Policy statement

The Board of Goodstart Early Learning Limited (Goodstart) is committed to ensuring an effective risk management system is in place throughout Goodstart and supported by a risk-aware culture.


What does this policy apply to?

- Risk Management Roles and Responsibilities
- Statutory Requirements
- Risk Management

1. Context

Goodstart’s purpose is to ensure children have the learning, development and wellbeing outcomes they need for school and life. As Australia’s largest early learning provider, our success and sustainability depends on our ability to understand and respond to the challenges of a changing political, social, physical, financial and regulatory environment.

Operating a large, geographically dispersed organisation in this environment of uncertainty generates risk. By understanding and managing risk, we provide greater certainty and confidence that our strategic goals will be achieved. This benefits not only the organisation, but the thousands of children attending our centres, their families, our employees, and society in general. For this reason, effective risk management must be at the cornerstone of our decision making. Goodstart is committed to the ongoing development of a strategic and consistent enterprise-wide approach to risk management underpinned by a risk-aware culture.

Everyone at Goodstart has a role in managing risk by enhancing opportunities and minimising threats so that together we achieve our six strategic goals –

- High quality: ensure all our centres deliver high-quality early learning and care in a safe environment;
- Great people: build a capable, aligned and engaged workforce;
- Financial sustainability: generate a surplus to reinvest in our network, our people, and our purpose;
- Inclusion: enhance outcomes for children in vulnerable circumstances;
- Evidence: embed evidence-informed practice and strengthen the Australian evidence base; and
- Influence: increase public commitment to quality early learning and care.
2. Scope

This policy applies to all Goodstart employees, volunteers, consultants and contractors.

3. Purpose

This policy is a statement of the overall approach to risk management for Goodstart. The overriding purpose of risk management is the responsible achievement of Goodstart’s strategic objectives.

4. Risk Management Principles

The effective management of risk is vital to the continued sustainability and success of Goodstart. It improves performance, encourages innovation and supports the achievement of objectives. For risk management to be effective and efficient, communicating the value, intention and purpose the following principles must be applied to the strategic goals, business activities and operations of Goodstart:

- Integrated - risk management is an integral part of Goodstart’s activities.
- Structured and comprehensive - a structured and comprehensive approach to risk management contributes to consistent and comparable results.
- Customised - the risk management framework and process are customised and proportionate to Goodstart’s external and internal context related to the strategic goals.
- Inclusive - appropriate and timely involvement of stakeholders enable their knowledge, views and perceptions. This results in improved awareness and informed risk management.
- Dynamic - risk can emerge, change or disappear as Goodstart’s external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- Best available information - the inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectation. Information should be timely, clear and available to relevant stakeholders.
- Human and cultural factors - human behaviour and culture significantly influences all aspects of risk management at each level and stage.
- Continual improvement - risk management is continually improved through learning and experience.

5. Risk Management Process

Goodstart has adopted the risk management process in the International Standard (ISO 31000:2018) Risk Management Guidelines). The process is described in the Goodstart Risk Management Framework. All risk management systems and methodologies must be consistent with this process.

6. Responsibility

Responsibility for risk management is shared across the organisation.
Board

The Board demonstrates its mandate and commitment to risk management by approving this policy, defining the organisation’s risk appetite, approving the enterprise risks, maintaining oversight of the organisation’s enterprise risks and ensuring the necessary resources are allocated to risk management. The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this is delegated to the Audit and Risk Committee (ARC) and reviewed by the full Board.

Audit and Risk Committee (ARC)

The ARC assists the Board in overseeing the organisation’s risk profile and is responsible for overseeing management’s actions in the identification, management and reporting of material business risks. The Audit and Risk Committee recommends to the Board which risks should be classified as enterprise risks.

CEO and CFO

The CEO and CFO responsible for management of Goodstart’s material business risks, supporting the inclusion of risk management in strategic and operational decision making, periodically reviewing the organisation’s risk profile, fostering a risk-aware culture and reporting to the ARC on the effectiveness of the risk management framework.

Leadership Team

Managers of business and operational units are responsible for the effective identification, management, reporting and control of risk within their areas of responsibility, ensuring appropriate records of assessed risks are maintained and developing a risk-aware culture.

Chief Financial Officer (CFO)

The CFO is responsible for implementing the risk management program. Detailed work on this is delegated to the Risk Manager and reviewed by the CFO.

Internal Audit

Internal Audit provides independent assurance on the effectiveness of internal controls and the risk management framework.

All employees

Every employee within Goodstart is responsible for the effective identification, management, reporting and control of risk within their area of responsibility, and for developing and fostering a risk aware culture.

7. Definitions

Enterprise Risk

Risks which have the ability to impact the achievement of the organisation’s strategic objectives. May include ‘material business risks’.

Risk

The effect of uncertainty on objectives or a deviation from the expected. Risk may be positive, negative or both, and may address, create or result in opportunities and threats. Risk is measured in terms of potential events, their consequences and their likelihood.

Risk Appetite

The nature and approach that Goodstart's Board is willing to accept in pursuit of strategic goals.
Risk Management
Co-ordinated activities to direct and control an organisation with regard to risk.

8. Statutory Requirements
Although Goodstart is not a listed company, the Goodstart Board endorses the adoption of Principle 7 ‘Recognise and Manage Risk’ of the Corporate Governance Principles and Better Practice Recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council.

Goodstart is committed to formally adopting risk management as a core component of the manner in which it undertakes all business activities and addresses its responsibilities.

9. Policy Communication
The Risk Management Policy is to be communicated internally to ensure all employees have an understanding of the policy and their individual responsibilities.

The Risk Management Policy is to be communicated to new employees and contractors as part of the induction process and a copy of the policy is made available to all staff via Goodstart’s intranet.

Reference Documentation
- BM3 Risk Management Framework Requirement
- BM3 Compliance Governance Framework Requirement
- Standards:
  - ASX Principle 7 ‘Recognise and Manage Risk’, Corporate Governance Principles and Better Practice Recommendations
- Board Charter
- ARC Charter

10. Review
This policy shall be reviewed every two years or earlier if required by a change in circumstances.

Responsibilities
This policy is to be implemented by: All Staff.

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