

Risk Matrix - Example

A **Risk Matrix** is used by governing bodies and management to assess risks and determine the risk rating based on different likelihood and consequence criteria. It includes likelihood and consequence descriptors for each risk category to assist with the assessment.

Note: The items included in the Risk Matrix below are **examples only**. It is the responsibility of each provider to develop governance tools such as the below based on their own unique circumstances.

Consequence Descriptor Table

Consequence	Workforce/Safety	Clinical	Finance/assets	Legal
5. Significant	<ul style="list-style-type: none"> Fatality or permanent injury/disability Workforce unavailable to provide services 	<ul style="list-style-type: none"> Significant governance failing Consumer fatality/ permanent injury 	<ul style="list-style-type: none"> >15% EBIT Permanent loss of high-value assets 	Significant prosecution, litigation or class action threatening a licence to operate
4. Major	<ul style="list-style-type: none"> Serious long term physical or psychological injury Workforce disruption impacting on quality of services 	<ul style="list-style-type: none"> Major governance failing Serious injury/ harm to consumer requiring lengthy hospitalisation 	<ul style="list-style-type: none"> 10-15% EBIT Temporary loss of high-value assets 	Major breach involving prosecution or litigation
3. Moderate	<ul style="list-style-type: none"> Short term serious physical or psychological injury Workforce gaps not impacting quality of services 	<ul style="list-style-type: none"> Some protocol breaches Temporary injury/harm to consumer requiring brief hospitalisation and/or medical treatment 	<ul style="list-style-type: none"> 5-10% EBIT Temporary loss of low-value assets 	Serious breach with regulator notified
2. Minor	<ul style="list-style-type: none"> Minor injuries requiring medical attention No workforce disruption 	<ul style="list-style-type: none"> Minor protocol breaches Minor harm to consumer requiring medical treatment 	<ul style="list-style-type: none"> 1-5% EBIT Insignificant loss of assets 	Minor breach with modest fine or penalty incurred
1. Negligible	<ul style="list-style-type: none"> Minor harm requiring first aid only No workforce disruption 	<ul style="list-style-type: none"> No protocol breaches Minor harm to consumer requiring first aid 	<ul style="list-style-type: none"> <1% EBIT No loss of assets 	Minor breach with no penalties

Brief descriptions of the impacts across each risk category are included for each consequence rating to guide risk assessment ratings.

Numbering each consequence and likelihood enables a numerical score to be assigned to each risk rating, which can be used to compare risks of the same rating.

Brief description of the likelihood of the risk eventuating. It is good practice to include a timeframe.

Having multiple risk categories helps to identify the wider impacts across the business and understand the greatest area of risk. The category with the greatest impact should inform the final risk rating.

Descriptions of the impacts across each risk category can include more than one aspect for each consequence rating.

Likelihood Descriptor Table

Likelihood	Descriptors
5. Almost certain	Is expected to occur in the immediate term (weeks/months)
4. Likely	Is anticipated that it may occur in the short-term < 1 year
3. Possible	May occur in the short to medium term 1-3 years
2. Unlikely	Is not anticipated to occur in the medium term 3-5 years
1. Rare	Is not expected to occur within the medium to long term > 5 years

Likelihood and Consequence Risk Rating Matrix

		Likelihood				
		1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost Certain
Consequence	5. Significant	Low	Medium	High	Extreme	Extreme
	4. Major	Low	Medium	Medium	High	Extreme
	3. Moderate	Low	Low	Medium	Medium	High
	2. Minor	Low	Low	Low	Medium	Medium
	1. Negligible	Low	Low	Low	Low	Low

Risk ratings are determined by finding the risk rating that corresponds with the most closely aligned likelihood and consequence description.