

Origin Risk Rating Toolkit



How to use this toolkit

Step A - describe the risk

Identify and describe the risk in terms of what could happen, its causes and potential effect/impact on Origin's objectives.

Step B - identify and assess controls

Identify and assess existing controls using the [Control Assessment Ratings](#). Consider any related significant incidents, near miss events and assurance activities when assessing controls.

Step C - assess the level of consequence

Decide on the level of consequence that best represents the risk. Determine the highest credible consequence level in all relevant consequence categories in the [Risk Matrix](#), taking into account current control assessment.

Step D - assess the likelihood of the risk

Determine the likelihood level in the [Risk Matrix](#) that represents the chance of the risk occurring at each consequence level identified, taking into account current control assessments.

Step E - determine a level of residual risk

Use the [Risk Matrix](#) to determine the level of risk.

Step F - determine the priority for risk treatment and approval

Using the [Risk Treatment and Acceptance Criteria](#), determine the risk treatment required and who can approve/accept the risk at its current level.

Step G - assess the potential maximum consequences

Estimate the potential maximum consequence (plausible worse case level assuming all current controls fail) using the consequence categories.

Control Assessment Ratings

Rating	Explanation
Effective	<ul style="list-style-type: none"> Controls are well designed and address the root cause/s of the risk. Controls operate to the required level. Ongoing monitoring required.
Can be improved	<ul style="list-style-type: none"> Majority of controls are well designed and address the root cause/s of the risk. Majority of controls operate to the required level. Certain controls can be improved. Ongoing monitoring required.
Needs to be improved	<ul style="list-style-type: none"> Majority of controls are not well designed and do not address root cause/s of the risk. Majority of controls do not operate to the required level. Majority of controls require improvement.

Risk Treatment and Acceptance Criteria

Level of risk	Action required	Acceptance authority
VERY HIGH	<ul style="list-style-type: none"> Risk treatment must be in place immediately Review risk quarterly at a minimum 	ELT member*
HIGH	<ul style="list-style-type: none"> Risk treatment must be considered (having regard to current business priorities) Review risk annually at a minimum 	General Manager
MEDIUM	<ul style="list-style-type: none"> Risk treatment may be considered Review risk two yearly at a minimum 	Group/Asset (EM)/ Project Manager/ Manager/Lead (IG)
LOW	<ul style="list-style-type: none"> No risk treatment required No ongoing review required unless determined by the relevant Group Manager 	Site/Activity Manager/ Manager/Lead (IG)

* CEO acceptance required for risks with a Catastrophic consequence and Likely or above Likelihood

Risk Matrix

		IMPACT ON ORIGIN OPERATIONS					EXTERNAL RESPONSE		LIKELIHOOD						
		Getting Energy Right with Due Care		Create Value			Decisions consider Our Customers, Communities and Planet		1 REMOTE	2 HIGHLY UNLIKELY	3 UNLIKELY	4 POSSIBLE	5 LIKELY	6 HIGHLY LIKELY	
		People	Environment and Community	EBIT	Cash flow	NPV	Stakeholder Perceptions	Laws, regulation and civil actions	<1% chance of occurring within the next year. Only occurs as a '100 year event' or less frequent.	<10% chance of occurring within the next year. Could occur within decades.	<30% chance of occurring within the next year. Could occur within the next few years.	<60% chance of occurring within the next year. Could occur within months to years.	<90% chance of occurring within the next year. Could occur within weeks to months.	Likely to happen multiple times a year.	
CONSEQUENCE	6 CATASTROPHIC	Multiple fatalities ≥4 or life threatening illness or total permanent disability to a large exposed group (10 or more people)	Extensive permanent damage to endangered species, habitats, ecosystems or area/s of cultural significance Extensive irreversible loss of community livelihood. Long-term social unrest and outrage	>\$200m	>\$1b	>\$1.5b	Multiple stakeholder groups confirming coordinated action, as reflected in media channels with significant reach and influence (eg. scheduled blockade or boycott covered in media for more than 1 week).	Criminal charges against any director or senior executive involving jail or loss of right to manage the company. Public inquiry – requiring considerable resources and Executive Leadership time. Loss of licence to operate an asset	6 CATASTROPHIC	HIGH	HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH
	5 CRITICAL	1 – 3 fatalities or life threatening illness or total permanent disability to a small exposed group (<10 people)	Extensive long term partially reversible damage to vulnerable species, unique habitats, ecosystems or area/s of cultural significance. Extensive reversible loss of community livelihood. Prolonged community outrage.	>\$50m - \$200m	>\$250m - \$1b	>\$375m - \$1.5b	Multiple stakeholder groups mobilising and encouraging others to take action, as reflected in media channels with significant reach and influence.	Criminal charges against any director, senior executive or senior manager not involving jail or loss of right to manage the company. Prolonged major litigation – exposure to significant damages / fines / costs. Suspension / restriction to operate an asset.	5 CRITICAL	MEDIUM	MEDIUM	HIGH	VERY HIGH	VERY HIGH	VERY HIGH
	4 MAJOR	Serious injury or illness** to one or more persons, resulting in partial permanent disability	Long term reversible impacts to listed species, habitats, ecosystems or area of cultural significance. Significant impacts to community cost of living, business viability or social wellbeing. High levels of community tension.	>\$20m - \$50m	>\$100m - \$250m	>\$150m - \$375m	More than one stakeholder group's opinion or view influencing other stakeholders, reported through media channels with some reach and influence (eg. government comments in national media or in Parliament).	Criminal charges against any employee (not described above) Major litigation – exposure to damages / fines / costs.	4 MAJOR	MEDIUM	MEDIUM	MEDIUM	HIGH	VERY HIGH	VERY HIGH
	3 SERIOUS	Serious injury or illness** to one or more persons <u>not</u> resulting in a permanent disability	Serious medium term reversible impacts to low risk species, habitats, ecosystems or area/s of cultural significance. Moderate impacts to community cost of living, business viability or social wellbeing. Moderate levels of community tension.	>\$5m - \$20m	>\$25m - \$100m	>\$37.5m - \$150m	More than one stakeholder group offering an opinion or view, reported through media channels with some reach and influence (eg. state based commentary lasting one 24 hour media cycle across internet, print, television, radio).	Non-compliance with conditions of licence to operate an asset or to conduct an activity. Litigation – exposure to damages / fines / costs.	3 SERIOUS	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
	2 MODERATE	Injury or illness to one or more persons resulting in medical treatment or outpatient treatment (i.e. not requiring admission as an in-patient) excluding treatment for a serious injury or illness	Moderate short term impacts to common regional species, habitats, ecosystems or area of cultural significance. Small scale impacts to cost of living, business viability or social wellbeing. Isolated examples of community tension.	>\$1m - \$5m	>\$500k - \$25m	>\$750k - \$37.5m	A single stakeholder group drawing attention to an incident, issue or approach, conveyed through media channels with potential reach and influence (eg. some social media complaints or local media reports).	Moderate non-compliance with external mandatory obligations or breach of contractual or other legal obligations (not described above). Litigation possible.	2 MODERATE	LOW	LOW	MEDIUM	MEDIUM	MEDIUM	MEDIUM
	1 MINOR	A minor injury or illness resulting in first aid or no treatment	Minor environmental or community impact - readily dealt with	>\$100k - \$1m	<\$500k	<\$750k	A person or organisation within stakeholder group signaling an interest in an incident, event or approach, using channels with limited reach or influence (eg. letter of complaint/commendation).	Minor non-compliance with external mandatory obligations or breach of contractual or other legal obligations.	1 MINOR	LOW	LOW	LOW	MEDIUM	MEDIUM	MEDIUM

Cash Flow - change from expectation over the life of the exposure. EBIT change from expectation over 12 – 18 month period

* Use the Cash Flow consequence category to assess and record the financial impact of risks, unless otherwise directed

** Serious injury or illness is defined as per our [HSE Glossary](#)