

A Risk Management Approach

Kidsafe NSW recommends a risk management approach to dealing with potential safety hazards. This approach follows the risk management process as outlined in ISO 31000:2009 Risk management, which recommends the following steps:

STEP 1: IDENTIFY THE RISKS

The Standard recommends a systematic approach and use of a structured process to help identify any risks. Initially it is useful to ask the following questions in relation to a potential hazard:

- **What** can happen, **where** and **when**? Generate a comprehensive list of potential sources of risk.
- **Why** and **how** can it happen? Consider possible causes and scenarios.

STEP 2: ANALYSE THE RISKS

This will help you decide the best approach for dealing with the risk.

- Evaluate the controls that are already in place, and consider their effectiveness.
- Examine the risk in terms of 'consequence' (what could happen) and 'likelihood' (the probability of something happening). This will help when making the decision about treating the risk.

STEP 3: EVALUATE THE RISKS

Use the information in step two above to make a decision about treating the risk. Different risks require different levels of action.

Handy tool: one example of a simple risk level matrix is the following:

(HB 436:2004, P.56)

	Consequence		
Likelihood	Major	Moderate	Minor
Likely	Red	Red	Amber
Possible	Red	Amber	Green
Unlikely	Amber	Green	Green

Risk treatment key:

Red	Immediate action
Amber	Heightened action
Green	Business as usual

Handy tool: an example of a complex risk level matrix (HB 436:2004, P.55)

		CONSEQUENCE			
		Major	Moderate	Minor	Insignificant
LIKELIHOOD	Almost Certain	1	1	2	3
	Likely	1	2	3	4
	Possible	2	3	4	5
	Unlikely	3	4	5	5

Risk rating

1: Very High Risk – Rectify immediately

2: High Risk – Immediate control required

3: Significant Risk – Make plan to control risk

4: Moderate Risk – Monitor risk on ongoing basis

5: Low Risk – Set a time to review risks

STEP 4: TREAT THE RISKS

There are a range of options for treating risks:

- Identify the options for treatment. These may include:
 - removing or avoiding the risk entirely where possible
 - reducing the likelihood of the risk by putting measures in place, for example, putting in a barrier, or relying on close supervision and keeping within reach of children.
- Assess the options by preparing a cost-benefit analysis, where appropriate.
- Implement the treatment.

STEP 5: MONITOR AND REVIEW

Ongoing review is essential to ensure that the risk treatment is the most appropriate action.

Australian Standards

Where possible, we have outlined the relevant Standards for each area of risk. This is not an exhaustive list, and Kidsafe NSW strongly recommends that individuals check with Standards Australia and with local compliance agencies. In addition, there are some Standards that should be consulted as overall Standards for child safety. These include the following –

Reference	Title	Area covered
ISO/IEC Guide 50:2002	<i>Safety aspects – Guidelines for child safety</i>	Child safety
HB 136:2004	<i>Safety aspects – Guidelines for child safety</i>	Child Safety
AS 4226:1994	Guidelines for safe housing design	Safe housing design
ISO 31000:2009	<i>Risk management—Principles and guidelines</i>	General risk management practice
HB 436	<i>Risk management guidelines – Companion to AS/NZS 4360</i>	