

Risk Register and Management Plan at 2.00 pm 9 April 2009																		
Identification		Assessment			Risk Trend			Management Plan										Currency
	Risk Description	Likelihood	Consequence	Inherent risk quantification	Inherent risk value	Risk - 4 Months ago	Risk - 2 Months ago	Risk Today	Recommended Management Plan All: allocate single point responsibility for each extreme and high risk; Develop each mitigation plan into a strategy; monitor progress against the strategy	Current activity at 9 April 2009	Effectiveness of Mitigations Weak/Incomplete/Adequate/Strong/Over-controlled	Residual risk value	Is residual risk value tolerable Yes/No	Progress in Last Reporting Period	Additional Action Plan	Predictive Indicators	Date Last Updated	
1	Program methodology - post 1 July: • Extremely limited time to determine and implement effective Program methodology post 1 July	5	5	Substantial non-delivery; Admin costs & conflict; Poor control of processes and financial outcomes \$40-95m Costs, non-delivery, fraud etc	E			E	<ul style="list-style-type: none">Put in place an integrated project methodology that effectively links complex inter-related tasks and streams of workDevelop delivery / business model that addresses key Program objectives and risksBase the final plan on this integrated methodologyReview all actions in the project plan against this methodology and each other as they are developedUnderstand interactions within the project and monitor these as part of monitoring processesMonitor progress closely and identify any inconsistencies or time lapses to ensure early correction and any impact on the methodology or other tasksTest project's ability to maintain a hybrid business model post 1/7/09, retaining the rebate process whilst the referred ongoing business model is implemented progressively	<ul style="list-style-type: none">Departmental Tier 1 project management framework in placeRecognised project methodology in placeProject Control Group establishedPlanning workshops underwayProject Plan in placeProject scheduler mapping interdependenciesKPMG working on alternate business models post 1/7/09Stakeholder consultation program in place contributing to Business Model and project methodology analysisStrategy being developed to encourage take-up by low income / vulnerable households	Strong	3 3 M	Yes					
2	Procurement/ Licensing: needs for entire Program duration to be determined and fulfilled by 1/7/09 • Procurement processes/timeframes, 1/7/09 deadline for full program • Scale of task is new to Department	5	5	Delays or total non-delivery; substantial increased costs; increase in other risks incl fraud & political fallout ;litigation risk \$20-60m Substantial political fallout	E			E	<ul style="list-style-type: none">Identify procurement thresholds and constraintsIdentify the most appropriate procurement / licensing model (e.g. Multi-user panels, issue of licenses, etc) as part of the Business Model considerationsConsider staged implementation of residual procurement needs to reduce time pressuresDevelop a specific procurement/licensing strategy within the business model and project methodologyDevelop an implementation timetable ensuring legal risks are dealt with effectively and allocate sufficient resources able to scope needs and assess capacity as the procurement / licensing processes are implementedMonitor progress, including probity considerations closely	<ul style="list-style-type: none">Business Model planning underway with KPMG. This will specifically consider ways to minimise formal procurement needsObligations under the Commonwealth procurement guidelines are being reviewedConsidering multi-user list and installer register and alternates to formal procurementLicensing standards etc are partly developed within the rebate system already in placeTraining etc is being outsources – discussions are in hand with DEWR et al	Weak	4 5 E	No	Extend rebate scheme to 30 September 2009; possible hybrid model allowing full implementation as planned on 1 July 2009 in Metro Sydney/Melbourne	Project schedule falling behind; procurement finalisation slips beyond 1 July 2009			
3	Time: time available to develop and deliver the program in a properly controlled way may be inadequate • Tight timeframes to develop all elements of the program's Delivery model by 1 July • An appropriate launch is required mid-year for the package	5	4	Poor control; poor communication; overruns; non-delivery; early termination \$20-145m Costs; political fallout; early termination	E			E	<ul style="list-style-type: none">Develop detailed project delivery / business modelConsider timing constraints / limitations in developing implementation strategies to reduce risk where possible whilst retaining core objectivesClearly defineWhat will be in place 1/7/09 as a minimum delivery set and aspects that can be deferred / melded with othersMinimum requirements vs those that industry needs to deal with as part of its operationHave industry leaders participate in developing guidelines / standards processes through early involvement in the programSimplify business model where possible, to reduce time constraintsClosely monitor resourcing, project delivery targets etcAdjust resources quickly as any shortfalls are identifiedUse external resource where necessary to reduce time constraintsFocus resourcing on prior experience, capacity to pick up new tasks quickly, self-starting	<ul style="list-style-type: none">KPMG working on alternate business models, including strategies to reduce time constraintsPotential for using Centrelink as payment agency being exploredMinisterial consultations in placeIndustry Working Groups in place to develop detail of the agreed business modelDiscussions with DEEWR re training programs in placeScheduler finalising all tasks into project plan including risk treatmentsTight project controls in place to monitor timing risks and development of mitigation action impact on timing	Adequate	4 4 E	No	Extend rebate scheme to 30 September 2009; possible hybrid model allowing full implementation as planned on 1 July 2009 in Metro Sydney/Melbourne	Project schedule falling behind; procurement finalisation slips beyond 1 July 2009; insufficient resources in place to carry out Management Plan			

Identification		Assessment		Risk Trend		Management Plan										Currency		
4	Installation quality and compliance: quality of installation / control by installers and compliance structures may be inadequate <ul style="list-style-type: none">Poor quality installationsCompliance cost (to Dep't or industry) may be excessive and process may be ineffectiveSafety - house fire/damageInsufficient number of auditors	5	5			E	E <ul style="list-style-type: none">Consider these issues in developing the business modelEnsure business model transfers fraud risk from Commonwealth to providers where possible and allows effective monitoringDevelop effective process for registration of installers. Cover both financial viability and technical capacity in registration processAlternatively let third party contracts to do this; Set up monitoring and reporting processes to identify emerging provider stressEnsure contract structures provide capacity to monitor and take action on poor performing providersEnsure installers are properly insured and consider requiring installers to indemnify the Commonwealth against claims/loss arising from installers' actionsReview mitigation strategies in light of the agreed business model	<ul style="list-style-type: none">Developing links with ACCC and other regulatory bodiesInformation available through call centre and is being reviewed as the business model is being developedStrategic communications strategy in placeCommunications channels with industry have been identified and are being developedRegular communications with States and Territory regulatory bodies in palceEarly installation guidelines include specific quality and safety requirements – installers must be verified – hooked into Australian StandardsBreach reporting system in place. Site inspections – planned to begin early 09/10Assessing training requirements and discussing with DEEWRInternal compliance and monitoring system under developmentTechnical Working Groups with industry covering safety and quality of product	Strong	3	3	M	Yes					
5	Fraud: inadequate controls may allow fraudulent or inappropriate behaviours <ul style="list-style-type: none">Ineligible people accessing the programIndustry quoting above actual cost of jobHouseholds double dipping between Commonwealth, State and Territory Programs above out of pocket costsApplicant accessing both SHWR and HIP programsInstaller theft/vandalism/ professionalismInternal / staff member process integrity	4	4			E	E <ul style="list-style-type: none">Develop specific fraud strategy based on a capacity to outsource the riskReview processes to test specifically for control over possible fraud / incorrect paymentsLiaise with the Department's enforcement and compliance/legal experts in developing controlsEnsure effective monitoring of possible fraud areas in place (identify data needs and include in process development)Review internal processes for possible internal fraud opportunitiesReview eligibility guidelines and review processes for possible fraud opportunitiesRisk Manager to sign off on processes and policies after reviewing for possible fraud opportunities	<ul style="list-style-type: none">KPMG developing fraud strategy as part of business model considerationsConsultation with and assistance from Departmental Fraud staff in palceInternal process for capturing and mitigating fraud risk in place (e.g. cross checking data for homeowners claiming both insulation and SHW rebates)Full time legal officer in place – further resources are being added currentlyCurrent rebate forms facilitate follow up where information incomplete/incorrectInternal follow up for claim issues including evidence of payment in place	Adequate	3	4	H	Yes					
6	Program complexity: Multiple policy goals, vested commercial interests may hamper the efficient delivery of the Program. <ul style="list-style-type: none">Governance and planning gaps may reduce the capacity of the project to deliverIneffective internal decision making, resource allocation and ownership (Project Governance)Industry structure not properly addressed	4	4			E	E <ul style="list-style-type: none">Utilise effective integrated project methodology and develop fit-for-purpose Business Model to mitigate riskEnsure scale of timing and project methodology (i.e. how the tasks fit together and impact on each other) mitigate risk and reduce complexityEnsure clarity of rules through effective internal and external communication strategiesSet up tight internal communication structuresSet up conflict resolution process within project to identify and resolve potential conflicts	<ul style="list-style-type: none">Business model planning in place is addressing complexity as a key goalProject Control Group in placeStakeholder Working Groups in placeScheduler working on project plan and interdependenciesExternal communication strategy drafted and internal communications strategy commencedRecently clarified eligibility guidelinesDraft stakeholder management plan prepared	Adequate	3	3	M	Yes					
7	Political: a variety of failures in the process, system, project deliverables etc may have significant political fallout <ul style="list-style-type: none">Policy changes or interactions and political scrutiny<ul style="list-style-type: none">CommonwealthState & TerritoriesLeaks about program performanceHousehold demand managementApplies in broadest sense of "political"	4	5			E	E <ul style="list-style-type: none">Include political/ public confidence consideration in development of and monitoring of project methodology and Business ModelIdentify political risks (e.g. impact on public confidence) and develop a communication strategy and monitoring process that includes capacity to keep track of theseDevelop a mitigation strategy for politically sensitive risk and closely monitor developmentsActively manage expectations through communication strategies, including<ul style="list-style-type: none">MarketInstallersCommunityPressOther stakeholdersClearly communicate key aspects of the Program, e.g. eligibility and program requirementsManage expectations through Working Groups (e.g. Industry) and regular meetings with key stakeholders	<ul style="list-style-type: none">Communications strategy, reporting steams and 3rd party communications strategyFormal consultation with social welfare and environmental groupsReporting and monitoring plan under development including around data collection to facilitate reportingTechnical workshops on safety etc – working with industryWeekly meeting with Parliamentary Secretary and advisersClose engagement with Minister, Minister's Office, Prime Minister and Cabinet, Coordinator-GeneralIndustry and community consultations groups in placeArms length communication strategy is being developed	Adequate	3	5	E	No	High level political/stakeholder coordination and monitoring required	Increased media attention; ministerials; negative stakeholder feedback			

Identification		Assessment		Risk Trend		Management Plan										Currency
8	Communication and planning: inadequate planning and communication may create poor delivery of communication strategy (internal and external) <ul style="list-style-type: none"> Excessive media attention on non-compliance Consistency of information on suppliers Households' lack of program awareness 	3	5				<ul style="list-style-type: none"> Develop separate communication strategy and set up detailed monitoring processes Include specific communication issues and strategies in the project methodology Develop integration processes to improve monitoring and rectification actions as needed Develop research and integrated data collection strategy 	<ul style="list-style-type: none"> Internal and external communications strategy developed Tight control over delivery timetable for public communication campaign Intra-DEWHA communication through the Project Control Group Intra-Commonwealth communication underway (eg Finance, ANAO) These issues are also being addressed as part of the mitigation of Risk 1 above Developmental research has been undertaken to ensure correct messages are delivered to the community Campaign tracking research is planned to ensure messages are getting through and any adjustments required can be made expediently Comprehensive information package developed to assist with consistent responses to public enquiries Information being developed for special audiences (NESB, vision/hearing impaired, indigenous) Internal assessment of communication needs for disabled/multilingual groups being made 	Strong	2 3 L	Yes					
9	Legal: complex legal issues associated with the Program may not be fully understood or dealt with <ul style="list-style-type: none"> Insurable risk may not be fully covered and monitored Contracts don't clearly specify responsibilities or allocate risk Privacy, safety, liability issues 	4	4				<ul style="list-style-type: none"> Develop a separate legal risk management plan and implement External review of plan and key contracts Focus on outsourcing major risks while retaining capacity to monitor and regulate the key relationships through contracts Review impact of legal risk as part of decisions on the appropriate business model 	<ul style="list-style-type: none"> Currently drafting a Legal Risk Management Plan Investigating legal issues to inform the Business Model Full time senior legal officer Recruiting junior legal officer on secondment 	Adequate	3 3 M	Yes					
10	Internal capacity: capacity to develop, staff, control and deliver the program on time may be insufficient <ul style="list-style-type: none"> Human Resources: recruitment, induction, training and integration of many new staff <ul style="list-style-type: none"> adequate numbers and capabilities of staff burn out turnover/loss of corporate knowledge rebate payment delays 	4	4				<ul style="list-style-type: none"> Develop a resourcing strategy in conjunction with the project Methodology and business model Integrate resourcing strategy with the project methodology and schedule Monitor resourcing needs weekly as the plan unfolds Include resourcing reviews in all phases of the detailed project development Focus resourcing on prior experience, capacity to take up new tasks quickly, self-starting, understanding of public probity, ability to work with little supervision, team player Maintain a flexible internal structure to respond to emerging needs quickly 	<ul style="list-style-type: none"> Issue is being addressed in the short-term in project planning processes currently in place High level of internal executive support External recruitment underway Extensive/ senior internal secondments Flexible/dynamic structure adjusted to changing business model Divisional restructure to meet requirements Private sector resources brought in to meet gaps Information sharing through regular team meetings 	Adequate	4 3 H	Yes					
11	Regulation: the existing regulatory framework may not adequately support the Program's goals <ul style="list-style-type: none"> Reliance on contracts rather than legislative enforcement Regulation required through third party contractors 	4	4				<ul style="list-style-type: none"> Choose a regulatory approach consistent with the Program Methodology and implementation timetable based on outsourcing model and commercial contracts Likely need to include specific regulatory aspects into contracts as the core focus of regulation Consider need and constraints if administrative regulation path is chosen Monitor effectiveness of regulation structures weekly and adjust if possible Address regulatory requirements as part of the development of the project methodology and business model Assess exiting regulatory frameworks to determine intersections with Program needs Link regulatory requirements to the business model and align processes with state/territory regulatory process for the industry Consider how licensing requirements will support broader regulatory requirements of this Program Consider options for incentives and penalties in contracts / agreements with suppliers 	<ul style="list-style-type: none"> Developing business Code of Conduct and Australian Standards in guidelines (already in place for rebate system) Consulting with regulators (ACCC) Consulting with industry Aligning program specific regulation with State/Territory etc Regulation 	Weak	4 3 H	Yes					

Identification		Assessment		Risk Trend		Management Plan										Currency
12	Capacity: Industry's capacity to produce and deliver sufficient quality materials and installations may be inadequate <ul style="list-style-type: none"> Demand for materials exceeds supply Transport – capability of supply chain Capability of installer workforce Development of bottlenecks 	3	4	Non-delivery or delayed delivery of product; reduced installation quality; profiteering; conflict; political fallout; loss of public confidence in the Program \$15-30m Costs Political fallout	H	H	<ul style="list-style-type: none"> Develop product supply strategy and installer availability strategy in conjunction with industry and outsourcing contractors Develop monitoring processes to identify emerging supply issues and a framework to deal with these Integrate supply and communication strategies in the program methodology 	<ul style="list-style-type: none"> Industry consultation through formal roundtable meetings has commenced Monitoring imports of insulation materials Business Model decision will consider impact on this risk 	Adequate	2 3 L	Yes					
13	Outcomes: Actual outcomes (e.g. number of households included, long-term savings) may not eventuate <ul style="list-style-type: none"> Household benefits don't materialise in energy savings Household demand - cost of insulating household above program budget 	3	4	Poor outcomes; poor controls; poor media; political fallout; additional admin costs; \$5-10m Costs Early termination Political fallout	H	H	<ul style="list-style-type: none"> Review program methodology to identify specific strategies to ensure full take-up and to encourage a balanced progression of take-up Put in place monitoring processes to identify emerging trends in take-up quickly Adjust strategy and actions in response to emerging trends Retain flexibility in outsourcing structures 	<ul style="list-style-type: none"> Business Model decision will consider impact on this issue, in particular the structures necessary to ensure distribution and availability, quality of products delivered Monitoring processes being put in place will provide feedback on progress and data on where differences are occurring Communication strategy actively supports this issue Specific strategies being developed for low income / vulnerable households and remote / regional areas 	Strong	3 3 M	Yes					
14	Delivery method: delivery structure may result in over-centralisation, poor allocation and political / economic fallout <ul style="list-style-type: none"> Government interventions versus free market Inefficiency in delivery Over-centralisation through one-stop shop Fairness in allocation of work between Installers (especially broker system in Phase 2) 	3	4	Administrative costs; delays in delivery; non-delivery; fraud ;loss of industry support for the program \$500K Admin costs	H	H	<ul style="list-style-type: none"> Develop integrated project methodology and delivery strategy Review as processes are developed; put in place monitoring processes to identify and correct any developing issues 	<ul style="list-style-type: none"> Issues of access and equity are included in communication strategy with suppliers Access for specific needs groups the subject of separate focus in planning and delivery structures Business model will address key aspects of this risk Timelines are being developed to meet the 1/7/09 deadline Current discussions with Centrelink, Medicare and State / Territory Offices of Fair Trading to coordinate responses and utilise existing processes where available Discussions with industry in place to address free market aspects of the business model Considering options for multiple information access points for home owners 	Incomplete	2 3 L	Yes					
15	Take-up: program may not achieve its objectives through poor uptake / program awareness <ul style="list-style-type: none"> Level of take-up is inadequate Insufficient installers in regional / remote / Indigenous areas LEAPR incentive insufficient for landlord uptake 	3	4	Poor take-up; additional costs to catch up; excessive support and delivery costs; ;loss to industry; extensive political fallout \$10-25m Costs Political fallout	H	H	<ul style="list-style-type: none"> Issues of access and equity are included in communication strategy with suppliers Access for specific needs groups the subject of separate focus in planning and delivery structures Business model will address key aspects of this risk Timelines are being developed to meet the 1/7/09 deadline Current discussions with Centrelink, Medicare and State / Territory Offices of Fair Trading to coordinate responses and utilise existing processes where available Discussions with industry in place to address free market aspects of the business model Considering options for multiple information access points for home owners 	<ul style="list-style-type: none"> Well targeted communications strategy to raise awareness to be delivered from end June 2009 Take-up issues are being considered in Business Model considerations Reporting is being considered in negotiations with Centrelink, et al Targeted media launch being developed as part of communication strategy Medicare will provide reports on take-up, quality assurance and compliance as part of its delivery proposals Development of strategies to encourage take-up by low income / vulnerable households underway Benchmarking and weekly reporting on uptake being developed with Medicare 	Incomplete	3 3 M	Yes					
16	Training mechanisms: capacity / control over installer network skills may be inadequate <ul style="list-style-type: none"> Demand for installer training may exceed capacity Inability to attract enough people to train to become installers Inability to 'fund' training for installers Note: DEEWR will oversee	3	4	Poor quality installation; make-good costs: additional intervention (regulatory, process control, direct intervention into delivery); poor access for marginal groups; major political fallout; early termination; litigation risk \$20-50m Early termination	H	H	<ul style="list-style-type: none"> Develop process for registration of installers (arrange through third party outsourcing contractors) Cover both financial viability and technical capacity (allow third party contracts to do this) Set up monitoring and reporting processes to identify emerging provider stress Ensure contract structures provide capacity to monitor and take action on poor performing providers Closely liaise with DEEWR on development and rollout of training capacity initially, and of retraining/exist strategies in second half of Program 	<ul style="list-style-type: none"> Communication strategy to raise awareness of training availability amongst potential suppliers to be delivered from end June 2009 Agreement with Medicare to host installer registration web-site Legal parameters for the register have been developed Insurance requirements for installers are being developed Code of conduct requirements being developed Industry Skills Council in DEEWR being consulted re training program development States being consulted re training delivery – NSW is almost ready 	Strong	2 3 L	Yes					

Identification		Assessment		Risk Trend		Management Plan										Currency
17	Stakeholder management: risk of focussing on specific tasks and pressure groups may result in inadequate attention to all stakeholders and their interests <ul style="list-style-type: none"> Diversity of stakeholders and challenge in managing their expectations Industry ownership / buy-in National Coverage – Indigenous /Remote 	4	3	Poorly structured program; inherent conflicts; increased admin. Costs \$5-10m Admin costs Political fallout	H	H	<ul style="list-style-type: none"> Develop integrated project strategy and methodology Set up tight internal communication structures Set up conflict resolution process within project to identify and resolve potential conflicts Have all stakeholders agree on Terms of Reference , e.g. through State and Territory working groups Conduct regular meetings (face-to-face and teleconferences) 	<ul style="list-style-type: none"> Opportunity for internal and external communication (e.g. press releases) Departmental Executive provide secretarial and support resources Communications Strategy drafted Regular and open communications with States and Territory Working Group Developing intranet site Process to develop strategies for servicing remote areas and for low income / vulnerable households underway 	Incomplete	3 3 M	Yes					
18	Industry impact: structure of program may impact on capacity of the industry both in the short and longer-term <ul style="list-style-type: none"> Inflated insulation prices for a period Industry boom and bust – workers and product not required at end of program 	4	3	Poor delivery; increased admin costs and conflict; price blow-out through insufficient supply; regulatory cost increases \$2-10m Costs	H	H	<ul style="list-style-type: none"> Include industry structure impact in program methodology Develop an exit strategy for the Program at the end of 2.5 years Develop specific aspects of communication strategy to support steady implementation of the program supported by supply capacity Develop monitoring strategies to keep oversight of supply (materials and installers) and build-up and run-down of the industry Develop specific re-training / redeployment strategy and communication program for run-down at 2.5 years with DEEWR 	<ul style="list-style-type: none"> The media plan under development as part of the Communications Strategy will control the rate of information flow to members of the community DEEWR and State / Territory training programs will enable the training to be easily transferred to other parts of the industry after the Program is completed Planning and monitoring strategies are part of the development of the Business Model, data collection being negotiated with Centrelink and Medicare 	Strong	3 2 L	Yes					
19	Product: Product quality may not be of adequate standard <ul style="list-style-type: none"> Product does not meet thermal efficiency standards Product does not meet safety standards 	3	4	Conflict; regulatory pressures; additional costs to control; political fallout \$5 mill costs	H	H	<ul style="list-style-type: none"> Set product quality guidelines with industry Put in place regulatory framework (based on outsourcing contracts) to monitor quality and identify exceptions Set up third party process for dealing with quality exceptions, including rectification by alternate providers as required Put in place monitoring processes to monitor the overall quality and delivery standards for the Program Put in place arrangements with other agencies, particularly ACCC, to ensure their active involvement in ensuring industry members comply with relevant legal requirements 	<ul style="list-style-type: none"> Negotiating with Centrelink to act as payment agency and to hold the installer register. State and Territory Offices of Fair Trading to act as regulators through existing processes and structures Guidelines and product fact sheets in place as part of the current rebate system Number of industry briefings have been held with industry bodies Technical Working Groups in place and have met Looking at safety elements of the Standards Have technical consultants in place Developing a product testing model (preferably with access to 2 laboratories) Technical evaluation is considering a series of construction models to apply to the major housing types. 	Adequate	2 4 M	Yes					