability exposure; reputational damage and loss of public confidence.	Possible	Major	High	Implement and develop robust 10-20 year Asset Management Plans for all classes of infrastructure (roads & bridges, water, sewerage, buildings, community). Implement financial considerations within management reporting to Council, Implement W.O.L. reporting when placing new capital projects to Council to allow sufficient discussion regarding implementing new assets for the community, Implement training and education for ELT and Councillors regarding asset management, Develop clear communication strategies to advise the community of Councils decisions regarding new assets, Develop community consultation strategies. Review and ensure adequate asset insurance is in place for the replacement of assets in the event of loss or damage; Develop a systematic inspection program of asset classes and provide reports back to Council and to the ELT.	Possible	Moderate	Medium	Not Adequate	Manager Works		
	Link to Corporate Plan: Essential Service Delivery – Getting the basics right, Sustainable Communities – To retain population and attract investment													

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													Record/Ref Number	Rating Date
Damage or harm to others	Personal injury, property damage or community harm that occurs during the delivery of projects, operations or services by the Council.	Poorly designed, implemented, monitored or enforced policies, procedures and systems; training deficiency or failure; leadership or management failure; planning and reporting failure; maintenance program deficiencies; shortage of suitably skilled and experienced personnel; poorly integrated financial and operational planning and management.	Personal legal liabilities for executive and management; financial costs; legal liability exposure; reputational damage and loss of public confidence; external inquiries or reviews and possible intervention/sanction by the State; political and media interest; decision making failures; "blame" seeking and finger pointing; erosion of staff confidence and workplace culture.	Possible	Catastrophic	Extreme	Develop and implement training for all staff on their responsibilities of Work Health & Safety, Develop a culture of safety as part of everyday operations.	Possible	Moderate	Medium	Not Adequate	Manager People & Performance		
Link to Corporate Plan: Essential Service Delivery – Getting the basics right														
Procurement or contractual failure	Inadequate or deficient procurement and contract management policies, procedures, systems and processes resulting in inefficiency, sub optimal contractor performance, excessive cost, liability exposures, fraud, legal sanction, or reputation harm.	Poorly designed, implemented, monitored or enforced policies, procedures and systems; absence or poorly constructed/maintained delegations; ineffective or absent monitoring; shortage of suitably skilled and experienced personnel.	Interference or failure in delivery of planned projects, programs and services delivery; vulnerability to fraud, corruption or criminal activity; financial costs; legal liability exposure; reputational damage and loss of public confidence; external inquiries or reviews and possible intervention/sanction by the State; political and media interest; decision making failures; "blame" seeking and finger pointing; erosion of staff confidence and workplace culture.	Possible	Major	High	Council develop and implement robust tender documents including the development of current construction contracts in accordance with Australian Standards; Council provide detailed project management reports to Management & Council; Council implement an assessment panel when dealing with major projects greater than \$200k; Council engage appropriate and qualified personnel when designing major infrastructure and ensure that they have the applicable qualifications and experience; Council prepare a policy & procedure when dealing with the Traditional Owners around cultural heritage issues; Council ensure that they have the right insurance cover for each project, and also ensure that any contractors engage have the financial capacity to carry out the scope of works, and have a proven track record (cheapest isn't necessary the most advantageous based on the 5 Local Government Principles)	Possible	Moderate	Medium	Not Adequate	Manager Finance		
Link to Corporate Plan: Essential Service Delivery – Getting the basics right														
Systemic change or disruption	Population, demographic, technological or other societal changes that disrupt existing models and arrangements for local government decision-making, program design, budgeting, assets and infrastructure and/or service delivery.	Pace of change; failure to identify, consider and respond to emerging risks and opportunities; lack of information; inflexible systems, processes, legislation and governance; leadership or management failure; planning and reporting failure.	Interference or failure in delivery of planned projects, programs and services delivery; redundant or underutilised assets; cost and budgetary pressure; reputational damage and loss of public confidence; financial costs.	Possible	Moderate	Medium	Develop and implement procedures around the development of annual budgets and reviews to discuss economic trends (population, age, employment etc...); Develop an urban plan for the townships; Develop a robust community consultation strategy, Develop an engagement plan with current State & Federal Ministers; Develop economic incentives for potential investors within the region; review all new capital projects prior to being approved and implemented.	Possible	Moderate	Medium	Adequate	CEO / GM Corporate & Community		
Link to Corporate Plan: Essential Service Delivery – Getting the basics right, Sustainable Communities – To retain population and attract investment, Prosperous Future – To ensure economic growth for future generations														
Failing to meet community expectations	Community, social and cultural infrastructure services that do not align with community expectations or are not sufficiently responsive to changed / evolving community expectations, or are beyond Council's capacity for delivery.	Inadequate or deficient community engagement; budget or accounting failure; inadequate financial data on assets and liabilities; leadership or management failure; planning and reporting failures; lack of meaningful data / feedback from the community (particularly those who are disengaged and do not seek out feedback opportunities – often the majority of ratepayers).	Reputational damage, disillusionment and loss of public confidence; low or poor asset utilisation rates; ballooning and unbudgeted costs; decision making failures, "blame" seeking and finger pointing; erosion of staff confidence and workplace culture.	Possible	Moderate	Medium	Provide training for Management & Councillors in relation to communication and media training; Develop and implement a community consultation strategy; Management to develop a robust reporting framework to allow council to make the best informed decision regarding matters affecting the community and future generations; The organisation to develop a culture of transparency and accountability (good governance practices)	Possible	Moderate	Medium	Adequate	CEO / Strategic Projects Manager		
Link to Corporate Plan: Sustainable Communities – To retain population and attract investment, Prosperous														

Risk (Short Description)	Risk (Long Description)	Causes	Consequences	Likelihood	Conseq. Level	Inherent Risk	Existing Risk Treatments (these need to be better considered as they are listed out based on best practice treatments)	Likelihood	Conseq. Level	Residual Risk	Effectiveness	Responsible Officer	Treatment Plan	
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Future – To ensure economic growth for future generations														
Climate change	Climate change driven impacts on Council's assets, workforce, programs and services leading to cost and management implications for the organisation and impacts on the capacity to deliver planned and budgeted programs and services.	Heat related impacts on assets or infrastructure (above design parameters); changes in frequency or intensity of severe weather events; regulatory changes; lack of adequate climate change adaptation planning and implementation. Water security	Infrastructure, property or asset damage or loss; reduced asset life; changes in maintenance required for infrastructure and assets; harm to public health and safety; harm to worker health; cost and budgetary pressure; potential common law liability exposure; interference with planned programs and service delivery; reputational damage and loss of public confidence; external inquiries or reviews; political and media interest; pressure on natural systems, ecology, and biodiversity.	Possible	Major	High	Develop and implement a systematic inspection program on key assets (buildings, water & sewerage, community infrastructure, roads) to develop a sustainable renewal & maintenance program; Investigate alternative building materials that can handle extreme heat & cold; Investigate alternative energy sources within Councils key buildings (eg: solar); Investigate the development of green policies. Improved Open space / Parks / Streetscape Design.	Possible	Moderate	Medium	Not Adequate	Manager Planning & Environment		
Link to Corporate Plan: Sustainable Communities – To retain population and attract investment, Prosperous Future – To ensure economic growth for future generations														
Disaster event	A natural hazard or human-related event occurs which leads to the destruction or significant damage to public and/or private infrastructure and assets, loss of life, injuries or illness, and/or disrupts or prevents the delivery of plans, programs and services.	Bushfire; flood; severe convective storm; earthquake; tropical cyclone or depression; storm surge; heatwave; tsunami; widespread and uncontrolled civil disobedience; major industrial or transportation accident; failure of critical infrastructure such as electrical or ICT systems, dam, water supplies or wastewater treatment; pandemic or epidemic; major terrorism incident; war.	Significant financial losses; public and/or private property damage; major economic impacts; organisational upheaval and interference with planned projects, programs, service delivery and/or capacity to achieve strategic objectives; reputational damage and loss of public confidence with respect of Council's action in response to the disaster; political and media interest; liability exposure; loss of life; harm to health and safety of public or staff.	Almost Certain	Major	Extreme	Development and implementation of a Local Disaster Management Plan that is tested bi-annually on different disaster occurrences; Implement training and understanding to all staff & councillors on their role & responsibilities in the event of a disaster; Engage stakeholders and communicate Councils Disaster Management Plan; Develop good communication strategies to ensure that community are kept up to date in the event of a disaster situation; Document local & corporate knowledge of the organisation and document local geographic hot spots.	Possible	Moderate	Medium	Not Adequate	Manager Works		
Link to Corporate Plan: Sustainable Communities – To retain population and attract investment														

APPENDIX 2 – RISK CALCULATORS

Consequence	Rating	Operational – Business Continuity	Environmental	Information Technology	Strategic/Corporate Governance – Reputation - Political	Human Resources	Infrastructure, Asset & Property	Workplace Health & Safety	Financial and Economic
Catastrophic	5	The continuing failure of Council to deliver essential services. The removal of key revenue generation.	Widespread and irreversible environmental damage attributed by the courts to be negligent or incompetent actions of North Burnett Regional Council.	Widespread, long term loss of IT network/ hardware.	Loss of State Government support with scathing criticism and removal of the Council. National media exposure. Loss of power and influence restricting decision making and capabilities.	Staff issues cause continuing failure to deliver essential services.	Widespread, long term loss of substantial key assets and infrastructure.	Fatality or significant irreversible disability.	Huge financial loss (eg. >\$250,000 of revenue or budget)
Major	4	Widespread failure to deliver several major strategic objectives and service plans. Long-term failure of Council causing lengthy service interruption.	Severe environmental impact requiring significant remedial action. Penalties and/or direction or compliance order incurred.	Widespread, short to medium term loss of IT network/ hardware.	State media and public concern/ exposure with adverse attention and long-term loss of support from Council residents.	Staff issues cause widespread failure to deliver several major strategic objectives and long term failure of day to day service delivery.	Widespread, short to medium term loss of key assets and infrastructure.	Extensive injuries. Lost time of more than 4 working days.	Major financial loss (eg. \$100,000 to \$249,999 of revenue or budget)

Moderate	3	Failure to deliver minor strategic objectives and service plans. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Moderate impact on the environment; no long term or irreversible damage. May incur cautionary notice or infringement notice. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Short to medium term loss of key IT network/ hardware.	Significant state wide concern/ exposure and short to mid term loss of support from Council residents. Adverse impact and intervention by another local government & LGAQ.	Staff issues cause failure to deliver minor strategic objectives and temporary and recoverable failure of day to day service delivery.	Short to medium term loss of key assets and infrastructure.	Medical treatment. Lost time of up to 4 working days.	High financial loss (eg. \$50,000 to \$99,999 of revenue or budget)
Minor	2	Temporary and recoverable failure of Council causing intermittent service interruption for several days.	Minor environmental damage such as remote temporary pollution.	Minor loss/damage. Repairs required	Minor local community concern manageable through good public relations. Adverse impact by another local government.	Staff issues cause several days interruption of day to day service delivery.	Minor loss/damage. Repairs required.	First aid treatment. No lost time.	Minor financial loss (eg. \$5,000 to \$49,999 of revenue or budget)
Insignificant	1	Negligible impact of Council, brief service interruption for several hours to a day.	Brief, non- hazardous, transient pollution or damage.	Damage where repairs are required however equipment still operational.	Transient matter, e.g. Customer complaint, resolved in day-to-day management. Negligible impact from another local government.	Staff issues cause negligible impact of day to day service delivery.	Damage where repairs are required however facility or infrastructure is still operational.	No injury.	Low financial loss (eg. < \$4,999 of revenue or budget)

RISK CALCULATOR					
Consequence					
Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
ALMOST CERTAIN	Medium	Medium	High	Extreme	Extreme
LIKELY	Low	Medium	High	High	Extreme
POSSIBLE	Low	Low	Medium	High	High
UNLIKELY	Low	Low	Medium	Medium	High
RARE	Low	Low	Medium	Medium	Medium

Risk Level	Action Required
Extreme	<ul style="list-style-type: none"> Develop specific management plan for immediate implementation to address extreme risks Allocate actions and budget for implementation within quarterly budget reviews Report immediately to executive management team. Regular internal reporting required
High	<ul style="list-style-type: none"> Develop and implement a specific management plan for high risks Allocate actions and budget to minimise risk. Monitor implementation Report to executive management team within the half yearly budget review. Regular internal reporting
Medium	<ul style="list-style-type: none"> Develop and implement a specific management plan for medium risks Allocate actions and budget to minimise risk where existing controls deemed inadequate. Monitor implementation Report to executive management team within the annual budget review

Risk Level	Action Required
	<ul style="list-style-type: none"> • Management to consider additional controls. Report within the quarter
Low	<ul style="list-style-type: none"> • Accept and monitor low-priority risks • Manage via routine procedures where possible. Monitor via normal internal reporting mechanisms