

# Risk Management Plan

Note: Table 1 is used to document key risks *except* for work health and safety (WHS) risks in the proposed Activity; Table 2 is used to document key WHS risks in the proposed Activity. Applicants are asked to either complete their risk management plan using Tables 1 and 2 for the Activity outlined in their funding application, or else provide an alternative, equivalent risk management plan. Please refer to the Notes at the bottom of this document when completing the plans.

**Table 1 : Risk Management Plan – All Risks Except Work Health and Safety (WHS) Risks**

Project name	
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Risk #	Risk (except WHS risks)	Impact	Initial risk rating (Before treatment strategies in place)	Risk treatment strategies		Residual risk (Once treatment strategies in place)
				Action	Risk owner and timeframe	
1	Risk:  Source:		Consequence:  Likelihood:  Risk rating:			Consequence:  Likelihood:  Risk rating:
2	Risk:  Source:		Consequence:  Likelihood:  Risk rating:			Consequence:  Likelihood:  Risk rating:
3	Risk:  Source:		Consequence:  Likelihood:  Risk Rating:			Consequence:  Likelihood:  Risk Rating:
4	Risk:		Consequence:			Consequence:

Risk #	Risk (except WHS risks)	Impact	Initial risk rating (Before treatment strategies in place)	Risk treatment strategies		Residual risk (Once treatment strategies in place)
				Action	Risk owner and timeframe	
	Source:		Likelihood:  Risk Rating:			Likelihood:  Risk Rating:
5	Risk:  Source:		Consequence:  Likelihood:  Risk Rating:			Consequence:  Likelihood:  Risk Rating:
6	Risk:  Source:		Consequence:  Likelihood:  Risk Rating:			Consequence:  Likelihood:  Risk Rating:
<i>[Add more rows as required]</i>						

Approved by

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Signed

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[Insert name, title, date of approval]

**Table 2 : Risk Management Plan – WHS Risks**  
(Refer to the NOTES when completing this Plan)

Project name	
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Hazard #	WHS hazard	Risk associated with the hazard	Impact	Initial risk rating (Before treatment strategies in place)	Risk treatment strategies			Risk owner & timeframe
					Action	Will the WHS risk be eliminated or minimised SFARP <sup>1</sup> through the Action ?	If no, further risk treatment strategies to eliminate or minimise SFARP the WHS Risk	
1				Consequence:  Likelihood:  Risk Rating:		Yes <input type="checkbox"/> No <input type="checkbox"/>		
2				Consequence:  Likelihood:  Risk Rating:		Yes <input type="checkbox"/> No <input type="checkbox"/>		
3				Consequence:  Likelihood:  Risk Rating:		Yes <input type="checkbox"/> No <input type="checkbox"/>		
<i>[Add more rows as required]</i>								

Approved by

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Signed

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[Insert name, title, date of approval]

<sup>1</sup> So far as is reasonably practicable

## NOTES

### Table 1 – Risk Management Plan Except WHS Risks

To complete the Plan:

1. In the 'Risk' column, identify the key risks to the project and, for each risk identified, list the main sources of this risk.
2. In the 'Impact' column, identify the possible adverse impacts to the project arising from this risk.
3. Identify what the 'Initial risk rating' would be for each key risk, were the risk to remain untreated. To determine this risk rating, applicants should assess the consequence and likelihood of the risks identified, in light of the scale and sensitivity of the project proposed. Detailed guidance on how to rate various project consequences and risks is provided below.
4. In the 'Risk treatment strategies' column, under 'Action', detail the actions you will undertake to manage and reduce these risks and assign a risk owner, who will be responsible within the proposal consortium for management of the relevant risk, and timeframe.
5. In the 'Residual risk' column, identify what the residual risk rating for the project is once the treatment strategy is in place. Again, to determine this risk rating, applicants should assess the consequence and likelihood of the risks identified, in light of the scale and sensitivity of the project proposed. Detailed guidance on how to rate various project consequences and risks is provided below.

### Table 2 – WHS Risk Management Plan

To complete the Plan:

1. In the 'Hazard' column, identify the key WHS hazards associated with the project.
2. In the 'Risk' column, identify the key WHS risks to the project associated with the identified hazard.
3. In the 'Impact' column, identify the possible adverse impacts to the project (including to people) arising from the identified hazard. Think about what harm the hazard could cause.
4. Identify what the 'Initial risk rating' would be for each key WHS hazard, were the hazard to remain untreated. To determine this risk rating, applicants should assess the consequence and likelihood of the hazards and risks identified, in light of the scale and sensitivity of the project proposed. Detailed guidance on how to rate various project consequences and risks is provided below.
5. In the 'Risk treatment strategies' column, under 'Action', detail the actions you will undertake, to eliminate or minimise so far as is reasonably practicable (SFARP), these WHS risks. If this SFARP position has not been achieved, further appropriate risk control measures must be implemented to eliminate or minimise the WHS risks SFARP.
6. In the 'Risk owner & timeframe' column, identify the WHS risk owner, who will be responsible within the proposal consortium for management of the relevant WHS risk (that is, who will be responsible for ensuring the risk treatment strategies are implemented).

# Risk rating assessment guidance

## Consequences of risks

Applicants should consider the relative significance of a risk eventuating, by ranking the consequence of the risk in accordance with the guidelines provided in Table 3 below.

**Table 3 : Guidelines on Consequences of Risks**

Potential Risk Categories	Insignificant	Minor	Moderate	Major	Severe
Objective	- Negligible impact on delivering project	- Minor Milestone delays.	- Milestone moderately delayed - Objective delayed by less than 20% of original timeframe.	- Objective delayed by more than 20% of original timeframe. - Milestone significantly delayed or not achieved.	- Project Objective not able to be achieved.
Reputation	- Internal impact only. - No adverse publicity. - No stakeholder conflict.	- Some adverse publicity. - Internal review of existing policies and practices instigated. - Minor loss of stakeholder confidence.	- External scrutiny / criticism. - Substantial adverse publicity or loss of some stakeholder confidence. - Risk event requires public ARENA response.	- Serious loss of stakeholder confidence. - Adverse national media reports on failings, inefficiency or inadequacy, causing serious embarrassment to ARENA and Government. - Breach of Commonwealth law and regulations (including standards).	- Complete loss of stakeholder confidence. - Intense public, political and media scrutiny/criticism evidenced by front-page headlines, adverse international media reports and/or sustained television coverage. - Major breach of proposed funding agreement with ARENA.
Financial	- <1% impact on budget.	- Between 1% and 2.5% impact on budget.	- Between 2.5% and 10% impact on budget.	- Between 10% and 20% impact on budget.	- Greater than 20% impact on budget.
WHS	- Staff member sustains minor cuts or abrasions requiring first aid treatment.	- Staff members sustains minor injury requiring medical attention - Staff absences increase sufficiently to cause delay.	- Skilled staff shortages lead to significant additional costs or delays. - Work accident leads to staff/client hospitalisation.	- Unable to attract any skilled staff. - Work accident leads to extensive or serious staff/client injury or temporary disablement.	- Death or serious permanent disablement of staff or clients.

**Table 3 : Guidelines on Consequences of Risks**

Potential Risk Categories	Insignificant	Minor	Moderate	Major	Severe
Environmental	- Minor and reversible effect on physical environment	- Moderate short term effects on project environment. - No impacts on ecosystem services	- Serious medium term environmental impacts.	- Serious long term impairment of the environment and surrounding ecosystem functions.	- Very serious long term impairment of the environment and surrounding ecosystem functions.
Legal		- Minor non-compliance with funding agreement and breaches of regulation. - Breach of Applicant protocols.	- Serious breach of regulation involving investigation by or reporting to authority with prosecution powers - Potential for moderate fine - Breach of funding agreements terms and conditions.	- Major breach of funding agreement or relevant legislation/regulations.	- Breach incurring significant prosecution, with potential for significant fines.

## Likelihood of risks

Applicants should consider the likelihood of a risk arising using Table 4 below.

**Table 4 : Likelihood of risks**

Category	Example of Qualitative Measures
Almost Certain	The event is expected to occur in most circumstances
Likely	The event will probably occur in most circumstances
Possible	The event might occur at some time
Unlikely	The event is not expected to occur in most circumstances
Rare	The event will only occur in exceptional circumstances

## Risk rating

The hazard/risk rating can be found by assessing consequence and likelihood using Table 5 below. This table can be used to determine a hazard/risk rating for each of the hazards/risks listed, for both before and after the proposed risk treatment strategies are applied.

**Table 5 : Risk rating**

		Consequence				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost Certain	Medium	High	High	Extreme	Extreme
	Likely	Medium	Medium	High	High	Extreme
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium