

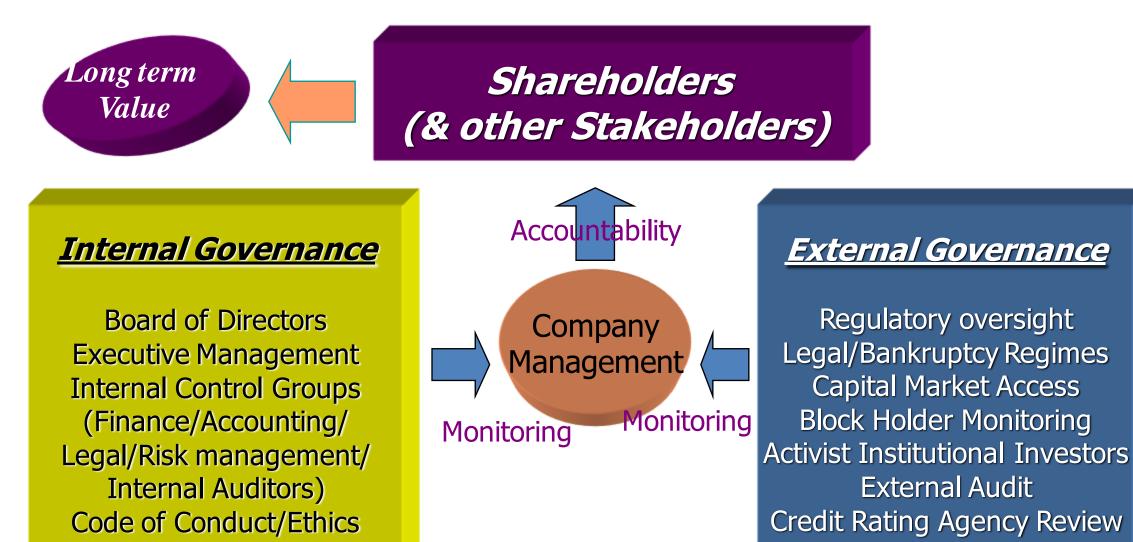
Governance & Risk Management A Strategic Approach



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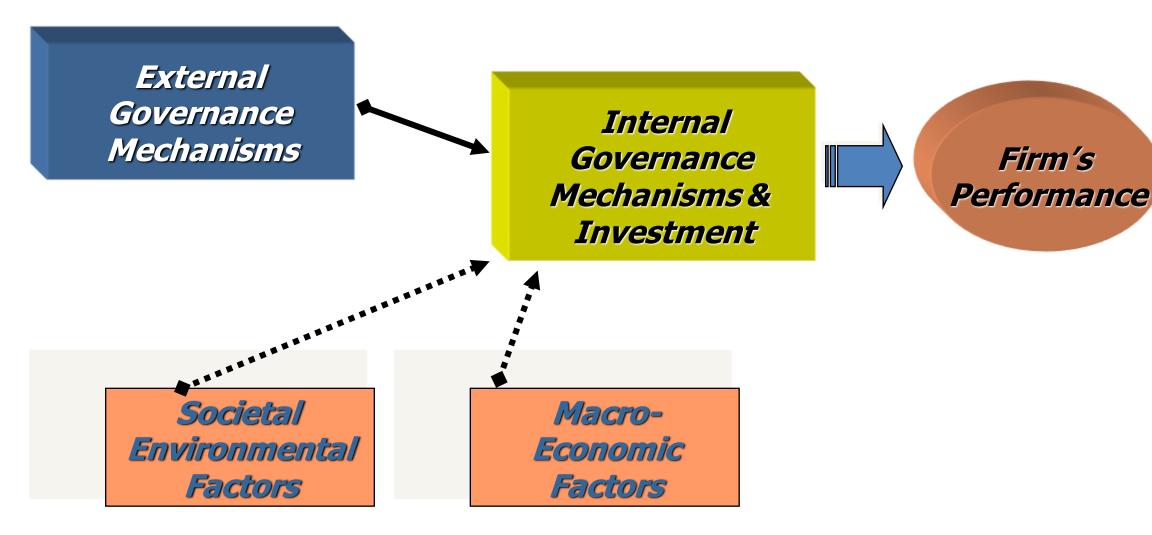


Internal & External Governance (senso stricto) Mechanisms

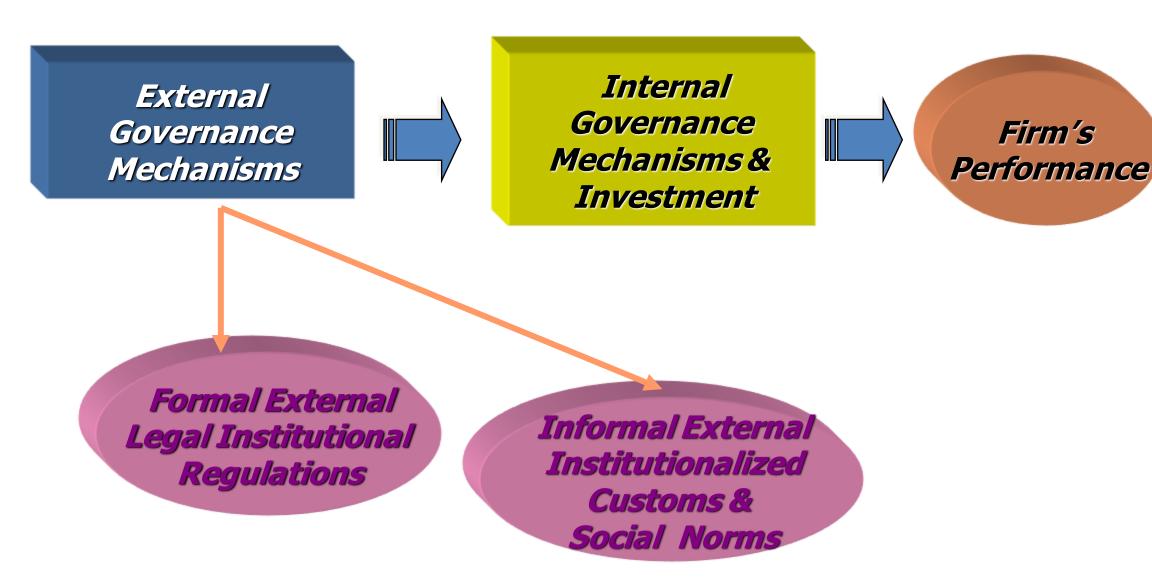


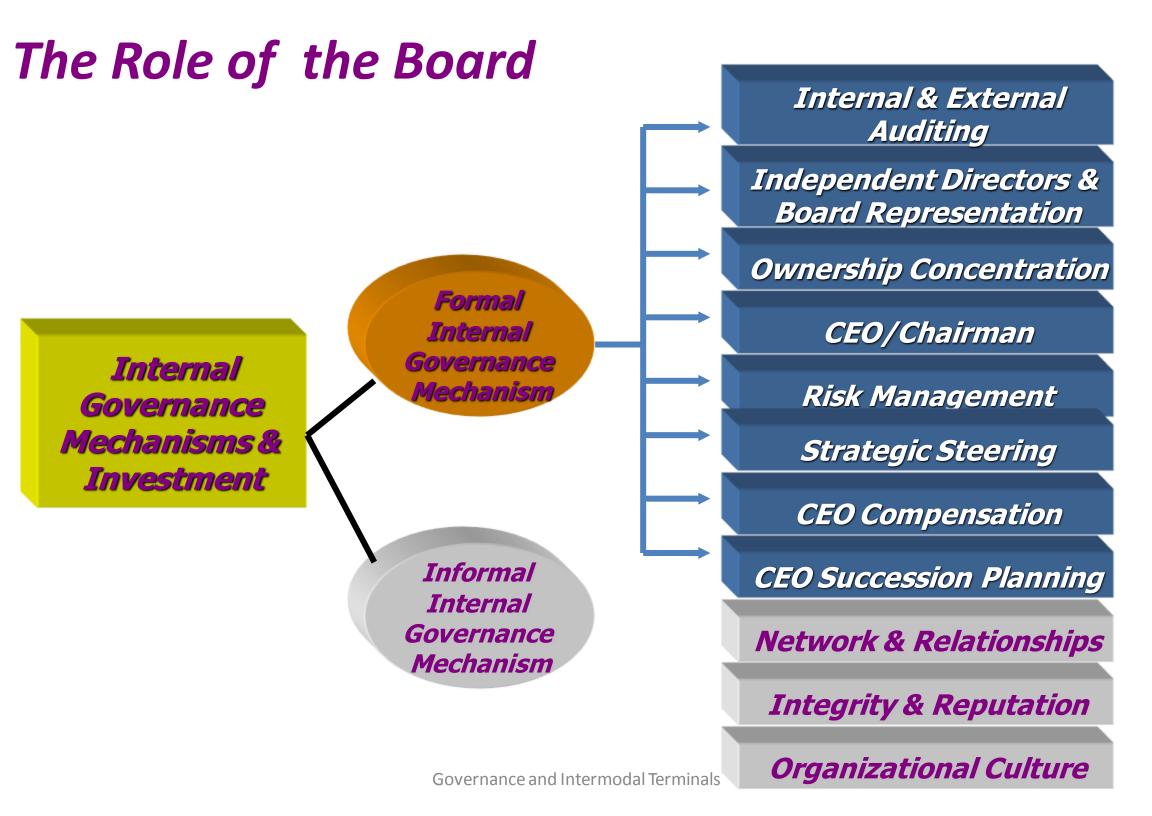
Source: BANKS, E., Corporate Governance, 2004

Governance



Governance

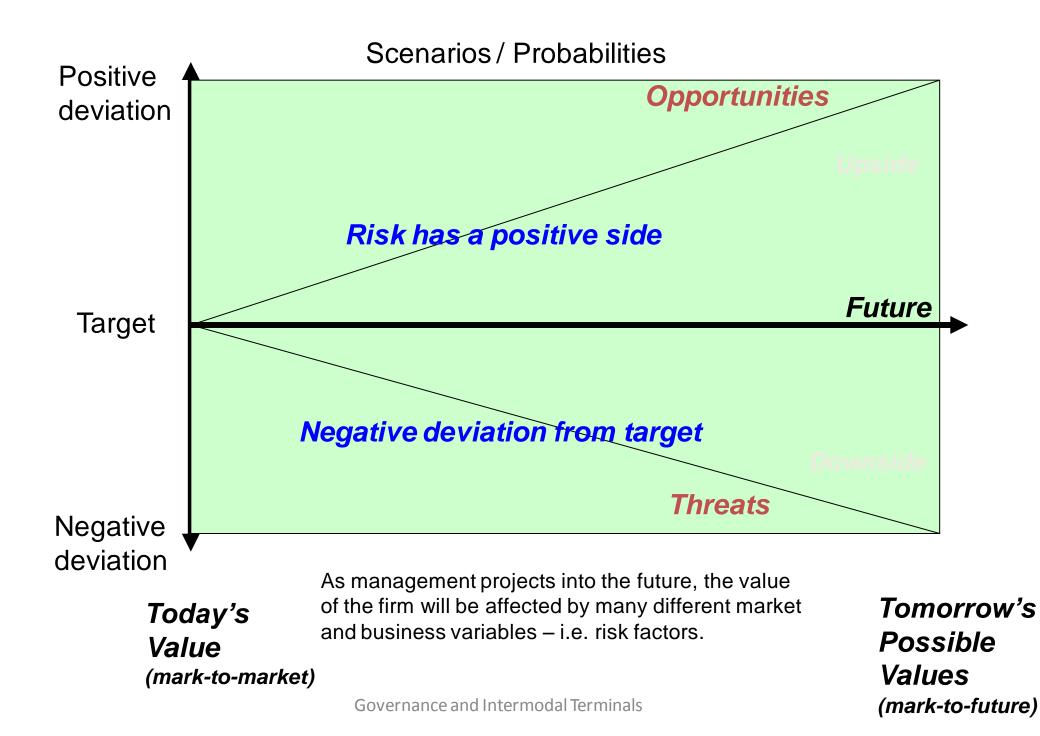


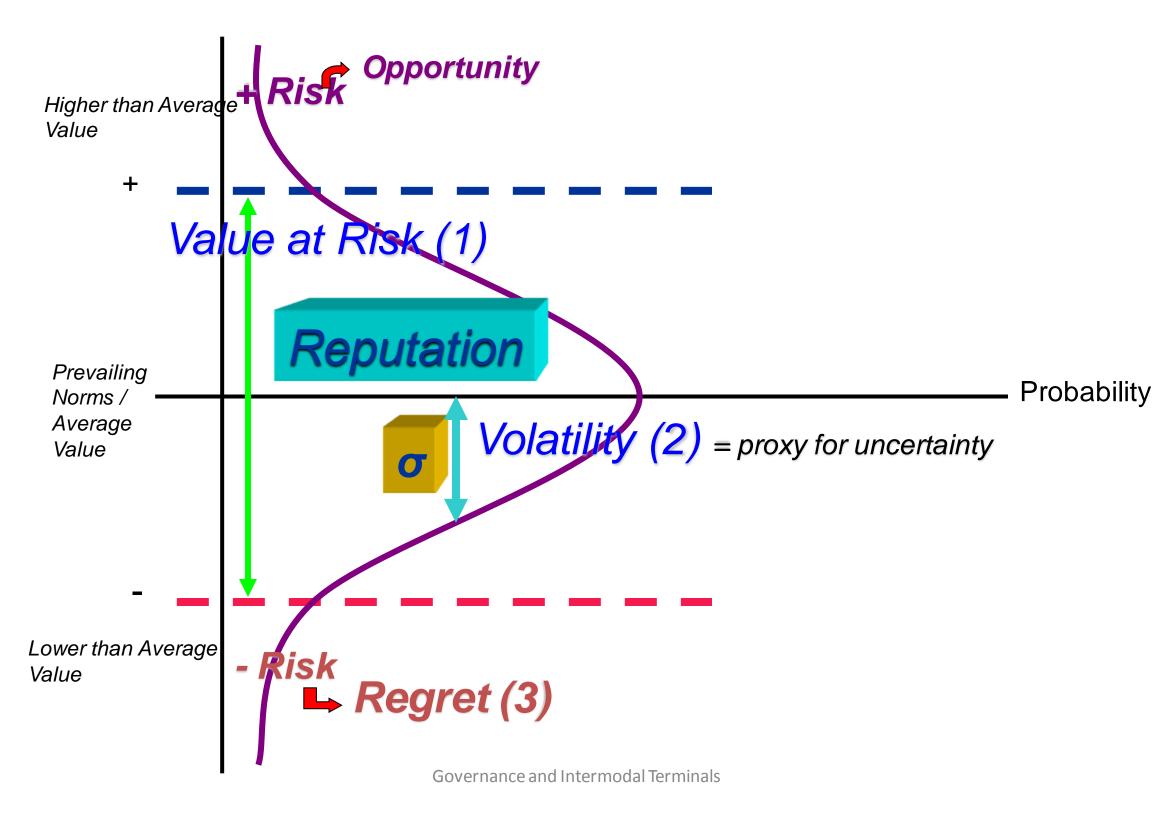


10 ASX Principles of Governance

- 1. Lay solid foundations for management and oversight
- 2. Structure the board to add value
- 3. Promote ethical and responsible decision-making
- 4. Safeguard integrity in financial reporting
- 5. Make timely and balanced disclosure
- 6. Respect the rights of shareholders
- 7. Recognize and manage risk
- 8. Encourage enhanced performance
- 9. Remunerate fairly and responsibly
- **10.** Recognize the legitimate interests of stakeholders

Integrating Governance & Strategy: A Risk perspective





Some Risk Benchmarking WorldWide

Which are the areas of risk that represent the greatest potential threat to your organization's market value and earnings? (% of respondents rating as top area of focus; rank in brackets)

		Market Value	Earnings
•	Reputational risk	34% (1) ``	22% (6)
•	Credit risk	25% (2)	37% (1)
•	Market risk	25% (3)	31% (2)
•	Regulatory risk	18% (4)	25% (3)
•	Business/Strategic risk	16% (5)	23% (4=)
•	Operational risk	14% (6)	23% (4=)
•	Business continuity risk	13% (7=)	13% (8=)
•	IT/Technology risk	13% (7=)	8% (10=)
•	Treasure/Liquidity risk	10% (9)	19% (6)
•	Governance risk	7% (10=)	13% (8=)
•	Sovereign / political risk	7% (10=)	8% (10=)

Source: PriceWaterhouseCoopers & Economist Intelligence Unit survey June-July 2004

Internal Processes (Internal Factors)

Financial

- 1. Liquidity Risk
- 2. Credit Risk
 - 1. Default
 - 2. Exposure
 - 3. Recovery
 - 4. Counterparty
- 3. Borrowing Risk
- 4. Currency Risk
- 5. Funding Risk
 - 1. Country Risk
 - 2. Environment Risk
- 6. Derivatives

Operational (Class)			
1. Str	Strategy (Element)		
1	. Objectives (Attribute)		
2	. Business plan		
3	. New business development		
	. Resources		
5	. Stakeholder interests		
	. Corporate experience		
	. Reputation		
2. Pe	People		
1	. HR management practices		
	. Salaries		
3	. Regulatory & Statutory req		
	. Staff constraints		
	. Staff dishonesty		
6	. Risk management system		
	. Health and safety		
	ocesses & Systems		
	. Controls		
	. Regulatory & Statutory req		
	. Continuity		
	. Indicators of loss		
	. Transactions		
6	. Computer/IT system		
	Knowledge management		
_	Project management		
	External events		
1	. Change management		

- 2. Business continuity
- 5. Outsourcing

Technological

- 1. Information Technology
 - 1. Software
 - 2. MIS
 - 3. Intranet & Extranet
 - 4. Telematics
 - 5. Information assets
- 2. Communication
 - 1. Broadband
 - 2. Video-conferencing
 - 3. E-commerce
 - 4. E-mail
- 3. Control Technology
- 4. IT Governance
- 5. Investment
- 6. IT Projects

Economic

- 1. Macro-economics
- 2. Micro-economics
- 3. Government Policy
- 4. Aggregate Demand
- 5. Aggregate Supply
- 6. Employment levels
- 7. Inflation
- 8. Interest rate
- 9. House prices
- 10. International trade & protection
- 11. Currency risk

Political

- 1. Contracts
- 2. Transition economies
- 3. Pressure groups / NGOs
- 4. Terrorism & Blackmail
- 5. Indonesian government fiscal policies

Environmental

- 1. Energy sources
- 2. Use of resources
- 3. Pollution
- 4. Global warming
- 5. Levies / Emission controls
- 6. Environmental sustainability

Market

- 1. Market structure
 - 1. Number of firms
 - 2. Barriers to entry
 - 3. New entrants
 - 4. Homogeneous goods
 - 5. Knowledge
 - 6. Relationships
- 2. Product lifecycle stage
- 3. Alternative strategic directions
- 4. Acquisition
- 5. Game theory
- 6. Price elasticity
- 7. Distribution strength

Legal

- 1. Companies
- 2. Intellectual Property
- 3. Employment law
- 4. Contracts
- 5. Criminal liability
- 6. Judicial enforcement
- 7. Computer misuse
- 8. Piracy

Social

- 1. Education
 - 1. General level
 - 2. Language skills
- 2. Population movements
 - 1. Location
 - 2. Age mix
 - 3. Pensions
 - 4. Grey market
- 3. Socio-economic patterns
- 4. Crime
 - 1. Business vulnerability
 - 2. Staff relocation
- 5. Lifestyles
- 6. Social attitudes

Integrating Governance & Risk Management into an efficient Intermodel Terminal

Intermodal Terminals

The Victorian Government is committed to ensuring that a high quality, high capacity, well connected, flexible and sustainable freight network exists in Victoria – a network that supports the operation of a highly competitive freight industry that meets the challenges of growth, while maintaining Victoria's liveability

Intermodal Terminals

Efficiency
Capacity
Sustainability

Thank you