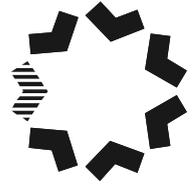


NATIONAL  
COMPETITION  
COUNCIL



# Risk Management Plan 2011-2013

National Competition Council  
Policy document



**May 2011**

## **1 INTRODUCTION**

### **1.1 What is risk management**

Risk management involves managing to achieve an appropriate balance between realising potential opportunities while minimising adverse effects. It requires the systematic management of activities that involve a material degree of risk of loss or other damage to the Commonwealth.

The Council has adopted this Risk Management Plan following its move to new premises in April 2011. The plan reflects arrangements (particularly building security) relevant to the building now occupied by the Council (from 14 April 2011).

### **1.2 Purpose and structure of the risk management plan**

Risk management involves establishing an appropriate governance infrastructure and culture and applying logical and sympathetic methods for establishing the context, identification, analysis, treatment, monitoring and communication of risks. The purpose of this plan is to ensure that the Council incorporates these activities into its management processes.

The National Competition Council's Risk Management Plan recognises the importance of proper management of the risks associated with the Council's functions and activities. It also recognises that sub section 44(1) of the Financial Management and Accountability Act 1997 requires the Executive Director of the National Competition Council to promote the efficient, effective and ethical use of Commonwealth resources. An important means of achieving this objective is the implementation of management strategies to achieve an appropriate balance between opportunity and loss and improve organisational performance.

The Council's approach to the identification and treatment of risks is in accordance with the process outlined in the Australian Standard for risk management, AS/NZS ISO 31000:2009. The approach also takes into account the Council's objectives and functions.

This Risk Management Plan includes appendices as follows.

- Appendix A contains the National Competition Council's Risk Management Policy Statement.
- Appendix B details the manner in which Council assessed the level of risk. Table 2 of this appendix sets out the risks facing the Council and assesses the threat to the Council in 2010-11 and beyond based on judgments about the likelihood and consequences of each risk.
- Appendix C contains the Council's Risk Management Register and Works Plan. The appendix analyses and prioritises the risks identified in Appendix B to determine

required management action. The register and works plan includes action dates for the implementation of risk management strategies.

- Appendix D summarises staff roles and responsibilities in relation to risk management.
- Appendix E presents the outcome of the Council's business continuity planning in the event of an influenza pandemic.

### **1.3 Objectives of risk management**

Losses relating to functions and activities can emanate from internal and external sources. Losses can arise from client dissatisfaction, adverse publicity, physical safety and security of staff, low performing management and staff, equipment or computer failure, legal and contractual matters and fraud.

It is not possible to have a totally risk free environment. Many decisions involve managing risks according to the Council's assessment of what constitutes an acceptable level of risk and its judgments about the costs and benefits of particular courses of action.

The Council's objectives in adopting a risk management plan are to:

- ensure that the major risks faced by the Council are identified, understood and appropriately managed
- ensure that the Council's planning and operational processes focus on areas where risk management is needed and
- create an environment where Council staff take responsibility for identifying and managing risk.

## **2 BENEFICIAL OUTCOMES**

### **2.1 Why have risk management?**

Risk management needs to be an integral part of business planning. It is critical to the overall performance of the Council. Appropriate risk management policies and practices minimise the Council's exposure to the consequences of adverse events. Such events may include:

- an inability to meet stakeholder requirements
- provision of incorrect information or inadequate advice to a government Minister and consequent failure of policy to achieve its objectives
- a potential or actual financial loss to the Australian Government
- injury to staff
- damage to or destruction of or loss of Australian Government property

- organisational and political embarrassment
- loss of professional reputation
- changes to government(s) policy affecting the functions, workload and integrity of the Council and
- an audit, legal and/or staff problem.

The risk management process comprises the systematic application of management policies and appropriate written procedures and practices to identify, analyse, evaluate, monitor and minimise risk.

## **2.2 Benefits of a risk management plan**

Implementation of an integrated and rigorous approach to risk management:

- increases the chances of avoiding costly and unacceptable outcomes, particularly those arising from unexpected events
- provides a better understanding of Council issues and functions and supports continuous improvement in the Council's operations
- allows the Council and its staff to better contribute to the development of economic policy
- helps maintain staff morale at a high level
- provides a reporting framework to assist with meeting corporate governance requirements and
- allows for more structured and accountable business planning and project management.

## **3 RISK MANAGEMENT POLICY AND PROCESS**

### **3.1 The Council's risk environment**

The Council's Risk Management Plan is framed in light of the initiatives and objectives as set out in its Strategic Plan 2010-2015. The Risk Management Plan takes into account the Council's size and the nature of its operations. The Council is a small, non-commercial, government agency that is financially dependent on a Parliamentary appropriation. The Council helped deliver the national competition policy (NCP) reform program Australian governments committed to in 1995 until the conclusion of the NCP in 2005-06 and advises government Ministers (and on some matters takes decisions) concerning third party access to the services of national monopoly infrastructure. In doing so, the Council advises governments and Ministers (Commonwealth, state and territory), makes decisions and provides information to and consults with a range of external stakeholders.

### **3.2 Risk identification and treatment**

The Council faces risks that may affect:

- its reputation, and/or that of its staff and/or stakeholders in regard to quality of the information, advice and recommendations it provides
- its performance against strategic priorities, such as the achievement of legislated milestones
- the integrity of its decisions and processes; and
- the safety, security and health of staff and visitors.

As well as the strategic and personal risks inherent in its work, the Council also enters into contracts of a commercial nature. This may create additional financial, commercial and property risks.

For each category of risk it faces, the Council has assessed the likelihood and potential consequences of an adverse event, so prioritising each category of risk according to the level of threat facing the Council. The Council has then determined strategies for managing risks, devoting greatest resources to the risks considered to present a severe, high or major threat. (Appendix B identifies the potential risks facing the Council and assesses and prioritises the level of threat posed by each risk. Appendix C provides an action plan for managing the identified risks.)

In addition, as recognised by the Council of Australian Governments, APS agencies and business more generally face a risk to business continuity (including in the event of an influenza pandemic). The Council has developed a business continuity plan to operate in the event of such a pandemic (see Appendix E).

### **3.3 Risk Management Plan: staff responsibilities**

All Council staff are expected to contribute to minimising risk (including staff working temporarily on contract with the Council).

- Members of the Executive of the Council Secretariat are responsible for ensuring that the risk management processes and controls identified in the management plan are built into the strategic and business planning of the Council.
- The Director with responsibility for Corporate Services is responsible for coordinating the implementation of the Risk Management Plan and reporting to the Council.
- Members of the Executive are responsible for overseeing the implementation of processes relevant to the Council's work, including ensuring that staff understand the Risk Management Plan and implement endorsed processes.

The Council's Audit and Risk Management (ARM) Committee provides general direction on the scope and implementation of the Risk Management Plan. The ARM Committee

considers the Council's performance against the plan and reviews the Council's risk management arrangements each year.

(Appendix D summarises staff roles and responsibilities in relation to risk management.)

## **4 OUTCOMES**

### **4.1 Deliverables**

The key deliverables in the Risk Management Plan are the management actions identified in the plan (see appendix C).

To ensure effective achievement of the deliverables, the Council:

- has trained staff on risk management procedures and will train additional staff as appropriate
- monitors performance against its risk action plan
- monitors the risks associated with contractors and clients, and ensure that management of risks is appropriately considered in developing contracts
- incorporates consideration of risk management performance into the performance assessment of the Executive members
- consider performance against the Risk Management Plan annually
- includes risk management, code of conduct and fraud control awareness in induction material for new staff, and
- ensures the Risk Management Plan, any changes to the plan, and related information are provided to all staff, and that the plan is included on the Council's website.

### **4.2 Financial implications**

The costs of implementing the Risk Management Plan are predominantly staff time, particularly that of the Executive members. Given its small size, single function and relatively low risk environment, the Council does not allocate budget explicitly for risk management activities.

There is expected to be a net benefit from the operation of the plan, arising from reducing costs from:

- staff time lost as a result of adverse events
- litigation costs
- staff recruitment and associated advertising costs

- insurance premiums and
- replacement of lost/damaged equipment and other resources.

There will, of course, be other gains such as benefits from the provision of better advice and information to governments and other key stakeholders and improved staff morale.

## **5. REVIEW**

The Risk Management Plan is reviewed annually by the ARM Committee.

This plan will apply until the first meeting of the ARM Committee in 2013, with a review of the plan to occur at the first meeting of the ARM Committee in 2012.

## Appendix A: Risk Management Policy Statement

- 1 The Council is committed to the management of risk to protect:
  - the governments it advises
  - its other stakeholders
  - its employees and their skills
  - its quality of service
  - its assets and intellectual property
  - its contractual and statutory obligations and
  - its image and reputation.
- 2 Risk management is a key part of improving the Council's business and services. The Council's aim is to achieve best practice in managing all risks.
- 3 Risk management standards involving risk identification and risk evaluation linked to practical and cost-effective risk control measures are in place and are regularly reviewed.
- 4 Risk management is a continuous process demanding awareness and proactive measures by all the Council's staff and outsourced service providers to reduce the occurrence and impact of risk events.
- 5 The Council's Risk Management Plan assists the Executive and staff to apply appropriate risk management arrangements and to develop skills in dealing with and understanding risk management. The main elements of the program are:
  - development of risk management standards
  - assessment and prioritisation of the risks facing the Council with regular review
  - reporting on risk management policy and any issues and
  - education and training of staff in risk management.
- 6 Risk management is part of the Council's every day business. Staff must consider risk management in all dealings with contractors and business partners.

## Appendix B: Threats posed to the Council

### Introduction

This appendix identifies the risks facing the Council and prioritises them on the basis of the potential overall threat that each risk poses to the Council in the period 2010-11 to 2012-13.

### Assessing the threat posed to the Council

The Council estimated the potential threat posed by each category of risk on the basis of the likelihood of occurrence of the risk (frequency or probability) and the expected consequence (impact or magnitude). The basis for the Council's assessment of potential threats is set out in Table1.

**Table 1: Level of threat posed by risks: likelihood of occurrence and consequences of risks**

Likelihood	Consequences				
	Extreme	Substantial	Medium	Minor	Negligible
Almost certain	severe	severe	high	Major	significant
Likely	severe	high	major	Significant	moderate
Possible	high	major	significant	Moderate	low
Unlikely	major	significant	moderate	Low	very low
Rare	significant	moderate	low	very low	very low

### Examples of the level of threat

- 1 - **Severe:** consequences would threaten the survival of the Council
- 2 - **High:** consequences are significant for the effectiveness, operations and reputation of the Council, but are unlikely to threaten the survival of the Council
- 3 - **Major:** consequences are significant for particular programs and operations and threaten continuation of those programs or impair their effective undertaking
- 4 - **Significant:** consequences adversely affect particular programs and operations and the effectiveness of the Council
- 5 - **Moderate:** consequences may affect effectiveness of particular programs and operations
- 6 - **Low:** minor consequences for the Council and/or particular programs and operations
- 7 - **Very low:** negligible consequences for the Council and/or particular programs and operations

### What is an acceptable risk?

Determining that a risk is acceptable does not imply that the risk is insignificant. A risk may be considered to be acceptable because:

- the threat posed is assessed to be so low (for example because the likelihood of occurrence is rare) that specific treatment is not necessary
- the risk is such that the Council has no available treatment, for example, the risk of a change to a particular project might occur following a change of government
- the cost of treating the risk is so high compared to the benefit from successful treatment or
- the opportunities presented outweigh the threats to such an extent that the risk is justified.

### Treatment of risks

Treatment involves deciding what management measures need to be put in place to minimise the threat posed by identified risks. Treatment options include:

- measures aimed at avoiding or minimising the risk
- measures to reduce the threat posed by the risk, either by reducing the likelihood of the risk and/or its consequences
- measures aimed at improving the capacity of the Council and its staff to deal with actualised threats, such as redundancies arising from Government-initiated changes to the responsibilities of the Council
- transferring the threat by shifting the risk to another party via, for example, contracting out or insurance and
- accepting the risk without taking any action to avoid it, but monitoring the risk and ensuring that the Council has the financial and other capacities to cover associated losses and disruptions.

### Strategic approach to managing each level of threat

- 1 - **Severe:** Executive to develop a management plan / specific management by President and Executive Director
- 2 - **Substantial:** Executive to develop a management plan / specific management by the Executive
- 3 - **Major:** ongoing monitoring and management action by the Executive
- 4 - **Significant:** ongoing monitoring by the Executive with action as necessary
- 5 - **Moderate:** ongoing monitoring by relevant staff with action as necessary.

**6 - Low:** ongoing monitoring by relevant staff with action as necessary

**7 - Very low:** no action generally necessary

### **Risk register**

Table 2 provides a register of the level of threat to the Council in the period 2010-11 to 2012-13 from identified risks.

**Table 2: Register of risks and assessment of threat: 2010-11 to 2012-13**

<b>Threat</b>	<b>Description of the risk</b>	<b>Likelihood of occurrence</b>	<b>Consequences of occurrence</b>	<b>Assessed threat to the Council</b>
1	Inability to keep Secretariat staffed with key personnel	Unlikely	Extreme	Major (3)
2	Inability to maintain a Council comprising appropriately qualified Councillors	Unlikely	Extreme	Major (3)
3	Injury or death of personnel from deliberate, external action, such as a bomb or a violent protest	Unlikely	Extreme	Major (3)
4	Damage from fire or gas leak	Unlikely	Extreme	Major (3)
5	Incorrect advice or information to the Treasurer, governments or other stakeholders	Possible	Substantial	Major (3)
6	Political and funding changes that affect the Council	Possible	Substantial	Major (3)
7	Successful litigation arising from incorrect advice or process	Possible	Substantial	Major (3)
8	Damage to credibility from overturn of a recommendation	Likely	Medium	Major (3)
9	Inability to fund significant litigation	Possible	Substantial	Major (3)
10	Essential information lost	Rare	Extreme	Significant (4)
11	Financial loss, including due to fraud against the Commonwealth	Unlikely	Substantial	Significant (4)
12	Failure of contractors to fully comply with their contract obligations	Possible	Medium	Significant (4)
13	Failure to meet reporting deadlines	Possible	Medium	Significant (4)
14	Failure of IT and communications systems / equipment	Unlikely	Substantial	Significant (4)
15	Improper disclosure of information and breaches of copyright	Rare	Substantial	Moderate (5)
16	Loss of essential IT expertise	Rare	Substantial	Moderate (5)
17	Material / information belonging to external parties lost	Rare	Substantial	Moderate (5)

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<b>Threat</b>	<b>Description of the risk</b>	<b>Likelihood of occurrence</b>	<b>Consequences of occurrence</b>	<b>Assessed threat to the Council</b>
18	Monies and goods and fixed assets on premises lost, stolen or damaged	Unlikely	Medium	Moderate (5)
19	Staff injury or illness due to workplace causes including official travel	Rare	Medium	Low (6)
20	Defective building maintenance	Rare	Medium	Low (6)
21	Problems with engagement of contract staff	Rare	Medium	Low (6)
22	Reduced staff morale	Rare	Medium	Low (6)

**Appendix C: Risk Management Action Plan April 2011 to February 2013**

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
1	Inability to keep Secretariat staffed with key personnel	Major (3)	(1) Competitive remuneration available (2) Attractive work environment with maximum possible flexibility, including challenging and rewarding work, provided when possible (3) Networks with potential recruits maintained (4) Register of relevant private recruitment firms	All controls in place and regularly reviewed
2	Inability to maintain a Council comprising appropriately qualified Councillors	Major (3)	(1) Networks with potential Council Members maintained (2) Ministers and Government aware of their responsibilities on Councillor appointments	All controls in place
3	Injury or death of personnel from deliberate, external action, such as a bomb or a violent protest	Major (3)	(1) Secure office: floor occupied by Council (level 18) accessible only via access card signed out to staff members with fully staffed reception on level 21; entry points monitored 24 hours per day by surveillance cameras (2) Arrangements for disaster recovery / office continuity are part of Corporate Services contract with ACCC and the Council can arrange remote working arrangements (3) Staff participation in evacuation drills run by the managers of the building occupied by the Council: full evacuation drill conducted annually (4) Fire warden and first aid officer appointed from Council staff and trained (5) Staff allowed leave on days of protest	All controls in place

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
4	Damage from fire, gas leak or bomb	Major (3)	<ul style="list-style-type: none"> <li>(1) Arrangements for disaster recovery / office continuity are part of Corporate Services contract with ACCC and the Council can arrange remote working arrangements</li> <li>(2) Staff participation in evacuation drills</li> <li>(3) Fire warden and first aid officer appointed from Council staff and trained</li> <li>(4) Appropriate building and property insurance cover</li> <li>(5) Health and Safety Management Arrangement in place</li> </ul>	<ul style="list-style-type: none"> <li>(1) Building management tests alarms approximately monthly. Full evacuation drill conducted annually. Fire equipment serviced quarterly.</li> <li>(2) Audit &amp; Risk Management committee monitors insurance arrangements each year</li> <li>(3) OH&amp;S a standing item at staff meetings where staff can identify potential issues. At least quarterly meeting of the Health &amp; Safety Committee. Annual reporting on OH&amp;S.</li> <li>(4) Annual meeting with Comcover to review insurance requirements</li> </ul>
5	Incorrect advice or information to the Treasurer, governments or other stakeholders	Major (3)	<ul style="list-style-type: none"> <li>(1) Project team meetings, as required, to monitor work undertaken</li> <li>(2) Staff meetings held generally on weekly basis.</li> <li>(3) Opportunities for all staff to attend seminars on significant work issues</li> <li>(4) Recognised economic and legal experts contracted to provide advice on significant matters where the Council does not have expertise</li> <li>(5) Council meetings, to provide oversight and advice</li> <li>(6) Effective links with governments</li> <li>(7) Advices, information, etc to governments and others on sensitive and key issues approved by Council, Executive Director and/or President</li> </ul>	All controls in place

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
6	Political and funding changes that affect the Council	Major (3)	<ol style="list-style-type: none"> <li>(1) Contact with Commonwealth Ministers and Ministers from other jurisdictions and their advisors to explain access issues under Part IIIA and the National Gas Law</li> <li>(2) The Council's communications strategy promotes the role of the NCC</li> <li>(3) Contact with Treasury and other agencies to monitor potential changes in policy and legislation</li> <li>(4) Council participation where possible at senior level, in external processes covering areas of work that are relevant to the Council</li> </ol>	All controls in place. This risk is largely outside Council's control
7	Successful litigation arising from incorrect advice or process	Major (3)	<ol style="list-style-type: none"> <li>(1) Recognised economic and legal experts contracted to provide advice on significant matters where the Council does not have expertise</li> <li>(2) Panel of legal service providers updated via competitive tender in 2005. Panel members renewed in 2008 and current until end 2011. Council monitoring progress during 2011 towards APS-wide multi-use legal panel.</li> <li>(3) Council meetings to provide oversight and advice</li> <li>(4) Advice, information, etc to governments and others on sensitive and key issues always approved by the Council, Executive Director and/or President</li> </ol>	All controls in place. Senior officer of the Council secretariat monitors relevant APS processes
8	Damage to credibility from overturn of a recommendation	Major (3)	<ol style="list-style-type: none"> <li>(1) Recognised economic and legal experts contracted to provide advice on significant matters where the Council does not have expertise</li> <li>(2) Council meetings to provide oversight and advice</li> <li>(3) Advice, information, etc to governments and others on sensitive and key issues always approved by the Council, Executive Director and/or President</li> </ol>	All controls in place

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
			(4) Panel of legal service providers updated via competitive tender in 2005 and renewed in 2008 and current until end 2011. (5) Best affordable legal representation is obtained	
9	Inability to fund significant litigation	Major (3)	(1) Insurance in place, reviewed annually (2) Funds available to cover normal legal costs and measures in place to obtain additional funding if necessary (3) Panel of legal service providers updated via competitive tender in 2005 and renewed in 2008 and current until end 2011	All controls in place
10	Essential information lost	Significant (4)	(1) Council office in secure building with access to Council premises available only via access card. (2) Data maintained on servers is backed up nightly and located off-site (3) Effective electronic document management implemented (4) Paper filing system monitored	All controls in place. More effective document management system implemented.
11	Financial loss, including due to fraud against the Commonwealth	Significant (4)	(1) Financial delegations and process for approval of expenditure in place (2) Fraud Control Plan in place and regularly reviewed (3) Certificate of (financial) compliance process (FMA Act) involving process checks undertaken annually	(1) Delegations reviewed and updated as required (2) Fraud Control Plan reviewed May 2011 (3) Annual certificate of (financial) compliance process undertaken October 2010
12	Failure of contractors to fully comply with their contract	Significant (4)	(1) Performance of contractors against their obligations monitored (2) Arrangements for reporting to contractors on their performance relative to their obligations	All controls in place

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
	obligations		(3) Contracts include, where feasible, performance indicators and penalties for non-compliance	
13	Failure to meet reporting deadlines	Moderate (5)	(1) Work program computerised and regularly reviewed (2) Project team meetings, as required, to review progress (3) Standardised application templates and processes with all information required for public participation on the Council website	Council considers work program and oversees progress with major issues at meetings
14	Improper disclosure of information and breaches of copyright	Significant (4)	(1) Contracts incorporate Commonwealth Government requirements (2) Arrangements for accepting confidential material in place (3) Style manual for Council stipulates the use of direct quotes or attribution when using other parties' material (4) Full listing of material relied upon included with every recommendation / decision	Council outputs developed under supervision of the Executive Director and reviewed by Council before release
15	Failure of IT and communications systems / equipment	Significant (4)	(1) Ongoing monitoring of warranty periods (2) Funding for the replacement of important equipment out of warranty (3) External contractor provides IT support: performance of contractor regularly reviewed (4) Regular back up of tape drives	All controls in place
16	Loss of essential IT expertise	Moderate (5)	(1) External contractor provides IT support: performance of contractor regularly reviewed (2) Council's IT system and software is not specialised and other contractors can readily be engaged	All controls in place

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
17	Material / information belonging to external parties lost	Moderate (5)	<ul style="list-style-type: none"> <li>(1) Information received held on computerised database with backup and in hard copy</li> <li>(2) Confidential and Commercial-in-confidence documents stored in secure filing cabinets</li> <li>(3) Arrangements with the Productivity Commission Library and AGS monitors borrowings by Council staff</li> </ul>	All controls in place
18	Monies and goods and fixed assets on premises lost, stolen or damaged	Moderate (5)	<ul style="list-style-type: none"> <li>(1) All access to Council's premises is monitored by security 24 hours including surveillance cameras. See also item 3(1)</li> <li>(2) Assets register maintained, with annual stocktake as part of the annual financial audit</li> <li>(3) Register of portable PCs in place to record usage by staff</li> </ul>	All controls in place
19	Staff injury or illness due to workplace causes including official travel	Low (6)	<ul style="list-style-type: none"> <li>(1) Health &amp; Safety Management Arrangement in place</li> <li>(2) Travel policy in place</li> <li>(3) Insurance cover for staff travelling</li> </ul>	<ul style="list-style-type: none"> <li>(1) Health and Safety is a standing agenda item at staff meetings. Quarterly Health &amp; Safety Committee meetings</li> <li>(2) Airconditioning services are maintained by base building management with recourse available to Knight Frank Facilities Management</li> <li>(2-3) All controls in place</li> </ul>
20	Defective building maintenance	Low (6)	Contact with head lessor (AGS) and building manager to ensure appropriate maintenance	Points of contact with head lessor (AGS) and building manager established

Risk	Description of the risk	Assessment of the threat imposed by the risk	Management action	Timing of management action
21	Problems with engagement of contract staff	Low (6)	(1) Standard contract incorporating Commonwealth requirements used (2) Workload and staffing needs for 2010-2015 reviewed as part of developing the Council's Strategic Plan 2010-2015.	Minimal use of contract staff. Where staff engaged on contract, contract is for a fixed period with regular review by the Executive.
22	Reduced staff morale	Low (6)	(1) Opportunity for staff to work on different projects on request (2) Competitive remuneration and conditions packages provided, reflecting current terms (3) Capacity to work from home where required (4) Attractive work environment, including challenging and rewarding work, provided when possible (5) Opportunities for staff secondment to relevant organisations	All controls in place  Employee collective agreement for non SES staff terms and conditions developed in 2009 for a period of 3 years

## **Appendix D: Staff roles and responsibilities**

### **Executive Director**

- Oversees the implementation of the Risk Management Plan
- Ensures the ongoing review of risks and update of risk registers is performed
- Encourages a management climate which is aware of and supports risk management
- Oversees development of processes to deal with new risk management issues
- Ensures risk management controls and processes are built into strategic planning processes

### **Director with responsibility for Corporate Services**

- Co-ordinates the implementation of the Risk Management Plan
- Reviews the risk and treatment registers annually
- Ensures risk management controls and processes are built into strategic planning processes
- Ensures that staff understand the importance and consequences of risk management issues to their immediate work areas and to the Council overall
- Assists with implementation and training issues

### **All other staff**

- Adapt the risk management plan to own work areas and processes
- Identify new risk management issues and report problems to the Executive
- Assist in developing processes to deal with new risk management issues.

## **Appendix E: Business continuity arrangements in the event of an influenza pandemic**

As part of its business continuity planning, the National Competition Council has developed arrangements that will be implemented as needed to enable the Council to continue to deliver its services in the event of an influenza pandemic.

While the Council's physical infrastructure is likely to remain unaffected during an influenza pandemic, there is likely to be a threat to staffing, which may be significantly reduced for long periods. The Council currently has 9 staff collocated in a single office in Melbourne.

The Council delivers no services directly to the Australian public, and no services that would need to be provided during a pandemic. The Council's arrangements therefore focus on ensuring continuity of its business operations.

### **Services provided to the public**

The Council's function is to provide advice to Ministers concerning the application of part IIIA of the Competition and Consumer Act 2010 and the application of the National Gas Law. Its output is advice to Ministers and on some matters decisions, submissions to government and an annual report to the Parliament.

While the Council's processes involve public consultation (notably on part IIIA matters via requests for submissions), the Council provides no public services needed in responding to an influenza pandemic and, subject to the continuity of its business operations, no services to the public that must continue to be delivered during an influenza pandemic.

### **Continuity of business operations**

The Council's plan for ensuring the continuity of its business operations in the event of an influenza pandemic addresses:

- staff absences because of illness, the need to care for infected family members and parenting responsibilities due to the closure of schools and childcare facilities
- continuation of IT support and legal services
- maintenance of occupational health and safety requirements and staff welfare and counselling services.

### ***Staff absences***

The work performed by Council staff is not location specific. As part of its normal operations, the Council maintains a relatively flexible working arrangement such that staff may work away from the Council office, for example where this permits them to better manage work and family responsibilities. In these circumstances the Council establishes an

office environment, with appropriate occupational health and safety checks. This office may be in the home of the staff member.

In the event of a pandemic, where a staff member is able to continue to work, but must remain at home to care for infected family members or to look after children in the event of school closures, the Council will establish an appropriate home-based office environment for the staff member to allow the staff member to continue to work on Council matters.

The Council maintains a stock of laptop computers that are available for borrowing by staff members for use at home or while travelling.

As part of its normal practice, the Council employs staff from other organisations (either within or outside the APS) where it has a requirement for a particular skill set. Such staff may be located at their home organisation or in the office of the Council. In the event that its staff are affected by an influenza pandemic, it would be open to the Council to employ external staff.

#### ***Continuation of IT services and legal services***

The Council has augmented its IT environment to enable it to address additional requirements arising from a range of amendments since 2006 to the Trade Practices Act (now the Competition and Consumer Act).

The Council obtains IT support services using an outsourced service provider. The Council's IT service provider has a number of staff capable of delivering the services required by the Council. The IT service provider delivers services to the Council generally using remote access systems, with telephone support for the remote platform.

In addition, the IT service provider has access to fast turn-around hardware that would enable it to become operational within 24-48 hours even in the event of complete site loss.

The Council purchases the legal services it requires for part IIIA matters from one of the five firms on its panel of legal service providers. The five firms were selected in 2005 following a comprehensive open tender process, and each firm is able to provide the services that the Council requires. The panel members were renewed in 2008 until the end of 2011 following the Council's consideration of the services provided. While bearing in mind possible conflicts of interest and that staff of legal firms may also be affected by the pandemic, the Council anticipates that it would not have difficulty obtaining the legal services it needs from one of the five firms.

The Council is monitoring current developments towards an APS multi-use list for panel legal service providers.

***Occupational health and safety requirements and staff welfare and counselling services***

Occupational health and safety requirements and welfare and counselling services for Council staff are delivered by external organisations.

The Council has recently relocated to a new office building managed by Knight Frank. Health and safety matters relating to the building are managed by the Building Manager, with regular reports to the Council.

- In the event that a pandemic is considered possible, the Council will ensure all staff have access to full information on social strategies, affected areas and workplace health and safety.
- The Council will ascertain the new building manager's arrangements in the event of an influenza pandemic, including on building hygiene and cleaning practices.

The Council outsources all financial and personnel services (currently under contract to the Australian Competition and Consumer Commission).

The Council provides all staff with access to an external Employee Assistance Program. The Council will ensure appropriate funding for additional staff counselling should there be a requirement for additional counselling for staff affected by an influenza pandemic.