Sydney Opera House Policy

Title:	Risk Management Policy
Policy Number:	2025/8
Effective Date:	02/12/2025
Authorisation:	Chief Executive Officer
Authorisation Date:	18/11/2025
Superseded Policy:	Risk Management Policy 2018
Accountable Director:	Executive Director, Safety & Risk and General Counsel
Responsible Officer:	Head of Enterprise Risk & Program Management

1. CORE PROPOSITION

1.1. The Sydney Opera House (SOH) is committed to managing risks as an integral part of its corporate governance and operations. Risk management practices are underpinned by SOH's organisational values of creativity, courage, inclusivity, integrity, collaboration and care.

1.2. The Risk Management Policy (Policy) outlines the risk management framework (Framework) used by SOH to identify and manage risks and opportunities to achieve its strategic objectives.

1.3. In line with AS/NZ ISO 31000:2018 Risk Management – Guidelines, the Framework provides a dynamic, customised, structured and inclusive approach to identifying and managing risk. It complements the expertise of Workers, empowering them to anticipate challenges and realise opportunities.

2. SCOPE

2.1. This Policy is relevant to all SOH business areas and applies to all Workers.

2.2. All SOH risk management materials and processes must be consistent with this Policy, noting that specific risk management procedures are in place for certain risks, including safety, emergency response, cyber security, procurement and environmental sustainability.

3. DEFINITIONS

3.1. **Accountable Authority** – has the meaning provided in the *Government Sector Finance Act 2018 (NSW)* and is the body or role with ultimate responsibility for establishing, maintaining and keeping under review effective systems for risk management, internal control and assurance.

3.2. **Control** – a measure that modifies (changes the potential outcome of) a risk, including any process, policy, device, practice or other actions.

3.3. **Key control** – a control that materially:

- Modifies a risk that threatens the achievement of SOH's values and objectives; and/or
- Assists with legal compliance.

3.4. **Owner** – person with the accountability and authority to manage a risk, control or action, e.g. risk owner, control owner.

3.5. **Risk** – effect of uncertainty on objectives, which can be positive or negative.

3.6. **Risk appetite** – the amount and types of risk that SOH is willing to take in pursuit of its strategic goals. This is set out in the Risk Appetite Statement endorsed by the Board.

3.7. **Risk champions** – an informal network of SOH employees who champion risk management within their portfolio or on a project, and help to embed consistent risk management into SOH's culture, systems and processes.

3.8. **Worker** – has the meaning provided in the *Work Health and Safety Act 2011* (NSW) and includes all employees, and any other person engaged to undertake work in any capacity on behalf of SOH, including suppliers, contractors, subcontractors and their employees.

4. RISK MANAGEMENT FRAMEWORK

4.1. The Framework comprises the systems, processes and governance structures used by SOH to identify, assess, manage, mitigate and monitor internal and external risks that may affect its operations, strategic objectives or the interests of stakeholders.

4.2. The Framework requires Workers to:

- Assess and manage risk.
- Take a proportionate response to managing identified risks.
- Ensure accountability when responding to risks.

4.3. SOH's risk management approach aligns with the Three Lines Model. Business areas may perform functions that sit across these lines, as set out in *Figure 1* and explained below.

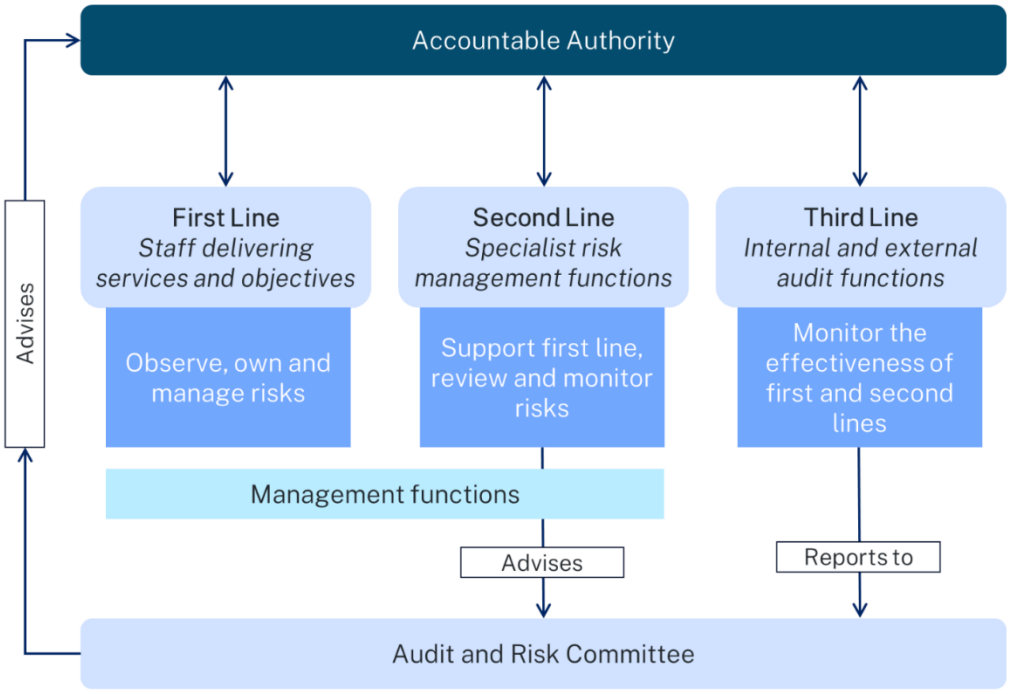


Figure 1. NSW Three Lines model, NSW Treasury Risk Management Toolkit May 2025

First line: business operations

4.4. The first line comprises operational teams who identify, assess, control and report on risks within their operations. This line owns the risks and is accountable for their adequate management.

Second line: oversight functions

4.5. The second line oversees SOH's risk management practices by supporting, monitoring and advising first line teams through the provision of expert guidance and knowledge sharing.

4.6. Executive Team (ET) and the Board are part of the second line and are responsible for overseeing risk management and ensuring a healthy risk governance environment.

Third line: independent assurance

4.7. The third line provides independent, objective assurance designed to add value to and improve operational controls. This includes both internal and external audit.

4.8. SOH's internal audit function is responsible for providing assurance to the Board and the Audit and Risk Committee (ARC) on the effectiveness of the risk management framework including the design and operational effectiveness of internal controls.

4.9. SOH's Internal Audit Plan is developed in consultation with the first and second lines and is informed by the Enterprise Risk Profile (as set out in sections 6.3-6.5). The Internal Audit Plan is endorsed by the ARC and approved annually by the Board.

5. RISK CULTURE

5.1. All Workers are responsible for ensuring that a suitable risk and control environment is established in their day-to-day operations.

5.2. The Framework is underpinned by a proactive risk culture that includes clear, practical and accessible risk documentation, ongoing support and mentoring, and targeted risk advice through workshops, presentations and surveys. A Risk champions network further supports the proactive risk culture by providing leadership and advocacy across SOH.

5.3. SOH provides risk management training to support and strengthen its risk management culture, ensuring Workers can identify and manage risks effectively and understand their responsibilities to make informed decisions. Training will be integrated into SOH's onboarding, annual compliance and ongoing learning activities and programs.

5.4. ET and the Enterprise Risk and Program Management team regularly evaluate how risk is identified and managed across SOH, ensuring SOH's proactive risk culture evolves, including through:

- Providing active support for risk management practices.
- Defining clear roles and responsibilities within the Framework, ensuring accountability for risk management within business-as-usual activities.
- Promoting communication, including ensuring that discussion and challenge are welcomed as part of SOH's risk assessment process.

6. RISK GOVERNANCE

6.1. There are four essential elements to SOH's risk governance:

- **Risk Appetite Statement** sets out the acceptable range of appetite for risk linked to key activities and strategic objectives. Appetite levels are clearly defined and applied using a tolerance table (see 6.2 below and **Appendix 1**).
- **Enterprise Risk Matrix** is the methodology used for assessing the likelihood and consequences of risk in order to determine their risk rating and sets out the escalation requirements for escalation and management of residual risk (see **Appendix 2**).
- **Enterprise Risk Profile** outlines the key risks that may prevent SOH from achieving its strategic goals, assessed in accordance with the Enterprise Risk Matrix.
- **Project governance arrangements** ensure the identification, oversight and management of risks related to any project. Risk assessments are developed in accordance with the guidelines outlined in section 7.

Risk Appetite Statement

6.2. The Risk Appetite Statement:

- Is approved by the Board to communicate the amount and types of risk that SOH is willing to take in pursuit of its strategic goals.
- Is a high-level guide to be used, for example, when setting strategy or considering new areas, ventures or issues.
- Does not replace or reduce the need for risk assessments.
- Will be reviewed in line with the strategic planning cycle to ensure alignment with SOH's strategy and reflect any significant changes in the operational and risk environment.

Enterprise Risk Profile

6.3. The Enterprise Risk Profile sets out the risks to SOH achieving its strategic goals across a 12-month horizon. It is updated and reviewed by ET at least three times per year, before it is provided to the ARC for discussion.

6.4. The Enterprise Risk and Program Management team facilitates these reviews with risk owners and subject matter experts to reflect current risk factors, identify emerging risks, validate controls, assess residual risk ratings and identify risk mitigation activities.

6.5. Key risks may also be escalated to inform updates to the Enterprise Risk Profile between reviews from project, portfolio and other risk assessments.

7. RISK ASSESSMENT PROCESS

7.1. The risk assessment process can be applied at strategic, enterprise, process, project or operational levels.

7.2. In line with the Framework, a risk assessment must be conducted when:

- Undertaking new activities, projects, or changes that affect people.
- Introducing a new process or changing an existing one.
- Making key decisions (e.g. strategic, operational or financial).
- Managing the safety of day-to-day operations.
- Required by a SOH policy, regulatory obligation or government directive.

7.3. Appropriate tools and resources will be provided by the Enterprise Risk & Program Management Office to support the risk assessment process.

7.4. Key components of the risk assessment process are as follows:

- **Engaging in effective communication and consultation** – engaging stakeholders throughout the risk assessment process to inform decision-making and actions.
- **Establishing the scope, context and criteria** – considering the scope and context before assessing specific risks.
- **Assessing risk** through a systematic process of risk identification, analysis and evaluation:
    - **Identification** – finding, recognising and describing risks, including events, causes and consequences. This can be informed by historical data, expert opinions, stakeholder needs and theoretical analysis.
    - **Analysis** – rating the consequence and likelihood of risks against criteria to determine their level. SOH's risk assessment criteria include consequence, likelihood and risk rating matrices (see **Appendix 2)**.
    - **Evaluation** – assessing whether the level of risk is acceptable and treatments are needed.
- **Modifying risk** – changing the possible consequences or the risk likelihood through mitigation activities that create new controls or modify existing ones.
- **Monitoring and reviewing the risk and control environment** – identifying changes and reassessing the validity of the risk ratings.
- **Effective reporting and recording** – documenting the risk assessment process and its outcomes and reporting relevant information to stakeholders**.**
- **Escalation and management of residual risk** – a residual risk rating escalation approach, as set out in **Appendix 2**, ensures appropriate oversight of High and Very High risks. Escalations may occur outside regular reporting cycles, whenever risk ratings are determined.

7.5. While these steps are presented sequentially (as set out in *Figure 2*), some parts of the process may need to be repeated as information changes. In particular, effective communication and consultation, monitoring and review, and reporting and recording are ongoing and will change over time as risks are identified and risk management plans developed.

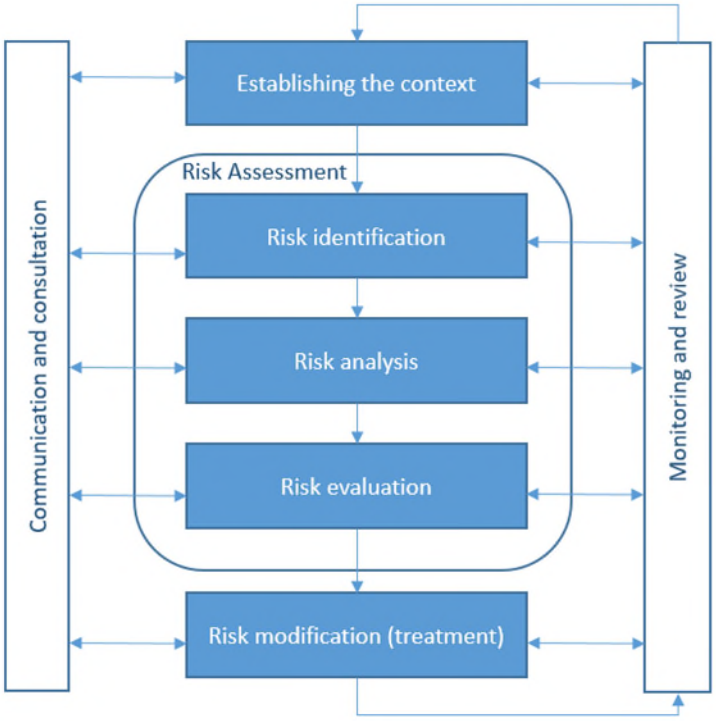


Figure 2: Risk management process.

7.6. Where significant risks are identified that impact other agencies, the risk and any controls and mitigation plans will be formally communicated to the affected agency. Where SOH is made aware of risks by other agencies, SOH will undertake its own risk assessment.

8. ROLES AND RESPONSIBILITIES

8.1. **All Workers are** responsible for:

- Managing risk in their day-to-day roles and seeking clarification if unsure about risk management approaches.
- Reporting risks to their manager or supervisor.
- Reporting ineffective or inefficient controls.

8.2. **Workers with management and supervisory duties** are responsible for:

- Demonstrating a commitment to risk management and a proactive risk culture in day-to-day operations.
- Identifying and assessing key business risks.
- Ensuring the effectiveness of key controls at the process level.
- Regularly reviewing, updating and modifying key controls to reflect risk changes.

8.3. The **Head of Enterprise Risk & Program Management fulfils the role of Chief Risk Officer and** is responsible for:

- Designing and maintaining SOH's risk management framework, including this Policy.
- Overseeing activities to coordinate, maintain and embed the framework.
- Promoting risk management at the strategic and operational levels.
- Providing clear and constructive advice and challenging risk decisions at all levels of the organisation.
- Ensuring that the framework, tools, systems and processes are fit-for-purpose, consistent with the SOH objectives and support those responsible for managing risk.
- Building a risk management culture within SOH, including overseeing worker training and development initiatives.

- Collaborating with risk owners to ensure compliance with the Framework.
- Providing risk management reports to the ARC.

8.4. The **Enterprise Risk team** is responsible for:

- Facilitating the development, application and maintenance of risk frameworks. including policies, procedures, tools and training.
- Providing feedback on and challenging risk decisions.
- Helping ensure that controls are effectively implemented and aligned with SOH's strategic objectives.
- Reporting on material risks to the ARC and ET.
- Providing risk management training and advice across SOH.
- Conducting periodic assessments of risk maturity and the effectiveness of the risk management framework across SOH.

8.5. **ET members** are responsible for ensuring that workers in their portfolios manage risk appropriately. This includes being responsible for:

- Promoting accountability for individual risks and controls.
- Identifying risks that could affect the achievement of SOH strategic objectives.
- Leading the review of policies, operating and performance standards, budgets, plans, systems and procedures to address identified risks and ensure they remain at acceptable levels.
- Monitoring the effectiveness of existing controls.
- Maintaining a portfolio risk assessment and risk management plan to embed risk into existing decision-making processes.
- Encouraging and supporting direct reports to actively participate in the Risk champions network, promoting leadership, advocacy and continuous improvement in risk management across SOH.

8.6. The **Chief Executive Officer (CEO)** is responsible for:

- Ensuring the effectiveness of internal controls over SOH's financial and operational activities.
- Approving this Policy and ensuring it is implemented and reviewed as necessary.
- Ensuring appropriate resourcing and promoting awareness of the importance of risk management.

8.7. The **ARC** is responsible for overseeing risk management in line with the Audit and Risk Committee Charter.

8.8. The **Board** as the Accountable Authority for the SOH Trust is responsible for overseeing risk management at SOH, including reviewing recommendations from the ARC and approving the Risk Appetite Statement.

9. RELEVANT LEGISLATION AND GUIDELINES

- AS/NZ ISO 31000:2018 Risk Management – Guidelines
- Government Sector Employment Act 2013
- Government Sector Finance Act 2018 (NSW)
- NSW Treasury Policy TPP 20-08 Internal Audit and Risk Management Policy
- Public Interest Disclosures Act 2022 (NSW)
- Work Health and Safety Act 2011
- NSW Cyber Security Policy
- Climate Risk Ready Guide NSW

10. SOH SUPPORTING DOCUMENTS

- Audit and Risk Committee Charter
- Delegations of Authority Manual
- Sydney Opera House Trust Act 1961 (and By-law)

Version History

Version	Approved by	Approval date	Effective date	Sections modified
1.0	Chief Executive Officer	10/12/2018	10/12/2018	New policy
1.1	Chief Executive Officer	08/04/2021	09/04/2021	Update to incorporate the new Enterprise Risk Matrix.
1.2	Chief Executive Officer	18/11/2025	02/12/2025	Policy update to improve clarity and currency. Inclusion of new Risk Appetite Statement.

APPROVED

Chief Executive Officer
Date: 18/11/2025

APPENDIX 1: SOH RISK APPETITE STATEMENT

SYDNEY OPERA HOUSE (SOH) RISK APPETITE STATEMENT

PURPOSE

SOH is committed to delivering its strategic goals and its ambition to be Everyone's House. Key to this is the effective identification and management of risk. The risk appetite statement is core to SOH's risk management framework.

The aim of the risk appetite statement is to communicate the amount and types of risk that SOH is willing to take in pursuit of its strategic goals. It summarises SOH's tolerance for risk across key activities to inform decision-making. As with all SOH activities, strategy and values underpin everything we do.

Appetite levels

Risk appetite ranges across four levels as set out below. This shows that the higher SOH's risk appetite for an activity, the more uncertainty (i.e. risk) the organisation is willing to accept.

Appetite Level	Description
No appetite	SOH will only proceed if, so far as reasonably practicable, it is possible without risk.
Limited appetite	SOH will accept well-managed risks with good controls resulting in a very low level of uncertainty.
Moderate appetite	SOH will accept a moderate level of risk, particularly when exploring options aligned with its strategic goals.
Robust appetite	SOH is eager to be innovative and, for those elements of activities for which it has a robust appetite, will accept a high level of risk to achieve its strategic goals.

Most activities involve a number of elements, and SOH's appetite may differ across those elements. For example, SOH:

- Has a robust appetite for innovative performances, meaning it will accept a high level of uncertainty in relation to the work, but
- Has no appetite for breaching the law, meaning that a lawful way of conducting the activity must be found for the activity to proceed.

RISK TOOLS

In line with *AS ISO 31000:2018 Risk Management – Guidelines*, the **risk appetite statement** sets out the amount of risk SOH is prepared to take or accept to achieve its objectives. It is a high-level guide to be used, for example, when considering new areas, ventures or issues.

The SOH Risk Management Policy sets out when **risk assessments** are required, including for projects, process changes, key decisions and in managing safety of day-to-day operations.

Risk tolerances – the boundaries for risk-taking. Tolerances operationalise the risk appetite statement, including by providing examples (as set out in the tolerance table below) or quantitative measures of acceptable or unacceptable risk.

Review and approval

The risk appetite statement is approved by the Board. It will be reviewed in line with the strategic planning cycle to ensure alignment with the strategy and to reflect any significant changes in the operational and risk environment.

Appetite Level	Description
No appetite	SOH will only proceed if, so far as reasonably practicable, it is possible without risk.
Limited appetite	SOH will accept well-managed risks with good controls resulting in a very low level of uncertainty.
Moderate appetite	SOH will accept a moderate level of risk, particularly when exploring options aligned with our strategic goals.
Robust appetite	SOH is eager to be innovative and, for those elements of activities for which it has a robust appetite, will accept a high level of risk to achieve its strategic goals.

Key activities	Appetite statement	Tolerance examples
Overall SOH strategy	To achieve its objectives SOH must be willing to take and accept risk. Identifying, quantifying and appropriately mitigating that risk in line with the Risk Management Policy is essential. SOH has a **robust appetite** for bringing people together to be uplifted, empowered and entertained in pursuit of its ambition to be Everyone's House, but has **no appetite** for activities or initiatives that would result in a material conflict with SOH's ambition or values.	Acceptable: New activities and experiences identified as a strategic priority and that contribute to the delivery of the SOH strategy. Unacceptable: Initiatives proposed by stakeholders or partners that are inconsistent with SOH strategy or values.
Audience & community engagement	SOH has a **moderate appetite** for opportunities and mechanisms to better engage current and potential audiences, meaning it will accept a moderate level of uncertainty. However, SOH has **no appetite** for activities or actions that compromise the privacy or confidentiality of data in breach of the law.	Acceptable: Targeted marketing and offerings based on patrons' consent and preferences. Unacceptable: Using or disclosing personal information of patrons without their consent, or beyond the scope of existing consent.
Programming & experiences	SOH has a **robust appetite** for providing programs and experiences that involve and inspire an increasingly diverse range of artists and communities. However, SOH has **no appetite** for actions that may result in harm to the safety, health and wellbeing of workers, audiences and visitors.	Acceptable: New works and artists; bold performances, including provocative content. Unacceptable: Content that could condone violence or incite hatred.
Building, venues & operational capability	SOH has a **moderate appetite** for making our building, venues and systems future ready, meeting the diverse needs of the community and ensuring the organisation can deliver on its objectives.	Acceptable: Planned and managed service disruption to deliver long-term gains. Unacceptable: Poor project planning that does not consider financial, heritage, accessibility, stakeholder or future

Key activities	Appetite statement	Tolerance examples
	SOH has a **robust appetite** for changes that improve accessibility and respond to the changing climate, balanced with **limited appetite** for actions that undermine our heritage values or compromise the ongoing care and maintenance of the building.	operational needs and impacts; unsafe work environments; failure to maintain key business functions and appropriate continuity plans.
Financial sustainability & business model	SOH has a **moderate appetite** for cross-subsidising individual initiatives that contribute to the strategic priorities, while maintaining the finanically viability of overall operations. SOH has a **moderate appetite** for being more adept and diversifying revenue streams through commercially viable arrangements, private funding and partnerships that align with the values and do not harm the SOH brand. SOH has **limited appetite** for activites that adversely impact the business model – preferring financially sustainable, well-controlled options to ensure cashflow viability.	Acceptable: Calculated financial risks to deliver new products, services or improvements; minor unforeseen and unavoidable variations in projects. Unacceptable: Financial activities that breach the law; failure to maintain controls against fraud; knowingly unsustainable financial decisions; engaging with partners who act unethically.
Workforce wellbeing & organisational culture	SOH has a **robust appetite** for a skilled workforce and an inclusive workplace and culture, where people are safe, supported and engaged. Safety (both physical and psychological) is paramount and SOH has **no appetite** for activities that may result in risk to the health, safety or wellbeing of workers, or for conduct that is inconsistent with the Code of Conduct.	Acceptable: Minor morale reductions or grievances arising from organisational change; minor unforeseen injuries, from time to time; targeted roles to increase the diversity of the workforce (with any necessary exemptions). Unacceptable: Actions that put the safety, wellbeing or security of people at risk; practices that knowingly compromise staff wellbeing or break the law or Code of Conduct. For example, SOH has zero tolerance for bullying, harassment or discrimination.
Reputation	SOH has a **moderate appetite** for actions that are consistent with its ambition, values and strategy even where they may affect SOH's reputation, due to differing community views. SOH has **no appetite** for any activity, the consequences of which are, on balance, likely to have a material negative impact on SOH's brand or reputation.	Acceptable: Moderate adverse media while delivering on SOH's ambition and goals; isolated concerns and complaints that can be resolved by management. For example, in relation to artists and shows; removing cars/taxis from the Forecourt to improve people's enjoyment and safety. Unacceptable: Entering into a partnership with an organisation not aligned with SOH's values; decision-making that is not undertaken with integrity.
Organisational compliance & culture	SOH has **no appetite** for non-compliance with applicable laws or the irresponsible or wasteful use of resources.	Acceptable: Decisions made on merit in accordance with SOH values and the law. Unacceptable: Breaching the law.

Key activities	Appetite statement	Tolerance examples
Environmental, social & governance (ESG)	SOH has a **robust appetite** for activities and actions that drive positive social and environmental change. SOH believes in leveraging its position and brand to maximise impact, contributing openly to the UN Global Goals and supporting First Nations voices and self-determination. SOH has **no appetite** for activities or projects that will significantly degrade the environment or are unethical. Equally, SOH has **no appetite** for accepting risks that tarnish the organisation's credibility, role or relationships with First Nations peoples.	Acceptable: Minor cost impacts in the selection of products and services resulting in a net social or environmental benefit; changes to practices to improve social or environmental outcomes. Unacceptable: Activities that harm the environment or fail to deliver equitable outcomes; failure to conduct appropriate due diligence; decisions that do not appropriately consider sustainability.
Technology & cybersecurity	SOH has a **robust appetite** for innovation and process improvement to enhance customer experience and efficiency. However, this must be balanced with the need to protect organisational and personal information and maintain business continuity. SOH has a **moderate appetite** for the implementation of new systems and technologies, including harnessing the power of artificial intelligence (AI) to support and improve operations. SOH has **no appetite** for actions that compromise the privacy and confidentiality of data or that lead to cybersecurity breaches.	Acceptable: Scheduled outages communicated to the business; new technologies that create business improvement opportunities; timely remediation of cyber weaknesses. Unacceptable: Failure to manage and maintain systems to protect information; lack of diligence over information security, including new implementations; failure to plan for and respond to unplanned outages of business critical systems.

APPENDIX 2: ENTERPRISE RISK MATRIX

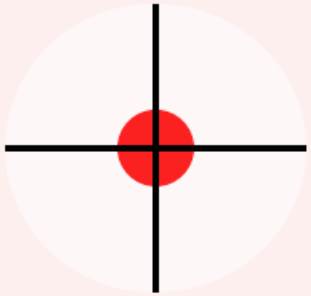
SYDNEY OPERA HOUSE (SOH) ENTERPRISE RISK MATRIX

	Insignificant	Minor	Moderate	Major	Extreme
Financial	• Below $30,000 effect on annual operating budget or reserves.	• Between $30,000 and $100,000 effect on annual operating budget or reserves.	• Between $100,000 and $1m effect on annual operating budget or reserves.	• Between $1m and $2m effect on annual operating budget or reserves.	• Greater than $2m effect on annual operating budget or reserves.
Business disruption	• Brief or partial interruption to operations or experiences. • Can be rectified < 4 hours. • All venues operational through workarounds.	• Interruption to critical operations and a single experience/ performance venue. • Can be rectified within 5-24 hours.	• Widespread interruptions to critical operations and experiences/performance venues for 24 hours or more. • Loss of non-sensitive data with no long-term impact to operations	• Significant interruptions to critical operations and experiences/performance venues. • Loss of data (incl. sensitive information) impacting operations. • Can not be rectified for an extended period. • Full site evacuation required.	• Can not access precinct and building for an extended period. • Permanent loss of valuable data impacting ability to operate for extended period.
Safety	• Injury or illness with no first aid required. • Negligible physical or psychological Impact • No intervention or time off.	• Injury or illness requiring first aid treatment. • Minimal physical or psychological impact • No time off work.	• Injury or illness requiring medical treatment, including hospital. • Adverse physical or psychological impact. • Time off work. • Changes to work arrangements.	• Serious injury or illness requiring hospital admission. • Long-term or permanent physical disability with some functional restriction. • Mid/long term psychological injury requiring clinical intervention, diagnosis, and treatment • Extended time off work. • WHS Critical Incident Level 3	• One or more fatalities. • Significant permanent disability • Permanent psychological injury. • WHS Critical Injury Level 1-2
	Note: References to injury or illness refer to both psychological and physical impact or injury				
People	• The loss of key personnel and corporate knowledge does not impede	• The loss of key personnel and corporate knowledge temporarily impede non-critical processes or services.	• The loss of key personnel and corporate knowledge leads to short term disruption to critical processes or services.	• The loss of key personnel and corporate knowledge leads to medium term disruption to critical processes or services. • Short term industrial action.	• The loss of key personnel and corporate knowledge leads to cessation or long term disruption to critical processes or services.

	Insignificant	Minor	Moderate	Major	Extreme
	processes or services. • Individual complaint or grievances lodged. • Routine HR issue management.	• Several staff complaints or grievances lodged. • Limited adverse impact on culture and/or productivity. • Isolated staff conduct incidents requiring investigation.	• Formal proceedings brought by individual staff. • Threat of industrial action. • Some adverse impact to culture and/or productivity. • Individual or isolated staff incident requiring investigation and formal disciplinary action (including termination).	• Widespread adverse impact on culture and/or productivity. • Several staff incidents and conduct incidents requiring disciplinary action (including termination).	• Sustained or prolonged industrial action across multiple areas of SOH. • Systemic and/or prolonged conduct incidents or issues.
Legal & compliance	• Breach with minimal or no consequence, easily rectified.	• Breach with minimal or no consequence, not easily rectified.	• Breach requiring notification to relevant authority. • Potential for moderate penalties, improvement notices and/or corrective action, but can be rectified.	• Breach with moderate penalties. • Adverse finding by a regulatory or audit body. • Can not be rectified. • Repeated compliance breaches indicating a systemic or culture failure. • Major litigation.	• Significant breach with prosecution and/or significant fines. • Potential for criminal convictions resulting in imprisonment. • Repeated compliance breaches result in cessation of some core operations. • Serious litigation including large scale class action.
Image & reputation	• Negligible media attention. • Negligible social media discussion. • Negligible stakeholder concerns. • No brand impact.	• Isolated adverse media coverage. • Minimal social media discussion. • Stakeholder concerns resolved easily. • Negligible impact on brand.	• Moderate levels of media coverage, limited to local and metro outlets, AND • Low level of negative social media discussion, AND • Temporary adverse concerns from key stakeholders. ***** • Minimal adverse impact on brand perception	• Sustained local and national adverse coverage across multiple channels, AND • Widespread negative social media discussions, AND • Medium-term adverse impact on key stakeholder relationships. ***** • Medium term (months) adverse impact on brand perception. • Campaigns put on hold for relevant activity.	• Sustained local, national & international adverse coverage across multiple channels, AND • Sustained negative social media activity, AND • Loss of or long-term adverse impact on key stakeholders. ***** • Ongoing (>12 months) adverse impact on brand perception. • Multiple campaigns put on hold beyond relevant activities.
Visitor experience	• No change to Voice of Customer Satisfaction. • 10% below New Audience target. • Minor and isolated changes to existing customer experience.	• <5% reduction in Voice of Customer Satisfaction. • 10-20% below New Audience target. • Some adverse changes to existing customer experience	• 5-10% reduction in Voice of Customer Satisfaction. • 20-40% below New Audience target. • Short-term detraction of existing customers.	• 10-20% reduction in Voice of Customer Satisfaction. • 40-60% below New Audience target. • Long-term detraction of existing customers.	• >20% reduction in Voice of Customer Satisfaction. • >60% below New Audience target. • Permanently detracts existing customers.

	Insignificant	Minor	Moderate	Major	Extreme
Programming	• No negative impact to the balance and diversity goals of the SOH Strategy SOH remains an iconic artistic venue for quality performance.	• Some negative impact to the balance and diversity goals of the SOH Strategy.	• Significant short to medium term negative impact to the balance and diversity goals of the SOH Strategy. SOH status as a leading arts venue is threatened.	• Long-term negative impact to the balance and diversity goals of the SOH Strategy. SOH status as a leading arts venue is lost.	• Irreparable negative impact to the balance and diversity goals of the SOH Strategy. SOH becomes irrelevant to the arts sector and its audience.
Environment	• Negligible adverse impact limited to a small area. Rectifiable without delay.	• Reversible, localised short-term adverse impact. • Rectifiable within 3 days. No additional resources required.	• Reversible, adverse impact. • Rectifiable within weeks. Minor allocation of extra resources.	• Extensive adverse impact for up to 1 year. Rectifiable with significant allocation of extra resources.	• Extensive or irreparable adverse impact for multiple. Requires significant allocation of extra resources.
Building	• No negative impact to functionality of building or equipment • Not irreversible. • Repairs, if required, can be done without delay.	• Some negative impact to functionality of building or equipment • Manageable damage. Repairs can take a few days.	• Significant negative impact to functionality of building or equipment • Notable damage. Repairs can take up to a few months to a year.	• Long term negative impact to functionality of building or equipment • Extensive damage, some permanent. Repairs can take years.	• Irreversible negative impact to functionality of building or equipment Permanent or irreversible damage.
Heritage	No adverse impact.	Minimal and temporary/reversible.	• Notable but temporary/reversible. Minimal and permanent/irreversible.	• Extensive and temporary/reversible. • Notable and permanent/irreversible. Significant cumulative adverse impact.	• Extensive and permanent/irreversible. Heritage status in jeopardy.

LIKELIHOOD TABLE



NOT EXPECTED
0-10%

Conceivable but rare. Would only occur under exceptional operational or project circumstances.

Not expected to occur more than once in 10+ year period.

Has not occurred in the known history of SOH.

Key controls are effective.

UNLIKELY
11-40%

Slight chance of occurring under usual operational or project circumstances.

Once in every 3 to 10 year event.

Has occured in other organisations, but not at SOH in the current control environment.

Key controls are mostly effective, with a few partially effective.

POSSIBLE
41-60%

Could occur under usual operational or project circumstances.

Once in every 2-3 year event.

Has occurred at SOH or similar organisations, but not at SOH in the current control environment.

Some key controls are effective but a significant portion is not effective or only partially effective.

LIKELY
61-90%

Expected to occur within the next 2 years or within life of project.

High chance of occurring at least once a year.

Has occurred at SOH in similar control environment.

Majority of key controls are not effective or only partially effective.

ALMOST CERTAIN
91-100%

Expected to occur within the next 12months or life of project.

Expected to occur more than once a year.

Has occurred more than once at SOH in similar control environment.

Absence of effective controls.

RESIDUAL RISK RATING	CONSEQUENCE				
LIKELIHOOD	Insignificant	Minor	Moderate	Major	Extreme [1]
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	Medium	High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	High	Very High
Not Expected	Low	Low	Low	Medium	High

Note[1]: All reasonably practicable steps must be taken to avoid extreme consequences relating to Safety.

ESCALATION AND MANAGEMENT BY RESIDUAL RISK RATING

Low	Monitor and manage as usual
Medium	Requires Manager attention and Senior Leadership awareness
High	Requires Executive attention and mitigation action
Very High	Requires immediate CEO attention, mitigation action plan and escalation to Audit and Risk Committee

Note 2: Safety risks of Major or Extreme inherent consequence where only Administrative controls (e.g. but not limited to SWPs, SWMSs, signage) and wearing of PPE are in place for residual rating, must be escalated to a Director.