

Risk Assessment

Three essential steps are taken:

1. The probability or likelihood of an incident occurring is evaluated;
2. The severity of the potential consequences is calculated or estimated;
3. Based on these two factors, the risks are assigned priority for risk control through the use of a risk rating.

Risk assessment involves examining and evaluating the likelihood/severity/consequence in order to prioritise and implement adequate controls. The risk matrix has been adopted based on the principles of AS/NZS ISO 31000 (2009) Risk Management – Principles and Guidelines and Code of Practice “How to Manage Work Health and Safety Risks (2012).

Likelihood Table

CATEGORY	DESCRIPTION
Almost certain (E)	There is an expectation that an event/incident will occur.
Likely (D)	There is an expectation that an event/incident could occur but not certain to occur.
Slight (C)	This expectation lies somewhere in the midpoint between “could” and “improbable”.
Unlikely (B)	There is an expectation that an event/incident is doubtful or improbable to occur.
Rare (A)	There is no expectation that the event/incident will occur.

Consequences Table

CATEGORY	DESCRIPTION
Severe (5)	Injury resulting in death, permanent incapacity, financial loss in excess of \$100,000, event cancellation, destruction or serious damage to most assets, cessation of major critical business systems. Reputational damage / adverse media coverage. Loss of sponsorship, stakeholder relationships damaged
Major (4)	Injury requiring extensive medical treatment, hospitalisation, or activities could result in a Notifiable occurrence, incident requiring outside investigation and outside assistance. Financial loss of up to \$10,000, event cancellation or non-continuance of event. Loss of sponsorship / stakeholder relationships damaged, adverse media coverage.
Moderate (3)	Injury requires formal medical treatment (hospital outpatient/doctors visit etc), activities could result in an Improvement Notice. Loss of key staff, financial loss of up to \$5,000, damage to physical or information assets. Temporary halt of event requiring outside assistance (eg fire, policy, security, maintenance)
Minor (2)	Injury requires first aid treatment on site. Temporary loss of key staff, financial loss of up to \$1,000, temporary disruption or halting of part of whole event. Failure to comply with guidelines.
Negligible (1)	Injury requires minor first aid (e.g. bandaid), or result in short term discomfort (e.g. bruise, headache, muscular aches etc), no medical treatment. Low financial cost, failure to comply with internal instructions, internal impact only, no impact on reputation, no impact on targets.

Risk matrix

Likelihood	Consequences				
	Negligible	Minor	Moderate	Major	Severe
Almost Certain	Medium	High	Very High	Very High	Very High
Likely	Medium	Medium	High	Very High	Very High
Slight	Low	Medium	High	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium