

RISK MANAGEMENT POLICY

Purpose

To protect against a potential negative event or the failure to take advantage of an opportunity that may prevent the company from meeting its objectives.

Policy Statement

Risk is inherent in all SE Water's business activities. Within the context of South East Water, risk is a potential negative event or the failure to take advantage of an opportunity that may prevent the company from meeting its objectives.

A formal approach to the management of business risk is regarded as sound business practice. The identification and assessment of strategic, operational and emerging risk, together with the assessment of the adequacy of existing controls are central principles of the company's risk approach. Assessment is in accordance with predefined criteria which reflect the risk tolerance acceptable to the business. Allocation of responsibility, implementation of adequate control measures and ongoing reporting of risks at the appropriate level are fundamental activities incorporated into South East Water's systematic approach to risk management.

This systematic approach to risk management ensures a shared understanding of risk, a consistent response to unacceptable levels of risk and the balance between the cost of risk and anticipated benefits. It is South East Water's goal to manage risk in a manner which maximises our opportunities and minimises potential loss events.

Risk management is a valuable management tool which assists all staff, management and the Board to make informed decisions with the confidence that risks have been given due consideration.

Responsible for Approval

South East Water Board

Executive Sponsor

General Manager, Corporate Services

Responsible for Implementation

Manager, Risk and Business Services Branch

Related Documents and Relevant Legislation

- Business Risk Management Framework
- Australian Standard: AS/NZS 4360, Risk Management
- South East Water Crisis and Emergency Management Plan
- Melbourne Metropolitan Water Industry Emergency Management Plans

Approved: Board of Directors March 2010