



Regional Development *Australia*

PEEL WA



An Australian Government Initiative

BUSINESS PLAN

JULY 1, 2011 – JUNE 30, 2012

TABLE OF CONTENTS		Page
1.	Overview of Committee Members and Staff	3
2.	Vision Statement	4
3.	Operational Parameters for the Year	5
4.	Work Program and Key Priorities for the Year	7
5.	Marketing Plan	18
6.	Risk Management	20

1. Overview of Committee Members and Staff

At July 1, 2011 the RDA Peel Inc. Committee comprises:

Chair:	Ms Coral Richards
Deputy Chair:	Mrs Elizabeth Hoek
Local Government representative:	Mr Mark Newman
Local Government representative:	Mr Walter Barrett
Peel Development Commission representative:	Ms Patricia Creevey
Committee Member:	Ms Margaret Barnesby-Johnson
Committee Member:	Mr Filippo Bongiovanni
Committee Member:	Mr Noel Nancarrow
Committee Member:	Mr John Read
Committee Member:	Ms Antoniette La Rosa (resigned Aug09)
Committee Member:	Ms Denyse Needham

The Chair is expected to provide strategic direction and leadership to the committee and to develop and ensure continued adherence to sound governance arrangements.

The Deputy Chair is to assume the role and duties of the RDA Chair at any time when the Chair is not available. The Deputy Chair also plays an important role in supporting the Chair in day-to-day matters, including chairing sub-committees.

The Committee, including representatives of local government and the Peel Development Commission, will be asked to undertake specific activities by the Australian Government. The focus of these activities will be on issues of importance to the national and state government agendas.

The Executive Officer is responsible for managing the day to day operations of the organisation and implementing the Regional Plan and Business Plan under guidance of the Committee. The EO facilitates application for funding under the Regional Development Australia Fund (RDAF).

The Community and Grants Coordinator is responsible for improving sustainability in the community sector, including identifying appropriate sources of funding for community initiatives and assisting with applications for funding.

RDA Peel operates from a leased office at 4/11-13 Davey St Mandurah.

2. Vision Statement

The vision of RDA Peel is **“A thriving and prosperous Peel Region that is sensitive to the needs of residents, visitors, enterprise and the environment.”**

This organisational vision is similar to the regional vision specified in the Peel Regional Plan 2011-16: **“A thriving and prosperous Peel Region that acknowledges and responds to the economic, social, cultural and environmental needs of residents, visitors and enterprise.”**

The key difference between these visions is represented by RDA Peel acknowledging that it does not have the resources to respond to all of the needs of the region but knows these needs, considers them in its planning and operations and informs them to the Australian Government.

The goals of RDA Peel are:

1. To be a key facilitator of change and development in the Region. This will be achieved by:
 - a. Working in partnership with other key agencies
 - b. Identifying and resolving barriers to development
 - c. Working with communities to enable new initiatives
 - d. The Committee actively addressing issues raised that are relevant to identified regional priorities

2. To provide a direct link between the Australian Government, business and the community. This will be achieved by:
 - a. Informing the community of available Australian Government programs and services
 - b. Informing the Australian Government of regional issues identified through consultation with key stakeholders and proposed solutions to these issues
 - c. Working to improve sustainability of the community sector

3. To ensure all processes and decisions are transparent and open to scrutiny. This will be achieved by:
 - a. Keeping the region informed of the activities of the organisation
 - b. Complying with all contractual and legal obligations

3. Operational Parameters for the Year

The approved funding amount from the Department of Infrastructure, Transport, Regional Development and Local Government for 2010-11 was \$212 579.74, plus wage price index of 2.2% for 2011-12.

Funding at this level either precludes or severely limits the ability of RDA Peel conducting or funding activities such as:

- Staff/Committee training and development
- Staff/Committee attendance at conferences, seminars, etc
- Hosting of workshops/seminars, etc.
- Providing for replacement of assets
- Becoming members of key partner agencies
- Paid advertising or marketing

RDA Peel will depend on savings made during previous years to fund operational activities and remain sustainable into the future.

The organization must rely on the receipt of anticipated GST refunds to break even financially for the year. RDA Peel's budget for 2011-12 is :

INCOME	\$
Operational Funding	217,256.49
Surplus Carried Fwd	13,498.32
Other income - GST Refunds	12,890.00
Unacquitted one off funding payment 2010	17,698.02
TOTAL INCOME	261,342.83
MAJOR BUDGET ITEMS	
<u>Staff Salaries</u>	
EO Wages	88,000.00
Community & Grants Co-Ordinator (CGC) Wages	38,762.69
Other Payments to Staff	4,400.00
<u>Total Staff Salaries</u>	<u>131,162.69</u>
<u>Employee Entitlements</u>	
EO Annual Leave	6,769.52
EO Long Service Leave	3,384.76
EO Sick Leave	3,384.76
EO Superannuation	12,570.52
CGC Annual Leave	2,977.92

CGC Long Service Leave	967.82
CGC Sick Leave	1,488.96
CGC Superannuation	5,297.72
<u>Total Employee Entitlements</u>	<u>36,841.98</u>
<u>Other Staff Expenses</u>	
Workers Compensation Insurance	634.05
Professional Development	0.00
Other Staff Expenses (FBT)	1,857.63
<u>Total Other Staff Expenses</u>	<u>2,491.68</u>
<u>Office Lease & Outgoings</u>	
Rent	36,492.00
Light & Power	2,400.00
Communication Costs	4,500.00
Office Maintenance & Security	1,776.00
<u>Total Office Lease & Outgoings</u>	<u>45,168.00</u>
<u>Vehicle Costs</u>	
EO Vehicle Lease	11,400.00
EO Vehicle Running Costs	2,400.00
<u>Total Vehicle Costs</u>	<u>13,800.00</u>
<u>Operational Costs</u>	
Post, Print & Stationery	2,500.00
Insurances	800.00
Subs & Memberships	400.00
<u>Total Operational Costs</u>	<u>3,700.00</u>
<u>Financial, Legal & Professional</u>	
Bank Fees & Charges	300.00
Audit & Professional Fees	2,000.00
<u>Total Financial, Legal & Professional</u>	<u>2,300.00</u>
<u>Marketing, Promotional & Events</u>	
Advertising	0.00
Marketing	9,698.02
<u>Total Marketing, Promotional & Events</u>	<u>9,698.02</u>
<u>Assets & Acquisitions</u>	
Asset Replacement	6,680.46

<u>Total Assets & Acquisitions</u>	<u>6,680.46</u>
<u>Committee Costs</u>	
Meeting Costs & Catering	1,500.00
Staff & Members Travel	8,000.00
<u>Total Committee Costs</u>	<u>9,500.00</u>
TOTAL MAJOR BUDGET ITEMS	261,342.83

4. Work Program and Key Priorities for the Year

The Peel Regional Plan 2010-15 has been reviewed in consideration of the formation of the Peel Regional Leaders Forum and the need for the region to have one strategic plan to guide development into the future. The Peel Regional Plan 2011-16 has been developed and endorsed and supported by the region's key stakeholders and community.

In October, 2010 local governments in the Peel region decided on a new model for establishing regional priorities and driving a regional agenda. The Peel Regional Leaders Forum (PRLF) comprises the following members:

- The 5 Local Government CEOs
- The 5 Local Government Presidents/Mayors
- RDA Chair and EO
- Peel Development Commission Chair & CEO
- Peel Harvey Catchment Council Chair
- Peel Community Development Group Chair

The PRLF is the primary vehicle to determine regional planning and infrastructure priorities, and it also determines regional funding priorities for the State Government's *Royalties for Regions - Country Local Government Fund*.

On March 3, 2011 the Minister for Regional Australia, Regional Development and Local Government, The Hon Simon Crean MP, announced establishment of the \$1.4 billion Regional Development Australia Fund.

This \$1.4 billion includes more than \$1 billion to the Regional Development Australia Fund (RDAF) in addition to the \$350 million earmarked to rebuild those parts of regional Australia devastated by recent natural disasters.

Allocation of funding, which is focused on development of infrastructure, will be competitive, merit-based and only applications that have the backing of the local Regional Development Australia (RDA) committee will be considered.

Some of the key criteria from the RDAF guidelines are:

- delivery of concrete economic and social benefits
- commitment to innovation and building capacity in local communities
- linking regional communities across traditional boundaries, and
- ability to leverage additional funding across government and the private sector.

Grants of between \$500 000 and \$25 million will be available to support projects. Grants of more than \$5 million must be matched funds from sources other than the Australian Government. To ensure an immediate and positive impact, projects must be 'investment ready' and all planning, rezoning, environmental and native title approvals should be in place.

The Peel's regional priorities for the next 5 years are (not listed in priority order):

1. Industry Diversification and Workforce Development

Key agencies across the region acknowledge the need to diversify the industry base. The narrow industry base of the region is vulnerable to external factors – international exchange rates and reduced national and international demand may threaten the mining industry; inflationary and interest rate pressures can adversely affect the retail, manufacturing and construction sectors. The local workforce needs to be developed to satisfy the needs of this diversified industry base.

2. Education Attainment

Results of national Australian Early Development Index (AEDI) testing, National Assessment Program Literacy and Numeracy (NAPLAN) testing and post-compulsory schooling educational attainment levels reveal the overall performance of the region is falling behind metropolitan and similar regions.

3. Caring for the Environment

Consistently high population growth and associated development has placed pressure on the Peel-Harvey Catchment, coastal areas and the environment generally. The health of the Peel-Harvey Catchment is deteriorating, coastal erosion issues are becoming prominent and climate change induced sea level rises will have a dramatic impact in the region.

4. Addressing Social Issues

High population growth in the local government areas of Serpentine-Jarrahdale, Mandurah and Murray; and structural adjustment in the local government areas of Waroona and Boddington have led to increasing social issues. These have been examined in the Peel Away the Mask – report of social conditions in the Peel Region (July 2011).

5. Infrastructure Development and Coordination

Infrastructure development has failed to keep pace with the consistently high population growth rates in the local government areas of Serpentine-Jarrahdale, Mandurah and Murray. This has, in turn, led to the need for a more coordinated approach to infrastructure development and coordination.

The RDA Charter specifies three areas of responsibility for RDA Committees:

- Articulation of local priorities, identification and alignment of resources, engagement of stakeholders and promotion of solutions
- Support, promotion and dissemination of information on government policy initiatives for the benefit of local communities
- Providing an effective conduit between governments and regional communities

These responsibilities provide the underlying theme for the goals and strategies specified in the Peel Regional Plan 2011-16.

The Regional Plan's goals and strategies have been formulated taking into consideration an exhaustive list of existing plans and strategies.

The activities of the Committee have been developed to, taking into consideration the limited resources available, support the RDA Charter and address relevant government priorities considered in development of the Regional Plan.

In addition to the Charter RDAs have been allocated a wide ranging number of roles and functions to perform in the regions:

1. Advice, consultation and community engagement

- Consult with regional stakeholders on needs and priorities
- 2-way conduit for information and advice between communities and government
- Engage with all levels of government, regional stakeholders and communities in developing solutions to regional needs and priorities

2. Contribute to regional planning

- Develop strategic regional plans (in collaboration with Australian, State/Territory and local governments)
- Annual reporting against milestones/performance indicators
- Annual analysis against a different area of Government policy each year.

3. Whole of government activities

- First point of contact for agency consultations
- A first point of contact for communities for information about Australian Government services and programs
- Contribute to other national agendas from a regional perspective (eg from time to time this may include infrastructure, transport, social inclusion, climate change and so on)
- Administer third party contracts for other agencies as appropriate

4. Promotion of Government programs

- Provide information to regional stakeholders about government programs, particularly regional
- Identify potential government programs to support regional projects and initiatives
- Provide advice and assistance with accessing funding from existing programs towards regional projects

5. Community & economic development

- Act as an advocate for the region
- Build networks and develop leadership within the region
- Broker solution that address regional issues and barriers to development
- Help to broker partnerships which will address the needs and aspirations of regional communities

The Australian Government's mandate is for RDAs to focus on:

- Consultation & engagement with the community
- Community & economic development
- Identifying and resolving regional issues specified in the Regional Plan

In addition to activities performed under the Australian Government mandate there are several other activities expected by virtue of RDA Peel being funded entirely by the Australian Government. These include an expectation that RDA Peel can, on an ad hoc basis:

- Submit reports to DRARDLG highlighting current & emerging issues
- Research, collate and provide specific information to the Australian Government
- Organise events to facilitate regional visits by Ministers/MPs

It must be noted that conducting these activities utilise RDA Peel's limited resources that could be otherwise used to perform mandated roles and activities.

Potential threats to delivery of the Work Program and Key Priorities for the year have been identified as operational risks in the Risk Management Policy Appended to this Business Plan.

Key Priority Projects for the Year:

RDA Peel has identified two Key Priority Projects to develop further during 2011-12:

1. Peel Away the Mask report

High population growth in the local government areas of Serpentine Jarrahdale, Mandurah and Murray; and structural adjustment in the local government areas of Waroona and Boddington associated with mining developments bring increasing social issues into stronger focus. These have been examined in the updating this year of *Peel Away the Mask* – report of social conditions in the Peel Region (2001).

In 2001 the 'Peel Away the Mask' (PATM) study was conducted due to unprecedented population growth in the Peel Region that exceeded and outstripped the capacity of facilities and resources. The purpose of this study was to identify and benchmark the then current status and needs of the Peel community. The study identified there were many gaps in service needs and the rapidly increasing population were recognised as portents to the unprecedented level of demand.

Although the Peel Region is often portrayed as a seemingly idealistic lifestyle and environment, encompassing all the positives of a modern and cosmopolitan metropolis, the study provided an analysis of information that identified another side, a fragile, vulnerable and sometimes stressful existence of many residents, volunteers as well as social and human service providers.

In 2010 it was identified by key stakeholders that after almost 10 years since publication this document no longer accurately reflected the needs and the issues facing the communities within the wider Peel Region so the Peel Away the Mask II (PATMII) study was commissioned.

The PATMII report, due for release during August – September 2011 will address the broad areas covered in the original study (health and community services, housing, safety and security, education, income and employment) and in addition will review indigenous experience across these areas. More specific attention will be given to: mental health services, migrant experiences, homelessness, youth services, poverty (including the working poor), aged care, and of course transport.

The PATMII report will form the basis for the Region producing its responses and an outline of necessary actions by governments and other stakeholders to the issues identified.

It is anticipated that, subject to acceptance by key stakeholders in the region, RDA Peel will take a lead role in:

- Analysing the report findings
- Bringing together key stakeholders to discuss the findings
- Formulating a strategy to address the issues identified in the report
- Leading approaches to Government lobbying for resources necessary to address the issues identified in the report

2. Recommendations of the Catchment Conditions and Priorities - Peel-Harvey Catchment 2011 report

Consistently high population growth and associated development, coupled with lower rainfall has placed pressure on the Peel-Harvey Catchment, coastal areas and the environment generally. The health of the Peel-Harvey Catchment is continuing to deteriorate, coastal erosion issues are becoming prominent and climate change induced sea level rises will have a dramatic impact in the Region.

During development of the Regional Plan it was identified that, despite the large volume of studies and research conducted on the Peel-Harvey Catchment, there was no definitive consolidation of this information available to assess the current state of the Peel-Harvey Catchment and estuary. At 2½ times the size of Sydney Harbour, this dominant environmental feature of the Peel Region, is also an important recreational, tourism and fishing attraction. As a result of this concern, the RDA Peel engaged the Peel-Harvey Catchment Council to prepare a report on:

- Current state of the estuary and catchment
- Current issues with the estuary and catchment
- Proposed solutions to these issues (in priority order) in accordance with the requirements above
- Any future development related issues that can be identified along with potential solutions

The resultant *Catchment condition and priorities – Peel-Harvey Catchment 2011*¹ report was produced. This report identifies that the Peel-Harvey Estuary and surrounding Peel Yalgorup Ramsar Site are internationally significant assets of economic, environmental and cultural importance. Of concern is that land use planning for a tripling of the local population and the creation of up to 185,900 new residences over the next two decades is well underway, and will place additional pressure on an already stressed Estuary and catchment.

Monitoring and research over the past 5 years indicates that many of the catchment's natural resources are in a state of deterioration. This applies especially to the water quality of the lower reaches of the Serpentine and Murray Rivers, catchment native vegetation, watercourse condition, and the state of the Estuary. The Estuary and lower rivers already receive twice the amounts of nutrient pollution that the ecosystem can naturally assimilate.

The report makes a series of recommendations to address issues identified in the report. RDA Peel, working with the Peel-Harvey Catchment Council and other relevant agencies, will progress the implementation of the report recommendations by making strategic approaches to Governments to fund the enabling and other projects specified.

RDA Peel's Work Program for the Year is, in addition to furtherance of the identified Key Priorities:

¹ Peel-Harvey Catchment Council et al; Catchment condition & priorities – Peel-Harvey Catchment 2011 (February 2011)

RDA Mandated Role	Activities to be conducted during 2011-12	Relates to RDA Network Role	Relates to RDA Peel Goal	Key Performance Indicator	Target
Consultation & Engagement with the community	Advise Department of Regional Australia, Regional Development & Local Government of current or emerging regional issues	Advice, consultation and community engagement Whole of government activities Community & economic development	1. b, d 2. b	Quarterly Reports submitted to DRARDLG highlighting current & emerging issues	4
	Advise opportunities for feedback on Australian Govt policy, discussion papers, etc to the community and collate consolidated responses	Advice, consultation and community engagement Whole of government activities Community & economic development	2. a	Submissions made to relevant Government Inquiries	3
	Maintain RDA Peel involvement in Peel Regional Leaders Forum	Community & economic development	1. a, b, c, d 3. a	Number of Peel Regional Leaders Forum meetings attended	6
	Maintain RDA Peel involvement in selected regional for a responding to current & emerging issues	Whole of government activities Community & economic development	1. a, b, c, d 2. a, b, c 3. a, b	Number of forums participated in relevant to regional priorities	12
	Advertise for community feedback during Regional Plan review	Advice, consultation and community engagement Contribute to regional planning	2. b 3. a	Regional Plan (and any review) advertised for feedback from community	1

RDA Mandated Role	Activities to be conducted during 2011-12	Relates to RDA Network Role	Relates to RDA Peel Goal	Key Performance Indicator	Target
Community & Economic Development	Distribute newsletter to community groups – focus on funding & grant opportunities, corporate governance advice, community events	Advice, consultation and community engagement Whole of government activities Promotion of Government programs Community & economic development	2. a, c 3. a	Number of referrals made to Australian Government agencies Number of Australia Government Programs promoted Number of State Government Programs promoted Number of other programs promoted	12 25 25 25
	Respond to sustainability needs of community organizations through conducting workshops, etc	Community & economic development	1. a, b, c 2. c	Number of community workshops/events conducted	2
	Provide assistance to community groups by provision of RDA committee room use, copying, etc	Community & economic development	2. c	Number of occasions on which practical assistance was provided to community organizations	100
	Provide direct confidential advice to community groups on funding & grant applications, corporate governance, sustainability issues, etc.	Whole of government activities Promotion of Government programs Community & economic development	1. a, b, c, d 2. a, c	Number of proponents assisted with funding applications Number of proponents provided with advice on Corporate Governance, sustainability, other issues	25 10

	Identify suitable projects for RDAF & work with proponents to develop robust applications	Whole of government activities Community & economic development	1. a, b, c, d 2. c	Number of projects identified that address regional priorities	10
--	-------------------------------------------------------------------------------------------	------------------------------------------------------------------------	-----------------------	----------------------------------------------------------------	----

RDA Mandated Role	Activities to be conducted during 2011-12	Relates to RDA Network Role	Relates to RDA Peel Goal	Key Performance Indicator	Target
Identifying and resolving regional issues specified in the Regional Plan	Review other State & Local Govt and other agency strategic plans (for consideration in Regional Plan review)	Contribute to regional planning Whole of government activities Community & economic development	1. a, b	Number of reviews conducted of other agency's strategic plans	1
	Identify & engage key stakeholders in resolving regional issues	Advice, consultation and community engagement Contribute to regional planning Whole of government activities Community & economic development	1. a, b, c, d	Number of occasions on which stakeholders are engaged on regional issues	4
	Identify projects in the region's Investment Plan relevant to regional issues & identify suitable Australian Government funding programs	Whole of government activities Promotion of Government programs Community & economic development	1. a, b, c, d	Number of projects identified and linked with Australian Govt programs	10

	Work with “community of interest” RDAs on common issues	Whole of government activities Community & economic development	1. a, b, c, d 2. a, b, c 3. a, b	Number of meetings held with “community of interest” RDAs	4
--	---------------------------------------------------------	------------------------------------------------------------------------	----------------------------------------	-----------------------------------------------------------	---

Other RDA Role	Activities to be conducted during 2011-12	Relates to RDA Network Role	Relates to RDA Peel Goal	Key Performance Indicator	Target
Additional roles expected by the Australian Government, performance of which impacts on ability to complete mandated roles	Ad hoc reports submitted to DRARDLG highlighting current & emerging issues	Advice, consultation and community engagement Contribute to regional planning Whole of government activities Community & economic development	1. a, b, c, d	Unable to develop KPIs due to ad hoc nature of this role. Number of occurrences to be reported	NA
	Researching, collating and providing specific information to the Australian Govt	Advice, consultation and community engagement Contribute to regional planning Promotion of Government programs	1. b, d 2. b	Unable to develop KPIs due to ad hoc nature of this role. Number of occurrences to be reported	NA
	Organisation of events to facilitate regional visits by Ministers/MPs	Advice, consultation and community engagement	2. a	Unable to develop KPIs due to ad hoc nature of this role. Number of occurrences to be reported	NA

	Facilitating regional rollout of new Australian Govt Policy	Whole of government activities Promotion of Government programs	2. a	Unable to develop KPIs due to ad hoc nature of this role. Number of occurrences to be reported	NA
--	-------------------------------------------------------------	------------------------------------------------------------------------	------	-------------------------------------------------------------------------------------------------------	----

5. Marketing Plan

RDA Peel views its market as consisting of Local Government, State Government and its agencies, Australian Government and its agencies, not for profit agencies and community based organisations having a presence or responsibility for delivering programs and/or services in the Peel region.

Indirectly the market consists of all residents of the Peel region.

The following table enumerates the Marketing Plan goals and strategies for RDAP during 2011-2012.

Marketing Plan Goal 2011-12	Marketing Plan Strategy	Responsibility	Resources Required
1. All spheres of Government and the community are aware of the role and functions of RDA Peel	1.1 Update RDA website to improve functionality & enhance community engagement ability	RDAP staff	1.1 Budgeted
	1.2 Maintain currency, accuracy and relevance of web site	RDAP staff	1.2 -4 Achieve within existing operational funding allocation
	1.3 Maintain contact with key stakeholders by regular meetings	RDAP staff	
	1.4 RDAP Members promote the role & functions of the organisation at every opportunity	RDAP Members	1.5 Achieve until existing budgeted amount expended
	1.5 Develop and transmit regular newsletter to clients		
2. RDA Peel is widely viewed as an apolitical, open and accountable organisation that presents forthright views to Government.	2.1 Issues are transmitted to Government and clients made aware of outcomes	RDAP staff DRARDLG staff	2.1 – 6 Achieve within existing operational funding allocation
	2.2 Issues are discussed with clients in a confidential environment	RDAP staff	
	2.3 RDAP staff to attend all relevant events being held by other organisations	RDAP staff	
	2.4 RDAP to be represented on a wide range of management	RDAP staff & Members	

	<p>committees within the region</p> <p>2.5 RDAP to become involved with all community initiatives relating to regional development</p> <p>2.6 RDAP Members promote the organisation at every opportunity</p>	<p>RDAP staff</p> <p>RDAP Members</p>	
3. The RDA brand is recognised in the community and viewed positively	<p>3.1 Ensure RDAP logo is used in all printed and published material</p> <p>3.2 Newsletter content to reflect successes of RDAP in achieving outcomes for the region</p> <p>3.3 All media opportunities to be taken to promote RDAP and its role and functions</p>	<p>RDAP staff</p> <p>RDAP staff</p> <p>RDAP EO & Chair</p>	<p>3.1 Achieve within existing operational funding allocation if possible</p> <p>3.2 – 3 Achieve until existing budgeted amount expended</p>
4. The goals of RDA Peel are achieved	<p>4.1 Workshops are widely advertised in the target community and coordinated with funding releases where possible</p> <p>4.2 RDAP arranges workshops/seminars on topics of current interest to be presented by State & Commonwealth agencies</p>	<p>RDAP staff</p> <p>RDAP staff</p>	<p>4.1-2 Achieve within existing operational funding allocation</p>

6. Risk Management



REGIONAL DEVELOPMENT AUSTRALIA PEEL INC.

RISK MANAGEMENT POLICY

1. PREAMBLE

Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the RDA environment.

Risk is inherent in all administrative and business activities. Every member of the RDA community continuously manages risk. Formal and systematic approaches to managing risk have evolved and they are now regarded as good management practice. As a consequence Regional Development Australia Peel Inc (RDAP) acknowledges that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance outcomes and accountability.

The aim of this policy is not to eliminate risk, rather to manage the risks involved in all RDAP activities to maximise opportunities and minimise adversity. Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management,
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realised.

Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

2. SCOPE

This policy is not intended to duplicate existing formal and documented management processes. The policy is to enable the operations of the RDAP to be defensible in the public forum and is to be periodically reviewed so that appropriate controls and processes can be implemented.

3. KEY DEFINITIONS

Risk management definitions can be found in the definitions section of the Standards Australia risk management standard, AS/NZS 4360:1999 - Risk Management. The key definitions for this policy follow:

Risk - The chance of something happening that will have an impact on the achievement of RDAP's objectives. Risk is measured in terms of consequences and likelihood.

Risk Assessment - The overall process of risk analysis and evaluation. This is the shaded component of the schematic diagram at Figure 1.

Risk Management - The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the RDAP environment.

Risk Management Process - The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

4. POLICY STATEMENT

RDAP will maintain procedures to provide the organization with a systematic view of the risks faced in the course of administrative and business activities. Where appropriate these procedures will be consistent with the Standards Australia risk management standard, AS/NZS 4360:1999 - Risk Management. This will require RDAP to:

- Establish a context. This is the strategic, organisational and risk management context against which the rest of the risk management process in the organisation will take place. Criteria against which risk will be evaluated should be established and the structure of the risk analysis defined.
- Identify Risks. This is the identification of what, why and how events arise as the basis for further analysis.
- Analyse Risks. This is the determination of existing controls and the analysis of risks in terms of the consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood are combined to produce an estimated level of risk.
- Evaluate Risks. This is a comparison of estimated risk levels against pre-established criteria. This enables risks to be ranked and prioritised.
- Treat Risks. For higher priority risks, RDAP is required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be accepted and monitored.
- Monitor and Review. This is the oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occurs concurrently throughout the risk management process.
- Communication and Consultation. Appropriate communication and consultation with internal and external stakeholders should occur at each stage of the risk management process as well as on the process as a whole.

Schematically, the risk management process is depicted in the following diagram:

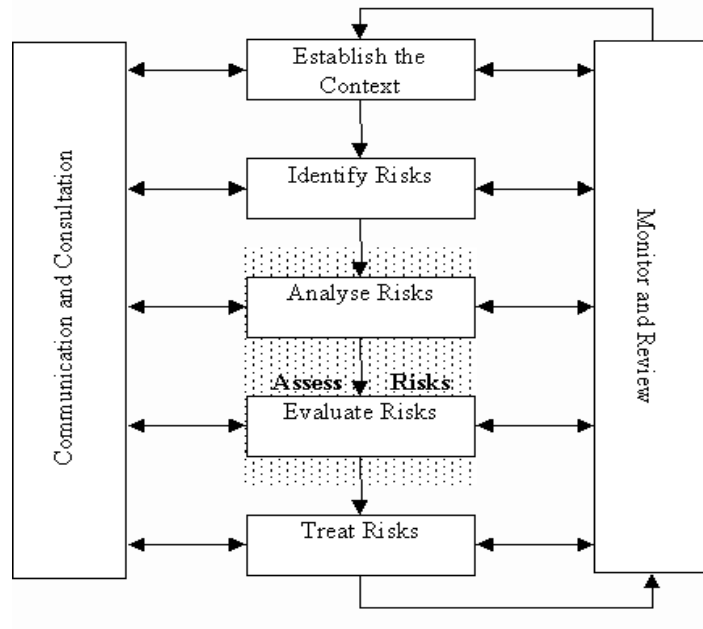


Figure 1.

5. RESPONSIBILITY FOR RISK MANAGEMENT

General

Every staff member of RDAP is responsible for the effective management of risk including the identification of potential risks. Management (both the Executive Officer and Board) is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

There is legislation in place for the management of specific risks such as Occupational Health and Safety, Equal Opportunity and Information Privacy. The Risk Management policy does not relieve RDAP's responsibility to comply with other legislation. Training and facilitation will, in the first instance, be the responsibility of the Executive Officer.

The Executive Officer is accountable for ensuring that a risk management system is established, implemented and maintained in accord with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Executive Officer.

The Executive Officer will also be accountable for the oversight of the processes for the identification and assessment of the general risk spectrum, reviewing the outcomes of risk management processes, and for advising the Board as necessary.

Annual reporting on the status of the risk register, insofar as it impacts on administrative and business responsibilities, will take place as part of the annual planning and review cycle and will include ongoing maintenance of the risk register and ensuring compliance with risk assessment procedures.

The Executive Officer will also be responsible for reporting to the Board on issues such as:

- Maintenance of RDAP's insurance portfolio
- Those relating to occupational health and safety and workers compensation
- Policy and Procedures and administration.

ANNEXURES

- A. Generic Sources of Risk and Their Areas of Impact.
- B. Risk Definition and Classification.
- C. Risk Treatment Options.
- D. Risk Management Documentation.

ANNEXURE A

GENERIC SOURCES OF RISK AND THEIR AREAS OF IMPACT.

Identifying sources of risk and areas of impact provides a framework for risk identification and analysis. A generic list of sources and impacts will focus risk identification activities and contribute to more effective risk management.

Generic Sources of Risk

Each generic source has numerous components, any of which can give rise to a risk. Generic sources of risk include:

- Commercial and legal relationships including but not limited to contractual risk, product liability, professional liability and public liability.
- Economic circumstances. These can include such sources as currency fluctuations, interest rate changes, taxation and changes in fiscal policy.
- Human Behaviour such as riots, strikes, sabotage.
- Natural Events. These can include fire, water damage, earthquakes, vermin, disease and contamination.
- Political Circumstances such as legislative changes or changes in government policy that may influence other sources of risk.
- Technology and Technical Issues. Examples of this include innovation, obsolescence and reliability.
- Management Activity and Control such as poor safety management, the absence of control and inadequate security.
- Individual Activity including, misappropriation of funds, fraud, vandalism, illegal entry, information misappropriation and human error.

In most instances a risk source will be under the control of the Executive Officer. In some instances (and these are entirely circumstance driven) the risk may even be outside RDAP. If this is the case then the relevant parties should be consulted during the risk assessment process.

Areas of Impact

A source of risk may impact on one area only or on several areas. Areas of impact include:

- Asset and resource base including personnel,
- Revenue and entitlements,
- Costs both direct and indirect,
- People,
- The community,
- Performance,
- Timing and schedule of activities,
- The environment,
- Intangibles such as reputation, goodwill and the quality of life, and organisational behaviour.

Risk Identification Template

Areas of Impact									
Assets	Revenue	Cost	People	Community	Performance	Timing	Environment	Intangibles	Org
Commercial and Legal	✓	✓	✓			✓	✓		
Economic			✓						
Human Behaviour			✓	✓		✓			✓
Natural Events								✓	
Political	✓				✓		✓		
Technology	✓		✓			✓			
Management Activity & Control			✓	✓			✓		
Individual Activity			✓	✓					✓

ANNEX B

RISK DEFINITION AND CLASSIFICATION

Where possible, the Executive Officer should use quantitative data and risk expressions to measure likelihood and impact of any identified risks. In some circumstances this may not be possible nor efficient or effective. Therefore a qualitative approach is acceptable. An example of a qualitative approach follows.

Likelihood

Level	Descriptor	Description
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur at some time
D	Unlikely	Could occur at some time
E	Rare	May occur only in exceptional circumstances

Impact

Level	Descriptor	Example Detail Description
1	Insignificant	Low financial loss, no disruption to capability, no impact on community standing.
2	Minor	Medium financial loss, minor disruption to capability, minor impact on community standing.
3	Moderate	High financial loss, some ongoing disruption to capability, modest impact on community standing.
4	Major	Major financial loss, ongoing disruption to capability, major impact on community standing.
5	Catastrophic	Mission critical financial loss, permanent disruption to capability, and ruinous impact on community standing.

Qualitative Risk Analysis Matrix – Level of Risk

For each component of the activity subject to a risk analysis, The Executive Officer should evaluate the likelihood and consequences as per the matrix below.

		Consequences				
<u>Impact</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	
Likelihood						
A (almost certain)	H	H	E	E	E	
B (likely)	M	H	H	E	E	
C (moderate)	L	M	H	E	E	
D (unlikely)	L	L	M	H	E	
E (rare)	L	L	M	H	H	

Legend

E: Extreme risk; Immediate action required by Executive Officer, RDAP staff and Board.

H: High risk; Board attention needed.

M: Moderate risk; Executive Officer responsibility.

L: Low risk; Manage by routine procedures.

ANNEX C

RISK TREATMENT OPTIONS

Actions to Reduce or Control Likelihood

These can include but are not limited to:

- Review and compliance programmes;
- Contract conditions;
- Formal reviews of requirements, specifications, design, engineering and operations;
- Inspection and process controls;
- Investment and portfolio management;
- Project management;
- Preventative maintenance;
- Quality assurance, management and standards;
- Research and development; technological development;
- Structured training and other programmes;
- Effective governance processes
- Strategic, operational and tactical planning processes.
- Supervision;
- Testing;
- Organisational arrangements; and
- Technical controls.

Procedures to Reduce or Control Consequences

These can include but are not limited to:

- Contingency planning;
- Contractual arrangements;
- Contract conditions;
- Design Features;
- Business continuity and disaster recovery plans;
- Engineering and structural barriers;
- Fraud control planning;
- Minimising exposure to sources of risk;
- Portfolio planning;
- Pricing policy and controls;
- Separation or relocation of activities and resources;
- Succession planning.
- Insurance;
- Public Relations; and
- Ex Gratia Payments.

ANNEX D

RISK MANAGEMENT DOCUMENTATION

To manage risk properly, appropriate documentation is required. The staff members conducting or accountable for the activity shall in the first instance conduct the risk assessment and complete the documentation. The risk assessment and documentation is to be reviewed and accepted by the Executive Officer.

Where technical expertise or central authority is required, the risk assessment will also be reviewed and endorsed by the Board.

The Executive Officer is required to maintain risk registers insofar as risks impact on operational and administrative responsibilities. Specimens of these documents follow and they will be made available in electronic format.

For each risk identified a risk register records:

- Source;
- Nature;
- Existing controls;
- Consequences and likelihood;
- Initial risk rating; and
- Vulnerability to external or internal factors.

A risk treatment and action plan documents the managerial controls to be adopted and contains the following information:

- Who has responsibility for the implementation of the plan;
- What resources are to be used;
- Budget allocations;
- Implementation timetables; and
- Details of the control mechanism; and
- Frequency of review of compliance with the treatment plan.

ADMINISTRATIVE RISK:

The following administrative risks are mitigated by the RDA Peel Policy & Procedures Manual which takes into consideration:

Risk Area	Policy & Procedures Manual Reference	Other References
Financial Matters (procedures to authorise and monitor expenditure)	3.1 - RDA Peel purchases 3.2 – Financial delegations 3.3 – Purchase orders 3.6 – Inventory/Assets register 3.9 – Risk Management 2.14 – Refunding expenses incurred by staff	<u>Constitution</u> 4 – Powers 5 – Property & Income 10.20-27 – Role of the Treasurer 12 – Finance 13 – Audit <u>Operational Funding Contract</u> 6 – Management of Funding 7 – Acquittal & expenditure of funding 8 – Other funding & activities 9 - Assets 12 – RDA Corporate Governance <u>RDA Handbook</u> 3.3 – Budget 3.5 – Risk management strategy 5.1 – Corporate Governance 5.2 – Financial Management 5.5 – Reimbursement of travel costs 5.6 – Reimbursement of phone costs and incidental expenses 5.7 – Bank Accounts 6 – Conflict of Interest 7 – Political participation 8 – RDA as an employer

<p>Budget Matters (procedures to monitor expenditure against agreed budget items and identify unauthorised expenditure)</p>	<p>1.3 – Reporting systems 3.2 – Financial delegations 3.9.1 – Monitoring expenditure</p>	<p><u>Constitution</u> 10.20-27 – Role of the Treasurer 12 – Finance 13 – Audit</p> <p><u>Operational Funding Contract</u> 6 – Management of Funding 7 – Acquittal & expenditure of funding 12 – RDA Corporate Governance</p> <p><u>RDA Handbook</u> 3.3 – Budget 3.5 – Risk management strategy 5.1 – Corporate Governance 5.2 – Financial Management 5.6 – Reimbursement of phone costs and incidental expenses</p>
<p>Contractual Matters (procedures to ensure that operational funds are expended in accordance with the contract, support the monitoring of the Contract and ensure no breaches of the Contract)</p>	<p>1.3 – Reporting systems 3.2 – Financial delegations 3.9.1 – Monitoring expenditure 3.9.2 – Monitoring contractual matters</p>	<p><u>Constitution</u> 10.20-27 – Role of the Treasurer 12 – Finance 13 – Audit</p> <p><u>Operational Funding Contract</u> 6 – Management of Funding 7 – Acquittal & expenditure of funding 12 – RDA Corporate Governance</p> <p><u>RDA Handbook</u> 3.5 – Risk management strategy 4.3 – Conformance reviews 5.1 – Corporate Governance 5.2 – Financial Management 5.6 – Reimbursement of phone costs and incidental expenses 6 – Conflict of Interest</p>
<p>Insurance Coverage (for litigation or professional misconduct, occupational health, safety and welfare, workers' compensation and motor vehicle)</p>	<p>3.9.3 - Insurances</p>	<p><u>Constitution</u> 5 – Property & Income 9 – Role of the committee</p> <p><u>Operational Funding Contract</u> 20 - Insurance</p> <p><u>RDA Handbook</u> 3.5 -Risk management strategy 5.3 – Insurance</p>

<p>Taxation Matters (procedures to ensure adherence with Australian Tax Office requirements and that full records kept for purposes of fringe benefits and other taxes)</p>	<p>3.9.4 - Taxation</p>	<p><u>Constitution</u> 5 – Property & Income 9 – Role of the committee</p> <p><u>Operational Funding Contract</u> 5 – Taxes, duties & Government charges</p> <p><u>RDA Handbook</u> 5.11 – Taxes, duties & Government charges</p>
<p>Assets (procedures to ensure accurate recording of and accounting for assets, provide for the approval to purchase of assets over \$5,000; that Committee assets are not misused and ensure that leasing arrangements are entered into only after approval of the Committee;)</p>	<p>3.1 - RDA Peel purchases 3.2 – Financial delegations 3.3 – Purchase orders 3.6 – Inventory/Assets register 3.9 – Risk Management</p>	<p><u>Constitution</u> 5 – Property & Income</p> <p><u>Operational Funding Contract</u> 9 – Assets 10 – Records</p> <p><u>RDA Handbook</u> 5.12 – Asset Policy/Procedures & leasing 5.13 – Motor vehicle leases 5.14 – Leasing of premises</p>
<p>Administrative Matters (procedures to ensure that accurate financial records are kept, breaches of financial policies can be identified and addressed, audit reports are obtained and supported by complete documentation, that appropriate back-ups of electronic records and kept)</p>	<p>1.3 – Reporting systems 3.1 - RDA Peel purchases 3.2 – Financial delegations 3.3 – Purchase orders 3.6 – Inventory/Assets register 3.9 – Risk Management</p>	<p><u>Constitution</u> 9 – Role of the committee 12 – Finance 13 - Audit</p> <p><u>Operational Funding Contract</u> 10 - Records</p> <p><u>RDA Handbook</u> 5.4 – Record Keeping</p>

<p>Employment of Staff (procedures and processes to ensure fair and transparent recruitment of staff, ensure workplace safety, development employment contracts which meeting government regulations and to monitor performance)</p>	<p>2.2 – Staff appointments 2.3 – Orientation of new staff 2.4 – Staff terms & conditions of employment 2.5 – Salaries & conditions 2.6 – Leave 2.10 – Staff development & training 2.11-13 – Staff grievance procedure/termination/disciplinary procedures</p>	<p><u>Constitution</u> 4 – Powers 9 – Role of the Committee</p> <p><u>Operational Funding Contract</u> 27 – RDA Personnel</p> <p><u>RDA Handbook</u> 2.9 – Role & function of the EO 4.2 – Performance reviews 8 – RDA as an employer</p> <p>RDA Peel OSH Policy Statement RDA Peel Health & Safety Manual RDA Peel Injury Management Policy & System</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

OPERATIONAL RISKS

The following potential threats to RDA Peel achieving its Work Program and Priorities during 2011-12 have been identified and evaluated using this Risk Management Policy.

Nature of Risk	Level of Risk*	Suggested actions to Mitigate
Lack of timely response to current/emerging issues raised by Department of Regional Australia, Regional Development & Local Government (DRARDLG)	E	Suggest development of Service Standards by DRARDLG Express dissatisfaction through MPs/Ministers
Lack of information/data available on local issues	E	Approach DRARDLG for additional funds to enable proper research
DRARDLG lack of staffing continuity causing knowledge gaps on region	E	Approach DRARDLG to permanently fill vacant positions with permanent appointments
Australian Government expectations of immediate regional responses to policy announcements	E	Approach DRARDLG for additional funds/resources necessary to respond to these expectations
Change of responsible Minister	H	Review likelihood regularly (polling) before developing mitigation actions
Change of Australian Government	H	Review likelihood regularly (polling) before developing mitigation actions
Further reductions in RDA operational funding	M	Lobby Australian Government through sitting and opposition MPs Cite lack of funding when it causes inability for RDAP to act on issues/plans/strategies
Failure of DRARDLG to advise on availability of resources for RDAs	M	Encourage DRARDLG to advise of process for RDA access to additional funds in 2011-12 Budget
Over onerous reporting requirements from DRARDLG	H	Approach DRARDLG for more consolidated reporting system requiring less of RDAs limited resources

Failure of DRARDLG to adhere to goals under Shared Aspirations of the National Compact	E	Remind DRARDLG of its responsibilities under the National Compact when dealing with community sector members (RDAs)
----------------------------------------------------------------------------------------	---	---------------------------------------------------------------------------------------------------------------------

*see Qualitative Risk Analysis Matrix

E: Extreme risk; Immediate action required by Executive Officer, RDAP staff and Board.

H: High risk; Board attention needed.

M: Moderate risk; Executive Officer responsibility.

L: Low risk; Manage by routine procedures.