

Risk Register and Management Plan at 2.00 pm 9 April 2009

| 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   |   | 5           | 5                            | E                   |                     |                     | E          | <ul style="list-style-type: none"> <li>Put in place an integrated project methodology that effectively links complex inter-related tasks and streams of work</li> <li>Develop delivery / business model that addresses key Program objectives and risks</li> <li>Base the final plan on this integrated methodology</li> <li>Review all actions in the project plan against this methodology and each other as they are developed</li> <li>Understand interactions within the project and monitor these as part of monitoring processes</li> <li>Monitor progress closely and identify any inconsistencies or time lapses to ensure early correction and any impact on the methodology or other tasks</li> <li>Test 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</li> </ul>  | <ul style="list-style-type: none"> <li>Departmental Tier 1 project management framework in place</li> <li>Recognised project methodology in place</li> <li>Project Control Group established</li> <li>Planning workshops underway</li> <li>Project Plan in place</li> <li>Project scheduler mapping interdependencies</li> <li>KPMG working on alternate business models post 1/7/09</li> <li>Stakeholder consultation program in place contributing to Business Model and project methodology analysis</li> <li>Strategy being developed to encourage take-up by low income / vulnerable households</li> </ul>                     | Strong   | 3 3<br>M            | Yes                                     |   |  |                       |                   |
| 2   | <p><b>Procurement/ Licensing: needs for entire Program duration to be determined and fulfilled by 1/7/09</b></p> <ul style="list-style-type: none"> <li>Procurement processes/timeframes, 1/7/09 deadline for full program</li> <li>Scale of task is new to Department</li> </ul>   | 5           | 5                            | E                   |                     |                     | E          | <ul style="list-style-type: none"> <li>Identify procurement thresholds and constraints</li> <li>Identify the most appropriate procurement / licensing model (e.g. Multi-user panels, issue of licenses, etc) as part of the Business Model considerations</li> <li>Consider staged implementation of residual procurement needs to reduce time pressures</li> <li>Develop a specific procurement/licensing strategy within the business model and project methodology</li> <li>Develop 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 implemented</li> <li>Monitor progress, including probity considerations closely</li> </ul>  | <ul style="list-style-type: none"> <li>Business Model planning underway with KPMG. This will specifically consider ways to minimise formal procurement needs</li> <li>Obligations under the Commonwealth procurement guidelines are being reviewed</li> <li>Considering multi-user list and installer register and alternates to formal procurement</li> <li>Licensing standards etc are partly developed within the rebate system already in place</li> <li>Training etc is being outsourced – discussions are in hand with DEWR et al</li> </ul>  | Weak   | 4 5<br>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   | <p><b>Time: time available to develop and deliver the program in a properly controlled way may be inadequate</b></p> <ul style="list-style-type: none"> <li>Tight timeframes to develop all elements of the program's Delivery model by 1 July</li> <li>An appropriate launch is required mid-year for the package</li> </ul> | 5           | 4                            | E                   |                     |                     | E          | <ul style="list-style-type: none"> <li>Develop detailed project delivery / business model</li> <li>Consider timing constraints / limitations in developing implementation strategies to reduce risk where possible whilst retaining core objectives</li> <li>Clearly define</li> <li>What will be in place 1/7/09 as a minimum delivery set and aspects that can be deferred / melded with others</li> <li>Minimum requirements vs those that industry needs to deal with as part of its operation</li> <li>Have industry leaders participate in developing guidelines / standards processes through early involvement in the program</li> <li>Simplify business model where possible, to reduce time constraints</li> <li>Closely monitor resourcing, project delivery targets etc</li> <li>Adjust resources quickly as any shortfalls are identified</li> <li>Use external resource where necessary to reduce time constraints</li> <li>Focus resourcing on prior experience, capacity to pick up new tasks quickly, self-starting</li> </ul> | <ul style="list-style-type: none"> <li>KPMG working on alternate business models, including strategies to reduce time constraints</li> <li>Potential for using Centrelink as payment agency being explored</li> <li>Ministerial consultations in place</li> <li>Industry Working Groups in place to develop detail of the agreed business model</li> <li>Discussions with DEEWR re training programs in place</li> <li>Scheduler finalising all tasks into project plan including risk treatments</li> <li>Tight project controls in place to monitor timing risks and development of mitigation action impact on timing</li> </ul> | Adequate   | 4 4<br>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              | <p><b>Installation quality and compliance: quality of installation / control by installers and compliance structures may be inadequate</b></p> <ul style="list-style-type: none"> <li>Poor quality installations</li> <li>Compliance cost (to Dep't or industry) may be excessive and process may be ineffective</li> <li>Safety - house fire/damage</li> <li>Insufficient number of auditors</li> </ul>  | 5          | 5 | E          | E | <ul style="list-style-type: none"> <li>Consider these issues in developing the business model</li> <li>Ensure business model transfers fraud risk from Commonwealth to providers where possible and allows effective monitoring</li> <li>Develop effective process for registration of installers. Cover both financial viability and technical capacity in registration process</li> <li>Alternatively let third party contracts to do this; Set up monitoring and reporting processes to identify emerging provider stress</li> <li>Ensure contract structures provide capacity to monitor and take action on poor performing providers</li> <li>Ensure installers are properly insured and consider requiring installers to indemnify the Commonwealth against claims/loss arising from installers' actions</li> <li>Review mitigation strategies in light of the agreed business model</li> </ul>                 | <ul style="list-style-type: none"> <li>Developing links with ACCC and other regulatory bodies</li> <li>Information available through call centre and is being reviewed as the business model is being developed</li> <li>Strategic communications strategy in place</li> <li>Communications channels with industry have been identified and are being developed</li> <li>Regular communications with States and Territory regulatory bodies in place</li> <li>Early installation guidelines include specific quality and safety requirements – installers must be verified – hooked into Australian Standards</li> <li>Breach reporting system in place. Site inspections – planned to begin early 09/10</li> <li>Assessing training requirements and discussing with DEEWR</li> <li>Internal compliance and monitoring system under development</li> <li>Technical Working Groups with industry covering safety and quality of product</li> </ul> | Strong   | 3 | 3 | M | Yes      |   |  |  |  |
| 5              | <p><b>Fraud: inadequate controls may allow fraudulent or inappropriate behaviours</b></p> <ul style="list-style-type: none"> <li>Ineligible people accessing the program</li> <li>Industry quoting above actual cost of job</li> <li>Households double dipping between Commonwealth, State and Territory Programs above out of pocket costs</li> <li>Applicant accessing both SHWR and HIP programs</li> <li>Installer theft/vandalism/ professionalism</li> <li>Internal / staff member process integrity</li> </ul> | 4          | 4 | E          | E | <ul style="list-style-type: none"> <li>Develop specific fraud strategy based on a capacity to outsource the risk</li> <li>Review processes to test specifically for control over possible fraud / incorrect payments</li> <li>Liaise with the Department's enforcement and compliance/legal experts in developing controls</li> <li>Ensure effective monitoring of possible fraud areas in place (identify data needs and include in process development)</li> <li>Review internal processes for possible internal fraud opportunities</li> <li>Review eligibility guidelines and review processes for possible fraud opportunities</li> <li>Risk Manager to sign off on processes and policies after reviewing for possible fraud opportunities</li> </ul>   | <ul style="list-style-type: none"> <li>KPMG developing fraud strategy as part of business model considerations</li> <li>Consultation with and assistance from Departmental Fraud staff in place</li> <li>Internal process for capturing and mitigating fraud risk in place (e.g. cross checking data for homeowners claiming both insulation and SHW rebates)</li> <li>Full time legal officer in place – further resources are being added currently</li> <li>Current rebate forms facilitate follow up where information incomplete/incorrect</li> <li>Internal follow up for claim issues including evidence of payment in place</li> </ul>   | Adequate | 3 | 4 | H | Yes      |   |  |  |  |
| 6              | <p><b>Program complexity: Multiple policy goals, vested commercial interests may hamper the efficient delivery of the Program.</b></p> <ul style="list-style-type: none"> <li>Governance and planning gaps may reduce the capacity of the project to deliver</li> <li>Ineffective internal decision making, resource allocation and ownership (Project Governance)</li> <li>Industry structure not properly addressed</li> </ul>  | 4          | 4 | E          | E | <ul style="list-style-type: none"> <li>Utilise effective integrated project methodology and develop fit-for-purpose Business Model to mitigate risk</li> <li>Ensure scale of timing and project methodology (i.e. how the tasks fit together and impact on each other) mitigate risk and reduce complexity</li> <li>Ensure clarity of rules through effective internal and external communication strategies</li> <li>Set up tight internal communication structures</li> <li>Set up conflict resolution process within project to identify and resolve potential conflicts</li> </ul>  | <ul style="list-style-type: none"> <li>Business model planning in place is addressing complexity as a key goal</li> <li>Project Control Group in place</li> <li>Stakeholder Working Groups in place</li> <li>Scheduler working on project plan and interdependencies</li> <li>External communication strategy drafted and internal communications strategy commenced</li> <li>Recently clarified eligibility guidelines</li> <li>Draft stakeholder management plan prepared</li> </ul>   | Adequate | 3 | 3 | M | Yes      |   |  |  |  |
| 7              | <p><b>Political: a variety of failures in the process, system, project deliverables etc may have significant political fallout</b></p> <ul style="list-style-type: none"> <li>Policy changes or interactions and political scrutiny <ul style="list-style-type: none"> <li>Commonwealth</li> <li>State &amp; Territories</li> </ul> </li> <li>Leaks about program performance</li> <li>Household demand management</li> <li>Applies in broadest sense of "political"</li> </ul>                                       | 4          | 5 | E          | E | <ul style="list-style-type: none"> <li>Include political/ public confidence consideration in development of and monitoring of project methodology and Business Model</li> <li>Identify political risks (e.g. impact on public confidence) and develop a communication strategy and monitoring process that includes capacity to keep track of these</li> <li>Develop a mitigation strategy for politically sensitive risk and closely monitor developments</li> <li>Actively manage expectations through communication strategies, including <ul style="list-style-type: none"> <li>Market</li> <li>Installers</li> <li>Community</li> <li>Press</li> <li>Other stakeholders</li> </ul> </li> <li>Clearly communicate key aspects of the Program, e.g. eligibility and program requirements</li> <li>Manage expectations through Working Groups (e.g. Industry) and regular meetings with key stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>Communications strategy, reporting streams and 3rd party communications strategy</li> <li>Formal consultation with social welfare and environmental groups</li> <li>Reporting and monitoring plan under development including around data collection to facilitate reporting</li> <li>Technical workshops on safety etc – working with industry</li> <li>Weekly meeting with Parliamentary Secretary and advisers</li> <li>Close engagement with Minister, Minister's Office, Prime Minister and Cabinet, Coordinator-General</li> <li>Industry and community consultations groups in place</li> <li>Arms length communication strategy is being developed</li> </ul>   | 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              | <p><b>Communication and planning: inadequate planning and communication may create poor delivery of communication strategy (internal and external)</b></p> <ul style="list-style-type: none"> <li>Excessive media attention on non-compliance</li> <li>Consistency of information on suppliers</li> <li>Households' lack of program awareness</li> </ul>  | 3          | 5 | E          | E | <ul style="list-style-type: none"> <li>Develop separate communication strategy and set up detailed monitoring processes</li> <li>Include specific communication issues and strategies in the project methodology</li> <li>Develop integration processes to improve monitoring and rectification actions as needed</li> <li>Develop research and integrated data collection strategy</li> </ul>  | <ul style="list-style-type: none"> <li>Internal and external communications strategy developed</li> <li>Tight control over delivery timetable for public communication campaign</li> <li>Intra-DEWHA communication through the Project Control Group</li> <li>Intra-Commonwealth communication underway (eg Finance, ANAO)</li> <li>These issues are also being addressed as part of the mitigation of Risk 1 above</li> <li>Developmental research has been undertaken to ensure correct messages are delivered to the community</li> <li>Campaign tracking research is planned to ensure messages are getting through and any adjustments required can be made expediently</li> <li>Comprehensive information package developed to assist with consistent responses to public enquiries</li> <li>Information being developed for special audiences (NESB, vision/hearing impaired, indigenous)</li> <li>Internal assessment of communication needs for disabled/multilingual groups being made</li> </ul> | Strong   | 2 3 L | Yes |  |          |  |  |
| 9              | <p><b>Legal: complex legal issues associated with the Program may not be fully understood or dealt with</b></p> <ul style="list-style-type: none"> <li>Insurable risk may not be fully covered and monitored</li> <li>Contracts don't clearly specify responsibilities or allocate risk</li> <li>Privacy, safety, liability issues</li> </ul>   | 4          | 4 | E          | E | <ul style="list-style-type: none"> <li>Develop a separate legal risk management plan and implement</li> <li>External review of plan and key contracts</li> <li>Focus on outsourcing major risks while retaining capacity to monitor and regulate the key relationships through contracts</li> <li>Review impact of legal risk as part of decisions on the appropriate business model</li> </ul>   | <ul style="list-style-type: none"> <li>Currently drafting a Legal Risk Management Plan</li> <li>Investigating legal issues to inform the Business Model</li> <li>Full time senior legal officer</li> <li>Recruiting junior legal officer on secondment</li> </ul>   | Adequate | 3 3 M | Yes |  |          |  |  |
| 10             | <p><b>Internal capacity: capacity to develop, staff, control and deliver the program on time may be insufficient</b></p> <ul style="list-style-type: none"> <li>Human Resources: recruitment, induction, training and integration of many new staff <ul style="list-style-type: none"> <li>adequate numbers and capabilities of staff</li> <li>burn out</li> <li>turnover/loss of corporate knowledge</li> <li>rebate payment delays</li> </ul> </li> </ul> | 4          | 4 | E          | E | <ul style="list-style-type: none"> <li>Develop a resourcing strategy in conjunction with the project Methodology and business model</li> <li>Integrate resourcing strategy with the project methodology and schedule</li> <li>Monitor resourcing needs weekly as the plan unfolds</li> <li>Include resourcing reviews in all phases of the detailed project development</li> <li>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</li> <li>Maintain a flexible internal structure to respond to emerging needs quickly</li> </ul>  | <ul style="list-style-type: none"> <li>Issue is being addressed in the short-term in project planning processes currently in place</li> <li>High level of internal executive support</li> <li>External recruitment underway</li> <li>Extensive/ senior internal secondments</li> <li>Flexible/dynamic structure adjusted to changing business model</li> <li>Divisional restructure to meet requirements</li> <li>Private sector resources brought in to meet gaps</li> <li>Information sharing through regular team meetings</li> </ul>  | Adequate | 4 3 H | Yes |  |          |  |  |
| 11             | <p><b>Regulation: the existing regulatory framework may not adequately support the Program's goals</b></p> <ul style="list-style-type: none"> <li>Reliance on contracts rather than legislative enforcement</li> <li>Regulation required through third party contractors</li> </ul>   | 4          | 4 | E          | E | <ul style="list-style-type: none"> <li>Choose a regulatory approach consistent with the Program Methodology and implementation timetable based on outsourcing model and commercial contracts</li> <li>Likely need to include specific regulatory aspects into contracts as the core focus of regulation</li> <li>Consider need and constraints if administrative regulation path is chosen</li> <li>Monitor effectiveness of regulation structures weekly and adjust if possible</li> <li>Address regulatory requirements as part of the development of the project methodology and business model</li> <li>Assess existing regulatory frameworks to determine intersections with Program needs</li> <li>Link regulatory requirements to the business model and align processes with state/territory regulatory process for the industry</li> <li>Consider how licensing requirements will support broader regulatory requirements of this Program</li> <li>Consider options for incentives and penalties in contracts / agreements with suppliers</li> </ul> | <ul style="list-style-type: none"> <li>Developing business Code of Conduct and Australian Standards in guidelines (already in place for rebate system)</li> <li>Consulting with regulators (ACCC)</li> <li>Consulting with industry</li> <li>Aligning program specific regulation with State/Territory etc Regulation</li> </ul>  | Weak     | 4 3 H | Yes |  |          |  |  |

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



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