

## Appendix 3

### Risk Assessment

Risk No	Risk description	Risk mitigation	Likelihood	Impact	Prioritisation	Additional steps to be taken
1.	<b>The net cost to BCC increases</b> due to lower income generated from Recycled DMR sales to Offtakers including; <ul style="list-style-type: none"> <li>The impact of the Deposit Return Scheme (DRS) will reduce volumes of high value items by up to 90% (cans and plastic bottles responsible for most of the income);</li> <li>Impact of market prices; and</li> <li>Impact of volume decreases.</li> </ul>	Forecasting prudent value of recycling income over the longer term. Searching for local circular off-takers (closer or accepting a wider range of materials).	Low	Significant	Material	Monitor the sales of all materials, as they are subject to market prices and demand. This market has a volatile history
2.	<b>Higher costs</b> and technical issues from an increased contamination percentage above the forecast 20%. <ul style="list-style-type: none"> <li>Ongoing increased contamination within the material stream; and</li> <li>Impact of consistency from collection guidance (pending).</li> </ul>	Increased education and impact of having consistency of collections. Ongoing improvement in DMR quality to reduce contamination through education and service changes.	High	Significant	Severe	Working with the contractor to understand any changes to the incoming Environment Act and the consistency of collections
3.	<b>Higher volumes</b> of DMR than the forecast in the Financial Model as households are expected to grow and more recycling services will be rolled out.	Partially offset by lower volumes of DRS cans and bottles after implementation in October 2025.	Significant	Medium	Tolerable	Monthly review of actual DMR tonnages against forecast. Monitor the timetable for the introduction of DRS as this will have the impact of reducing the amount of cans and plastic bottles that could potentially be in the DMR material stream.

#### Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
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High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

**Prioritisation:**

Level	Description
<b>Severe</b>	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
<b>Material</b>	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
<b>Tolerable</b>	Regular review, low cost control improvements sought if possible