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SSAA RISK ASSESSMENT WORKSHOP

May 2002



workshop objectives

- 1 To inform participants on the concepts of risk assessment
- 2 To show the methodology for conducting a risk assessment
- 3 To workshop through a number of risks using the methodology
- 4 To provide enough information for participants to conduct their own risk assessment

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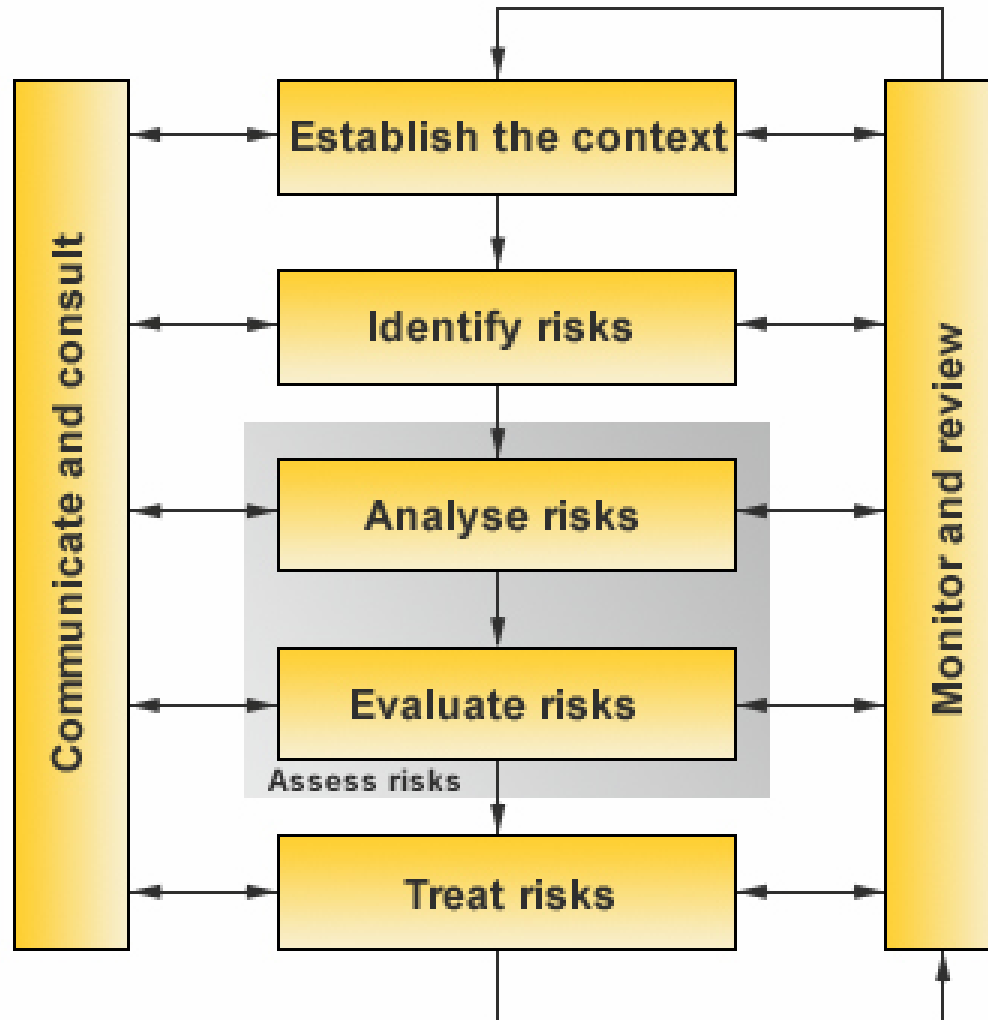
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CONCEPTS OF RISK ASSESSMENT



Australian Standard AS/NZS 4360-1999

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Risk has 2 Components

LIKELIHOOD

CONSEQUENCE

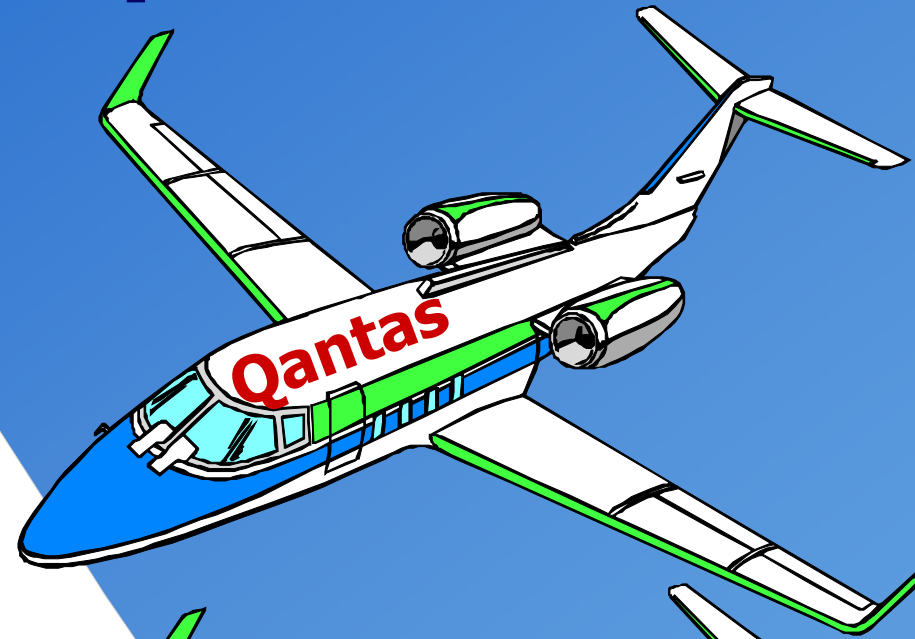
Risk = likelihood x consequence



risk concepts

Likelihood
Consequence
Controls
Risk Acceptance
Residual Risk

Remember:
Risk = likelihood x consequence

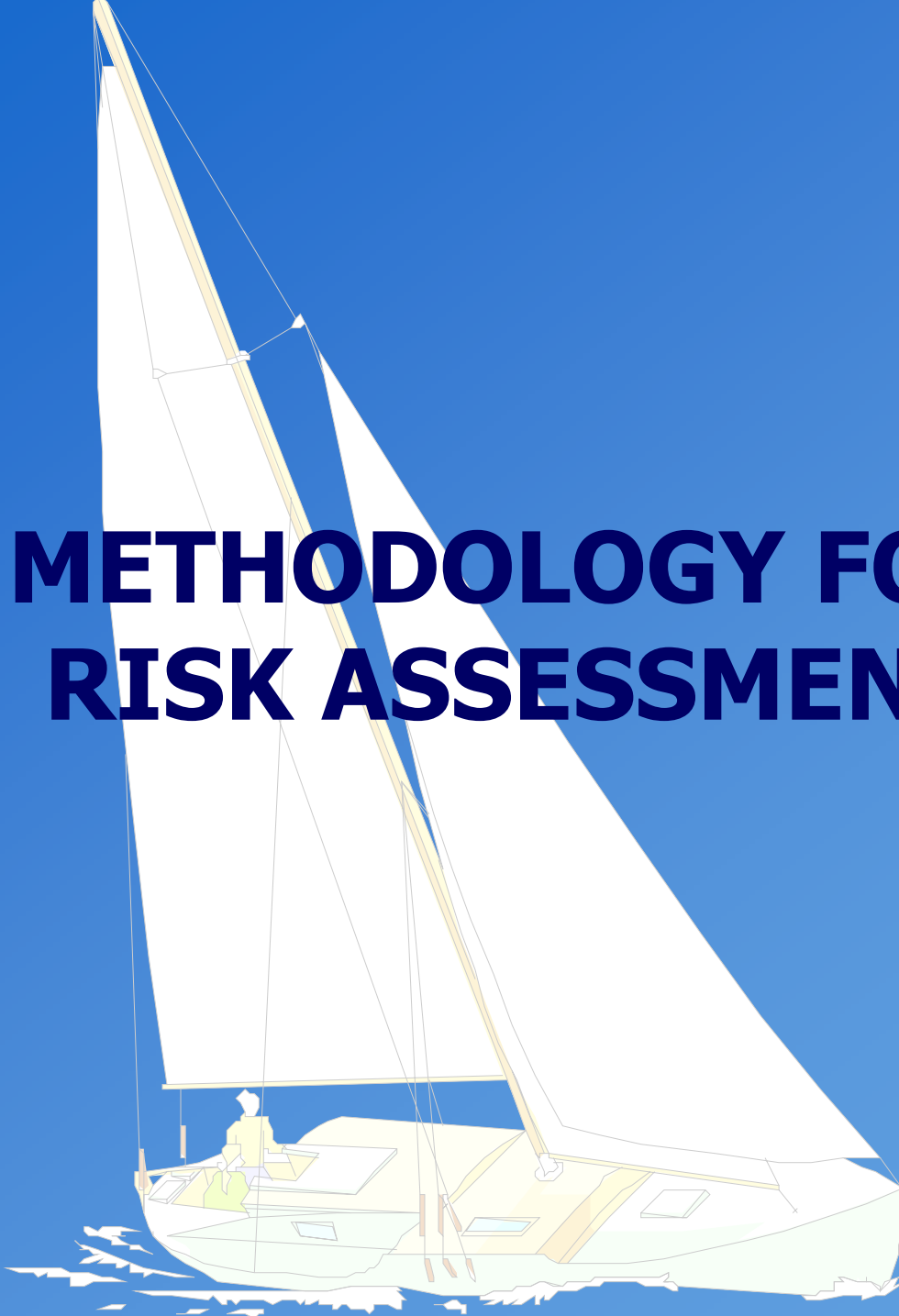


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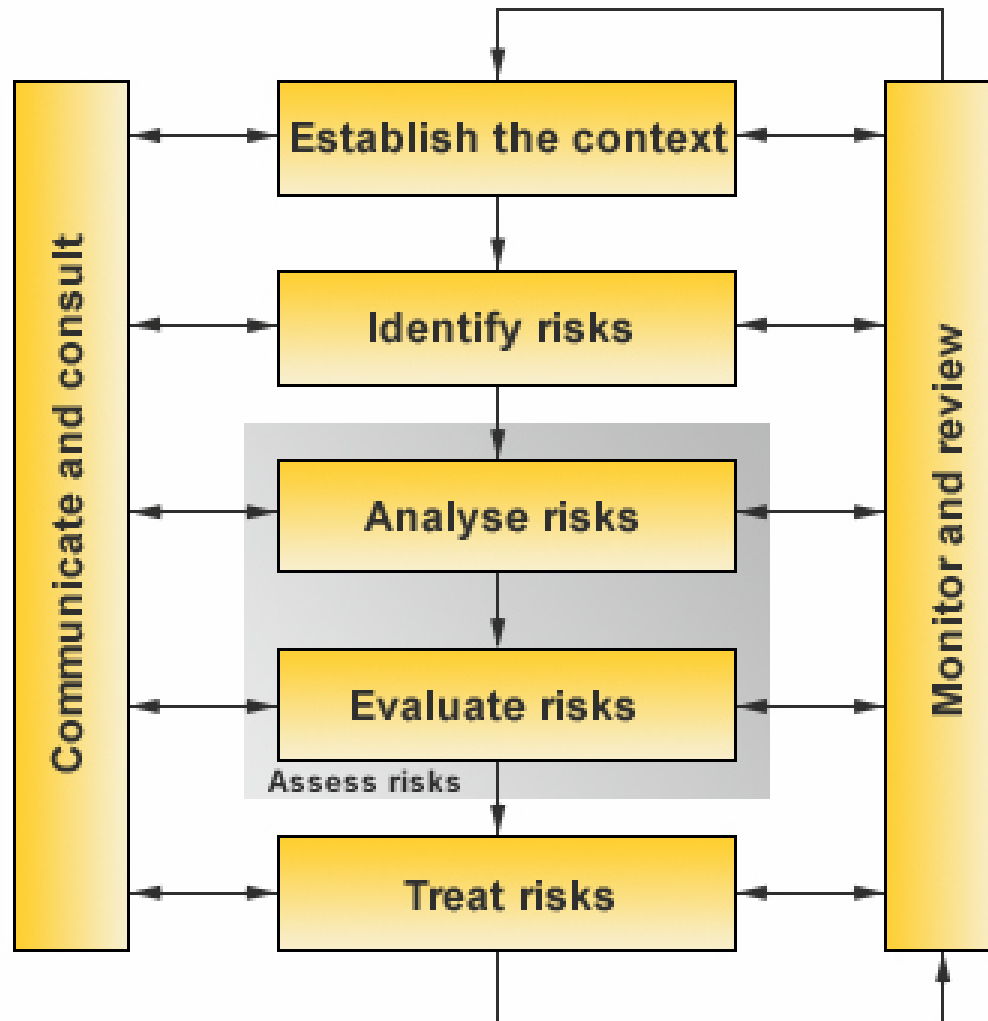
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METHODOLOGY FOR RISK ASSESSMENT



Australian Standard AS/NZS 4360-1999

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Step 1 Set the Context



What does “Establish the Context” mean?

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- Why am I doing the risk assessment?
- What am I going to be doing with my boat?
- What are my goals?
- What is my legal or moral responsibility?



Step 2 Identify the Risks



Systematic Risk Identification

- Determine categories for risk identification
- Workshop with crew and other parties
- Establish checklists (SSAA safety checklist)
- Visualise the steps that you will take

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Risk Categories

- **Commercial, Legal & Financial**
- **Crew Safety**
- **Yacht Safety**
- **Performance**
- **Rig & Sails**
- **Vessel Integrity**
- **Mechanical/Electrical**
- **Navigation & Weather**
- **Long Races**



Step 3
Analyse the Risks
(likelihood & consequence)



likelihood ranking

Rating	Operational
A Almost certain	Every Race
B Likely	One in 5 races or once per season
C Moderate	One in 10 races or once per year
D Unlikely	One in 50 races or once in 5 years
E Rare	Less than one in 50 races or less than once every 5 years

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consequence ranking

Ranking	Description	Examples
5 Catastrophic	<i>A catastrophic event</i>	Loss of vessel; loss of life or incapacitation; loss of lifestyle; loss of personal assets.
4 Major	<i>A critical event that with proper management can be endured</i>	Severe weather; loss of rig; rescue; roll-over; court case.
3 Moderate	<i>A significant event that can be managed under normal circumstances</i>	Very bad weather; poor performance; poor crew morale; no communications.
2 Minor	<i>An event, the cons of which can be absorbed,</i>	Electrical or mechanical failure; sails damage.
1 Insignificant	<i>An event, the impact of which can be absorbed through normal activity</i>	Damaged sheet; damaged winch

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risk analysis

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LIKELIHOOD

CONSEQUENCE

Insignificant

Minor

Moderate

Major

Catastrophic

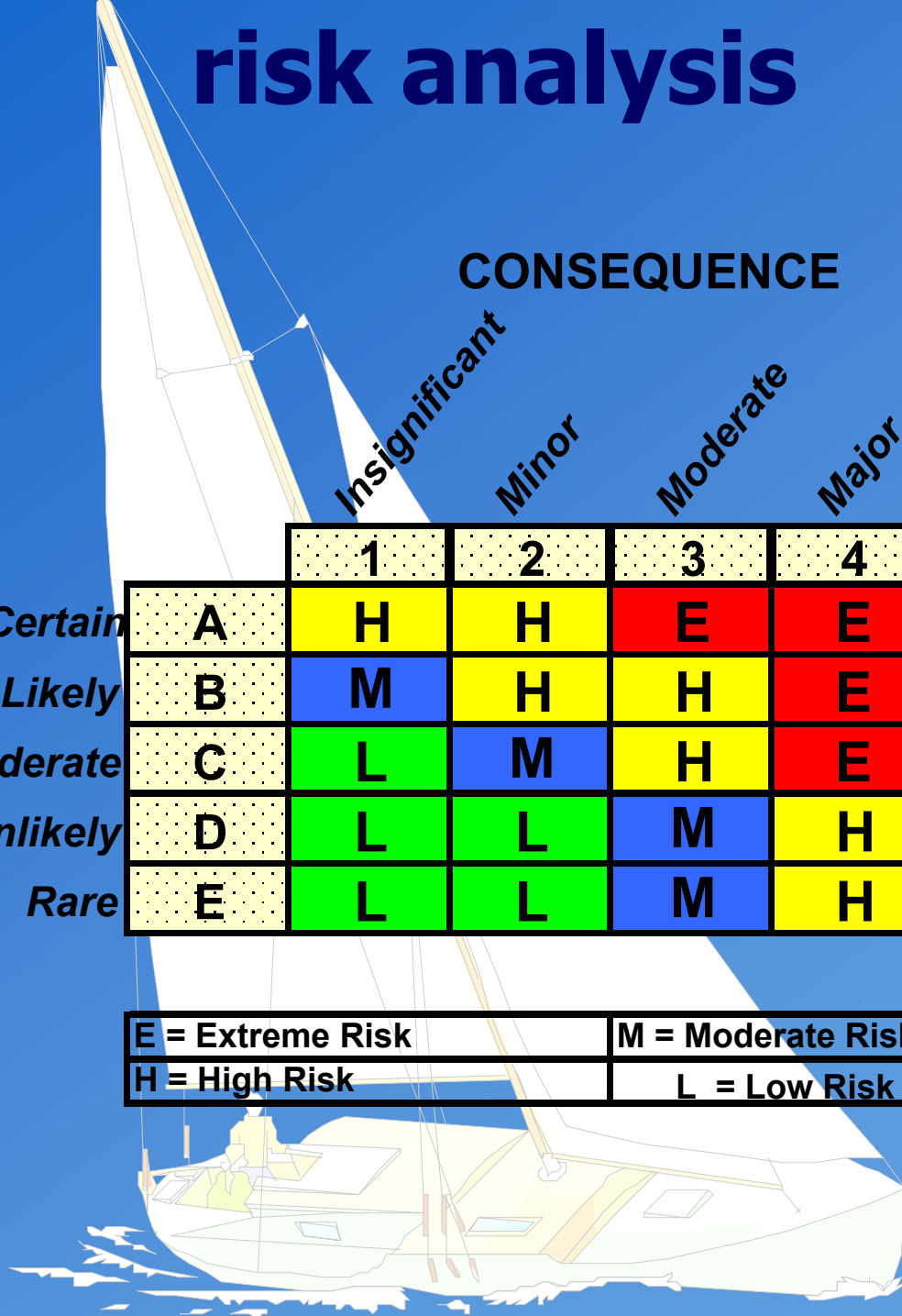
		1	2	3	4	5
<i>Almost Certain</i>	A	H	H	E	E	E
<i>Likely</i>	B	M	H	H	E	E
<i>Moderate</i>	C	L	M	H	E	E
<i>Unlikely</i>	D	L	L	M	H	E
<i>Rare</i>	E	L	L	M	H	H

E = Extreme Risk

M = Moderate Risk

H = High Risk

L = Low Risk



Step 4 Evaluate the Risks

(which risks we will we treat)



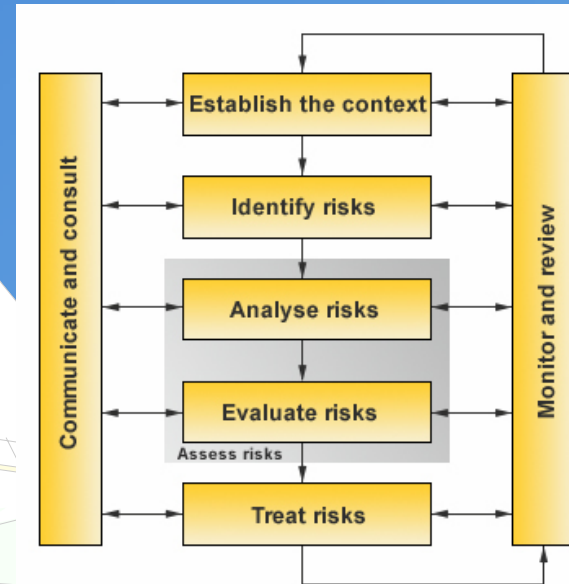
Step 5 Risk Treatment



risk treatment

Risk Treatment Strategies

- accept
- avoid
- reduce likelihood
- reduce consequence
- transfer risk
- retain residual risk



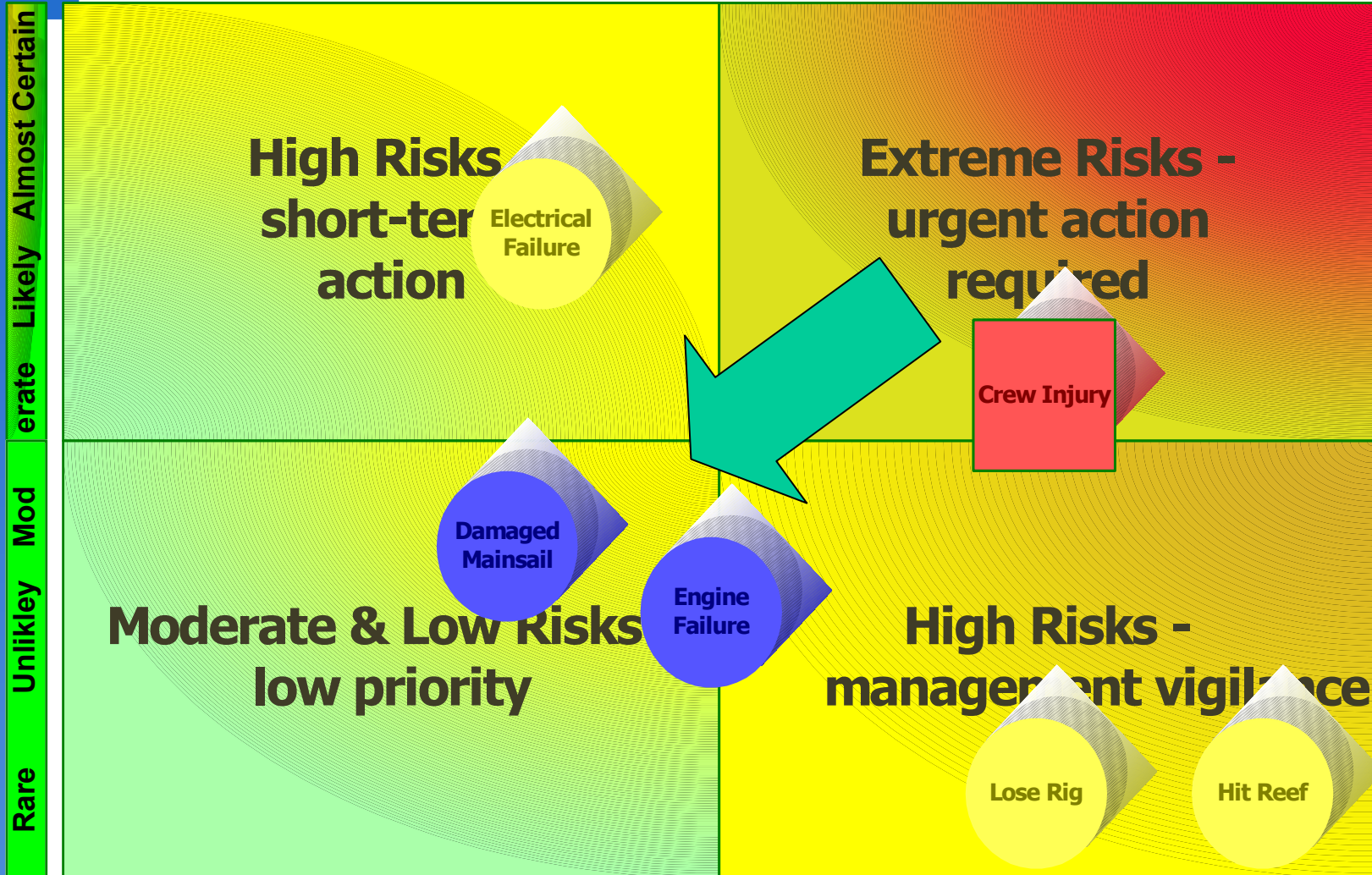
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risk-treatment..(cont)

Increasing Consequence 

Insignificant Minor Mod erate Major Catastrophic



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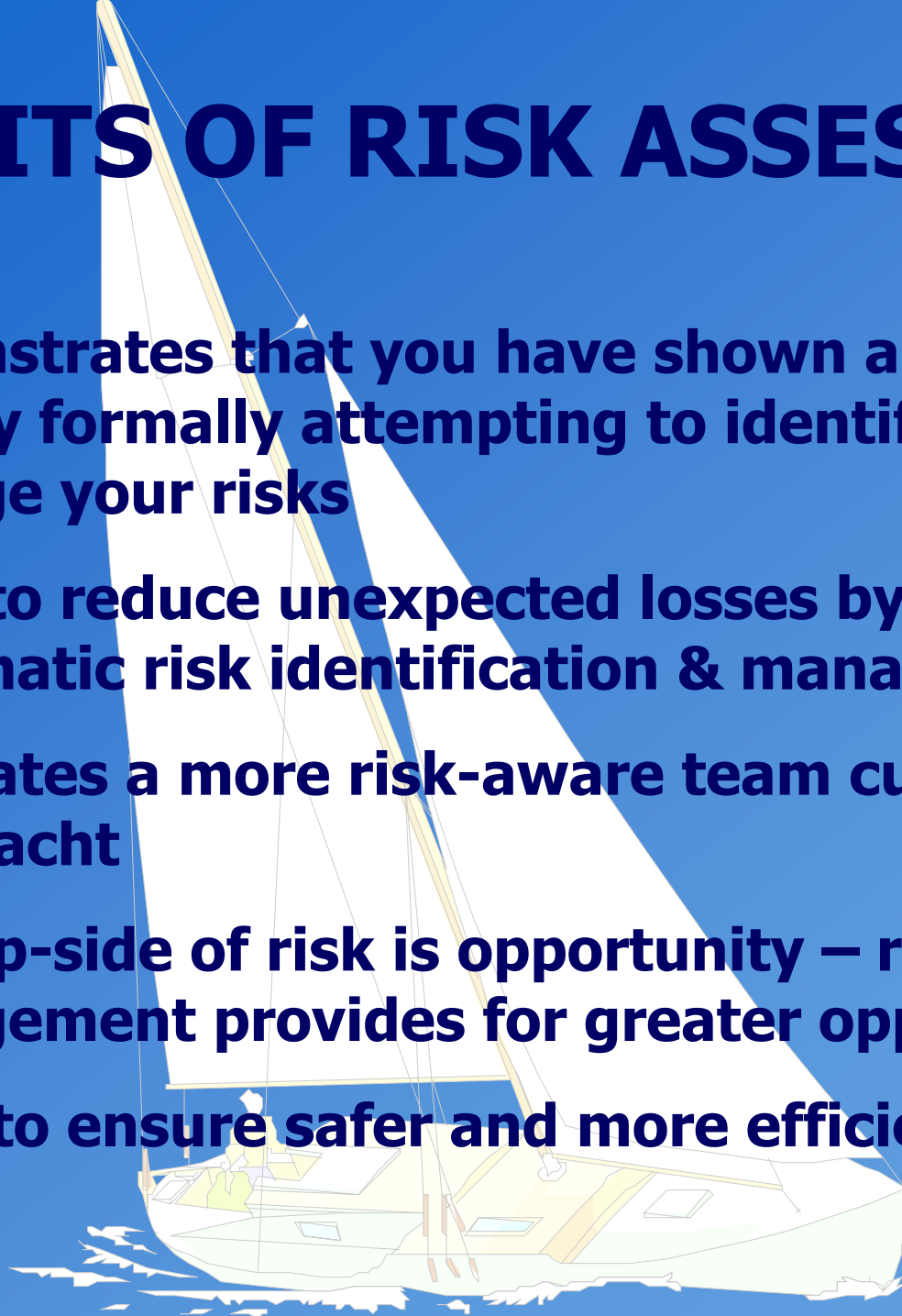
Increasing Likelihood 



BENEFITS OF RISK ASSESSMENT

- 1 demonstrates that you have shown a duty of care by formally attempting to identify and manage your risks**
- 2 helps to reduce unexpected losses by systematic risk identification & management**
- 3 Generates a more risk-aware team culture on your yacht**
- 4 The flip-side of risk is opportunity – risk management provides for greater opportunities**
- 5 Helps to ensure safer and more efficient sailing**

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