

Attachment 3 – Risk Management for Public Transport

Public Transport Risk Report (Quantate)								
31 December 2016								
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
1	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 network operations causes damage to GWRL assets or cancellation of multiple services	High Risk	<p>GW 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 includes a separate set of operational parameters relating to earthquake magnitudes and readings from network based ground acceleration sensors <p>GW 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 network owner and the rail operator, including regular meetings and reporting against a clear set of performance targets</p> <p>GW partners an application to the Crown (via MoT) for additional funding for 'catch up renewals' for network infrastructure</p> <p>GW participates in Metro Operating Model review led by MoT & Treasury</p>	High Risk	Barry Fryer	<p>In the quarter GW has:</p> <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 Worked with KiwiRail to improve Network Asset Management Plan Provided support to obtain additional deferred renewal funding from MoT to continue face renewal of the overhead traction system on the Hutt Line Reviewed this risk - no change in status

3	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 programme management</p> <p>Appropriate programme resources identified & engaged as required</p> <p>Appropriate external assistance</p> <p>Appropriate project governance</p> <p>Maintain strong relationships with WCC & NZTA</p>	Medium Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> Continued to utilise the Public Transport Transformation Programme to manage the key large Public Transport Projects, establishing clear accountabilities, structures and reporting arrangements across GWRC, NZTA, WCC and other parties Reviewed this risk - no change in status
4	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>Ensure documented processes conform to Office of Auditor General's Guidelines and NZ Transport Agency requirements</p> <p>Engage an independent Probity Auditor for all major contracts</p> <p>Internal peer review</p> <p>Ensure all procurement processes have access to staff with an appropriate level of training</p> <p>Seek appropriate legal advice as required</p> <p>Engage a Probity Advisor</p> <p>Engagement of legal and procurement staff</p> <p>Overview by NZTA</p> <p>Projects managed by a separate programme management group with appropriate levels of skills and training</p>	Medium Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> Utilised the Public Transport Transformation Programme to provide ongoing governance and support for the PTOM projects 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 advisers in developing best practice PTOM contracts Reviewed this risk - no change in status
9	106	<ul style="list-style-type: none"> Services are severely curtailed Physical harm to the general public Political 	Failure of KiwiRail network or third party assets, or network operations causes serious injury	High Risk	<p>GW 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>GW ensures that KiwiRail has an emergency response plan with the network owner and operator</p> <p>Maintain strong relationships with the network operator, including regular meetings and reporting against a clear set of performance targets</p> <p>GW ensures that KiwiRail has a safety plan and current safety case</p> <p>GW partners application to the crown (via MoT) for additional funding for 'catch up renewals' for network infrastructure</p>	High Risk	Barry Fryer	<p>In the quarter GW 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 - no change in status

10	118	<ul style="list-style-type: none"> • Health and safety of staff, contractors and volunteers 	Unsafe work practices, medical event, or error by one of our contractors or public transport operators causes serious injury	High Risk	<p>GW ensures that:</p> <ul style="list-style-type: none"> - appropriate health and safety clauses are included in contracts, including health and safety plans and reporting - health and safety is adequately funded - audits, monitoring and site inspections take place - SPAD management plan is in place - development of a pathway to implement ETCS - additional train stops installed - simulator 	High Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Participated in a Health and Safety audit being completed by one of our contractors • Programmed operator health and safety audits • Reviewed this risk - no change in status
11	130	<ul style="list-style-type: none"> • Services are severely curtailed • Financial • Political 	Timetabled services and public transport facilities are insufficient to meet demand from customers	High Risk	<p>Ongoing major and minor timetable reviews/enhancements</p> <p>Rail contractual provisions requiring the operator to adjust consist size to meet demand</p> <p>Development of plans for future services (Regional Rail Plan RS1)</p> <p>Control of fares to ensure imbalances don't occur that put unnecessary stress on the public transport system</p> <p>Targeted bus services to relieve Park & Ride congestion</p> <p>Inform customers of capacity and constraints, communicating expectation in levels of service</p>	Medium Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Reviewed this risk - no change in status
12	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>Enforceable Contracts with suppliers</p> <p>Department Business Continuity Plans</p> <p>Disaster Recovery Plan</p> <p>Maintain strong relationships with bus operators including regular meetings and reporting on performance</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 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>Ensure bus operators have appropriate health and safety procedures and reporting</p> <p>Move to performance based contracts that promote compliance with performance targets</p>	Medium Risk	Angus Gabara	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Used Real Time Information (RTI) to monitor performance • Maintained strong relationships with operators, including regular meetings & performance reporting • Reviewed this risk - no change in status

13	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>GW 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> <p>New performance based operating and maintenance contract</p>	Medium Risk	Barry Fryer	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Developed new performance based contracts • Maintained strong relationships with operators, including regular meetings & performance reporting • Continued reviewing timetable performance using data available from the Real Time Information system • Continued to ensure that safety, quality standards and reliability of information are maintained by the operators • Reviewed this risk - no change in status
14	80	<ul style="list-style-type: none"> • Services are severely curtailed 	Bus, ferry or rail services suffer major disruption caused by severe weather or adverse environmental conditions	Medium Risk	<p>Department Business Continuity Plans</p> <p>Ensure operators have an emergency response and communications plan for management of weather events.</p> <p>Appropriate insurance arrangements put in place</p> <p>Appropriate plans in place with Civil Defence Emergency Management</p> <p>Appropriate preventative maintenance plans put in place on Rail network</p> <p>Asset management plans in place</p> <p>Dedicated rail CCTV monitoring centre (RMC)</p> <p>GW is part of the Regional Transport Response Team (RTRT), along with NZTA, Police, WCC</p> <p>GW staff undergoing CIMS training</p>	Medium Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Continued to ensure communication methods for internal and external notice of disruptions remain valid • Maintained strong communication lines with operators • Reviewed this risk - no change in status

17	60	<ul style="list-style-type: none"> • Physical harm to the general public • Health and safety of staff, contractors and volunteers • Political 	Failure of GWRL rail asset causes serious injury	High Risk	<p>GW ensures that the rolling stock maintenance provider maintains high standards of rolling stock maintenance</p> <p>GW ensures that the rolling stock maintenance provider responds quickly to asset failure issues and determines the root cause of any failure</p> <p>GW ensures that there is a robust fault reporting and causality analysis system (FRACAS) process in place for all rolling stock</p> <p>GW ensures that GWRL owned rail infrastructure assets are regularly inspected and maintained to a safe standard in accordance with the Asset Management Plan</p> <p>GW to brief contractors on safety obligations once awarded contracts</p> <p>GW to bring safety obligations in the contract to the attention of contractors</p> <p>GW to monitor contractors safety practices</p> <p>GW to only award contracts to contractors with relevant rail experience</p> <p>GW restricts access to identified unsafe assets</p> <p>GW maintains an Asbestos Register and has an appropriate asset management plan in place to deal with asbestos issues</p>	Medium Risk	Barry Fryer	<p>In the quarter GW has:</p> <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 • Undertaken seismic assessments of foot bridges and subways • Worked to determine the best means of addressing a number of non-conformances following the seismic assessment • Reviewed this risk - no change in status
20	124	<ul style="list-style-type: none"> • Financial • Political 	Patronage remains static or falls due to transition to new fare structures and fare products	High Risk	<p>Appropriate project management in place</p> <ul style="list-style-type: none"> - risks identified - external <p>Peer reviews of modelling</p>	Medium Risk	Paul Kos	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • undertaken significant analysis to identify and better understand revenue and patronage implications associated with various fares changes • Engaged Councillors on PT Fares Review • Reviewed this risk - no change in status
25	123	<ul style="list-style-type: none"> • Financial • Political 	Failure of bus service levels with transition to a new network, fleet and contracts	High Risk	<p>Appropriate programme management in place</p> <ul style="list-style-type: none"> - projects identified - responsibility allocated - regular monitoring - escalation 	Medium Risk	Rhona Hewitt	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Executed Tender Participation and Transition Agreements with all incumbent operators • Transition provisions and transition plan requirements have been built into the draft contract for bus services • Reviewed this risk - no change in status

27	129	<ul style="list-style-type: none"> • Financial • Political 	Fare Revenue collection risk under gross contracts	Medium Risk	<p>CCTV on trains</p> <p>Clear contract provisions</p> <p>Operator revenue protection plan</p> <p>Operator reconciliation of farebox account</p> <p>Revenue protection policy</p> <p>Monitoring of revenue collection</p> <p>Audit of fare revenue collection procedures</p>	Medium Risk	Wayne Hastie	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Identified this risk • Worked on development of a revenue protection policy • Worked with Transdev on revenue protection • Reviewed this risk - residual likelihood was changed from unlikely to likely; ranking changed from 41 to 27
28	113	<ul style="list-style-type: none"> • Services are severely curtailed • Physical harm to the general public • Political • Financial 	Failure of trolley asset causes serious injury or cancellation of multiple services	High Risk	<p>GWRC ensures that WCCL maintains and inspects the network</p> <p>Maintain strong relationships with WCCL, including regular meetings and reporting on assets</p>	Medium Risk	Angus Gabara	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Maintained strong relationships with WCCL, the network owners, including regular meetings & health and safety reporting • 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 • Trolley Bus Operation Protection system is in operation and WCCL and NZ Bus are in regular communication to ensure any issues identified by the system are rectified quickly • Reviewed this risk - no change in status
30	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>GW ensures that maintainer effectively manages fleet failure modes and issues through FRACAS process, and ensures GW maintains full visibility of this</p> <p>Train manufacturer undertakes maintenance</p> <p>Maintain close working relationships with train suppliers, original equipment manufacturers (OEM's), operational and maintenance contractors</p> <p>Employ appropriately skilled and trained people</p> <p>Regulatory obligations of operators and providers</p>	Medium Risk	Barry Fryer	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> • Been actively involved in FRACAS and the technical support contract • Closely managed Matangi 2 and Matangi 1 retrofit compliance • Maintained strong relationships with operator, maintainer and network owners, and OEM's, 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 • Escalated warranty issues which have been slow to resolve • Continued to keep NZTA and TAIC informed regarding progress with brake investigation (Melling incident) • Reviewed this risk - no change in status

31	91	• 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 of 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> <p>Ensure ongoing assessment of controls through lessons learnt and application of industry best practice</p> <p>Carry out regular audits</p>	Medium Risk	Angus Gabara	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> Continued to investigate potential fraud Reviewed this risk - no change in status
46	82	• 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>Enforceable Contracts with suppliers</p> <p>Ensure ferry operators have maintenance programs that ensure ongoing assessment of compliance requirements, as well as suitable preventative maintenance programmes</p> <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>Maintain strong relationships with the ferry operator, including regular meetings and reporting on performance</p> <p>Harbour safety management by GW appointed Harbour Master</p> <p>Compliance with Maritime NZ and Maritime Safety Authority regulations</p>	Low Risk	Angus Gabara	<p>In the quarter GW has:</p> <ul style="list-style-type: none"> Maintained a strong relationship with the operator, including regular meetings and 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 - no change in status
52	90	• Services are severely curtailed	Ferry infrastructure found to no longer be fit for purpose, therefore unable to provide service	Low Risk	<p>External and Internal Audit</p> <p>Ensure systems are in place for facility audit on a regular basis</p> <p>GW lobbies asset owners</p> <p>GW submission to HCC annual plan, including wharf maintenance strategy</p>	Low Risk	Angus Gabara	<p>In the quarter GW 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	Angus Gabara	<p>In the quarter GW 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
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