

Risk Management Definitions



'L' = Likelihood

How Likely?		Description
4	Almost Certain	The event is very likely to occur at any time or the event has happened more than once in the past
3	Likely	The event will probably occur at some time or the event has happened in the past ("I've heard of it happening")
2	Unlikely	There is some chance that the event could occur but it is not expected to happen
1	Rare	Practically impossible for the event to occur or may only occur in exceptional circumstances

'C' = Consequences

Level		If the event occurred, expected consequences could be:
4	Severe / Catastrophic	<ul style="list-style-type: none"> • Death and/or permanent disability to one or more persons; and/or • Major off-site and/or on-site release and serious detrimental effects to environment; and/or • Major property damage and/or major disruption to activities and/or major financial costs expected.
3	Major	<ul style="list-style-type: none"> • Serious injury(s) to one or more persons – leading to time off work and/or work restrictions; and/or • Serious on- or off-site release requiring outside assistance for recovery, possible detriment to environment; and/or • Property Damage and/or disruption to activities and/or substantial financial costs expected.
2	Moderate	<ul style="list-style-type: none"> • Minor injury(s) to one or more persons which may result in outside medical treatment but does not lead to time away from work or any work restrictions; and/or • On-site release - contained or recovered with outside assistance • Minor property damage and/or some disruption to activities and/or some financial costs expected.
1	Minor / Insignificant	<ul style="list-style-type: none"> • No injury or First Aid treatment only – does not require any outside medical treatment and does not lead to time away from work or any work restrictions; and/or • No on-site release or minor on-site release contained immediately; and/or • Minor or no property damage and/or no disruption to activities and/or minimal financial costs expected. Nuisance and/or annoyance.

CONSEQUENCE definitions are colour coded to show the area of major impact (but overlaps are common):

- Health and Safety
- Environmental
- Property Damage or Financial Costs or Disruption to Activities

INHERENT RISK: The level of risk associated with an activity, circumstance or material when no control measures are in place.

RESIDUAL RISK: The level of risk remaining when the proposed Control Measures are in place.

Risk Ratings



Likelihood		Almost Certain	Likely	Unlikely	Rare
Consequences		4	3	2	1
Catastrophic	4	16	12	8	4
Major	3	12	9	6	3
Moderate	2	8	6	4	2
Minor	1	4	3	2	1

R = RISK = L (LIKELIHOOD) X C (CONSEQUENCE)

GREEN 16 to 8	High Risk	Unacceptable - Urgent action required. Report to Senior Management and implement corrective action plan immediately.
MID GREEN 6 to 4	Medium Risk	Determine relevant corrective actions and put in place as soon as possible.
LIGHT GREEN 3 to 1	Low Risk	Do something where / when possible or manage by routine procedures. 'Low risk' does not mean 'no risk'.