SORELL COUNCIL

RISK MANAGEMENT STRATEGY

TITLE:	**RISK MANAGEMENT STRATEGY**
RESPONSIBLE OFFICER:	**GENERAL MANAGER**
APPROVED BY COUNCIL ON:	**16 AUGUST 2016**
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EXECUTIVE SUMMARY

This document provides a framework for assessing and responding to the current and potential risks to Sorell Council. It provides the objective, principles, operating framework and broad process to ensure a consistent and flexible approach to the management of risks on the Sorell Council resources, now and in the future. This strategy is to safeguard the assets and resources of the Sorell Municipality ("Council").

The Councillors, General Manager, Senior Management Team and staff of Council recognise risk management as fundamental element for successful corporate governance and assurance. AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines states *"organisations should have a framework that integrates the process for managing risk into the organisation's overall governance, strategy and planning, management, reporting processes policies, values and culture."*

The vision of the risk management strategy is

> *"To have a mature risk management framework which is embedded in the organisation's culture, enabling risk management principles and practices to be seamless in all planning, decision making and operations."*

The detailed framework for risk management at Council is based on AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines.

BACKGROUND

1.1 INTRODUCTION

An integrated risk management is critical to the Council's successful achievement of the guiding principles contained in the Sorell Community Strategic Plan 2014-2018 ("CSP"). As a small/medium rural council we have limited human resources and capital. It is imperative we allocate these resources effectively through strong and robust decision making.

To this end, all Council staff need to identify and minimise threats to the safe and effective employment of Council resources and look for opportunities which exploit the effective and efficient use of all resources. By fostering a dynamic culture which embeds risk management as a key role of all staff, the Council will endeavor to minimise ineffective use of Council resources and ensure all Council events, activities and projects are undertaken with minimal risk to staff, the general public and other stakeholders.

The risk factors identified are:

- Integrity – ethics, fraud, corruption, brand, image and reputation;
- Infrastructure – assets and property;
- Operational – business continuity, environment, public health, human resources, knowledge capital, legal, service delivery and compliance;
- Financial – liquidity, credit and price;
- Empowerment – leadership, communications and change management;
- Information processing and technology – technology and information; and
- External environment – political, legislative, economic and social.

Environmental scanning (the process of identifying emerging issues, situations, and potential pitfalls that may affect an organisation's future) will be utilised in the business planning process to increase Council's awareness of the key risks it faces. The characteristics and attributes of these risks will be clearly documented and understood by the organisation.

Key questions for Councillors and the Senior Management Team ("SMT") to consider in undertaking this analysis include:

- **the type of risk** – technological, financial, health, safety etc;
- **the source of risk** – external (political, economic, natural disasters) or internal (reputation, security, knowledge management, etc);
- **what is at risk** – area of impact and the type of exposure (people, reputation, program results, assets etc); and
- **the level of control** – the degree to which the organisation can influence, affect or manage the risk.

The environmental scan will provide Council with the tool to set a strategic direction for risk management, which can be amended, or adjusted, as more information comes to light, or as the Council's capacity to manage risks increases.

1.2 DEFINITIONS

Risk Management: refers to the "architecture (principles, framework and process) for managing risks effectively" **(AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines).**

Risk: "the effect of uncertainly on objectives."

- ⇨ A risk is often specified in terms of an event or circumstance and the consequences that flow from it.
- ⇨ A risk is measured in terms of a combination of the consequences of an event and their likelihood.
- ⇨ Risk may have a positive or negative impact.

Consequence: "the outcome or impact of an event."

- ⇨ There can more than one consequence from one event.
- ⇨ Consequences can range from positive to negative.
- ⇨ Consequences can be expressed qualitatively or quantitatively.
- ⇨ Consequences are considered in relation to the achievement of objectives.

Likelihood: "used as a general description of probability or frequency."

- ⇨ Can be expressed qualitatively or quantitatively.

1.3 SOURCE DOCUMENTS

- ⇨ AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines
- ⇨ Sorell Council Community and Strategic Plan 2014-2018
- ⇨ Sorell Council Risk Management Policy 2016
- ⇨ Sorell Council Strategic Risk Register
- ⇨ Sorell Council WHS Policy

RISK MANAGEMENT VISION

"To have a mature risk management framework which is embedded in the organisation's culture, enabling risk management principles and practices to be seamless in all planning, decision making and operations."

STATEMENT OF COMMITMENT

The risk management process focuses attention and resources on critical areas, provides more robust operational plans and assists in improving our decision making process. Council is committed to embedding risk management within the Council's organisational culture via:

- √ The General Manager driving risk management practices from the top of the organisation and leading by example;
- √ Incorporating risk management into Council's strategic planning process, including the review of the strategic risk register by SMT;
- √ Endorse risk management practices in our daily operational activities; and
- √ Provide support to staff to build their knowledge and understanding of risk management practices.

OBJECTIVES

The risk management objectives are:

- ⇨ To support the achievement of organisational health;
- ⇨ To support Council's values and ethics;

- ⇨ To adopt risk management practices as an integral part of our Corporate policies, practices and strategies;
- ⇨ To incorporate risk management in the business planning process by reviewing the risk register annually which assigns specific actions to manage priority risks and opportunities;
- ⇨ To embed ethical behaviour into our organisational culture as part of our risk management practices;
- ⇨ To promote ownership within the Council through increased levels of awareness and skills development of Council staff; and
- ⇨ To incorporate risk management principles in all Council decision making processes.

SCOPE

The risk management strategy will be implemented by all Council departments and across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements.

All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic risk management practices in the employment of Council resources and delivery of Council services.

To manage risk in accordance with best practice, Council will observe the principles contained in AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines. Council business practices, processes and policy will be reviewed in conjunction with this standard to maintain best practices.

GUIDING PRINCIPLES

AS/NZS ISO31000:2009: Risk Management – Principles and Guidelines suggests there are 11 principles of risk management:

6.1 CREATES AND PROTECTS VALUE

Good risk management contributes to the achievement of an agency's objectives through the continuous review of its processes and systems.

6.2 BE AN INTEGRAL PART OF ORGANISATIONAL PROCESSES

Risk management needs to be integrated with an agency's governance framework and become a part of its planning processes, at both the operational and strategic level.

6.3 BE PART OF DECISION MAKING

The process of risk management assists decision makers to make informed choices, identify priorities and select the most appropriate action.

6.4 EXPLICITLY ADDRESS UNCERTAINTY

By identifying potential risks, agencies can implement controls and treatments to maximise the chance of gain while minimising the chance of loss.

6.5 BE SYSTEMATIC, STRUCTURED AND TIMELY

The process of risk management should be consistent across an agency to ensure efficiency, consistency and the reliability of results.

6.6 BASED ON THE BEST AVAILABLE INFORMATION

To effectively manage risk it is important to understand and consider all available information relevant to an activity and to be aware that there may be limitations on that information. It is then important to understand how all this information informs the risk management process.

6.7 BE TAILORED

An agency's risk management framework needs to include its risk profile, as well as take into consideration its internal and external operating environment.

6.8 TAKE INTO ACCOUNT HUMAN AND CULTURAL FACTORS

Risk management needs to recognise the contribution that people and culture have on achieving an agency's objectives.

6.9 BE TRANSPARENT AND INCLUSIVE

Engaging stakeholders, both internal and external, throughout the risk management process recognises that communication and consultation is key to identifying, analysing and monitoring risk.

6.10 BE DYNAMIC, ITERATIVE AND RESPONSIVE TO CHANGE

The process of managing risk needs to be flexible. The challenging environment we operate in requires agencies to consider the context for managing risk as well as continuing to identify new risks that emerge, and make allowances for those risks that no longer exist.

6.11 FACILITATE THE CONTINUAL IMPROVEMENT OF ORGANISATIONS

Agencies with a mature risk management culture are those that have invested resources over time and are able to demonstrate the continual achievement of their objectives.

RESPONSIBILITIES

All employees, contractors and volunteers are to be familiar with and competent in the application of Council's Risk Management Policy and Strategy. The General Manager, Department Managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility. Detailed responsibilities are listed in Appendix A.

IMPLEMENTATION

Strategies	Responsibility	Key Stakeholders		Timeframe
		Primary	Secondary	
1. Implement framework for Risk Management throughout Sorell Council				
1.1. Approval of Risk Management Strategy	General Manager	*Councillors* *SMT* Audit Committee	*Community* *Council Staff*	***Oct 2016***
1.2. Approval of Revised Risk Management Policy (annual review)	General Manager			***July 2016***
1.3. Approval of Revised Risk Register (annual review)	General Manager			***Oct 2016***
2. Embed Risk Management Practices into the Sorell Council culture				
2.1. Senior Management Team Management to adhere to the AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines.	General Manager SMT	*Councillors* *SMT*	*Council Staff*	***Ongoing***
2.2. Implement a training program for the Senior Management team.	General Manager			***Dec 2016***
2.3. Implement a training program for managers and supervisors.				***Dec 2016***
2.4. Implement a training program for staff.				***Jun 2017***
2.5. Implement the Risk Register which identifies and prioritise all relevant operational risks across the organisation. Annual review of this register.				***Oct 2016***
2.6. Review policies and procedures to include risk management practices where appropriate.				***Ongoing***

Strategies	Responsibility	Key Stakeholders		Timeframe
		Primary	Secondary	
3. **Commit appropriate resources** including funding to Risk Management in annual budget.	General Manager	*Councillors* *SMT*	*Community*	***Ongoing***
4. Incorporate Risk Management into business planning process				
4.1. Improve Councillor understanding of strategic risks.	General Manager	*Councillors* *SMT*	*Community* *Council Staff*	***Jun 2017***
4.2. Document strategic risks identified in annual planning phase into risk register.	General Manager SMT			***Mar 2017***
4.3. Imbed annual risk identification process into the annual review of the annual plan.	General Manager SMT			***Mar 2017***
4.4. Incorporate amendments into risk register.	General Manager			***May 2017***
4.5. Annual approval of risk register.	General Manager			***Jun 2017***
5. Implement a monitoring and reporting system – see Appendix B	General Manager	*Councillors* *SMT*	*Community* *Council Staff*	***Jan 2017***

APPENDIX A

RISK MANAGEMENT RESPONSIBILITIES

1. Council

Council will:

- Develop and maintain CSP.
- Adopt a Risk Management Strategy to support the CSP.
- Adopt a Risk Management Policy to support the Risk Management Strategy.
- Ensure funding is available to adequately manage the risks identified in the risk register.

2. General Manager

The General Manager will:

- Provide a safe and healthy work environment in accordance with the *Work Health and Safety Act 2012*.
- Understand the principles of risk management.
- Ensure Council meets its duty of care to all staff and the general public and protects its assets and operations through;
  - Education and training
  - Appropriate funding
  - Adequate loss control programs
- Assist the Council in the regular monitoring and reviewing of the risk register.
- Lead the Senior Management Team to promote and support risk management as a vital business principle.

3. Senior Management Team

The Senior Management Team will;

- Support and monitor the implementation of the Risk Management Policy and Strategy across the organisation.
- Assess recommendations and make decisions with respect to the annual review of council's Risk Management Policy and Strategy.
- Monitor and review (at least annually) the risk register
- Provide regular reports to Council with respect to the risk register.
- Together with the General Manager, promote and support an ethical environment.

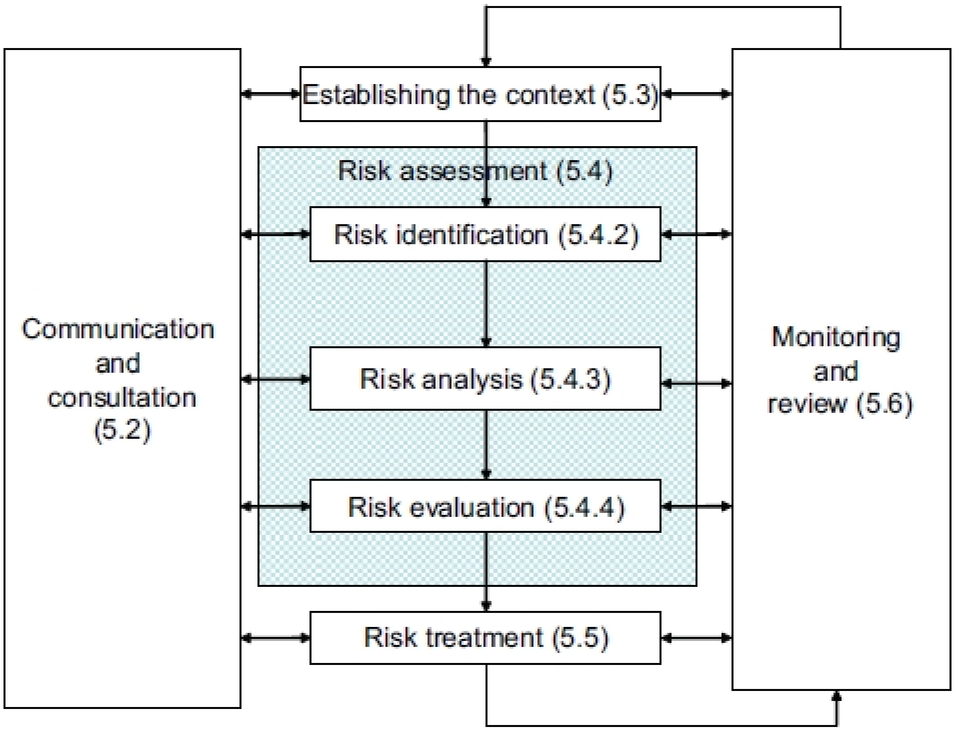
4. All Staff

- Understand and observe the Risk Management Strategy and Policy and related procedures.
- Provide timely assistance and requested information in relation to any risk management issue.
- Make loss control/prevention a priority whilst undertaking daily tasks in the Council's operations.
- Perform duties in an ethical manner.
- Report illness, injury, hazard, near miss or incident and losses as they are detected, to their manager or supervisor.

APPENDIX B

RISK MANAGEMENT PROCESS

AS/NZS ISO 31000:2009: RISK MANAGEMENT – Principles and Guidelines


Establishing the context (5.3)
Risk assessment (5.4)
Risk identification (5.4.2)
Risk analysis (5.4.3)
Risk evaluation (5.4.4)
Risk treatment (5.5)
Communication and consultation (5.2)
Monitoring and review (5.6)

APPENDIX C

RISK MANAGEMENT PROCEDURE

This procedure is based on AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines. An overview of the Risk Management process is outlined in Appendix B. For guidance in relation to the application of this procedure or assistance in the conduct of risk assessments contact the WHS Officer.

This procedure is to provide guidance to:

- The Senior Management Team in formulating, defining and refining the Risk Register.
- Individual council officers when undertaking operational risk assessments. Such assessments should then be sent to the Senior Management Team for confirmation and/or modification of the risk level and recommendations.

1. Communication and Consultation

It is important as an organisation that we have broad "ownership" of risk management practices and principles to ensure successful outcomes. Communication and consultation are important considerations at each stage of the Risk Management process. Ask the question *"has everybody been consulted, informed, and kept informed who needs to"*?

2. Establishing the Context

Establishing the context is the first step in Risk Management. This can be achieved by asking a series of questions, such as:

What are the desired outcomes of the event, activity or project?

How do we measure our success?

Who are the major stakeholders?

Do any of these stakeholders need to be involved in the risk assessment?

What records do we keep? Keeping in mind legal and governance needs, cost and benefits.

What criteria we will use to analyse the risk?

How will the rest of the risk management process be structured?

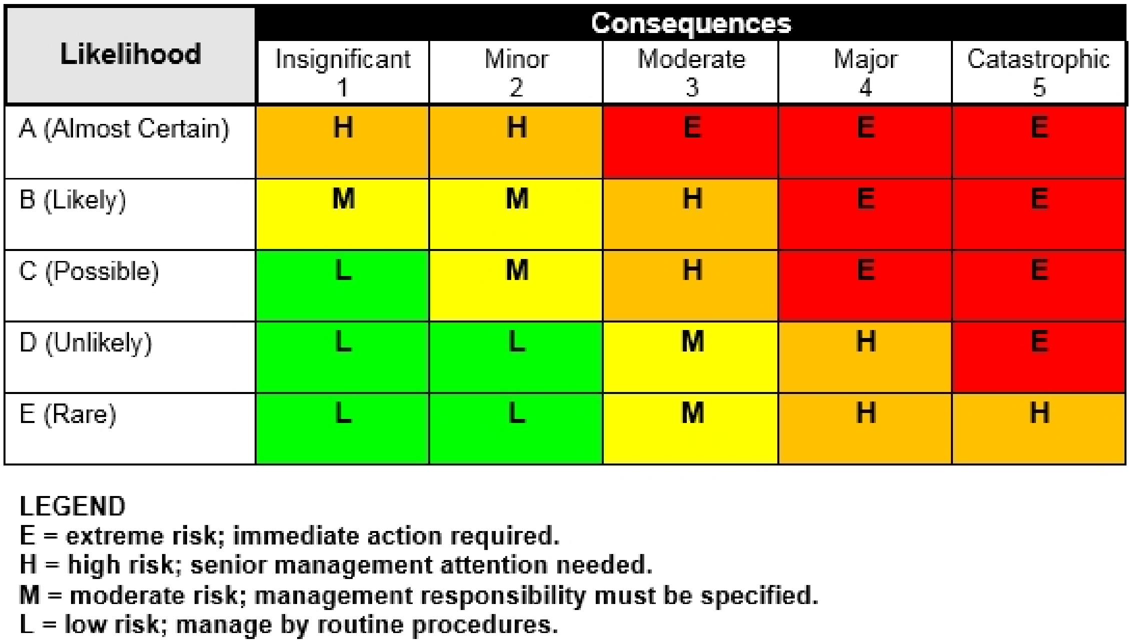
3. Risk Identification

What, where, when, how and why can things happen to prevent us from achieving our goals and objectives? Transfer all identified risk to the Risk Register.

4. Risk Analysis

How big is the identified risk? Determine how likely a risk is to occur and how large the impact would be if it did occur. Use the risk matrix below to determine the risk level of each identified risk and enter this into the Risk Register. Refer to Appendix E for definitions on likelihood and consequences for each category of risk.

Risk Matrix



Likelihood	Consequences				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A (Almost Certain)	H	H	E	E	E
B (Likely)	M	M	H	E	E
C (Possible)	L	M	H	E	E
D (Unlikely)	L	L	M	H	E
E (Rare)	L	L	M	H	H

LEGEND
E = extreme risk; immediate action required.
H = high risk; senior management attention needed.
M = moderate risk; management responsibility must be specified.
L = low risk; manage by routine procedures.

Hierarchy of control measures

The hierarchy of control is a sequence of options which offer the organisation a number of ways to approach the hazard control process.

Eliminate the hazard

- Remove a noisy machine
- Cease in-house operations of hazardous work.

Substitute the hazard with a lesser risk

- Replace hazardous electrics with hydraulics
- Purchase less hazardous machinery.

Isolate the hazard

- Install guards, screens or enclosures
- Install roll-over protection on mobile powered plant.

Engineering controls

- Redesign the task, to enable it to be carried out in a different way.

Administrative controls

- Set up entry permits to operate work systems
- Install warning signs or danger tags.

Personal protective equipment

- Safety belts and harnesses, fall-arrest systems
- Industrial safety gloves and footwear.

5. **Risk Evaluation**

Are there any controls in place? Existing controls includes policies, procedures or processes. Once existing controls have been identified, risks need to be re-evaluated and prioritised, to ensure that the greatest risks are addressed first. The process to follow is;

- ❖ Re-assess the risk in light of existing controls and adjust its Risk Level accordingly.
- ❖ Make a recommendation as whether the risk is acceptable or unacceptable, with the reason why.

6. **Risk Treatment**

What are we going to do about the risks we have identified? Develop action plans to address the risk. In addition, assign a Council Officer or department responsible for the actioning this risk, a completion date and note primary and secondary stakeholders to be influenced and communicated with regard to this risk.

Actions to be taken in relation to specified Risk Levels are:

Extreme – immediate action to be initiated and Risk Action Plans to be developed and implemented under the direct control of the Senior Management Team and General Manager. All documentation retained for future reference.

High – action timeframe to be determined by Senior Management Team, with Risk Action Plans developed by Responsible Manager/s for Senior Management Team approval.

Moderate – assess in terms of other competing priorities and take action to fix if resources permit.

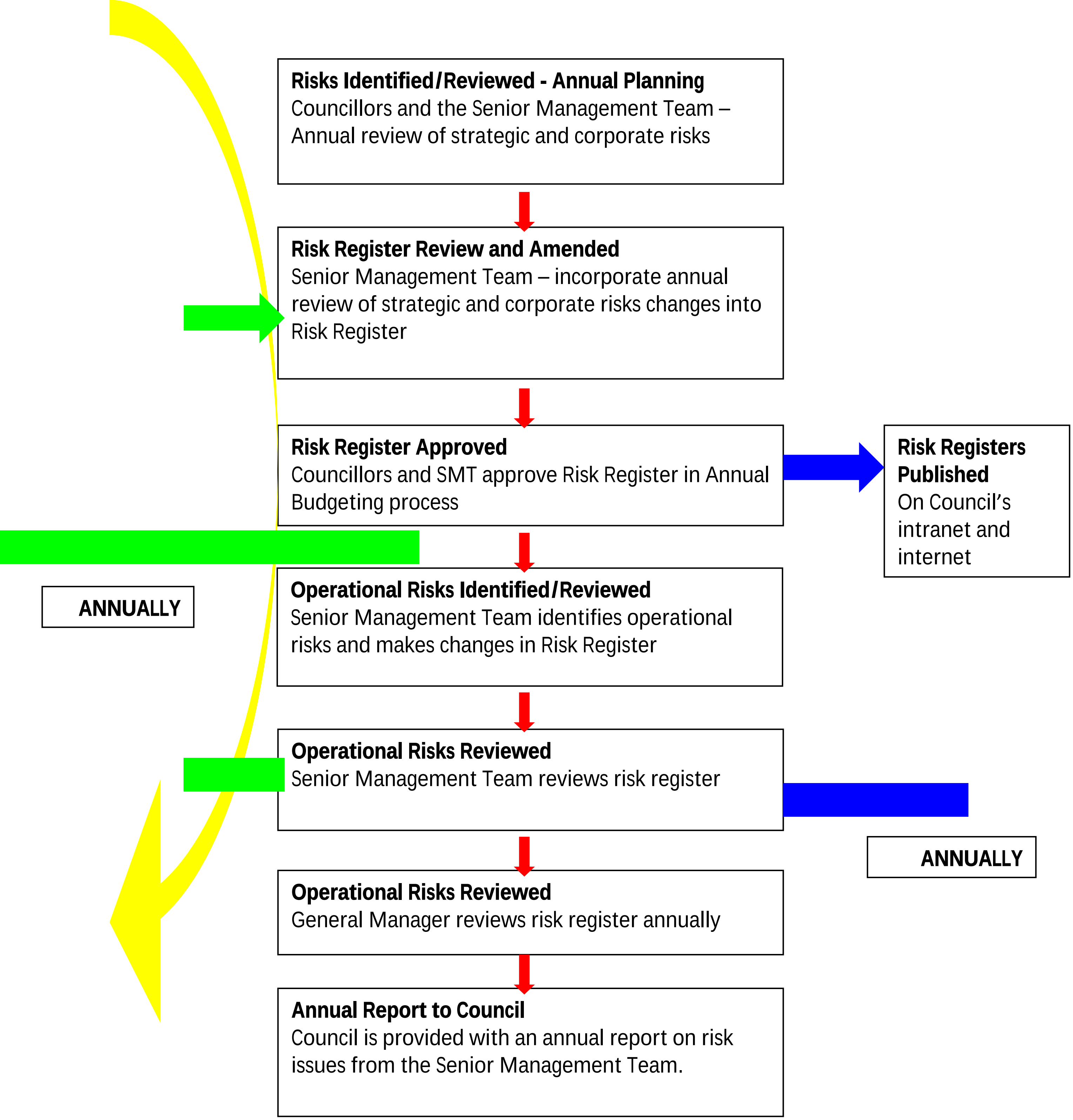
Low – no immediate action required – could be managed by routine procedures.

7. Monitoring and Review

Have we got it right? Registered risks will remain open until they have been eliminated, controlled or reduced to an acceptable level. The Responsible Manager and the Senior Management Team are to monitor the implementation of Risk Action Plans to ensure agreed actions are being taken and review the risk levels, to reflect changes made.

APPENDIX D

RISK MANAGEMENT REPORTING AND MONITORING FRAMEWORK



Risks Identified/Reviewed - Annual Planning
Councillors and the Senior Management Team – Annual review of strategic and corporate risks

Risk Register Review and Amended
Senior Management Team – incorporate annual review of strategic and corporate risks changes into Risk Register

Risk Register Approved
Councillors and SMT approve Risk Register in Annual Budgeting process

Risk Registers Published
On Council's intranet and internet

ANNUALLY

Operational Risks Identified/Reviewed
Senior Management Team identifies operational risks and makes changes in Risk Register

Operational Risks Reviewed
Senior Management Team reviews risk register

ANNUALLY

Operational Risks Reviewed
General Manager reviews risk register annually

Annual Report to Council
Council is provided with an annual report on risk issues from the Senior Management Team.

APPENDIX E

LIKELIHOOD AND CONSEQUENCE DEFINITIONS FOR EACH AREA OF RISK

Contractual & Legal

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated non-compliance or breach; negligible financial impact
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Contained non-compliance or breach with short term significance and minor financial impact
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Serious breach involving statutory authority or investigation; prosecution possible with significant financial impact
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major breach with fines and litigation; long term significance and major financial impact
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive fines and litigation with possible class action; threat to viability of program or service

Environment & Public Health

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Minimal environmental impact; isolated release only
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor environmental impact; on-site release immediately controlled
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant environmental impact; on-site release contained with assistance
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major environmental impact; release spreading off-site; contained with external assistance
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Fatalities occur; extensive release off-site; requires long term remediation

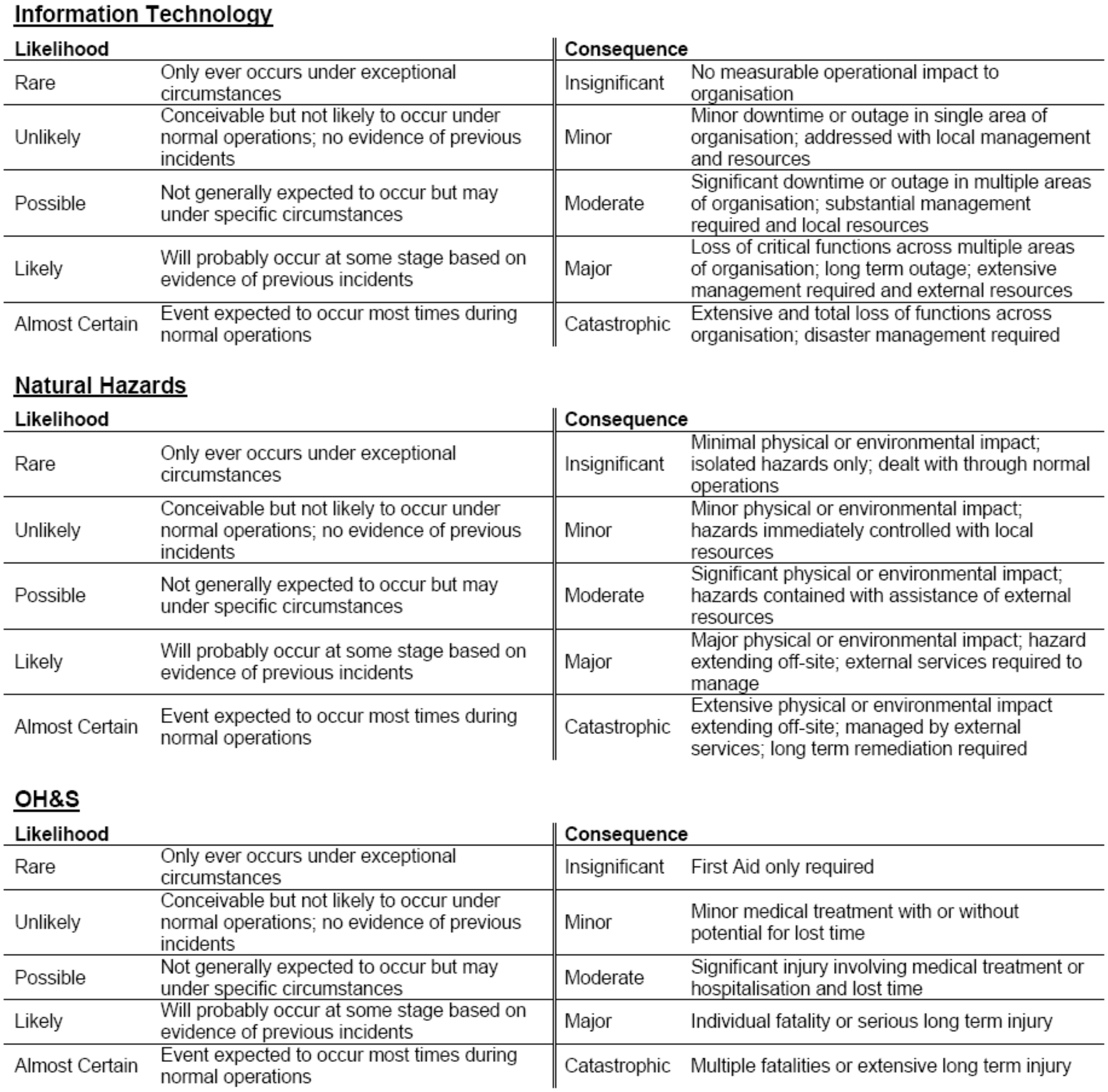
Financial

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Negligible financial loss (< $10,000); no impact on program or business operations
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor financial loss ($10,000 - $50,000); minimal impact on program or business operations
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant financial loss ($50,000 - $500,000); considerable impact on program or business operations
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major financial loss($500,000 - $1M); severe impact on program or business operations
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive financial loss ($1M+); loss of program or business operation

Industrial Relations

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated, internal or minimal impact on staff morale or performance; minimal loss to organisation
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Contained impact on staff morale or performance with short term significance; medium loss to organisation
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant impact on staff morale or performance involving investigation; significant loss to organisation
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major impact on staff morale or performance with long term significance; very high loss to organisation
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive impact on organizational morale or performance; worst case loss to organisation; threat to viability of program or service

LIKELIHOOD AND CONSEQUENCE DEFINITIONS FOR EACH AREA OF RISK



Information Technology

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	No measurable operational impact to organisation
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor downtime or outage in single area of organisation; addressed with local management and resources
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant downtime or outage in multiple areas of organisation; substantial management required and local resources
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Loss of critical functions across multiple areas of organisation; long term outage; extensive management required and external resources
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive and total loss of functions across organisation; disaster management required

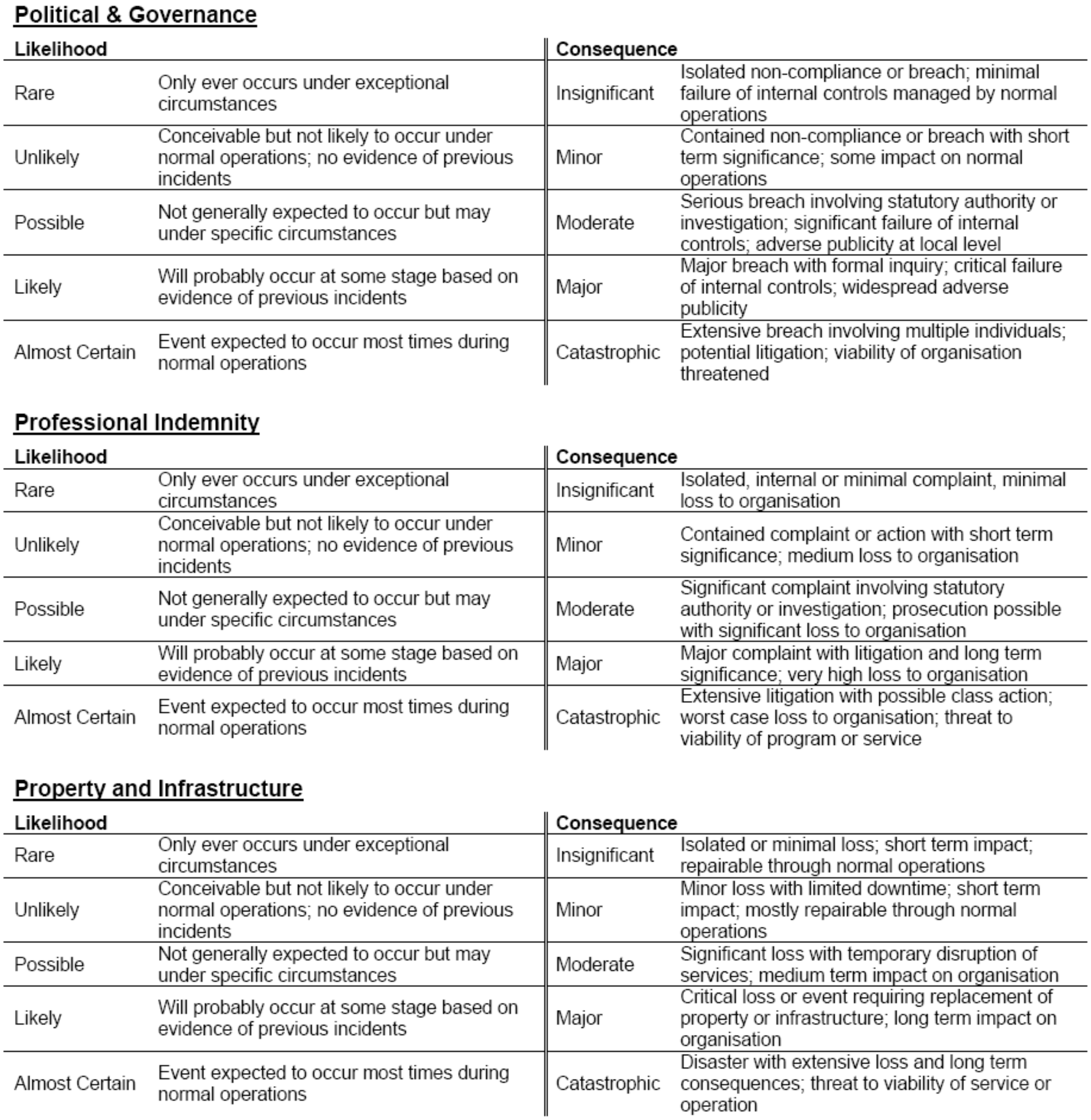
Natural Hazards

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Minimal physical or environmental impact; isolated hazards only; dealt with through normal operations
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor physical or environmental impact; hazards immediately controlled with local resources
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant physical or environmental impact; hazards contained with assistance of external resources
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major physical or environmental impact; hazard extending off-site; external services required to manage
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive physical or environmental impact extending off-site; managed by external services; long term remediation required

OH&S

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	First Aid only required
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor medical treatment with or without potential for lost time
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant injury involving medical treatment or hospitalisation and lost time
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Individual fatality or serious long term injury
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Multiple fatalities or extensive long term injury

LIKELIHOOD AND CONSEQUENCE DEFINITIONS FOR EACH AREA OF RISK



Political & Governance

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated non-compliance or breach; minimal failure of internal controls managed by normal operations
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Contained non-compliance or breach with short term significance; some impact on normal operations
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Serious breach involving statutory authority or investigation; significant failure of internal controls; adverse publicity at local level
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major breach with formal inquiry; critical failure of internal controls; widespread adverse publicity
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive breach involving multiple individuals; potential litigation; viability of organisation threatened

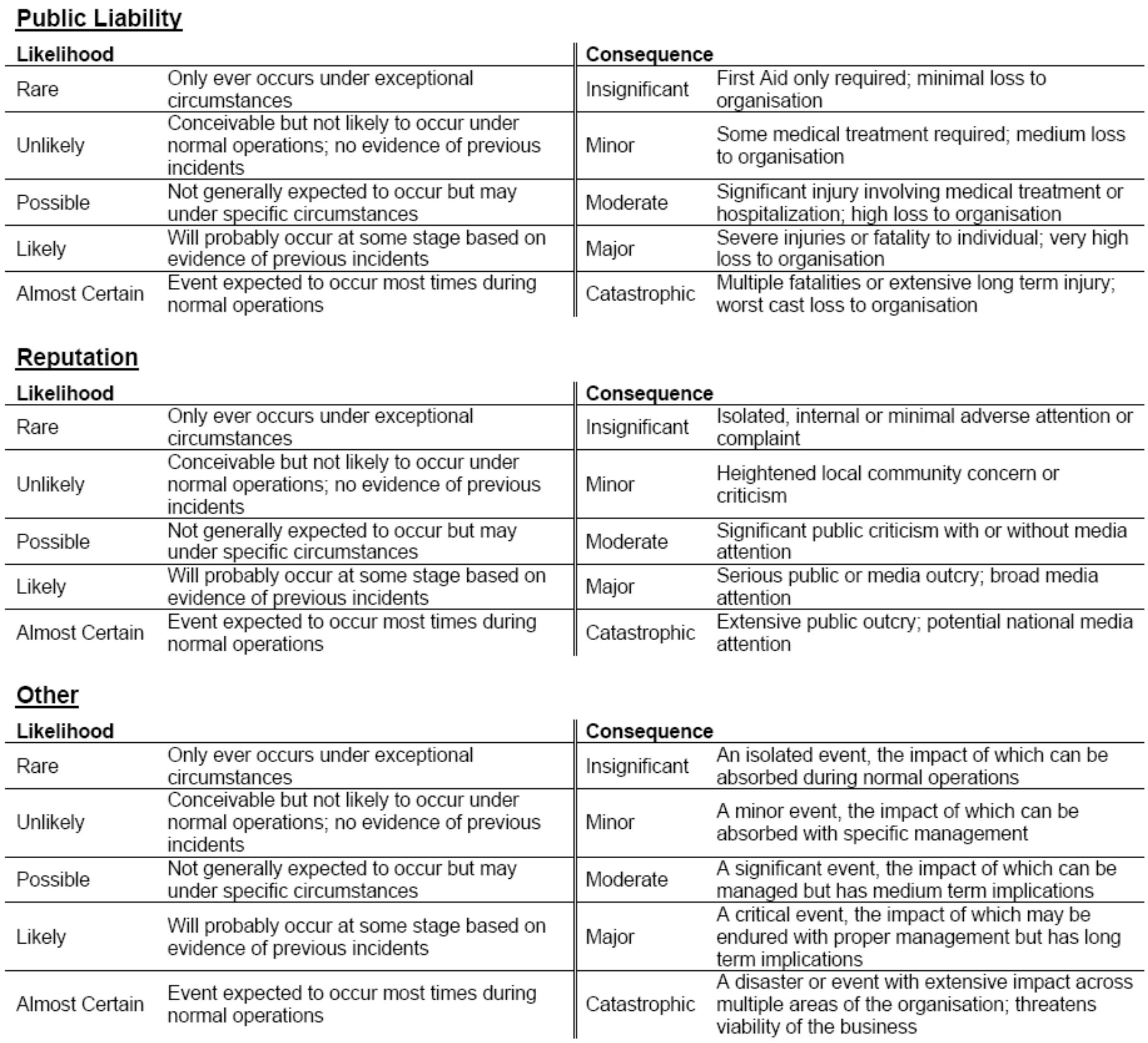
Professional Indemnity

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated, internal or minimal complaint, minimal loss to organisation
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Contained complaint or action with short term significance; medium loss to organisation
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant complaint involving statutory authority or investigation; prosecution possible with significant loss to organisation
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Major complaint with litigation and long term significance; very high loss to organisation
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive litigation with possible class action; worst case loss to organisation; threat to viability of program or service

Property and Infrastructure

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated or minimal loss; short term impact; repairable through normal operations
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Minor loss with limited downtime; short term impact; mostly repairable through normal operations
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant loss with temporary disruption of services; medium term impact on organisation
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Critical loss or event requiring replacement of property or infrastructure; long term impact on organisation
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Disaster with extensive loss and long term consequences; threat to viability of service or operation

LIKELIHOOD AND CONSEQUENCE DEFINITIONS FOR EACH AREA OF RISK



Public Liability

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	First Aid only required; minimal loss to organisation
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Some medical treatment required; medium loss to organisation
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant injury involving medical treatment or hospitalization; high loss to organisation
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Severe injuries or fatality to individual; very high loss to organisation
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Multiple fatalities or extensive long term injury; worst cast loss to organisation

Reputation

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	Isolated, internal or minimal adverse attention or complaint
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	Heightened local community concern or criticism
Possible	Not generally expected to occur but may under specific circumstances	Moderate	Significant public criticism with or without media attention
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	Serious public or media outcry; broad media attention
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	Extensive public outcry; potential national media attention

Other

Likelihood		Consequence	
Rare	Only ever occurs under exceptional circumstances	Insignificant	An isolated event, the impact of which can be absorbed during normal operations
Unlikely	Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Minor	A minor event, the impact of which can be absorbed with specific management
Possible	Not generally expected to occur but may under specific circumstances	Moderate	A significant event, the impact of which can be managed but has medium term implications
Likely	Will probably occur at some stage based on evidence of previous incidents	Major	A critical event, the impact of which may be endured with proper management but has long term implications
Almost Certain	Event expected to occur most times during normal operations	Catastrophic	A disaster or event with extensive impact across multiple areas of the organisation; threatens viability of the business