Project Control Group Meeting 3 December 2009 Agenda Item 4 – Risk Traffic Light Report 1 December 2009

DEWHA: Home Insulation Program: Risk Management Report

Senate F&PA Committee

Tabled Document

Inquiry: Budget Estimates 2010-11
Date/Time 26 May 10, 2:13pm

. 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

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 Witness Name Organisation Organisation
1.1 The HIP and LEAPR programs are inappropriately accessed for financial gain (Fraud against the Commonwealth)	Likely Major =Extreme	0				
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	Opport)	•	9	9	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	9	9	0/	•	Further consideration of publishing claims made and market share information – AS/DPM/KB (Part of package for Dec 1 changes.) Develop Exit Stralegy
1.5 Installation and quality by Installers is poor	Possible Major =High	0)	(()	(O)	(e)	
5.2 Internal Capacity to develop staff to control and deliver the Program is insufficient	Likely Major =Extreme	(9)	•	O	9	
4.5 Complaints handling process not effective	Possible Major =High	0	9	()	. ()	
2.3 Business Model and System are not flexible enough to adapt to demand or program trends	Unlikely Critical =High	0	9	9	Q /	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	(C)	0	0	0	Additional senior strategic input to come from taskforce (CS/KM) (Underway) New Compliance Branch being established.
5.1 Program complexity and for changing policy goals hamper the delivery of the Program	Likely Major = Extreme	0,	•	9/	()	
3.3 Rapid change to Policy direction / Incorrect interpretation of Policy Direction	Likely Major =Extreme	0	<u>Q</u>		•	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	0	0)	9	9	
5.4 Program expenditure varies from budget	Possible Major =High	. 0	•	0	9	
4.1 Inconsistent information acts as barrier to program delivery	Likely Major =Extreme	Q.	0	©	0	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 141P Risk Committee being held week 30/11 to 4/12

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HIP Risks – significant risks affer treatment at 01 December Risk rating affer Operational Outcome 2 Operational Outcome 3 Operational Outcome 4 Additional risk management strategies required

HIP Risks – significant risks after treatment at 01 December	Risk rating after	Operational Outcome 1	Operational Outcome 2	Operational Outcome 3 Operational Outcome 4		Additional risk management strategies required
2009	treatment at 01 December 2009	The Program successfully injects	Funds are provided to installers when they should	The public is getting value for money from the	The program is effectively managing the risk of	Additional risk management strategies required Witness Name Additional risk management strategies required Witness Name
		funds to stimulate the economy	be and not provided when they shouldn't	program including increased energy efficiency/reduced	impacting installer & householder safety and property	Organisation
.1 The HIP and LEAPR programs are inappropriately accessed or financial gain (Fraud against the Commonwealth)		9	9	energy costs		
.2 Government and program loses credibility because isulation material is not available (lack of supply) – in articular leading to poor quality insulation	Likely Moderate =Fligh	()	•	•	•	Collect and analyse more information on fires with insulation before 2009 DH (Requests for information sent to States/Territories week beginning 23 Novreplies received from 2 states so far)
.4 Negative impacts on internal and external stakeholders room program ending early	Possible Major High	9		Q /	•	Further consideration of publishing claims made and market share information – AS/DPM/KB (Part of package for Dec 1 changes.) Develop Exit Strategy
.5 Installation and quality by Installers is poor	Possible Major =High	(O)	()			2.
.2 Internal Capacity to develop staff to control and deliver the program is insufficient		9	•		9	
.5 Complaints handling process not effective	Possible Major =High	9	9	0	. •	
.3 Business Model and System are not flexible enough to dapt to demand or program trends	Unlikely Critical #High	- Q)	•	9	Q /	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)
.7 Compliance and audit program is not effective in managing sks to program integrity	Rossible Major ≅High	9	•	0	9	Additional senior strategic input to come from taskforce (CS/KM) (Underway) New Compliance Branch being established.
.1 Program complexity and /or changing policy goals hamper ne delivery of the Program		0	•	9)	()	
.3 Rapid change to Policy direction / Incorrect interpretation f Policy Direction		<u> </u>	O)	0	•	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.
1.3 Stakeholder communication unable to positively engage key influencers	Possible Majer High	0	()	0	9	
.4 Program expenditure varies from budget	Possible Major Efligh	O	•	9	9	
1 inconsistent information acts as barrier to program delivery		<u></u>	O) '	0	©	Resolve Stakeholder Manager position (to start 7 /12/09)
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