11. Appendix 1 – Risk Assessment Criteria

Consequence criteria

This guide provides indicative terms against which the consequence of risk is evaluated.

Risk Categories	Severe	Major	Moderate	Minor	Insignificant
Strategic	• Mission or strategic objectives are not achieved. • Ongoing loss of MACS critical infrastructure (e.g. basic services, organisational structure, facilities, systems). • Significant impact on ability to meet governance, accountability or strategic objective (>30%). • Longevity of MACS is compromised.	• Major impact on the ability to achieve governance, accountability or strategic objectives, or mission (25–30% deviation). • Temporary loss of MACS critical infrastructure (e.g. basic services, organisational structure, facilities, systems) – recovery is long-term.	• Moderate impact on ability to achieve governance, accountability or strategic objectives, or mission (10–25% deviation). • Adjustment to resource allocation and service required to manage impact – recovery is medium-term.	• Minor impact on ability to achieve governance, accountability or strategic objectives, or mission (<10% deviation). • Objectives and mission can be delivered with minor impacts. • Impact can be managed through routine activities – recovery is short- term.	• Negligible impact on critical objectives and MACS mission.
Catholic Identity and Mission	• Significant and sustained loss of Catholic identity across multiple schools. • Major reputational damage to MACS and associated institutions. • Widespread loss of trust from key stakeholders, including the Catholic Archdiocese of Melbourne, parents, and students. • Potential intervention from Catholic Archdiocese of Melbourne or regulators. • Significant drop in student enrollment due to perceived loss of Catholic values. • Inability to fulfill core spiritual, moral, and educational responsibilities.	• Noticeable degradation of Catholic identity in some schools or programs. • Negative publicity impacting MACS's reputation within the broader Catholic community in Victoria. • Loss of confidence from key stakeholders, including the Catholic Archdiocese of Melbourne. • Moderate decrease in student enrollment due to concerns about Catholic values. • Challenges in delivering core spiritual and moral education.	• Isolated incidents where Catholic identity is not upheld (e.g. curriculum or events not aligned with Catholic teachings). • Some negative feedback from stakeholders. • Moderate reputational damage is limited to a specific school or program. • Temporary or minor challenges in maintaining Catholic character across certain programs.	• Minor lapses in adherence to Catholic values in isolated situations and are easily rectified. • Low-level stakeholder concern with no significant impact on trust or enrollment. • Small adjustments needed to align certain programs or communications with Catholic mission.	• No discernible impact on MACS's Catholic identity or mission. • Catholic values are upheld, with minimal or no deviation from Catholic values and teachings. • No stakeholder concerns or reputational impact. • Normal operations with no disruption to spiritual, moral, or educational responsibilities.

Risk Categories	Severe	Major	Moderate	Minor	Insignificant
Child Safety and Wellbeing	• Serious incident causing death or permanent disability of a child. • A substantiated instance or allegation of physical and / or sexual abuse of a child. • Stress / trauma event requiring extensive clinical support for multiple individuals.	• Serious medical injury or illness requiring hospital admission. • Psychological injury requiring ongoing clinical support.	• Injury / illness requiring medical attention. • Psychological injury requiring professional support. • Medically treated injury (MTI) frequency rate and / or severity rate increased.	• Minor injury requiring first aid. • Minor psychological injury requiring peer support.	• Incident – injury / illness not requiring first aid. • Incident with no psychological impact. • Near miss – incident physical or psychosocial with no negative out that could have resulted in negative outcome
Education Service and Delivery	• Evidence of Significant decline in levels of Literacy and Numeracy competence. (Greater than 2.0% decrease in percentage proficiency from NAPLAN results by school) • Significant evidence of unsatisfactory student engagement and connection to the school and their peers. (85% or lower average student attendance rate). • Significant evidence that there are no options for student pathways.	• Evidence of major decline in levels of Literacy and Numeracy competence. (1.5% to 2.0% decrease in percentage proficiency from NAPLAN results by school) • Evidence of major levels of unsatisfactory student engagement and connection to the school and their peers (85% to 90% student attendance rate). • Evidence that there are very limited options for student pathways.	• Evidence of moderate decline in levels of Literacy and Numeracy competence (1.0% to 1.5% decrease in percentage proficiency from NAPLAN results by school) • Evidence of moderate level of unsatisfactory student engagement and connection to the school and their peers (90% to 95% student attendance rate). • Evidence that there are limited options for student pathways.	• Evidence of minor decline in levels of Literacy and Numeracy competence. (1.0% to 0.5% decrease in percentage proficiency from NAPLAN results by school) • Evidence of minor levels of unsatisfactory student engagement and connection to the school and their peers (95% to 97.5% average student attendance rate). • Evidence that there are some options for student pathways.	• Evidence of minimal decline in levels of Literacy and Numeracy competence. (Less than 0.5% decrease in percentage proficiency from NAPLAN results by school) • Evidence of minimal unsatisfactory student engagement and connection to the school and their peers (97.5% or above average student attendance rate).
Financial	• Enterprise-wide loss of annual revenue of >$5 million. • Enterprise wide >30% deviation from budget. • School level >15% deviation from budget. • Loss of majority of key assets. • Systemic and high value fraud. • Project cost impact >10%.	• Loss of assets or annual revenue of $1–$5 million. • Enterprise wide 15% - 30% deviation from budget. • School level 6% - 15% deviation from budget. • High end fraud • Project cost impact <10% but >7.5%	• Loss of assets or annual revenue of $250,000–$1 million. • Enterprise wide 10–15% deviation from budget. • School level 2% - 5% deviation from budget. • Moderate fraud. • Project cost impact <7.5% but >5%	• Loss of assets or annual revenue of <$250,000 or <%10 deviation from budget. • Project cost impact <5% but >2.5%.	• Loss of assets or annual revenue of <$25,000 or <%1 deviation from budget. • Near miss – financial incident that could have resulted in negative outcome but did not.

Risk Categories	Severe	Major	Moderate	Minor	Insignificant
People	• Severe and widespread impact on MACS operations due to critical staff shortages, loss of key leadership, and / or widespread employee misconduct. • Major workplace incident leading to fatalities or serious injuries. • Severe damage to workplace culture, resulting in mass resignations and long-term reputation damage. • Legal or regulatory action due to significant breaches of health and safety laws or workplace standards. • High financial costs due to legal settlements, fines and recruitment efforts. • Stakeholder trust severely eroded, including parents, staff, and regulatory bodies.	• Significant operational disruptions caused by high employee turnover, prolonged absenteeism, or misconduct by key personnel. • Major health and safety incidents resulting in serious injuries and regulatory scrutiny. • Decline in workplace morale and culture, leading to reduced productivity and increased employee dissatisfaction. • Negative media attention and reputational damage affecting MACS's credibility. • Substantial financial impact from legal costs, recruitment, or penalties.	• Localised operational disruptions due to specific skill shortages or employee behaviour issues (e.g. isolated incidents of misconduct). • Moderate health and safety incidents, such as injuries requiring medical treatment but not life-threatening. • Workplace culture issues in certain teams or locations, impacting productivity or morale. • Stakeholder dissatisfaction but manageable with internal actions. • Financial impact limited to increased training or minor legal fees.	• Minor operational impacts due to temporary staff shortages or low-level behaviour issues (e.g. tardiness, unprofessional conduct). • Low-level health and safety risks, such as minor injuries or incidents resolved on-site. • Slight declines in morale or workplace culture, limited to individual teams. • Minimal financial impact due to minor training or process improvement costs. • No significant stakeholder concerns.	• No discernible impact on operations or employee performance. • Minor and routine employee issues (e.g. occasional absence or lateness) easily managed. • Workplace culture and morale remain positive. • Negligible financial impact with no effect on stakeholder trust or satisfaction.
Regulatory Compliance and Governance	• Sustained / serious non-compliance with legislation that has funding impacts / results in prosecution or imprisonment. • Failure / breach of multiple controls, policies or code of conduct. • Board not abiding by its role as a governing authority of schools and early childhood education and care services.	• Failure to comply with legislative / regulatory requirements that result in fines / common law action. • Significant breach of policies or code of conduct.	• Regulatory breach that results in letter to the regulator or executive management. • Breach of policies or code of conduct.	• Regulatory breach that can be managed at school / directorate level. • Breach of policy, with little or no impact on code of conduct.	• Near miss – near breach, with no negative outcome that could have resulted in negative outcome.

Risk Categories	Severe	Major	Moderate	Minor	Insignificant
Operational	• Complete failure of critical systems or IT infrastructure, resulting in widespread disruption of MACS operations across multiple schools or offices for a period greater than one month. • Severe and multiple cyber-security breaches, leading to loss of sensitive data, legal / regulatory action and significant reputational damage. • Long-term operational impact, including permanent loss of critical data and disruption of educational services.	• Significant disruptions to operations due to failures in key systems or processes, such as payroll, student management systems, or learning platforms for a period between one week and one month. • Cyber-security incidents leading to data breaches or unauthorized access, with moderate reputational damage. • Regulatory scrutiny due to non-compliance or delayed reporting. • Stakeholder dissatisfaction, including parents, staff, and students.	• Localized system or process failures, such as downtime for individual schools or departments, causing disruptions of up to a week. • Cyber-security vulnerabilities identified but not exploited, requiring immediate remediation. • Minimal reputational impact, with most stakeholders remaining unaffected. • Operational delays in delivering non-critical services or reporting.	• Minor system outages or process inefficiencies with an impact of less than three hours. • Low-level cyber-security incidents, such as phishing attempts, quickly identified and mitigated. • No significant stakeholder impact; minor inconvenience to staff or students. • Quick resolution with no long-term operational impact.	• No impact on operations or service delivery. • Routine system maintenance or process adjustments with no disruption. • No cyber-security incidents or risks detected. • No stakeholder concerns or reputational damage. • Business continuity remains fully intact.
Infrastructure	• Widespread, prolonged disruption to multiple schools and / or MACS offices, resulting in an inability to deliver educational services for an extended period. • Severe damage or destruction of critical infrastructure (e.g. major building collapse, significant fire, or natural disaster). • Government intervention or regulatory scrutiny.	• Significant disruption affecting multiple schools or a major facility, requiring temporary closures or relocation. • Partial failure of critical systems or infrastructure (e.g.HVAC, electrical systems). • Delays in planned expansions or upgrades, affecting operational goals.	• Localised disruption to a single school or office facility, leading to temporary closure or operational challenges. • Some stakeholder dissatisfaction but manageable through effective communication and mitigation.	• Minor operational disruptions due to infrastructure issues (e.g. brief power outages, minor equipment failures). • Easily resolved with minimal downtime and effort.	• No disruption to operations or educational services. • Minor wear and tear on infrastructure with no immediate need for repair. • Normal maintenance schedules are sufficient to address any minor issues.

Likelihood criteria

This guide provides the indicative terms against which the likelihood of a risk event occurrence is evaluated.

Likelihood				
Rare (1)	**Unlikely (2)**	**Possible (3)**	**Likely (4)**	**Almost Certain (5)**
Control failures or repetitive risk events during operations				
Possibility of occurrence <5%	Possibility of occurrence 5–25%	Possibility of occurrence 25–50%	Possibility of occurrence 50–75%	Possibility of occurrence >75%
Historical				
Is possible, but has not occurred to date	Has never occurred, but has occurred in other organisations with a similar risk profile	Has occurred at least once in the history of MACS	Has occurred in the last few years or circumstances could cause it to occur again in the next few years	Has occurred in the past or circumstances could cause it to occur again
Discrete risk events (e.g. cyclone, failure to meet strategic objectives, loss of key personnel)				
May occur less than once in 15 years	May occur at least once in 5–15 years	May occur at least once in 2–5 years	May occur at least once in a year	May occur multiple times in a year

Risk rating matrix

Used to combine consequence rating with likelihood rating to determine the overall level of risk.

Risk rating matrix		Consequence				
		Insignificant	**Minor**	**Moderate**	**Major**	**Severe**
Likelihood	**Almost certain**	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	Medium	High	Extreme	Extreme
	Possible	Low	Medium	Medium	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

Control effectiveness rating

Indicates the self-assessment of control effectiveness.

Good	Fair	Poor
Current controls will identify risk occurrence or prevent it, enabling effective management.	Current controls have a reasonable chance of preventing or detecting risk occurrence to enable effective management.	Minimal chance of current control framework preventing or detecting risk occurrence to enable effective management.