



Australian Government

Department of Education, Employment and Workplace Relations

LGAGOVA603B Develop a risk management strategy for council assets

Release 2

LGAGOVA603B Develop a risk management strategy for council assets

Modification History

LGAGOVA603B Release 2: Layout adjusted.

LGAGOVA603B Release 1: Primary release.

Unit Descriptor

This unit covers developing a risk management plan for council assets. It incorporates an assessment of all potential risks facing council assets and the development of strategies and plans to mitigate all risk situations through elimination, isolation or protection. It is appropriate for senior managers.

Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations within which councils must operate is essential. The unique nature of councils, as a tier of government directed by elected members and reflecting the needs of local communities, must be appropriately reflected.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a Unit of Competency

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1 Identify and analyse the risk of various levels of service	<p>1.1 Council's strategic position and policy on <i>risk management</i> are interpreted.</p> <p>1.2 <i>Council assets</i> are audited to identify risk management context and potential areas of risk.</p> <p>1.3 Risk potential is determined by assessment of <i>possible failure modes</i>.</p> <p>1.4 <i>Consequence of failure</i> is determined taking into account financial, technical, social and political factors.</p> <p>1.5 Risk cost to council is quantified taking into account both major and minor failures.</p> <p>1.6 <i>Acceptable risk level</i> is evaluated.</p>
2 Develop risk management plan	<p>2.1 Organisational capacity to reduce or control the likelihood of incidents and consequences is analysed.</p> <p>2.2 <i>Risk register</i> is developed incorporating a probability/consequence matrix.</p> <p>2.3 Risk management policies and activities are clearly documented and communicated to all relevant personnel.</p> <p>2.4 Liaison and communication structures are established with <i>relevant internal and external parties</i>.</p>
3 Implement risk management plan	<p>3.1 <i>Risks</i> are examined in terms of the criteria in the risk management plan.</p> <p>3.2 Risks classified as acceptable are placed on a monitor/review watch list.</p> <p>3.3 Risks that are unacceptable are eliminated wherever practicable.</p> <p>3.4 Risks that cannot be eliminated are minimised in accordance with the risk management plan.</p> <p>3.5 Strategies for risk minimisation are documented.</p>
4 Monitor risk management plan	<p>4.1 Procedures are implemented to review risk management activities regularly.</p> <p>4.2 Activities that do not achieve their objectives and performance outcomes are examined to determine cause.</p> <p>4.3 Incidents that occur that indicate a <i>near miss</i> are analysed and the risk management plan is reviewed.</p>

Required Skills and Knowledge

This describes the essential skills and knowledge and their level, required for this unit

Required Skills

- analytical
- evaluation
- decision making
- problem solving
- communication
- consultation

Required Knowledge

- insurance options to offset risks
- public liability
- occupational health and safety regulations
- local government political system
- possible social consequences
- environmental legislation and regulations
- quality management
- custodial responsibility
- legal liabilities
- risk management processes and techniques
- calculation of current risk cost
- relevant computer software applications
- strategic, tactical and operational plans of council
- disaster, emergency and evacuation plans
- organisational capacity to deal with incidents or events

Evidence Guide

Overview of assessment requirements

A person who demonstrates competency in this unit will be able to perform the outcomes described in the Elements to the required performance level detailed in the Performance Criteria. The knowledge and skill requirements described in the Range Statement must also be demonstrated. For example, knowledge of the legislative framework and safe work practices that underpin the performance of the unit are also required to be demonstrated.

Critical aspects of evidence to be considered

The demonstrated ability to:

- examine all factors systematically in identifying risk and determining the consequence of failure
- develop a risk management plan to eliminate, isolate and protect people and assets in the event of a potential negative event occurring
- monitor risk reduction activities and the implementation of failure management plans

Context of assessment

Competency is demonstrated by performance of all stated criteria, with particular attention to the critical aspects and the knowledge and skills elaborated in the Evidence Guide, and within the scope of the Range Statement.

Assessment must take account of the endorsed Assessment Guidelines in the Local Government Training Package.

Assessment of performance requirements in this unit should be undertaken in an actual workplace or simulated environment.

Assessment should reinforce the integration of the key competencies for the particular AQF level. Refer to the key competency levels at the end of this unit.

Relationship to other units(prerequisite or co-requisite units)

To enable holistic assessment this unit may be assessed with other units that form part of the job role.

Method of assessment

The following assessment methods are suggested:

- observation of the learner performing a range of workplace tasks over sufficient time to demonstrate handling of a range of contingencies
- written and/or oral questioning to assess knowledge and understanding
- completion of workplace documentation
- third-party reports from experienced practitioners
- completion of self-paced learning materials including personal reflection and feedback from trainer, coach or supervisor

Evidence required for demonstration of consistent performance

Evidence should be collected over a set period of time that is sufficient to include dealings with an appropriate range and variety of situations.

Resource implications

The learner and trainer should have access to appropriate documentation and resources normally used in the workplace.

Range Statement

The Range Statement relates to the Unit of Competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the Performance Criteria is detailed below.

- Risk management*** means:
- the process of identifying potential negative events and developing plans to minimise the likelihood of the negative event occurring and/or minimise the consequences should it occur
- Council assets*** may include:
- all non-current structures or items of plant or equipment that provide service potential or future economic benefit
 - roads
 - bridges
 - water supply systems
 - parks and gardens
 - drainage systems
 - sewerage systems
 - buildings
 - plant and equipment
- Possible failure modes*** may include:
- lack of capacity
 - inefficiency
 - obsolescence
 - level of service falling below acceptable levels
 - structural integrity (mortal failure)
 - redundancy (lack of utilisation)
 - operator errors
- Consequence of failure*** may include:
- loss of life
 - public and staff safety and risk (WorkCover and public liability)
 - damage to private property
 - effect on business
 - effect on essential services
 - damage to other utilities' property
 - political sensitivity to the organisation (statutory obligations)
 - disruption to traffic
 - disruption to public transport
 - inconvenience to the community
 - high repair costs
 - availability of repair materials
 - cost of providing the service while the asset is not functioning
 - number of people who will be affected by the failure

- loss through replacement instead of rehabilitation in case of total failure
 - damage to the environment
 - actual cost of the repair
 - multiplier effects on the community (effects on elderly, children and risk groups)
 - public image/public relations loss
- Acceptable level of risk** may be influenced by:
- profile of service
 - political impact
 - social impact
 - financial impact
- Risk register** refers to:
- a register of all identified risks and documentation of the strategies and plans in place to deal with any incident or event that occurs
- Risk management activities** may include:
- operate asset differently
 - maintain asset differently
 - operator training
 - demand management
- Relevant internal and external parties** may include:
- insurers
 - management
 - service purchasers
 - service providers
- Risks** may include:
- occupational health and safety
 - environmental
 - service failure
 - financial or economic loss
 - failure or damage to property and equipment
 - industrial disputation
 - professional incompetence
 - natural disasters
 - security failure
 - system failures
 - political events
- Near miss** may include:
- an event or incident which, in other circumstances, may have resulted in an injury to a person, damage to property or some other negative impact on the council or community

Unit Sector(s)

Administration Units