

## Message from the Chief Executive Officer

As the Accountable Officer under the *Public Governance, Performance and Accountability (PGPA) Act 2013*, it is my responsibility, together with the Leadership Group, to establish and maintain appropriate systems of risk oversight and management for the Agency.

The new National Health Reform Agreement Addendum covering 2026-27 to 2030-31 marks a significant moment for NHFB. It brings real opportunity - new priorities, new ways of working, and new expectations from our stakeholders. To make the most of these opportunities, we need to be open to change, willing to innovate and confident in taking considered risks.

Our United Leadership behaviours give us the foundation to do this well. **One NHFB** means we approach risk as a shared responsibility - every one of us has a role, and together we are stronger. **Open Communication** means we have honest conversations about risk, including when things don't go to plan. **Enhance Trust** means we collaborate across boundaries and draw on the full range of views across our team. And **Own It** means we take accountability for our decisions, do our best work, and learn from our experience.









**Shannon White**  
Chief Executive Officer  
National Health Funding Body

### » RISK TOLERANCE STATEMENT

The NHFB has defined risk tolerance levels across five key objectives, as shown in the adjacent table. These levels reflect business functions and the potential costs and benefits of engaging with risk to support effective decision-making and strategic outcomes.

### » OUR RISK CULTURE

Things will not always go to plan - that is the nature of ambitious work. What matters is how we respond. At NHFB, we do not point fingers or look for someone to blame. We reflect, we learn, and we use that learning to do better. This is what a mature, confident risk culture looks like - and it is what will carry us through the opportunities and challenges the new Addendum brings.

KEY OBJECTIVES	RISK TOLERANCE	RISK TOLERANCE STATEMENTS
<b>CALCULATIONS</b>		
<ul style="list-style-type: none"> <li>Timely advice</li> <li>Accurate calculation</li> <li>Reconcile activity</li> <li>Funding integrity</li> </ul>	<p><b>LOW TOLERANCE</b></p> 	<p><b>1 Error(s) or delay in the calculation of payments:</b> We have a <b>LOW</b> tolerance for incorrect calculations due to poor governance, processes and delivery.</p> <p><b>2 Error(s) or delay in the reconciliation of payments:</b> We have a <b>LOW</b> tolerance for inaccurate reconciliation processes between estimated and actual service volumes that impact on public hospital funding.</p>
<b>PAYMENTS</b>		
<ul style="list-style-type: none"> <li>Timely payments to LHNs</li> <li>Payments System</li> <li>Funding Pool Financial Statements</li> </ul>	<p><b>LOW TOLERANCE</b></p> 	<p><b>3 Error(s) or delay in payments:</b> We have a <b>LOW</b> tolerance for poor governance, processes and illegal activity.</p> <p><b>4 Integrity issues with the Funding Pool Financial Statements:</b> We have a <b>LOW</b> tolerance for risks that impact transparency due to failures to meet our reporting requirements.</p>
<b>REPORTING</b>		
<ul style="list-style-type: none"> <li>Accurate information</li> <li>Funding reports</li> <li>Compliance reports</li> <li>Data security</li> </ul>	<p><b>LOW TOLERANCE</b></p> 	<p><b>5 Error(s) or delay in the reporting of public hospital funding, payments and services:</b> Whilst dependent on stakeholders to complete accurate and timely end of month processing, we have a <b>LOW</b> tolerance for failure to meet our reporting requirements.</p> <p><b>6 Inappropriate or unauthorised data release:</b> We have a <b>LOW</b> tolerance for risks that impact the management and security of data.</p>
<b>STAKEHOLDERS</b>		
<ul style="list-style-type: none"> <li>Impartial advice</li> <li>Engagement</li> </ul>	<p><b>MEDIUM TOLERANCE</b></p> 	<p><b>7 Unproductive stakeholder relationships:</b> We have a <b>MEDIUM</b> tolerance for risk when developing and sustaining approaches to stakeholder relationships whilst maintaining the integrity of the Administrator and the NHFB.</p>
<b>ORGANISATION</b>		
<ul style="list-style-type: none"> <li>Positive culture</li> <li>Innovation</li> <li>Good governance</li> <li>Funding Body Financial Statements</li> </ul>	<p><b>MEDIUM TOLERANCE</b></p> 	<p><b>8 Poor workplace culture:</b> We have a <b>MEDIUM</b> tolerance for risks which jeopardise our ability to attract, retain and develop talent to achieve outcomes.</p> <p><b>9 Inability to adapt and innovate:</b> We have a <b>MEDIUM</b> tolerance to adapt or explore best practice approaches that promote innovation.</p>
	<p><b>LOW TOLERANCE</b></p> 	<p><b>10 Health, well-being and safety:</b> We have a <b>LOW</b> tolerance for a working environment that adversely impacts the health, safety and well-being of staff.</p> <p><b>11 Fraudulent and / or corrupt activity:</b> We have a <b>LOW</b> tolerance for poor governance or defective processes that lead to illegal activity.</p>