

Public Transport Risks (Quantate)

Quarterly Risk Report 30 September 2014

Overall ranking by residual score	Risk ID	Risk Category	Description	Inherent Risk Classification before controls	Controls	Residual Risk Classification after controls	Risk Owner	Action / status change since last quarterly review
2	63	<ul style="list-style-type: none"> Financial Political 	Unnecessary costs or delays incurred as a result of poor Public Transport procurement decisions (including PTOM contracts)	Medium Risk	<p>Engage an independent Probity Auditor for all major contracts</p> <p>Ensure all procurement processes have access to staff with an appropriate level of training</p> <p>Ensure documented processes conform to Office of Auditor Generals Guidelines and NZ Transport Agency requirements</p> <p>Internal peer review</p> <p>Seek appropriate legal advice as required</p>	Medium Risk	Wayne Hastle	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Continued to engage with the industry and NZTA on the Public Transport Operating Model (PTOM) which will change the way we contract for bus and rail services Worked with external advisors in developing best practice PTOM contracts Sought expressions of interest from the market for the rail operations and maintenance contract Reviewed this risk - no change in status
3	106	<ul style="list-style-type: none"> Services are severely curtailed Physical harm to the general public Political Financial 	Failure of KiwiRail network assets or operations causing serious injury	High Risk	<p>GWRC ensures that KiwiRail has a robust network management plan that:</p> <ul style="list-style-type: none"> focuses funded renewal activities on critical components of the network provides for infrastructure maintenance, monitoring and inspections <p>GWRC ensures that KiwiRail has an emergency response plan that:</p> <ul style="list-style-type: none"> provides for efficient bus replacements provides for effective customer communications in the event of a failure <p>Maintain strong relationships with the rail operator, including regular meetings and reporting against a clear set of performance targets</p>	High Risk	Angus Gabara	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with Kiwirail, the network owners, including regular meetings & health and safety reporting Continued to closely monitor operational activities across the rail system to ensure that safety, quality standards and reliability of information are maintained by the network owners Reviewed this risk - residual classification changed from medium to high <p>[This risk was previously combined with risk 115]</p>
6	107	<ul style="list-style-type: none"> Services are severely curtailed Political 	Contracted rail services fail to meet acceptable levels of service, reliability and/or quality targets	High Risk	<p>GWRC ensures that the rail operator has an emergency response plan that:</p> <ul style="list-style-type: none"> provides for efficient bus replacements provides for effective customer communications in the event of a service disruption <p>Maintain strong relationships with the rail operator, including regular meetings and reporting against a clear set of performance targets, including health and safety</p>	Medium Risk	Angus Gabara	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with operators, including regular meetings & performance reporting Continued reviewing timetable performance making use of data available from the Real Time Information system Continue to ensure that safety, quality standards and reliability of information are maintained by the operators Reviewed this risk - no change in status

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7	51	<ul style="list-style-type: none"> Services are severely curtailed Political 	Contracted bus services fail to meet acceptable levels of service reliability and/or quality targets due to reasons within the control of the bus operator	High Risk	<p>Department Business Continuity Plans</p> <p>Disaster Recovery Plan</p> <p>Enforceable Contracts with suppliers</p> <p>Ensure bus operators have an operational plan for managing minimum service levels in the event of prolonged industrial action</p> <p>Ensure bus operators have appropriate health and safety procedures and reporting</p> <p>Ensure bus operators have maintenance programmes that ensure ongoing assessment of compliance, as well as suitable preventative maintenance programmes</p> <p>Ensure that contingency plans are considered at the first sign of pending insolvency</p> <p>Maintain strong relationships with bus operators including regular meetings and reporting on performance</p>	Medium Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with operators, including regular meetings & performance reporting Continued the rolling programme of timetable improvements making use of data available from the Real Time Information system Continued the programme of operational audits to ensure that safety, quality standards and reliability of information are maintained by the operators Reviewed this risk - no change in status
9	108	<ul style="list-style-type: none"> Services are severely curtailed Political Projects Financial 	The Matangi 2 and Matangi 1 retrofit project fails to deliver trains of the required quality, on time and within budget	Very High Risk	<p>Ensure strong project management over the project, including:</p> <ul style="list-style-type: none"> - steering committee - appropriate project structure - project risk reporting - financial reporting - expert independent advice - on site inspection prior to acceptance - regular project meetings with suppliers - documentation requests linked to progress payments - performance bonds - appropriate contract provisions including liquidated damages - formalised sign off procedure - appropriate contingency in budget - appropriately experienced project manager & team 	Medium Risk	Angus Gabara	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with the train manufacturers, consultants and operators, including regular contract meetings & performance reporting Continued the programme of regular visits to the manufacturer's factory, design facility and head office, to review and discuss design development, manufacturing progress and quality standards. Continued an independent project audit programme Worked with KiwiRail regarding hardware retrofit productivity and considered alternative suppliers Reviewed this risk - no change in status
11	80	<ul style="list-style-type: none"> Services are severely curtailed 	Bus, ferry or rail services suffer major disruption caused by severe weather	Medium Risk	<p>Appropriate insurance arrangements put in place</p> <p>Appropriate plans in place with Civil Defence</p> <p>Appropriate preventative maintenance plans put in place on Rail network</p> <p>Asset management plans in place</p> <p>Department Business Continuity Plans</p> <p>Ensure operators have an emergency response and communications plan for management of weather events</p>	Medium Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Continued to refine communication methods for internal and external notice of disruptions Maintained strong communication lines with operators Continued an extensive review of business continuity planning and internal standard operating procedures for managing disruptions Reviewed this risk - residual classification changed from low to medium

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12	114	<ul style="list-style-type: none"> Projects 	Delivery of the Regional Public Transport Plan (RPTP) put at risk due to delay or cancellation of one or more interrelated projects	Very High Risk	<p>Co-ordinated project management</p> <p>Strong project management</p> <p>Appropriate external assistance</p> <p>Appropriate project governance</p> <p>GWRC ensures that KiwiRail has a robust emergency response plan that:</p> <ul style="list-style-type: none"> - provides for efficient bus replacements - provides for effective customer communications in the event of a failure <p>GWRC ensures that KiwiRail has a robust network management plan that:</p> <ul style="list-style-type: none"> - focuses funded renewal activities on critical components of the network - provides for infrastructure maintenance, monitoring and inspections <p>Maintain strong relationships with the rail operator, including regular meetings and reporting against a clear set of performance targets</p>	Medium Risk	Wayne Hastie	In the quarter GWRC has: <ul style="list-style-type: none"> Identified this risk
17	115	<ul style="list-style-type: none"> Services are severely curtailed Loss, failure or damage to assets Financial Political 	Failure of KiwiRail network assets or operations causing damage to GWRL assets or cancellation of multiple services	High Risk	<p>GWRC ensures that GWRL owned rail infrastructure assets are regularly maintained to a safe standard in accordance with the Asset Management Plan</p> <p>GWRC ensures that the rolling stock maintenance provider maintains high standards of rolling stock maintenance</p> <p>GWRC ensures that the rolling stock maintenance provider responds quickly to asset failure issues and determines the root cause of any failure</p> <p>GWRC ensures that there is a robust fault reporting and causality analysis system (FRACAS) process in place for all rolling stock</p> <p>GWRC to brief contractors on safety obligations once awarded contracts</p> <p>GWRC to bring safety obligations in the contract to the attention of contractors</p> <p>GWRC to monitor contractors safety practices</p> <p>GWRC to only award contracts to contractors with relevant rail experience</p>	Medium Risk	Angus Gabara	In the quarter GWRC has: <ul style="list-style-type: none"> Maintained strong relationships with operators, maintainers and network owners including regular meetings & performance reporting Continued to closely monitor operational activities across the rail system to ensure that safety, quality standards and reliability of information are maintained by the operators, maintainers and network owners Reviewed this risk - no change in status <p>[This risk was previously combined with risk 106]</p>
18	60	<ul style="list-style-type: none"> Physical harm to the general public Health and safety of staff, contractors and volunteers Loss, failure or damage to assets Political 	Failure of GWRL rail asset causing serious injury	High Risk	<p>GWRC ensures that GWRL owned rail infrastructure assets are regularly maintained to a safe standard in accordance with the Asset Management Plan</p> <p>GWRC ensures that the rolling stock maintenance provider maintains high standards of rolling stock maintenance</p> <p>GWRC ensures that the rolling stock maintenance provider responds quickly to asset failure issues and determines the root cause of any failure</p> <p>GWRC ensures that there is a robust fault reporting and causality analysis system (FRACAS) process in place for all rolling stock</p> <p>GWRC to brief contractors on safety obligations once awarded contracts</p> <p>GWRC to bring safety obligations in the contract to the attention of contractors</p> <p>GWRC to monitor contractors safety practices</p> <p>GWRC to only award contracts to contractors with relevant rail experience</p>	Medium Risk	Barry Fryer	In the quarter GWRC has: <ul style="list-style-type: none"> Maintained strong relationships with operators, maintainers and network owners including regular meetings & health and safety reporting Continued to closely monitor operational activities across the rail system to ensure that safety, quality standards and reliability of information are maintained by the operators, maintainers and network owners Reviewed this risk - no change in status

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24	113	<ul style="list-style-type: none"> Services are severely curtailed Physical harm to the general public Political Financial 	Failure of Wellington Cable Car Ltd's (WCCL) asset causes serious injury or cancellation of multiple services	High Risk	<p>GWRC ensures that WCCL maintains and inspects the network and replaces capex</p> <p>Maintain strong relationships with WCCL, including regular meetings and reporting on assets</p>	Medium Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with WCCL, the network owners, including regular meetings & health and safety reporting Approved capital works required for the safe operation of the trolley bus overhead network based on business cases provided by WCCL Continued to monitor operational activities across the trolley bus overhead network to ensure that safety, quality standards and reliability of information are maintained by the network owners Identified this risk
25	59	<ul style="list-style-type: none"> Services are severely curtailed Loss, failure or damage to assets Political 	Rolling stock unable to meet passenger demand due to multiple vehicles not being operational	High Risk	<p>Ensure maintenance inspection regimes are followed</p> <p>Extensive design review, testing/acceptance and quality control processes to ensure compliance with train specifications</p> <p>GWRC ensures that maintainer effectively manages fleet failure modes and issues through FRACAS process, and ensures GWRC maintains full visibility of this</p> <p>Maintain a technical support contract with the supplier</p> <p>Maintain close working relationships with train supply and operational and maintenance contractors</p>	Medium Risk	Barry Fryer	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Been actively involved in FRACAS and technical support contract Closely managed Matangi 2 and Matangi 1 retrofit compliance Reviewed this risk - no change in status
26	91	<ul style="list-style-type: none"> Financial 	Driver or client misuse of Total Mobility scheme	Medium Risk	<p>Enforceable contracts with suppliers</p> <p>Ensure contractual and system controls are in place, that allow for monitoring and recovery of fraudulent transactions</p> <p>Ensure client terms and conditions are in place, that allow for monitoring and recovery of fraudulent transactions</p>	Medium Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Continued to investigate potential fraud Reviewed fraud policy and procedures for the scheme Reviewed this risk - residual classification changed from low to medium
33	67	<ul style="list-style-type: none"> Financial 	The cost of contracted bus services significantly exceeds the budget due to unforecast changes in the diesel bus contract index	Low Risk	<p>Amend bus operator contracts to include the new NZTA inflation index and the new fare recovery provision</p> <p>Maintain and use a reserve fund to mitigate bus contract cost fluctuations over time</p> <p>Monitor the oil price and exchange rate and undertake hedge if considered necessary</p>	Low Risk	Kerry Saywell	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Monitored the oil price and exchange rate Used up-to-date exchange rates and oil prices in draft 2015/16 budget estimates Reviewed this risk - no change in status
39	94	<ul style="list-style-type: none"> Political Legislative & regulatory 	Failure to meet regulatory obligations or statutory requirements relating to Public Transport	High Risk	<p>Ensure contracts bring safety and statutory obligations to the attention of contractors</p> <p>External & Internal Audit</p> <p>External legal review and advice</p> <p>Peer Review</p>	Low Risk	Wayne Hastie	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Reviewed this risk - no change in status

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42	82	<ul style="list-style-type: none"> Services are severely curtailed 	Contracted ferry services fail to meet acceptable levels of service reliability and/or quality targets due to reasons within the control of the ferry operator	Medium Risk	<p>Department Business Continuity Plans</p> <p>Ensure that contingency plans are considered at the first sign of pending insolvency</p> <p>Disaster Recovery Plan</p> <p>Enforceable contracts with suppliers</p> <p>Ensure ferry operators have maintenance programmes that ensure ongoing assessment of compliance requirements, as well as suitable preventative maintenance programmes</p> <p>Ensure that ferry operators have an operational plan for managing minimum service levels in the event of prolonged industrial action</p> <p>Maintain strong relationships with the ferry operator, including regular meetings and reporting on performance</p>	Low Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained a strong relationship with the operator, including regular meetings & performance reporting Continued the programme of operational audit to ensure that safety, quality standards and reliability of information are maintained by the operator Reviewed this risk - inherent classification changed from low to medium
50	90	<ul style="list-style-type: none"> Services are severely curtailed 	Ferry infrastructure found to no longer be fit for purpose, therefore unable to provide service	Low Risk	<p>External & Internal Audit</p> <p>Ensure systems in place for facility audit on a regular basis</p>	Low Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Reviewed this risk - no change in status
55	79	<ul style="list-style-type: none"> Physical harm to the general public Health and safety of staff, contractors and volunteers 	Failure of council bus stop assets causes serious injury	Low Risk	<p>GWRC ensures its contracted maintenance provider maintains the bus stop assets to the appropriate standards</p> <p>GWRC ensures that an annual bus stop asset condition inspection occurs</p> <p>GWRC ensures that its contracted maintenance provider responds quickly to asset failure issues and determines the root of any failure</p> <p>GWRC ensures that there is a robust fault reporting process in place for all bus stop assets</p> <p>GWRC undertakes regular sample inspections of its contracted maintenance provider to ensure the bus stop assets are being maintained to the appropriate standard</p>	Low Risk	Rhona Hewitt	<p>In the quarter GWRC has:</p> <ul style="list-style-type: none"> Maintained strong relationships with maintainers, including regular meetings & performance reporting Continued to monitor contractor's work to identify areas of improvement Reviewed this risk - no change in status