

Evaluate the Risk

In evaluating the risk, we determine the 'risk level'. High risk levels are associated with high levels of probability and very bad outcomes. Low levels are associated with unlikely events that have no major consequences.

Probability	Consequence				
	Catasrophic (6)	Critical (5)	Significant (4)	Marginal (3)	Negligible (2)
Frequent (5)	30	25	20	15	10
Probable (4)	24	20	16	12	8
Occasional (3)	18	15	12	9	6
Remote (2)	12	10	8	6	4
Improbable (1)	6	5	4	3	2
	High 20-30	Moderate High 15-19	Moderate 10-14	Moderate Low 5-9	Low 0-4

This evaluation enables us to rank the different risks in order of risk level; low, medium, high or extreme. These are residual levels of risk that consider existing controls or methods of risk management. The higher the level of risk, the higher the priority for risk management and the more resources should be allocated to risk control.

Likelihood Scale:

Frequent	Likely to occur often during life of an individual item or system or very often in operation of a large number of similar items
Probable	Likely to occur several times in the life of an individual item or system of often in operation of a large number of similar items
Occasional	Likely to occur sometime in the life of an individual item or system, or will occur several times in the life of a large number of similar components
Remote	Unlikely to occur in the life of an individual item or system, or can reasonably be expected to occur in the life of a large number of similar components
Improbable	So unlikely to occur in the life of an individual item or system that it may be assumed not to be experienced, or it may be possible, but unlikely, to occur in the life of a large number of similar components

Consequence Scale:

Catastrophic	Death, loss of system or plant, release to environment, such that significant public interest or regulatory intervention occurs or reasonably could occur
Critical	Severe injury, major system damage or other event which causes some loss of production, unplanned localised damage to environment, could have resulted in catastrophic consequences under different circumstances

Significant	Some injuries, moderate system damage, disruption to production, some environmental damage, able to be restored
Marginal	Minor injury, minor system damage, minor confined and non-damaging environmental exposure, or other event generally confined
Negligible	Little or no damage to property or risk to health.