

## RISK RATING CRITERIA

| LIKELIHOOD |                | Description   | Qualification  |
|------------|----------------|---|--|
| 5          | Almost Certain | The event is expected to occur in normal circumstances. There has been frequent past history. | Several times a year. Greater than 90% chance of occurring.    |
| 4          | Likely         | The event will probably occur. Some recurring past event history.                             | Once a year. Between 70% and 90% chance of occurring.          |
| 3          | Possible       | The event may occur sometime. Some past warning signs or previous event history.              | Once every 5 years. Between 30% and 70% chance of occurring.   |
| 2          | Unlikely       | The event could occur in some circumstances. No past event history.                           | Once every 20 years. Between 5% and 30% chance of occurring.   |
| 1          | Rare           | The event may occur but only in exceptional circumstances. No past event history.             | Once every 50 years or more. Less than 5% chance of occurring. |

| RISK LEVEL RATING |                   | Likelihood |              |              |            |
|-------------------|-------------------|------------|--------------|--------------|------------|
|                   |                   | 1 - Rare   | 2 - Unlikely | 3 - Possible | 4 - Likely |
| Consequence       | 5 - Catastrophic  | Moderate   | High         | High         | Very High  |
|                   | 4 - Major         | Low        | Moderate     | High         | High       |
|                   | 3 - Medium        | Low        | Moderate     | Moderate     | High       |
|                   | 2 - Minor         | Very Low   | Low          | Moderate     | Moderate   |
|                   | 1 - Insignificant | Very Low   | Very Low     | Low          | Low        |

| CONSEQUENCE |               | Financial   | People   | Environment  | Reputation/ Governance  | Legal/ Regulatory   | Service/ Project Delivery  |
|-------------|---------------|---|--|--|---|---|--|
|             |               | <i>Financial impacts</i>  | <i>Safety &amp; Wellbeing impacts</i>  | <i>Environmental impacts</i>   | <i>Credibility, political impacts</i>   | <i>Regulatory, Compliance &amp; Legal impacts</i>   | <i>Service, project, strategic or program impacts</i>  |
| 5           | Catastrophic  | > \$5M Loss of assets, adverse impact on corporate budget.<br>> 30% Loss of assets, adverse impact on business unit budget.<br>External audit qualification.<br>Requires State or Federal intervention.   | Multiple losses of life or permanent disability, extensive injuries to several people.<br>Long term impact on morale or community, prosecution for breach of legislation (WHS).<br>Long term duration lost time injury of > 10 days.     | Detrimental long term environmental impact.<br>Total destruction of a species, habitat or ecosystem. Requires over 10 years repair.<br>National media interest.<br>Criminal prosecution.             | Substantiated, public embarrassment. Total loss of stakeholder trust that takes many years to repair. Sustained negative national or state media coverage lasting more than 1 week. Minister or Regulator involved in issue resolution. | Significant breach leading to investigation by external agency resulting in successful prosecution or sacking of Senior Officers, Council/ elected representatives, administrator appointed.                        | Inability to deliver critical and/or services for >7 days. > project time slippage. Significant impact on services visibly ob key stakeholders. Major scope and noticeable quality degree require redesign.  |
| 4           | Major         | \$500K to \$5M Loss of assets, adverse impact on corporate budget<br>15% to 30% Loss of assets, adverse impact on business unit budget<br>Internal Auditor or General Manager review qualification.<br>Major, longer negative implications for Council's ability to finance delivery of capital projects and/or services. | Single death, or long term disabling injuries to one or more people (staff or public), major localised impact on morale or wider community, one off major breach of legislation (WHS).<br>Medium duration lost time injury of 7-10 days. | Medium term damage, regional impact. Medium-term (5-10 years) environmental damage.<br>State media interest. Multiple community complaints. Notification to authority required. Civil prosecution.   | Substantiated, public embarrassment. Some loss of stakeholder trust that takes many months to repair. Significant adverse media at state level lasting up to 1 week. Local member attention. Major internal inquiry required.           | Major breach or systemic breaches leading to investigation by external agency e.g. ICAC resulting in negative findings, fines or penalties.   | Severe and widespread decline services. Relationship with stakeholders/ key suppliers strained. Inability to deliver programs and/or services for 4 weeks project time slippage. Quality degradation require re and Council approval, possible issues. |
| 3           | Medium        | \$150K to \$500K Loss of assets, adverse impact on corporate budget.<br>5% to 15% Loss of assets, adverse impact on business unit budget.<br>Internal review from Manager Supply & Contract Management (MS&CM) or Executive Leadership Team (ELT)   | Short term impact on morale or community. Minor breach of legislation (WHS/employment laws). People require minor medical treatment. Short duration lost time injury of 3-7 days.  | Environmental damage is evident. Medium-term (2-5 years) environmental damage.<br>Local media interest.<br>Repeat community complaints.<br>Regulatory enforcement action (e.g. fine, notice, order). | Substantiated, public embarrassment, moderate media profile (front page, one day). Short-term negative media extends to major metropolitan press. An internal inquiry required.   | Technical breach of legislation resulting in small fine, warnings, investigation finding technical breach of legislation and improvement notices issued. A high threat of legal action. Crisis management required. | Inability to deliver critical and/or services for 2-3 days. 1 project time slippage. Decline in or key supplier service levels to a disruption to key stakeholders.  |
| 2           | Minor         | \$25 to \$150K Loss of assets, adverse impact on corporate budget<br>2% to 5% Loss of assets, adverse impact on business unit budget<br>Internal review from Business Unit Manager  | Some short term localised impact on staff morale, community or customer relations. Minor injuries or illness from normal activities treated by first aid.<br>Lost time 3 days or less.   | Environmental impact is evident. Up to 2 years recovery period. Does not impair the overall condition of the habitat or ecosystem.   | Substantiated, low impact, low media profile (not front page news) from individual stakeholders. Small amount of short-term, non-recurring negative local media.  | Minor breach of legislation, isolated complaint or incident where there is a threat of legal action that can be resolved by management.   | Some delays in meeting stake requirements.<br>< 1 week project time slippage. Noticeable decline in service level. Unscheduled short term disruption up to 1 business day.   |
| 1           | Insignificant | < \$25K Loss of assets, adverse impact on corporate budget<br>< 2% Loss of assets, adverse impact on business unit budget<br>Internal review from Project Manager   | Localised concerns by staff, community or customers.<br>Minor incident or 'near miss'.<br>No lost time.  | Negligible environmental impact. No corrective action needed. No impact on the overall condition of the habitat and ecosystem.   | Unsubstantiated, low profile media exposure, minor isolated concerns raised, resolved by day-to-day management. Little to no public or media interest.  | Minor non-compliance, complaint or isolated breach resolved by day-to-day management.   | Scheduled interruptions. An inconvenience with minimal adverse impact on projects or service activities. Unscheduled interruptions for less than 4 h. Little or no impact on delivery.   |

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|--------------------|
| 5 - Almost Certain |
| Very High          |
| Very High          |
| High               |
| High               |
| Moderate           |

|   |
|---|
| delivery  |
| grams<br>-4 weeks<br>nt adverse<br>vious to<br>ie changes<br>gation                   |
| ie in<br><br>ecomes<br>ritical<br>4-7 days. 3-<br>Noticeable<br>mediation<br>e safety |
| grams,<br>-2 weeks<br>in council<br>that cause<br>ers.                                |
| holder  |
| .<br>levels<br>ption for  |
| or no<br>other<br>d<br>ours.<br>y program.  |