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Summary:

- The Threat Level is assessed as **ELEVATED** (Code YELLOW) given the recent history of confrontational protest and ongoing emotive statements by disgruntled Christchurch Earthquake claimants. This level of assessment factors incidents of emotive protest and threats to the safety of Southern Response senior personnel.
- No immediate threats, however, have been identified to Southern Response personnel or staff, or its operations. However, there is a concerning continuance of focus on personalities and a level of emotive comments by some disgruntled claimants that requires ongoing monitoring to mitigate any escalation.
- Although there have been no instances of actual physical assaults and serious disruption such as an office invasion, there have been worrying examples of threatening behaviour and abuse directed towards senior Southern Response personnel and members of the Board. There have also been noisy and highly emotive protests outside the Addington head office in Christchurch where unacceptable and aggressive behaviour by some protesters was directed towards the Chief Executive.

A mitigating factor on such instances of behaviour is hopefully the recent announcement of a class action by many Southern Response clients. Claimants would be unwise in the circumstances to undermine their case by resorting to illegal protest and threatening behaviour.

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THREAT ASSESSMENT ©

Client: Southern Response

Location: Christchurch

Date: 11 March 2014



1. Threat Level and Response

- 1.1 At 09:00hrs, 11 March 2014 the Threat Level from protest to the ongoing operations, premises, and personnel of Southern Response was assessed as being:
 - **ELEVATED** (**Code Yellow**) with a Threat Rating of 7/10 (Likelihood Rating: 4/5 Success Rating: 3/5). The likelihood of protest, Direct Action, or disruption to Southern Response operations from protest is assessed as warranting Protective Security measures appropriate to the event and the circumstances. These measures should be scaled to mitigate the broad nature of the threat. They should, however, factor practicalities of operations at the event and its efficient management, while recognising that informed and specific business judgements and geographical vulnerabilities may require a level of acceptable risk (see Section 10).

2. Background

- 2.1 Established in 2012, Southern Response Earthquake Services Ltd (Southern Response) is a Crown-owned company with a Board of Directors appointed by the Crown as sole shareholder. It is incorporated under the Companies Act 1993 and is listed in Schedule 4 of the Public Finance Act 1989. The company's shareholders are the Minister of Finance and the Minister of Earthquake Recovery.
- 2.2

As a Crown-owned company, it is responsible for settling claims by AMI Insurance policyholders for Canterbury Earthquake damage, which occurred before 05 April 2012 -

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which is the date AMI's day-to-day insurance business was sold to another company, IAG Insurance. Because of the unprecedented cost of earthquake claims, in April 2011 AMI received capital support from the New Zealand Government to ensure the interests of all AMI policyholders were protected and all claims would continue to be met under the terms of their policies.

- 2.3 On 05 April 2012, AMI was separated into two companies: Southern Response and AMI Insurance. The 'new' AMI company was acquired by IAG Insurance. It kept the AMI name and logo and continues to provide day-to-day insurance to clients. AMI is responsible for all claims for any damage (including earthquake damage) which occur after 05 April 2012. AMI policyholders with earthquake-related claims continue to be customers of both the 'new AMI' company and Southern Response until their earthquake claim is settled.
- 2.4 Southern Response is in essence the new name for AMI's former Earthquake Claims Management Team. Southern Response is also responsible for a small number of claims resultant from other natural events, such as the Nelson floods and some snow damage claims which were not part of IAG's purchase of AMI (although these claims continue to be managed by AMI).
- 2.5 As at 05 April 2012, Southern Response was responsible for settling an estimated \$1.5 billion in earthquake claims involving:
 - Approximately 11,000 claims to 6670 Canterbury properties where damage exceeded the Earthquake Commission's (EQC) \$100,000 plus GST 'cap' for an earthquake event.
 - Almost 22,000 'out of scope' claims, for damage to paths, driveways and other external structures, which are not covered by the EQC.
 - Around 3,000 temporary accommodation claims, which are not covered by the EQC.
 - About, 1,500 other claims including contents, loss of rent and motor vehicles.

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- 2.6 Southern Response is dealing with over 22,000 claims covering over 6,800 properties in the Christchurch region. Each year it deals with well over 3000 complaint enquiries and about 280 formal complaints about financial services. Over 25 percent of formal complaints result in settlement. It is envisaged that as claims are settled progressively over coming years, Southern Response will gradually wind down its operations and then eventually close when all outstanding existing claims have been resolved.
- 2.7 Southern Response is collocated in the same building in Addington as Arrow International, which is its Canterbury Earthquake Project Partner. Arrow has been appointed as Southern Response's agent to undertake damage assessments to AMI policyholders' properties that suffered



earthquake damage prior to 5 April 2012, scoping and cost estimating of the necessary repair and rebuild work, and the project management of subsequent construction works. While this Threat Assessment looks solely at the threat to Southern Response, its unavoidable entwining with Arrow essentially means the threat for one is similar to that for the other. This is particularly so critics of Southern Response invariably transfer or share that criticism with Arrow.

Southern No Response

- 2.8 Claimants unhappy with the pace at which their claims are being resolved have formed a loose coalition of property owners to pressure Southern Response, which they have called Southern No Response. Southern No Response is led by a small handful of organisers, including local body politicians and local identities. One of the organisers is a professional public relations and communications consultant. The group has gained an 'ally' in the TV3 Campbell Live programme, which has given generous airtime to the group's grievances. The group's Facebook page 'Southern No Response' has 527 followers.
- 2.9 A public meeting the group held in February 2014 attracted about 275 attendees, not all of whom were claimants or had issues with Southern Response. Some were engaged in the reconstruction industry, some were there as advisors, and others were there to simply

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listen. Of the approximately 275 people present, a show of hands indicated there was about 75 percent who said they were claimants, and of that percentage, about half of those said they owned properties classified as TC3 (Technical Category 3 – meaning moderate to significant land damage from liquefaction is possible in future large earthquakes. Site-specific geotechnical investigation and specific engineering foundation design is required). See: http://cera.govt.nz/residential-green-zone-technical-categories/overview

3. Concerns

- 3.1 Principally safety concerns revolve around the threat of protest or disruption to operations at Southern Response's head offices in Addington, Christchurch. In addition, the safety of senior staff and the Board, some of whom have been subjected to some harassment and intimidating behaviour. In December 2013, Southern No Response although still in its formative stage organised two large-scale protests of at least 100 people outside Southern Response's head offices.
- 3.2 In addition, there are concerns as to the general safety of frontline Southern Response staff who have to at times deal with angry, frustrated, and emotional clients who understandably are dealing with the emotional stress and fallout of the Canterbury Earthquakes. Southern Response is seen as an easy outlet for such feelings of frustration and anger. These feelings have manifested themselves in such actions as a protester attempting to stuff a letter concerning his claim into the shirt pocket of the Chief Executive and another shouting abuse in his face during a demonstration autoide Carthern Response's efficiency in Desember 2012 (see rig



outside Southern Response's offices in December 2013 (see right).

3.3 Although these protests have not been recently repeated, the carpark at Southern Response's head offices have been occupied by angry protesters who have even set up temporary camp in the car park outside the offices in an effort to disrupt and inconvenience the company's operations. One of the leaders of the group has talked publicly about blockading and laying

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siege to Southern Responses offices by occupying the grounds – something they did temporarily in December last year.

See: www.3news.co.nz/Protesters-confront-Southern-Response/tabid/817/articleID/325376/Default.aspx

4. Protest Indications

4.1 Protest activity related to the subject of a specific event often acts a gauge as to the current level of capability, intent, and likelihood of protest. It can also provide an insight into current *modus operandi* used by activists and issue motivated groups (IMGs) in taking protest action against a client's business interests and operations. The following summary of relevant events provides a 'feel' for the direction and tone of protest and degree of safety concerns:

Class Action

- 4.2 On Friday 07 March 2014, the issue motivated group Southern No Response used the Campbell Live TV3 programme to announce that it would be taking a class action against Southern Response on behalf of some earthquake claimants. The group said it had retained class action specialist Grant Cameron of GCA Lawyers. They have asked Mr Cameron to seek a declaration from the High Court regarding unacceptable delays in the settlement of their claims for damage from the Canterbury Earthquakes.
- 4.3 The group says it believes it is time that the Government undertook a public and independent review of the delays that Southern Response is alleged to be causing and the flow-on that is undermining the rebuild of Christchurch. Grant Cameron Lawyers says the company has been approached by key parties who feel the time has come for definitive action. "There might be some shades of grey but the vast majority of people here have not had any practical communication or effective communication out of their insurer, that's in breach of their contract in our view," he said on 08 March 2014.

See: www.scoop.co.nz/stories/P01403/S00092/class-action-against-southern-response-announced.htm

4.4 The group says it will also seek substantial damages from Southern Response for each member of the class action. The class action comes on the back of another group confirming they are taking a class action against EQC and who in November 2013 retained national Law

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firm Anthony Harper. The firm says it has about 200 people signed up to its class action against EQC, which has meant it has been able to cap each litigant's legal costs at a maximum of \$2000. It is thought the Southern Response class action will seek a similar level of contribution from contributors.

See: www.anthonyharper.co.nz/cms/uploads/Anthony%20Harper%20Media%20Release%20%2025%20November%202013.pdf

4.5 On 10 March, legal counsel for the class action implied if Southern No Response could at least get 1000 committed to the idea of a class action the cost would be inconsequential. He made reference to believing there could be as many as 5,000 cases entitled to join the class action.

Public Meeting

4.6 On 11 February 2014, Southern No Response held a claimants' meeting at the Jack Mann Auditorium, College of Education, Ilam, Christchurch, to discuss moving the group onto a more focussed basis after organising protests outside the Southern Response offices in late December 2013. The meeting heard from a number of expert speakers and the group claimed an attendance in excess of 300 people. The number of vacant seats in the auditorium indicated that with a maximum seating capacity of 225 this number was inflated a little Neverthelege



capacity of 325, this number was inflated a little. Nevertheless, the meeting was a defining moment for the group – moving it from being little more than a group of angry people to a structured lobby group working towards a unified vision.

See: http://cinch.org.nz/categories/1311/1389/entries/3080

4.7 One of several organisers of this event said no one from Southern Response had been invited so as to allow claimants to talk freely, but a number of individuals involved in the rebuild industry indicated their attendance when asked to by the meeting's MC.

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4.8 The meeting included presentations by an insurance specialist, a forensic surveyor, structural engineer and insurance law specialist Duncan Webb, as well as an hour-long question-and-answer session with the speakers. The meeting was also used as an opportunity for the group to gauge interest in a staging class action for delay.

See: www.stuff.co.nz/the-press/news/christchurch-earthquake-2011/9710550/Quake-claimants-thrash-out-strategy

December Protests

4.9 In December 2013, two protests were organised by a group of Southern Response clients who decided to express their frustration at the company's head offices in Addington. The organisers were able to muster about 110 supporters for these protests. In a messages to supporters on 26 November 2013 on the 'Rebuild Christchurch' website (www.rebuildchristchurch.co.nz/) one of the organisers stated under the heading 'Southern Response Mass Protest':

After much deliberation, discussion and consideration we have a great plan. Sitin, camp-in protest. In other words, a siege. Location: Southern Response Carpark, 6 Show Place, Addington, Christchurch. Time and Date: 7:00 am; Monday morning December 2nd 2014. Duration: As long as it takes. If we have many people (100 plus) we will be able to effectively interrupt their work, and force them to deal favourably with us straight away. However, we need to be prepared to camp in their carpark for several days... Creating discomfort and embarrassment for them is the key. If that does not work then we must shame them into responding favourably by stepping up the next level with the media.

- 4.10 The poster of this message went onto suggest blocking off access to Southern Response offices and "seiging (sic) it" by arriving early to "truly disrupt Southern Response". He added however that he expected to get advice on the legality of this action as blocking the entry could be deemed trespassing, he said.
- 4.11 At the first protest held on 02 December 2013, the protesters challenged Southern Responses Chief Executive to front again on 16 December with answers to the individual cases presented at the protest. Although a peaceful demonstration, Southern Response's CEO was often heckled by the crowd as he answered questions about common complaints. While there had

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been talk of a long-term occupation of the site, this appears to have been defused by Southern Response's CEO accepting the protesters' challenge to look into all the individual cases raised with him at the protest and provide each claimant a response in writing. See: www.stuff.co.nz/the-press/news/christchurch-earthquake-2011/9464212/Hundreds-join-insurance-protest

Threats to Personnel

4.12 There have been two record instances of threatening behaviour to senior personnel but nothing more sinister has developed from these. The Chief Executive received an anonymous Christmas card accusing Southern Response of inflicting "death and misery" that would "last for generations". The Chair of Southern Response's Board received a more sinister and personal message which he has referred to his local Police Station and dealt with himself.

5. Activist Tactics

- 5.1 In terms of tactics employed by activists and issue-motivated groups, Non-Violent Direct Action (NVDA) is the tactic by protesters most commonly deployed. NVDA is any form of Direct Action protest, which does not rely on physical violence against people. Damage to property is 'fair game' in the views of more militant activists such as those traditionally aligned to such groups as the animal rights and anarchist movements.
- 5.2 The intention of NVDA is to inflict economic and reputational damage on an organisation in order to force a reconsideration of that organisation's business practices, operations, or behaviour. Against Southern No Response, such tactics are likely to focus on trying to cause disruption to the event itself, inconvenience, embarrassment or media publicity.
- 5.3 NVDA does not necessarily imply an ideological commitment to pacifism or behaving in a non-physical manner. It does not exclude damage to property or sabotage (known as 'Monkey Wrenching') as seen by some past protest behaviour which has inflicted economic damage and disruption to operations in some industry sectors. Examples are the tactics

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taken by Christchurch environmental issue-motivated groups the Save Happy Valley Coalition (SHVC) and the Coal Action Network Aotearoa (CANA) to frustrate and delay projects by coal mining companies Solid Energy New Zealand and Bathurst Resources.

- 5.4 Actions by these groups resulted in costs to Solid Energy of up to \$25 million in terms of lost profit, delays, legal action, and security mitigation. They involved 'sit-ins' and obstruction by blockading offices and work sites; infiltrations into meetings to disrupt events including an attempt to throw a pie in the Chief Executive's face.
- 5.5 There is no indication that any of the Christchurch-based activists are involved in a leading role in such groups as Southern No Response. To date, this group's protest activities have focussed on large-scale protests, whereas SHVC tended to favour smaller Direct Actions, such as scaling the roof of Solid Energy's head offices and occupying it for a period. Neither is it thought any of the threatening correspondence sent to Southern Response has been encouraged or endorsed by its leadership.
- 5.6 In public situations, at least, the group's leadership, while prone to verbal sniping at Southern Response, has not encouraged aggressive behaviour and urged civility. It has structured and run its meetings in an organised fashion. However, the degree of control and discipline the leadership has over individuals is expressly limited as has been seen by some of the more verbal and aggressive behaviour by some angry claimants.
- 5.7 In terms of NVDA by issue-motivated groups against Southern Response, a noisy protest aimed at inconveniencing or harassing staff and impeding daily operations remains a high risk. Other reservations centre on the concern that a small number of threats made to selected senior staff and Board Members may escalate.

6. Issue-Motivated Groups (IMGs) Southern No Response

6.1 Southern No Response began as a Facebook page set up by a disgruntled Southern Response client in 2012 and after several like-minded individuals banded together to stage two noisy

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and angry protests outside Southern Responses Addington offices in December last year. Since the move by Southern No Response to put itself on a more organised footing, it is noted the frequency of protest has declined in favour or lobbying.

6.2 The group appears to have a small core of leaders and all of whom are claimants. One is a member of the Christchurch City Council; another is a prominent local sporting personality. There appears no clear leadership, but a small group of about six people who run the group collectively. Although only a few months old, it has rapidly become the main pressure group for disgruntled claimants. It has for the moment moved away from direct confrontation and protest to organiseing forums and information meetings to empower and improve its memberships' understanding and knowledge base.

See: www.southernresponse.org.nz/events/

6.3 One of the first initiatives of the group was to purchase a spare domain name for Southern Response, and which the group uses as its web address for opposition activities against Southern Response. Following the last of the two protests, several Southern Response and Arrow International customers say they felt there were sufficient issues presenting themselves that it would be helpful for the group to have its own website. Recently, however, the group says that after the claimants meeting on the 11 February 2014 and talking with "friends stuck in the EQC / SR no man's land" it made sense to move this site from being solely about Southern Response and Arrow to have a broader appeal.

See: www.southernresponse.org.nz/

EQC Class Action

6.4 On 25 November 2013, about 200 hundred homeowners met at the 'Cardboard Cathedral' discuss to joining legal proceedings against EQC. The law firm Anthony Harper called the meeting following what they said was a strong response to their recent call for interested homeowners to unite to take on the Earthquake Commission. After some hesitation and doubt over the exact numbers willing to commitment to a class action, the group confirmed on 09 March 2014 it would be going ahead with its class action against

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Southern Response Woes

- 6.5 Southern Response Woes operates as a closed Facebook forum group of only 15 members administered by the female Director of a Lyttelton software company the Software Workshop. Persons wishing to join the group are required to provide details of their quake damaged property in order to keep membership limited purely to claimants.
- 6.6 The group says its forum exists to swap stories about members' experiences with Southern Response, and provide each other with advice, and air grievances in a supportive forum. The group was set up about three months ago. It operates as a forum only, has not taken on any new members since inception, and seems to have been eclipsed by Southern No Response. See: www.facebook.com/groups/549165131834611/

Quake Outcasts

6.7 The Quake Outcasts as they have titled themselves are a group of 68 uninsured or bare landowners who argue the Christchurch Red Zone was created illegally and want a full payout for their earthquake-damaged land. They were initially offered 50 percent of the rateable value for their empty or uninsured sections. However the High Court found that offer was unjust and granted the locals, who banded together to fund a legal team, a judicial review of the decision. The Court of Appeal later backed the ruling, but overturned a finding that the creation of the Red Zone was illegal. The Outcasts are now appealing to the Supreme Court. They have retained as their legal counsel, the same lawyer who is taking the class action on behalf of Southern No Response.

See: www.3news.co.nz/Quake-Outcasts-take-fight-to-Supreme-Court/tabid/423/articleID/329303/Default.aspx

6.8 While a separate group with a unique position compared to others, the Quake Outcasts appear to have a good relationship with Southern No Response. For example, on 08 March 2014, one of the organisers of Southern No Response invited the 'Outcasts' to attend the group's Short Notice Forum on 13 March 2014 on the 'Benefits of a Group Action for Delay.' Currently 116 people support the Outcasts' Facebook page.

See: www.facebook.com/quake.outcasts

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7. Mitigation

- 7.1 Mitigation is a specialist area, requiring a separate discipline, planning, and consultation. For this reason, it has not been addressed in any detail in this Threat Assessment, but does also fall within TCIL's area of expertise and has been addressed in part by the Security Review undertaken by TCIL and delivered by its Project Manager.
- 7.2 As part of this mitigation, it is recommended the Threat Level should be reassessed and reviewed against any new information that comes in subsequently which is weighed in terms of the Response Methodology and any Operational Orders developed by TCIL and agreed with the Client. This will be achieved by TCIL performing ongoing monitoring up to, and during the Conference and the following measures:

8. Threat Assessment Parameters

- 8.1 In accordance with TCIL's Terms of Conduct, this assessment has been prepared using public and Open Source information only, and with analysis of the risk based on this material and known previous behaviour (including illegal behaviour) by activists opposed to free trade. It complies with TCIL's Standards of Conduct in terms of collection of publicly available information and Open Source methods of collection and dissemination of information in accordance with TCIL's Terms of Engagement.
- 8.2 The limitations of open and public sources of information places a restraint on the predictability of outcome, but it does provide a basis on which to measure past and present behaviour and gauge predictability. TCIL can expand on any of the points or issues raised in this Threat Assessment, or provide further information in relation to any of the events or incidents documented herein.
- 8.3 This Threat Assessment gauges known intent of the identified threat weighed against the assessed capability of that threat. It involves the consolidation of data and information from open public sources of information obtained during formation of the context, with a more detailed examination focusing on areas of concern. Including:

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- Identification of the range of potential threats.
- Examination of the possible ways in which these threats may interact directly or indirectly with critical assets and understanding the specific impacts or implications that could arise.
- Determination of how likely and to what extent the identified threat may occur within a defined timeframe or locality.
- 8.4 Intent is represented by the implicit or expressed aims, goals, objectives, desires, or directions of the threat itself. Capability considers the attributes of the threat, including such factors as skills; knowledge; access to human resources and equipment; existence of support networks; time; and access or opportunities that would allow the threat source to perpetrate an action against the target if they had the intent to do so.
- 8.5 In identifying potential threats to Southern Response, this Threat Assessment examines relevant past occurrences of threats and incidents; what is known to be happening currently including stated intentions and threats; and what could plausibly happen in the future.
- 9. Contact Point < TCIL Representative >
- 9.1 Nick Thompson 9(2)(a) Director TCL Ph. (24hrs)
- 10. Attachments
- 10.1 TCIL Threat Assessment Methodology and Explanation®
- 10.2 Procedure
- 10.3 Likelihood
- 10.4 Success Rating
- 10.5 Response

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10.1 TCIL Threat Assessment Methodology©

Risk is a combination of:

- The existence of a threat
- The likelihood of the threat occurring
- An organisation's/venue's/event's/person's vulnerability to the threat
- The impact of threat realisation on the organisation/venue/event/ person

10.2 Procedure

The threat assessment procedure is:

STEP	DETAIL
1.	Identify threats to the organisation/venue/event/person.
2.	Determine the nature of the threat in terms of: ► Threat type ► Threat source
3.	Describe the impact of realisation of the threat in terms of: ► Impact type ► Impact severity
4.	 Assign qualitative values with corresponding numerical factors to each threat for: The likelihood of the threat occurring: (Likelihood Rating) The organisation's/venue's/event's/person's vulnerability to the threat: (Success Rating)
03.)	Add numerical factors to produce a numerical Threat Rating (Likelihood Rating + Success Rating = Threat Level) eg: 1+1 = 2 (Low) 5+5 = 10 (Extreme).

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10.3 Likelihood of the threat occurring:

Qualitative Value	Meaning it	Factor			
Severe	Happens frequently	5			
High	Will happen	4			
Elevated	Likely to happen	3			
Moderate	Could possibly happen	2			
Low	Unlikely to happen	1			

10.4 Plus (+) the Success Rating:

Qualitative Value	Meaning it	Factor
Severe	Has every chance of succeeding	5
High	Is likely to succeed	4
Elevated	Has only a limited chance of succeeding	3
Moderate	Has minimal chance of succeeding	2
Low	Is very unlikely to succeed	1

age 16

*This methodology is based on that contained within Australian/New Zealand Standard AS/NZ ISO 31000:2009 and Matrix and Standards Australia Security Risk Management Handbook HB 167:2006.

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10.5 Response

Threat Level & Colour Code	Required Response	
LOW (Green)	Normal Routine Protective Security measures are applied appropriate to the individual & current circumstances.	
MODERATE (Blue)		
ELEVATED (Yellow)	Heightened Additional and sustainable Protective Security measures reflecting the broad nature of the threat combined with specific business & geographical vulnerabilities & judgements on acceptable risk.	
HIGH (Orange)		
SEVERE (Red)	Exceptional Maximum Protective Security measures required to minimise vulnerabilities & risk.	
	Colour Code LOW (Green) MODERATE (Blue) ELEVATED (Yellow) HIGH (Orange) SEVERE	

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