

Most risk matrices fail because "Possible" and "Major" mean whatever the person scoring them wants. Every level here carries a frequency band or a threshold, so two people scoring the same risk land on the same number. Replace the dollar figures with your own — the top band should be an amount that would genuinely threaten the organisation.

SCALE	LEVEL	LABEL	DEFINITION — USE THE FREQUENCY BAND OR THRESHOLD, NOT THE ADJECTIVE	WORKED INDICATOR
Likelihood	5	Almost certain	Expected to occur more than once per year; has occurred multiple times in the last 3 years	>1 per year
Likelihood	4	Likely	Expected to occur about once per year; has occurred in the last 3 years	~1 per year
Likelihood	3	Possible	Could occur about once in 3 years; has occurred in the sector in the last 3 years	~1 in 3 years
Likelihood	2	Unlikely	Could occur about once in 10 years; known to have occurred in the sector	~1 in 10 years
Likelihood	1	Rare	Would occur less than once in 25 years; no known occurrence in the sector	<1 in 25 years
Consequence — Financial	5	Severe	Loss greater than 10% of annual revenue or breach of a banking covenant	>\$5m for a \$50m-revenue entity
Consequence — Financial	4	Major	Loss of 3-10% of annual revenue; material to the full-year result	\$1.5m-\$5m
Consequence — Financial	3	Moderate	Loss of 1-3% of annual revenue; absorbed but reported to the board	\$500k-\$1.5m
Consequence — Financial	2	Minor	Loss under 1% of annual revenue; managed within divisional budget	\$50k-\$500k
Consequence — Financial	1	Insignificant	Loss absorbed within normal operating variance	<\$50k
Consequence — People and safety	5	Severe	Fatality or permanent disabling injury	Notifiable incident; regulator attends site
Consequence — People and safety	4	Major	Serious injury requiring hospital admission; lost-time injury over 2 weeks	Notifiable to the WHS regulator
Consequence — People and safety	3	Moderate	Injury requiring medical treatment; lost time under 2 weeks	Recordable; internal investigation
Consequence — People and safety	2	Minor	First-aid injury; no lost time	Logged in the incident register
Consequence — People and safety	1	Insignificant	Near miss; no injury	Logged; no treatment required
Consequence — Regulatory and legal	5	Severe	Licence revoked or suspended; prosecution of officers; enforceable undertaking	Regulator enforcement action
Consequence — Regulatory and legal	4	Major	Significant fine or formal enforcement; mandatory external review	Formal breach notification lodged
Consequence — Regulatory and legal	3	Moderate	Reportable breach with remediation plan accepted by the regulator	Self-reported breach
Consequence — Regulatory and legal	2	Minor	Technical non-compliance corrected internally; no external report	Internal audit finding
Consequence — Regulatory and legal	1	Insignificant	Administrative deviation; no compliance impact	Noted and closed
Consequence — Reputation	5	Severe	Sustained national coverage; loss of a major customer segment; ministerial attention	Front-page national media
Consequence — Reputation	4	Major	National coverage over several days; measurable customer churn	National media pick-up
Consequence — Reputation	3	Moderate	Trade or local media coverage; complaints from multiple customers	Sector press
Consequence — Reputation	2	Minor	Isolated customer complaints; no media interest	Handled by account management
Consequence — Reputation	1	Insignificant	No external awareness	Internal only
Consequence — Service delivery	5	Severe	Critical service unavailable beyond the maximum tolerable period	Outage exceeds contracted RTO on a critical service
Consequence — Service delivery	4	Major	Critical service degraded for an extended period; SLA credits triggered	SLA breach on a critical service
Consequence — Service delivery	3	Moderate	Non-critical service disrupted; workarounds in place	Workaround required
Consequence — Service delivery	2	Minor	Minor degradation; users largely unaffected	Absorbed by capacity
Consequence — Service delivery	1	Insignificant	No noticeable service impact	No user impact

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