



## RISK MANAGEMENT POLICY

Australasian Transport Risk Solutions (ATRIS) is committed to eliminating or controlling the risks associated with the provision of professional consulting services in the transport industry and in the management of consultant and contracting staff when at ATRIS or client sites.

ATRIS will provide appropriate risk management of its consultants and contractors through compliance to its Risk Management Policy and, where applicable, relevant Government safety legislation.

### Corporate Governance

Acknowledging that an appropriate risk management policy is a key element of good management and effective corporate governance, the ATRIS Risk Management Policy takes a risk-based approach and is designed to enable the identification, management and mitigation of the ATRIS company risks.

### What is Safety Risk Management?

Safety Risk Management is the process of systematically identifying, assessing, treating, monitoring and communicating risks associated with any activity or process in a way that will eliminate or minimise risks to safety.

### Risk Management Principles

The ATRIS principles underlying this risk based approach are:

- A proactive approach to risk management;
- The development, implementation, and continual improvement of risk management processes;
- The systematic identification, evaluation, treatment, monitoring and communication of risks associated with any ATRIS activity that will eliminate or minimise the identified risk;
- Involvement of consultants, contractors, clients and stakeholders, as appropriate, in risk assessment and risk management processes;
- Development of risk mitigation actions based on a hierarchy of controls which prioritises and controls risks; and
- The allocation of appropriate resources based on the identified degree of risk;
- While the Risk Management Policy has a safety focus, it also encompasses environmental risks, security risks, financial risks, insurance risks and human resources risks.

## Risk Management Standard

The principles behind the ATRS Risk Management Policy are based on the guidelines contained within the Australian / New Zealand Standard AS/NZS 4360: Risk Management and associated Handbook HB 436: Risk Management Guidelines Companion to AS/NZS 4360.

## Assessing the Risk

When a hazard is identified, it must be assessed to determine the severity of risk that arises from the hazard and all available information concerning the hazard must be considered.

Risk is assessed as follows:

***Risk = Consequence (of an incident or loss occurring) + Likelihood (of an incident or loss occurring)***

## How to Measure Consequence

The rating of the consequence of the hazard is provided in the below table.

Score	Safety Risks	Impact
6	Multiple Deaths	Loss of more than \$100M within a financial year or forced shut down of business operations, or catastrophic irreversible environmental harm
5	Single Death	Loss of \$10M-\$100M within a financial year or extended adverse media campaign or a Judicial or Parliamentary inquiry, or critical long term environmental harm.
4	Permanent disability or extensive injuries resulting in greater than 7 days Lost Time Injury	Loss of \$1M-\$10M within a financial year or ongoing national media coverage, or serious medium term environmental harm.
3	Medical Treatment required and/or Lost Time Injury	Loss of \$100K-\$1M within a financial year or ongoing State based media coverage, or significant short term environmental harm
2	First aid treatment	Loss of \$10K-\$100K within a financial year or ongoing local media coverage, or unreasonable environmental short term impacts or interference
1	No injuries	Loss of Less than \$10K within a financial year or minimum media coverage, or unfavourable environmental impacts with no lasting detrimental effects

The consequence rating is then used in conjunction with the following likelihood rating to determine the risk score from the risk score table.

## How to Measure Likelihood

The likelihood rating of the hazard is calculated from the table below.

Score	Likelihood Frequency
6	Very high likelihood of the risk occurring with the consequence chosen from the consequence table
5	High likelihood of the risk occurring with the consequence chosen from the consequence table
4	The risk will probably occur with the consequence chosen from the consequence table, or there is a history of the risk having occurred with the chosen consequence from the consequence table
3	The risk has occurred with the consequence chosen from the consequence table
2	The risk could occur with the consequence chosen from the consequence table but is considered unlikely
1	The risk could occur with the consequence chosen from the consequence table but is very unlikely

The likelihood rating is then used in conjunction with the consequence rating to determine the risk score from the risk score table.

## How to Calculate Risk Score

Once the consequence and likelihood ratings have been determined, the risk rank table below can be used to prioritise the hazard according to its risk rank.

Risks are evaluated by adding together the likelihood and consequence scores as demonstrated in the below Risk Score Table (LHS).

Scores are interpreted using the below Risk Interpretation Table (RHS).

		Consequence					
		1	2	3	4	5	6
Likelihood	6	7	8	9	10	11	12
	5	6	7	8	9	10	11
	4	5	6	7	8	9	10
	3	4	5	6	7	8	9
	2	3	4	5	6	7	8
	1	2	3	4	5	6	7

Score	Level of Risk
11 or 12	Extreme
8 to 10	High
5 to 7	Moderate
2 to 4	Low

## **Risk Management Responsibility**

Each ATRS consultant or contractor is responsible for ensuring that they comply with the ATRS risk management policy when performing work for ATRS or any client organisation, or when attending an ATRS site or any client organisation site when providing professional services.

The ATRS Directors are responsible for ensuring that each consultant or contractor is aware of this Risk Management Policy (in so far as it is practicable to do so) and for promoting a workplace culture that embraces the engagement and use of consultants and contractors in support of the ATRS business objectives.

## **Rail Safety Legislative Obligations**

ATRS operates across all Australian State and Territory jurisdictions providing various rail safety consulting, investigation, auditing and project management services. As a consequence, ATRS consultants and contractors are bound by various Australian State and Territory Rail Safety Acts and regulations pertaining to risk management when on client or host rail organisation sites, and when performing duties that may be defined as “rail safety work”.

## **OH&S Legislative Obligations**

ATRS consultants and contractors are under an obligation to comply with the various Australian State and Territory Occupational, Health and Safety Acts and similar Acts when working in other countries, to ensure the health and safety of all company representatives and other persons when on company or client sites.

## **Compliance to Client Policies**

All ATRS consultants and/or contractors are required to comply with client or host organisation risk management policies and guidelines when working on client or host organisation sites.

## **Document Review**

This ATRS Risk Management Policy will be reviewed annually as a minimum document review standard or on a needs basis if required prior to the annual review.



**Mel Saunders**  
Managing Director

1 July 2009



**David Edwards**  
Executive Director

1 July 2009