

Risk Management

Purpose

Risk is defined as the possibility that due to unforeseen circumstances, a business will experience adverse conditions that result in a probability or threat of damage, injury, liability, loss, or any other negative occurrence.

The purpose of this procedure is to ensure that a formal process exists for the identification and management of risk in order that the effects of that risk are minimised.

The procedure provides guidelines on the process for identification, assessment and control of identified risks within RRIT operations to reduce the potential impact of those risks.

Scope

This procedure applies in the following circumstances:

1. Organisational (Quality) Risk
2. Environmental Risk

Managing Risk

The Organisation identifies and manages risks and hazards by;

- identify risks – find out what could cause harm;
- assess risks if necessary – understand the nature of the harm that could be caused by the hazard, how serious the harm could be and the likelihood of it happening;
- control risks – implement the most effective control measure that is reasonably practicable in the circumstances; and
- review control measures to ensure they are working as planned.



Assessment of Risk

Risk assessment involves analysing the inherent risk and taking into consideration the components of likelihood and consequence. The residual risk is determined by considering the likelihood and consequence following implementation of risk control options.

The level of risk associated with individual hazards is assessed against two criteria:

- the probability that the identified situation will occur; and
- the likely outcome should that situation occur.

Once a risk has been identified resources will be allocated to determine how likely it is that specific circumstances could occur and what the consequence of those circumstances could be. This should include:

- identify factors that may be contributing to the risk,
- review that is reasonably available from an authoritative source and is relevant to the particular risk,
- evaluate the likelihood of an event occurring and the likely severity of the outcome,
- identify the actions necessary to eliminate or control the risk; and
- identify records required to ensure that the risks are eliminated or controlled.

Management of Risk

The inherent level of risk associated with each event is determined when the risk is identified. The Management System Coordinator is the first point of contact for all issues when they occur. The Management System Coordinator facilitates any investigation. Management for all incident reviews and confirmation before sign off.

Risk Categories

Risk Categories dealt with by the Management System are:

1. Organisational Risks
2. Environmental Risks

Risk Assessment Framework

Risk Analysis is carried out using the assessment framework below.

		Likelihood				
		Very Low	Low	Moderate	High	Very High
Consequence	Very Low	Low	Low	Low	Low	Low
	Low	Low	Low	Moderate	Moderate	Moderate
	Moderate	Low	Moderate	Moderate	Moderate	High
	High	Low	Moderate	High	High	High
	Very High	Low	Moderate	High	High	High

Qualitative Measures of Likelihood

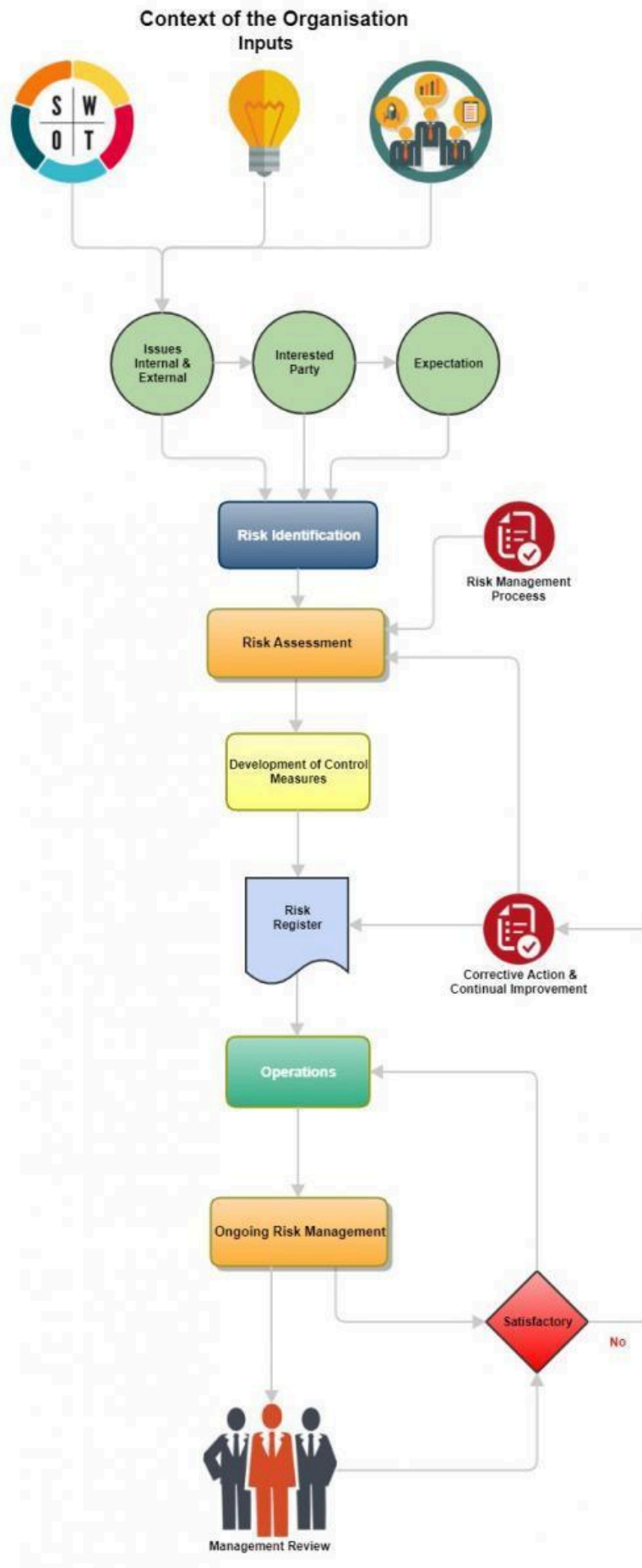
Level	Descriptor	Example Detail Description	Frequency
1	Rare	The event may occur only in exceptional circumstances	Less than once in five years
2	Unlikely	The event could occur at some time	At least once in five years
3	Moderate	The event should occur at some time	At least once in three years
4	Likely	The event will probably occur in most circumstances	Once per year
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year

Qualitative Measures of Consequence

Rating	Description	Safety	Environment	Financial	Operational	Reputational	Strategic	Technical	Compliance
1	Insignificant	No Real Injuries	No Corrective Action Required. No Breach of Regulations	< \$20,000 Damages	Some Insignificant Delays or Change to Service	Suggested Improvements and Unsubstantiated Complaints	Resolved in Day to Day Management	Operational - Minor Rectification Required	Guidance Required for Compliance
2	Minor	First Aid Injury	Impact Confined to Site Action/Control Required	\$20,000 to \$99,000 Loss or Damages	Some Minor Delays or Some Services Cancelled	Substantated Complaints and Lobby group Correspondence	Minor Impact	Service Restrictions - Rectification Required	Some Non Compliance
3	Moderate	Medical Injury	Contained Off-Site Environmental Damage. Regulatory Enforcement Action	\$100,000 to \$999,999 Loss or Damages	Some Moderate Delays and Some Services Cancelled	Complaints and Short Term Drop in Patronage. News Reports and Parliamentary Questions	Significant Impact	Non Operational - Minor Rectification Required Before Operational	Many Compliance or Probity Infringements and Some Processes Repeated
4	Major	Death or Major Injuries	Uncontained Off-Site Environmental Damage. Notification to Authority Required. Civil Prosecution.	\$1 Million to \$9 Million Loss or Damages	Major Delays and Most Services Cancelled	Sustained Drop in Patronage. High Profile News Reports and Political Embarrassment.	Major Impact	Non Operational - Extensive Rectification Required Before Operational	Non Compliance results in Termination of Process or Imposed Penalties
5	Catastrophic	Multiple Deaths	Long Term Environmental Damage. Criminal Prosecution	> \$10,Million Loss or Damages	All Services Cancelled	Patronage Decrease Causes Cancellation of Service.	Disastrous Impact	Non Operational - Cannot Be Rectified	Non Compliance Results in Criminal Charges or Loss of required Accreditation

Organisational Risk

Organisation Risk is managed as follows:



Control Measures (detailed in the [Risks Register](#)) are developed as required, with the aim of achieving the highest level of effectiveness.

Environmental Risks

The aim of this process is to identify and evaluate the significance of the environmental aspects of the organisation in order to determine those aspects which have actual or potential significant impacts upon the environment. This procedure covers the framework within which the company shall establish and maintain environmental objectives and targets and environmental management programs. The Management System Coordinator identifies the environmental aspects within the scope of this EMS that can be controlled or those it can influence by taking into account planned or new activities, products and services. This information is documented.

All relevant activities, processes and services which are identified as environmental aspects are documented using appropriate diagrammatic or graphical means, where necessary.

An environmental aspect is an element of RRIT's activities that can interact with the surroundings in which we and our subcontractors operate, including air, water, land, natural resources, flora, fauna and people.

An environmental impact is any change of those surroundings, whether adverse or beneficial, wholly or partially resulting from our activities under this contract.

Specific environmental aspects are classified into General Aspect Categories as below:

- Air Emissions
- Liquid & Solid Wastes
- Storage of Hazardous materials
- Wastewater Discharges
- Raw materials
- Water Usage
- Energy Usage
- Noise
- Odour

The [Environmental Aspects Register](#) is reviewed periodically. New aspects that should be added and any old aspects that should be deleted are recorded accordingly.

The criteria for environmental impact are detailed in the Register - Table of Aspect Frequency, Severity & Environmental Impact - see diagram below. Initial impact ratings are identified in the Table while residual environmental ratings are recorded in the [Environmental Aspects Register](#)

Environmental aspects that are classified as Significant Aspects based on established criteria and are subject to relevant legislation, regulation or other permit requirements. All aspects with an environmental impact rated as HIGH are defined as significant impacts.

Environmental impact is calculated using the matrix detailed below:

Environmental Impacts

		1	2	3	4	5
Probability		Nil Impacts	Minor Pollution	Serious Pollution	Major Environmental Event	Catastrophic Environmental Event
1	Negligible	L	L	L	M	M
2	Unlikely	L	L	M	M	H
3	Possible	L	M	M	H	H
4	Likely	M	M	H	H	H
5	Almost Certain	M	H	H	H	H