



Clifton Coney
Group

**OCEAN REEF BOAT HARBOUR
RISK MANAGEMENT WORKSHOP
8 JULY 2005**

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1.0 WORKSHOP TRANSCRIPT	
1.1 Introduction & Workshop Objectives	2
1.2 Risk Identification, Analysis and Evaluation	2 - 5
1.3 Major Risk Response (<i>Template</i>).....	6 - 7
1.4 Risk Synthesis	8 - 9
1.5 Workshop Outcomes	10

APPENDIX 1 - Workshop Participants.

EXECUTIVE SUMMARY

Preamble

This document captures the outcomes arising from a condensed Risk Management Workshop carried out on Friday, 8 July 2005 and is intended as a working document to assist with ongoing risk management. The content, recommendations and actions are those generated by the Workshop Team.

The Workshop

The Workshop was implemented by the Clifton Coney Group on behalf of the City of Joondalup to respond to risks associated with the proposed Ocean Reef Boat Harbour project.

The Workshop Team confirmed the objectives of the Workshop as being:

1. To initiate a risk management plan for the whole project by:
 - Identifying the risks
 - Analysing the risks
 - Evaluating the risks
 - Generating risk response strategies as a downstream exercise
2. To gain a clear, enhanced and *shared* appreciation of risk and other issues associated with the project.

Towards achieving the workshop objectives, the following processes were undertaken:

- Workshop objectives agreed.
- Broad risk categories identified.
- Risks identified and analysed.
- Next steps identified.

The Workshop Team

The Workshop Team comprised representatives from the City of Joondalup, LandCorp, the Department for Planning & Infrastructure and the Clifton Coney Group. Peter Yeomans of the Clifton Coney Group facilitated the workshop.

Key Workshop Outcomes

The key outcomes of the Workshop were:

1. 56 risks were identified, of which 26 were deemed to be major risks requiring response strategies to be developed.
2. The Workshop Objectives were achieved.

The Workshop Team worked intensively and supportively to initiate a robust risk management plan and a mechanism for ongoing risk management.

Peter R Yeomans
Workshop Facilitator

WORKSHOP TRANSCRIPT

1.1 Introduction and Workshop Objectives

Peter Yeomans welcomed the participants to the Workshop and provided an overview of the structure and processes that would be undertaken.

In response to the prompt "Why are we here and what outcomes do we seek?" the Workshop Objectives were posted and confirmed by the Workshop Team to be:

1. To initiate a risk management plan for the whole project by:
 - Identifying the risks
 - Analysing the risks
 - Evaluating the risks
 - Generating risk response strategies downstream
2. To gain a clear, enhanced and *shared* appreciation of risk and other issues associated with the project.

1.2 Risk Identification, Analysis and Evaluation

The Team worked collectively to identify potential risks under designated risk categories (see below). Subsequently, each risk was analysed in terms of probability (likelihood) and impact (consequence). Ratings of H (high), M (medium) and L (low) were accorded to probability and impact and subsequently distilled as presenting MA (major), MO (moderate) or MI (minor) risks based on the following matrix.

Probability	Impact	Risk
H	H	MA
H	M	MA
M	H	MA
M	M	MO
H	L	MO
L	H	MO
M	L	MI
L	M	MI
L	L	MI

Major Risks require careful management and the development of a Risk Management Plan.

Moderate Risks require a manage-and-monitor response.

Minor Risks would be generally accepted or discarded.

The resultant Risk Register provides a template for ongoing risk management and should be periodically revisited to review risk status, eliminate risks no longer relevant and incorporate any additional risk items.

Broad risk categories were identified, which the Workshop Team rationalised and confirmed to be:

- A. Community / Political
- B. Planning / Approvals / Environmental
- C. Joint Venture / State / City of Joondalup
- D. Site / Infrastructure
- E. Time / Cost

The Team worked collectively to identify potential risks under the designated risk categories as follows.

A. COMMUNITY / POLITICAL (13 Risks Identified)				
Item	The Risk is...	Probability	Impact	Risk
A1	Presence and impact of interest groups	H	H	MA
A2	Failure to match community expectations	M	M	MO
A3	Local community versus broader Joondalup community	H	L	MO
A4	Inability to deliver community expectations	H	H	MA
A5	Two different levels of awareness - failure to educate broader community	H	L	MO
A6	Broader community - prioritisation of projects	H	L	MO
A7	Perception of catering for a minority (<i>Link to A4</i>)	H	M	MA
A8	Lack of/poor timely community consultation and participation	L	H	MO
A9	Maintaining community consultation/participation	M	H	MA
A10	Adjoining neighbours - views, noise, etc	H	H	MA
A11	City Council elections	M	M	MO
A12	State Government elections	M	M	MO
A13	Lack of bipartisan support	M	H	MA
A14	Anti-social behaviour	H	L	MO

B. PLANNING / APPROVALS / ENVIRONMENTAL (11 Risks Identified)				
Item	The Risk is...	Probability	Impact	Risk
B1	Constraints placed on the development	H	H	MA
B2	Time taken to gain approvals	H	H	MA
B3	Costs associated with approvals/conditions	M	M	MO
B4	Lack of certainty of gaining suitable approvals	H	H	MA
B5	Aboriginal heritage/Native Title	M	H	MA
B6	Other stakeholders, e.g. Water Corporation, Sports Club, Sea Rescue, etc	H	L	MO
B7	Plan fails to attract funding and/or development	M	H	MA
B8	Impact of Authorities on feasibility (locking in of feasibility prior to submission to Authorities)	M	H	MA
B9	Change in policy	L	H	MO
B10	Specific environmental issues, e.g. Bush Forever, etc	H	H	MA
B11	Expansion/upgrade of Hillarys, Mindarie and Sorrento (economic impacts) and other commercial developments	H	H	MA

C. JOINT VENTURE / STATE / CITY OF JOONDALUP (12 Risks Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
C1	Differing expectations	M	H	MA
C2	Convoluted decision-making	H	M	MA
C3	Appropriateness of Business Plan	M	M	MO
C4	Timetables slowing down the process	H	M	MA
C5	Lack of a clear process	L	M	MI
C6	Local Authority inexperience	M	M	MO
C7	Inability to resource the project	M	M	MO
C8	Lack of project management/organisational structure (Link with C5)	L	M	MI
C9	Lack of a strategic agreement	L	L	MI
C10	State wanting to drive the process (risk to City of Joondalup)	M	M	MO
C11	Lack of dispute resolution mechanism (Link with C9)	L	L	MI
C12	Unclear ongoing ownership/management - roles, etc	L	H	MO

D. SITE / INFRASTRUCTURE (11 Risks Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
D1	Marine - high cost:benefit ratio	H	H	MA
D2	Topography driving up land development costs Link with D7)	H	M	MA
D3	Water Corporation infrastructure	L	L	MI
D4	Vesting of groynes to City of Joondalup (follow up)	M	M	MO
D5	Suitability of Ocean Reef for marina construction (least preferred by DPI)	H	H	MA
D6	Extent/management of bushland	H	H	MA
D7	Geotechnical conditions (Link with D2)	H	M	MA
D8	Excessive operational costs associated with maintaining boating access (drift)	H	M	MA
D9	"Gap" between existing housing and marina	L	L	MI
D10	Condition and location of existing facilities	L	L	MI
D11	Maintaining operation of existing facilities during construction	M	L	MI

E. TIME / COST (8 Risks Identified)				
Item	The Risk is...	Probability	Impact	Risk
E1	Inability to accurately estimate construction costs (and escalation)	H	H	MA
E2	Lack of a whole-of-project budget	M	M	MO
E3	Lack of a whole-of-project timeline	M	M	MO
E4	Lack of project definition	M	M	MO
E5	Lack of overall viability	H	H	MA
E6	Lack of availability of additional capital funds	M	M	MO
E7	Lack of commercial viability for businesses	H	H	MA
E8	Lack of commitment to define the project and move forward	L	L	MI

1.3 Major Risk Response (Template)

Major risks were isolated and will be subsequently addressed to establish Risk Management strategies:

A. COMMUNITY POLITICAL (6 Major Risks Identified)		
<i>Item</i>	<i>The Major Risk is...</i>	<i>The Risk Response is...</i>
A1	Presence and impact of interest groups	
A4	Inability to deliver community expectations	
A7	Perception of catering for a minority (Link to A4)	
A9	Maintaining community consultation/participation	
A10	Adjoining neighbours - views, noise, etc	
A13	Lack of bipartisan support	

B. PLANNING / APPROVALS / ENVIRONMENTAL (8 Major Risks Identified)		
<i>Item</i>	<i>The Major Risk is...</i>	<i>The Risk Response is...</i>
B1	Constraints placed on the development	
B2	Time taken to gain approvals	
B4	Lack of certainty of gaining suitable approvals	
B5	Aboriginal heritage/Native Title	
B7	Plan fails to attract funding and/or development	
B8	Impact of Authorities on feasibility (locking in of feasibility prior to submission to Authorities)	
B10	Specific environmental issues, e.g. Bush Forever, etc	
B11	Expansion/upgrade of Hillarys, Mindarie and Sorrento (economic impacts) and other commercial developments	

C. JOINT VENTURE / STATE / CITY OF JOONDALUP (3 Major Risks Identified)		
<i>Item</i>	<i>The Major Risk is...</i>	<i>The Risk Response is...</i>
C1	Differing expectations	
C2	Convoluting decision-making	
C4	Timetables slowing down the process	

D. SITE / INFRASTRUCTURE (6 Major Risks Identified)		
<i>Item</i>	<i>The Risk is...</i>	<i>The Risk Response is...</i>
D1	Marine - high cost:benefit ratio	
D2	Topography driving up land development costs <i>Link with D7</i>	
D5	Suitability of Ocean Reef for marina construction (least preferred by DPI)	
D6	Extent/management of bushland	
D7	Geotechnical conditions (<i>Link with D2</i>)	
D8	Excessive operational costs associated with maintaining boating access (drift)	

E. TIME / COST (3 Major Risks Identified)		
<i>Item</i>	<i>The Major Risk is...</i>	<i>The Risk Response is...</i>
E1	Inability to accurately estimate construction costs (and escalation)	
E5	Lack of overall viability	
E7	Lack of commercial viability for businesses	

1.4 Risk Synthesis

The following tables recast the Moderate and Minor Risks (Risk Identification).

1.4.1 Moderate Risks

A. COMMUNITY / POLITICAL (7 Moderate Risks Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
A2	Failure to match community expectations	M	M	MO
A3	Local community versus broader Joondalup community	H	L	MO
A5	Two different levels of awareness - failure to educate broader community	H	L	MO
A6	Broader community - prioritisation of projects	H	L	MO
A8	Lack of/poor timely community consultation and participation	L	H	MO
A11	City Council elections	M	M	MO
A12	State Government elections	M	M	MO
A14	Anti-social behaviour	H	L	MO

B. PLANNING / APPROVALS / ENVIRONMENTAL (3 Moderate Risks Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
B3	Costs associated with approvals/conditions	M	M	MO
B6	Other stakeholders, e.g. Water Corporation, Sports Club, Sea Rescue, etc	H	L	MO
B9	Change in policy	L	H	MO

C. JOINT VENTURE / STATE / CITY OF JOONDALUP (5 Moderate Risks Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
C3	Appropriateness of Business Plan	M	M	MO
C6	Local Authority inexperience	M	M	MO
C7	Inability to resource the project	M	M	MO
C10	State wanting to drive the process (risk to City of Joondalup)	M	M	MO
C12	Unclear ongoing ownership/management - roles, etc	L	H	MO

D. SITE / INFRASTRUCTURE (1 Moderate Risk Identified)				
<i>Item</i>	<i>The Risk is...</i>	<i>Probability</i>	<i>Impact</i>	<i>Risk</i>
D4	Vesting of groynes to City of Joondalup (<i>follow up</i>)	M	M	MO

E. TIME / COST		(4 Moderate Risks Identified)		
Item	The Risk is...	Probability	Impact	Risk
E2	Lack of a whole-of-project budget	M	M	MO
E3	Lack of a whole-of-project timeline	M	M	MO
E4	Lack of project definition	M	M	MO
E6	Lack of availability of additional capital funds	M	M	MO

1.4.2 Minor Risks

A. COMMUNITY / POLITICAL		(Zero Minor Risks Identified)		
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B. PLANNING / APPROVALS / ENVIRONMENTAL		(Zero Minor Risks Identified)		
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C. JOINT VENTURE / STATE / CITY OF JOONDALUP		(4 Minor Risks Identified)		
Item	The Risk is...	Probability	Impact	Risk
C5	Lack of a clear process	L	M	MI
C8	Lack of project management/organisational structure (Link with C5)	L	M	MI
C9	Lack of a strategic agreement	L	L	MI
C11	Lack of dispute resolution mechanism (Link with C9)	L	L	MI

D. SITE / INFRASTRUCTURE		(4 Minor Risks Identified)		
Item	The Risk is...	Probability	Impact	Risk
D3	Water Corporation infrastructure	L	L	MI
D9	"Gap" between existing housing and marina	L	L	MI
D10	Condition and location of existing facilities	L	L	MI
D11	Maintaining operation of existing facilities during construction	M	L	MI

E. TIME / COST		(1 Minor Risk Identified)		
Item	The Risk is...	Probability	Impact	Risk
E8	Lack of commitment to define the project and move forward	L	L	MI

1.5 Workshop Outcomes

The key outcomes of the Workshop were:

- 56 risks were identified, of which 26 were deemed to be major risks requiring response strategies to be developed.
- The Workshop Objectives were achieved.

The key action from the Workshop was:

1. Present workshop outcomes in a risk report.
Action: CCG by 12 July 2005.