

DEWHA: Home Insulation Program: Risk Management Report

Strategic objective: To enable the HIP Project Control Group to maintain active oversight of significant risks to achieving Program Key Result Areas (KRAs). Blue shading – new this week

Inquiry: Budget Estimates 2010-11
 Date/Time: 26 May '10, 2:13pm
 Witness Name: Sen. Ronaldson
 Organisation:

HIP Risks – significant risks after treatment at 01 December 2009	Risk rating after treatment at 01 December 2009	Operational Outcome 1 The Program successfully injects funds to stimulate the economy	Operational Outcome 2 Funds are provided to installers when they should be and not provided when they shouldn't	Operational Outcome 3 The public is getting value for money from the program including increased energy efficiency/reduced energy costs	Operational Outcome 4 The program is effectively managing the risk of impacting installer & householder safety and property	Additional risk management strategies required
1.1 The HIP and LEAPR programs are inappropriately accessed for financial gain (Fraud against the Commonwealth)	Likely Major =Extreme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4.2 Government and program loses credibility because insulation material is not available (lack of supply) – in particular leading to poor quality insulation	Likely Moderate =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Collect and analyse more information on fires with insulation before 2009 DH (Requests for information sent to States/Territories week beginning 23 Nov- replies received from 2 states so far)
4.4 Negative impacts on internal and external stakeholders from program ending early	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Further consideration of publishing claims made and market share information – AS/DPM/KB (Part of package for Dec 1 changes.) Develop Exit Strategy
1.5 Installation and quality by installers is poor	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.2 Internal Capacity to develop staff to control and deliver the Program is insufficient	Likely Major =Extreme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4.5 Complaints handling process not effective	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2.3 Business Model and System are not flexible enough to adapt to demand or program trends	Unlikely Critical =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Meet with Medicare to discuss cost benefit of later release 2 upgrades in light of early ending - DPM (Meeting was scheduled for 1 December 2009 but has been deferred)
1.7 Compliance and audit program is not effective in managing risks to program integrity	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Additional senior strategic input to come from taskforce (CS/KM) (Underway) New Compliance Branch being established.
5.1 Program complexity and /or changing policy goals hamper the delivery of the Program	Likely Major =Extreme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3.3 Rapid change to Policy direction / Incorrect interpretation of Policy Direction	Likely Major =Extreme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Develop detail on strategic risk emerging from risk review re Govt buy in to installer/householder relationship and installation, and resulting liability issues DPM/GW. Paper on decision matrix went to the Minister. Action required to review Minister's decision.
4.3 Stakeholder communication unable to positively engage key influencers	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5.4 Program expenditure varies from budget	Possible Major =High	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4.1 Inconsistent information acts as barrier to program delivery	Likely Major =Extreme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Resolve Stakeholder Manager position (to start 7/12/09)

Notes : 1. possible new risks relating to OHS and program being abandoned are still being develop and yet to be assessed by the HIP Risk Committee – there is overlap between these and existing risks
 2. No HIP Risk Committee being held week 30/11 to 4/12

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