Residential Activation Fund Round 1

Risk identification and mitigation – Guide and optional template

| Information with solid fill | **Guidance** |
| --- | --- |
| * Applicants must submit with your application a risk identification and mitigation strategy addressing all risks linked to the Project.
* The template at Table 1 (see next page) may be used, or you can provide a Risk identification and mitigation strategy in your own template if it provides a similar level of detail. Inadequate detail may affect the outcome of assessment of your Project.
* Risks include major factors which could significantly influence the timing, cost or scope of the Project and associated work. Applicants must specify in **Table 1** the likelihood of those risks occurring and ensure that adequate and suitable risk mitigation strategies are in place. Risks must be identified in line with the risk matrix in **Table 2**.
* If additional details are required to better explain any identified risk, please include the information after **Table 1** below.
* Examples of risks include:

|  |  |  |
| --- | --- | --- |
| * planning assumptions
 | * costs
 | * cultural heritage
 |
| * Native Title
 | * resumption of land
 | * public consultation
 |
| * geotechnical / soil test
 | * environmental management
 | * flooding
 |
| * quality standards
 | * political
 | * design risks
 |
| * constructability
 | * traffic management
 | * Project funding
 |
| * utility services
 | * workforce considerations
 | * safety.
 |

***NOTE: This guidance box can be deleted prior to submitting your application.*** |

[Insert Project Name] – [Insert Applicant]

**Table 1: Risk identification and mitigation strategy**

| **Risk** | **Risk Likeli-****hood** | **Risk Conse-quence** | **Risk Rating** | **Mitigation strategy** | **Adjusted Risk Rating** |
| --- | --- | --- | --- | --- | --- |
| *Example – Costs exceed the Applicant's funding capacity* | Likely | Minor | *10**Medium* | *Contracts will include clauses regarding cost escalation and associated penalties**Contingency included in the budget to accommodate minor deviations in construction costs* | *3**Low* |
| *Example – Capability to deliver within Project timeframes / construction delays* | Possible | Possible | *13**Medium* | *Contract will include Project timeframes**Penalty rates will apply if the contractor fails to meet obligated timeframes* | *5**Low* |
| *Example - Approval timeframes for works within a restricted area* | *Likely* | *Severe* | *24**Extreme* | *Ensure liaison with relevant regulatory authority early and throughout the Project* | *13**Medium* |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**<*include additional details here*>**

**Table 2: Risk likelihood and consequence matrix**

| ***Likelihood*** | ***Almost certain*** | **8 – Medium** | **11 – Medium** | **17 – High** | **23 – Extreme** | **25 – Extreme** |
| --- | --- | --- | --- | --- | --- | --- |
| ***Likely*** | **7 – Medium** | **10 – Medium** | **16 – High** | **19 – High** | **24 – Extreme** |
| ***Possible*** | **3 – Low** | **9 – Medium** | **13 – Medium** | **18 – High** | **22 – High** |
| ***Unlikely*** | **2 – Low** | **5 – Low** | **12 – Medium** | **15 – Medium** | **21 – High** |
| ***Rare*** | **1 – Low** | **4 – Low** | **6 – Low** | **14 – Medium** | **20 – High** |
|  | ***Negligible*** | ***Minor*** | ***Moderate*** | ***Major*** | ***Severe*** |
|  |  | ***Consequence*** |