



Interagency Risk

Guidance for managing risks that involve multiple agencies



East Gippsland Water: Case Studies in Interagency Risk

Small but mighty

For Tony Smith, Manager Business Risk at East Gippsland Water, interagency risk is about the interactions they have with other government agencies. In this case study we look at three strategies he uses to build relationships and focus attention on what needs to be done as part of day-to-day business.

“ We always ask—What are the agencies we need to interact with? What is the nature of the interaction? Does that pose a risk in either direction? And then it's about engaging with the agencies who are operating in that space.

Reduce the uncertainty

Risk is about uncertainty—about what might happen and how it might affect the agency or the people you provide services to. Otherwise it's not a risk, says Tony Smith.

“ Think of the risk bow-tie diagram with preparedness activities on one side, response activities on the other and the event in the middle. The more that you can act on both of those sides to reduce uncertainty the easier life's going to be.

Often we feel disempowered by uncertainty. But interagency risk is a type of risk where agencies do have some power to influence what will happen, reducing, or even eliminating, uncertainty about the outcome.

East Gippsland Water's interaction with the Office of the Victorian Information Commissioner is a great example of how an agency can do this.

In this case, OVIC requires all agencies to submit their first Protective Data Security Plan for the new Victorian Protective Data Security Standards by August 2018.

Tony was keen to engage early with OVIC in order to clearly understand the VPDSS requirements, ensure East Gippsland Water developed a useful Protective Data Security Plan, and reduce compliance risk.

This approach meant that East Gippsland Water has been involved from very early in the process when it responded to OVIC's draft protocols. Since then it has established a strong relationship with OVIC, where they are able to discuss challenges, point out risks to implementation, test scenarios and propose process improvements.

By engaging quickly and providing feedback, East Gippsland Water has removed a great deal of the uncertainty about the actions it needed to take to comply with the new standards.

“ When you get asked your opinion on a potential change, and you can influence the outcome, you know you are on the right track. So, engaging early is part of our model process.

Top tips

1. Start early
2. Cultivate a relationship of trust (and maintain it)
3. Provide constructive feedback
4. Propose solutions

Use your influence

East Gippsland Water, like many other Victorian water corporations, is required to maintain heritage sites on behalf of the State Government. This can create large maintenance bills for 'non-core' services and, in some cases, present a risk of injury or death to people if something goes wrong.

“ If you are a small agency dealing with a big risk, then getting the right people from the larger partners on board can be critical to being able to manage it.



As Tony Smith noted, other water corporations face similar risks, but each acting on their own might find it hard to influence the outcomes in any interagency collaboration.

East Gippsland Water took the initiative, using its influence to have an interagency working group established, made up of Victoria's water corporations and DELWP. DELWP has taken on the role of facilitating the group, which will work to understand the risk, and then map and engage other stakeholders, such as Heritage Victoria and local heritage organisations to achieve heritage outcomes and manage risks.

“ You have to collaborate, but you've got to be prepared to lead the push to get things done.

Top tips

1. Be prepared to take the lead
2. Create coalitions of common interest
3. Ask your parent agency to use their influence
4. Share your knowledge about what works
5. Be open to alternative ways and models

Create opportunities

East Gippsland Water has a strategy for mitigating and adapting to climate change. The seriousness of the problem and the size of the effort is daunting so it's easy to become focussed on negative risk.

But as Tony points out, “every risk assessment is about the upside and the downside”. And it's through their interagency discussions with their regional catchment management authority that they have been able to identify opportunity risks for collaborating on mitigation and adaptation activities.

Interagency risk necessarily involves collaboration, which brings with it an influx of new ideas, new perspectives and new information. It can also completely change the cost-benefit analysis in a way that favours all the agencies involved.

“ The opportunity risks are just as important to us—of the 14 strategic risks on our register four are opportunities.

Top tips

1. Keep interagency risk on the agenda in all your multi-agency forums
2. Don't forget opportunity risk—uncertainty can be resolved as a beneficial outcome as well
3. Make sure you report on opportunity risks as well as the threat risks to your board and your department

What stands out about East Gippsland Water's approach

East Gippsland Water is highly aware of the web of interactions and interdependencies that it operates in and works hard to cultivate relationships. Its approach is analytical and pragmatic, informed by its experience of emergency management.

In this context, interagency risk management is a conceptual framework that guides what the agency does in its day-to-day business. It helps East Gippsland Water start necessary discussions with other agencies and take the lead where appropriate. It's an effective approach that is helping East Gippsland Water meet the requirements of the Victorian Government Risk Management Framework.

For further information

E: contact@vmia.vic.gov.au

T: (03) 9270 6990

W: www.vmia.vic.gov.au

