



RiskNZ gratefully acknowledges the support of our hosts for this event

Beca, Navigatus, Mighty River Power, KPMG, Powerco, Christchurch City Council, and Massey University





Dr Deborah Hume

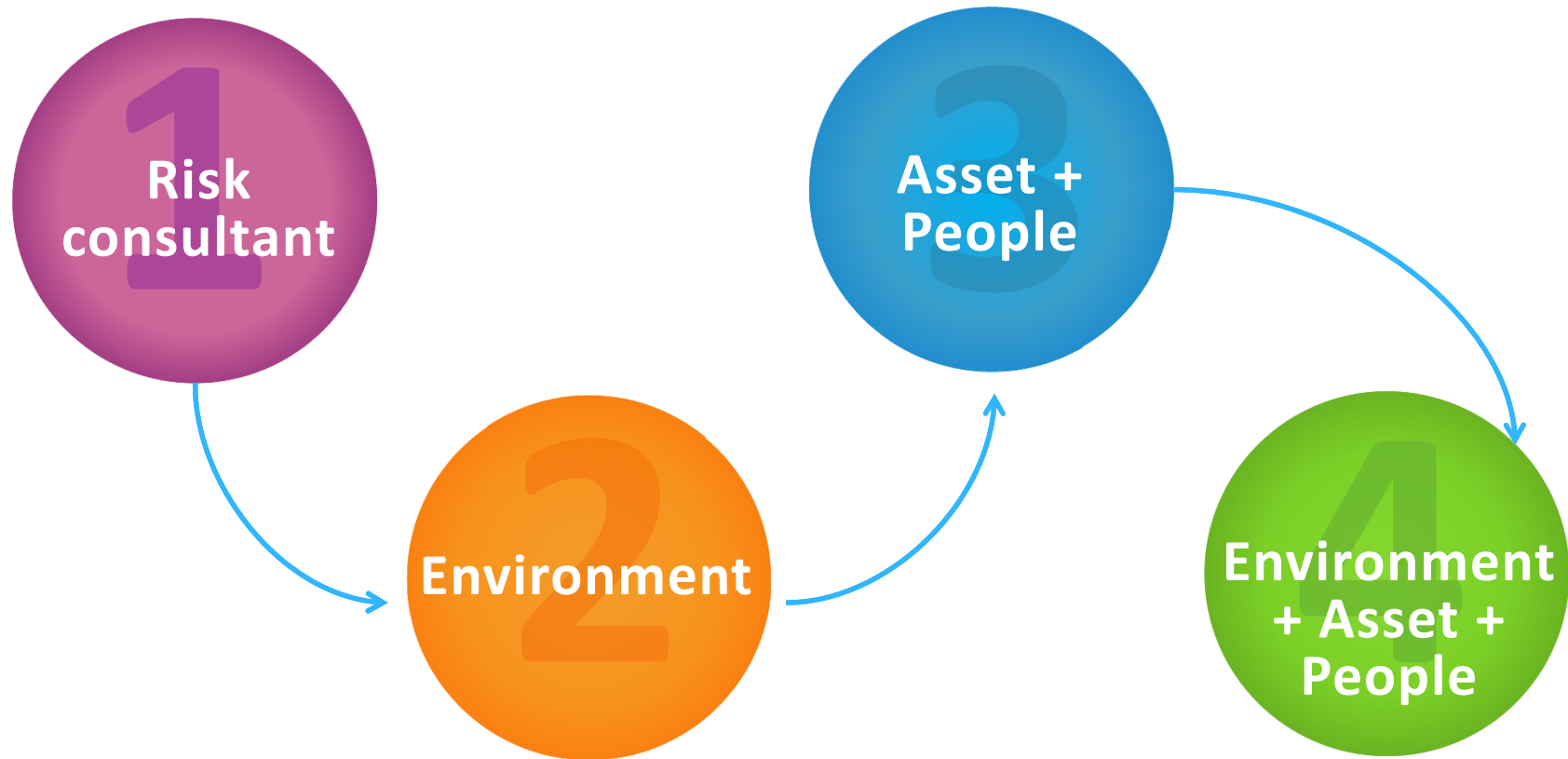


An Unexpected Journey

from risk consultant to risk owner



Risk practitioner to owner



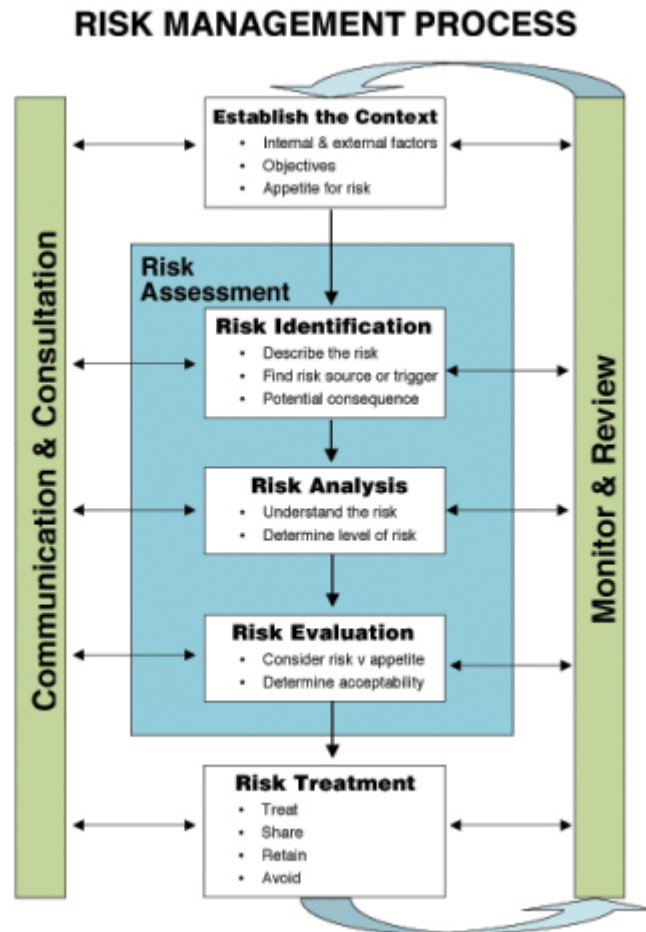
Observations from a consultant who then ran passenger rail....



Risk management practitioner

Optimx to own partnership to URS

The framework to unite them all....



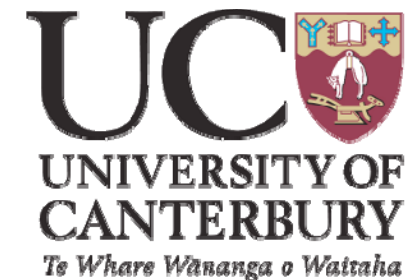
RA-Aus RISK ASSESSMENT MATRIX										SEVERITY: CONSEQUENCE OF THE EVENT LIKELIHOOD OF OCCURRENCE				
Risk Category	Risk Description	CONSEQUENCE DESCRIPTIONS					Frequency	Impact	Severity	Likelihood	Risk Level	Risk Category	Risk Level	Risk Category
		Minor	Major	Critical	Severe	Extreme								
Likelihood of Occurrence	Very Low	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Low	Low	Low	Low
	Low	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Low	Low	Low	Low
	Medium	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Medium	Medium	Medium	Medium
	High	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	High	High	High	High
Severity	Very Low	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Low	Low	Low	Low
	Low	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Low	Low	Low	Low
	Medium	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Medium	Medium	Medium	Medium
	High	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	Minor damage to structure	Failure, minor consequence	Minor damage to structure	Minor damage to structure	Minor damage to structure	High	High	High	High

Risk Register										Residual Risk		
Risk ID	Risk	Current Risk	Impact	Severity	Status	Owner	Plan	Mitigation Strategies	Residual Risk	Impact	Severity	Status
Category 1: Project delivery and Project finance												
1.1	Failure of delivery of project deliverables	4	4	16	Open	81-month	81-month	• Data collection • Information of financial capability of investor • Giving them assurance of transparent future return	4	4	16	Open
1.2	Availability of finance	3	4	12	Open	81-month	81-month	• Open resources • Commitment with financial institutions • Exclusive management of investor	3	4	12	Open
1.3	Level of demand for project	3	3	9	Open	81-month	81-month	• Making possibility and identification of low cost and low quality material • Evaluation of costs against their policy before	3	3	9	Open
1.4	Low availability (rate availability)	3	3	9	Open	15-month	15-month	• Making facilities • Analysis and integration of facilities • Possession and legal obligation of land	3	3	9	Open
1.5	High finance costs	3	3	9	Open	15-month	15-month	• Lowering operational expenses and transparent expenses • Proper management of current expenses	3	3	9	Open

Risk management in all kinds of places...



MIDCENTRAL DISTRICT HEALTH BOARD
Te Pae Hauora o Ruahine o Tairāia



Risk management in all kinds of areas...



Moving to risk ownership...



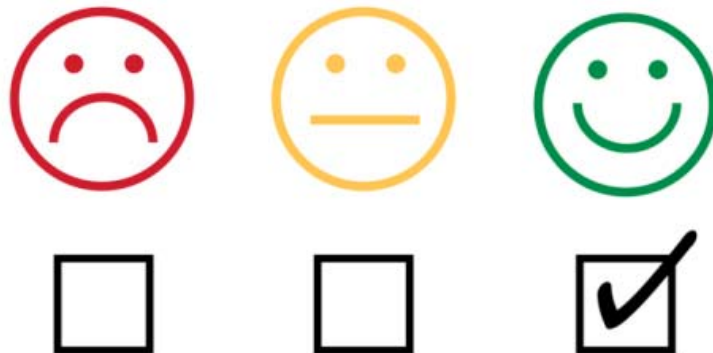
NZ TRANSPORT AGENCY
WAKA KOTAHI



KiwiRail Scenic Journeys



And owning the risk and opportunity...





Risk & the environment

Christchurch earthquakes

Earthquakes give a wake-up call to NZ's long-distance rail business

TranzScenic was classic NZ rail experience



TRANZALPINE



3 tourism services

- Overlander (Wtgn to Akld)
- TranzCoastal (Chch to Picton)
- TranzAlpine (Chch to Greymouth)

Business model had rail competing with bus – price not related to value

Product = railway pie and cup of tea

Greatest proportion of international visitors from UK and Australia. UK suffered in GFC, and Australia \$ took them further afield

Jewel in crown: TranzAlpine



TranzScenic profits relied on TranzAlpine volume



TranzAlpine suffered greatly after the earthquakes



Scenic Journeys now a set of world class rail experiences

TRANZALPINE
A KIWIRAIL SCENIC JOURNEY



COASTAL PACIFIC
A KIWIRAIL SCENIC JOURNEY



NORTHERN EXPLORER
A KIWIRAIL SCENIC JOURNEY



Opportunity: More profitable outcome



Risk managed in the physical environment jolted us into realising the **opportunity** of a more sustainable and resilient business





Risk to asset + “people factor”

The Wellington Metro Rail story

Old assets + customer and staff attitudes in Wellington Metro rail

Rail in the Wellington Region



Area of 8,140 km²

Population of 490,100

**Journeys of 11 million/year
or 22.4 journeys/person**

Services of 2200/week



Customer satisfaction: key indicator of improvement

Before: August 2010



GWRC
Chair

Me

Minister

After



Metro men humbled by award and hero status

When Wellington's Tranz Metro Train Manager Stewart O'Sullivan and Passenger Operator Jonny McGeehan saw a schoolboy being bullied last month, they didn't hesitate to go in for help, holding up the train to help but getting hit around belongings.

This week, their community spirit and caring actions were recognised at Wellington City Council's latest in the City Awards.



Jonny McGeehan, Stewart O'Sullivan and Wellington Area Communities Inspector Chris Smith



deanofish75: @TranzMetro Awesome service from the wairarapa this morning - happy crewman, lights dimmed, warm and early to Wgtn!

7:52am, Mar 13 from Twitter for iPhone

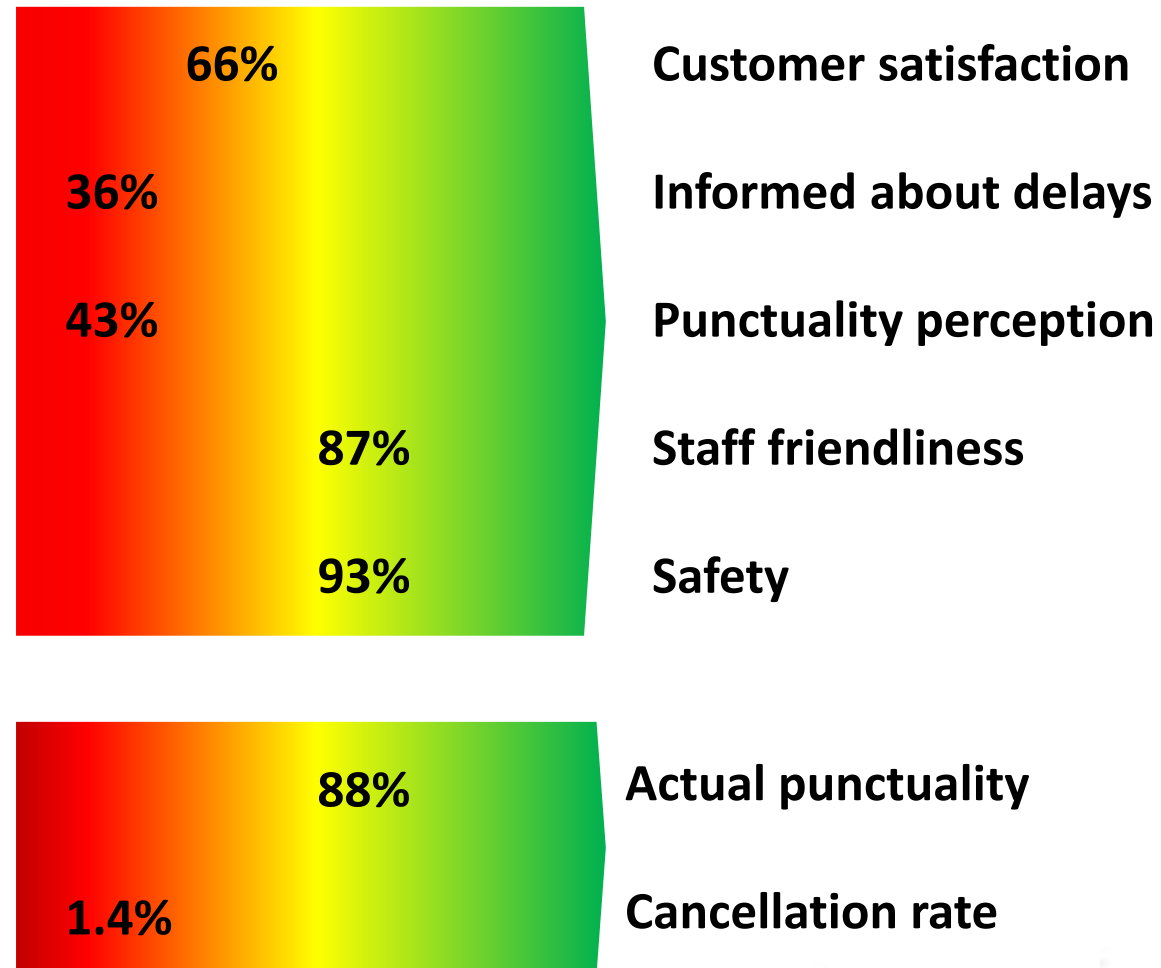


Hugh McCracken
@muizza299

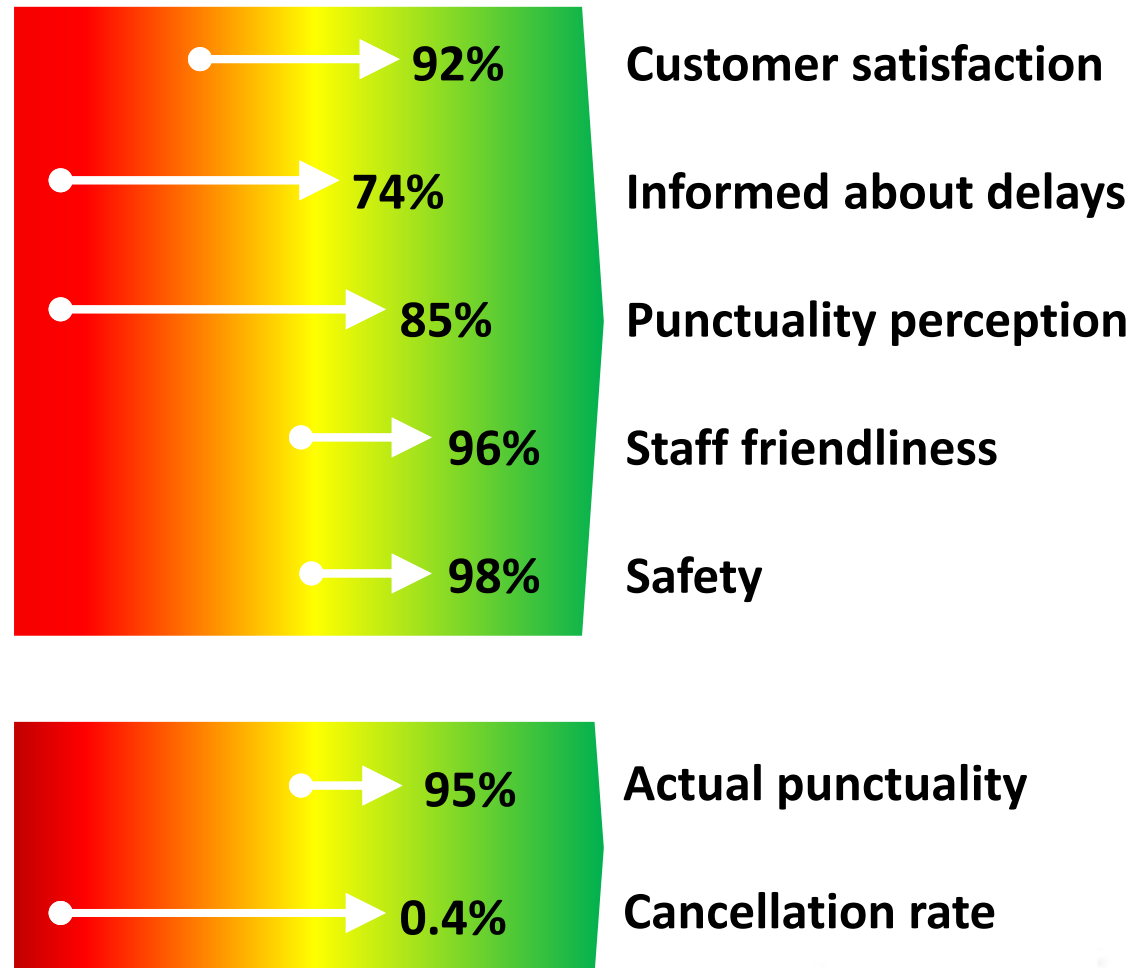
Nice thought by train crew to slow at Ngauranga and point out #orca to passengers! @TranzMetro

10:58 AM - 04 Mar 17

Customer experience...dim

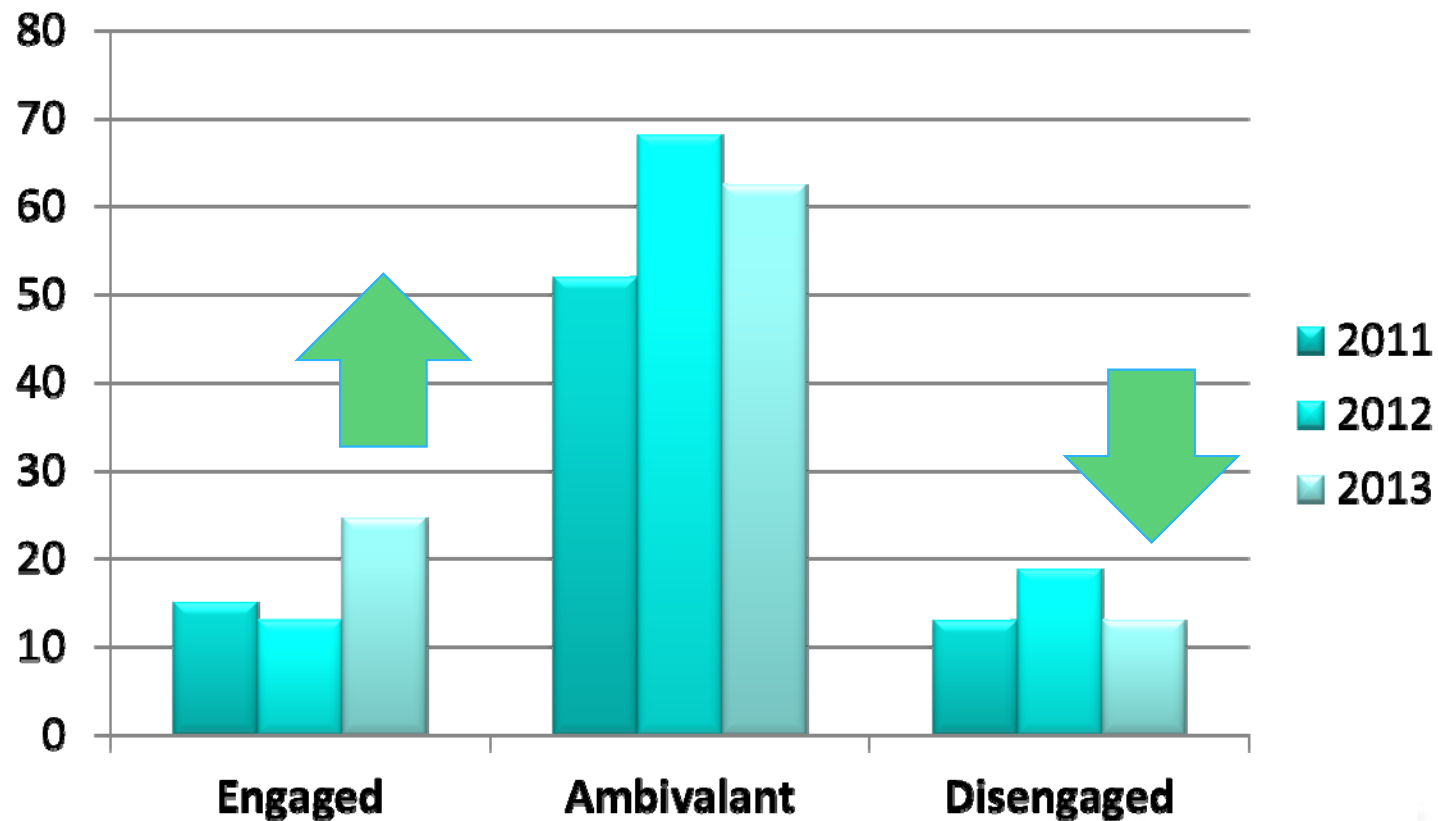


Customer experience after 4 years



Improving HOW it is done

Staff engagement from 62% to 75% in 3 years



How did we do it?

- Invested in fixing aging infrastructure (KiwiRail) and purchased new trains (Greater Wellington Regional Council)
- Purposeful hiring with good lead times and interviewing for aptitude in customer service
- Instituted customer excellence training, with a focus on knowing yourself and managing conflict
- Properly resourcing management and hiring talent
- Addressing negative media front on
- Embracing e-comms (e.g. Twitter)
- Interrogated and learned from existing data



**Managing the risk in the asset
condition and staff behaviour
delivered the opportunity of
delighting our customers**





Mitigating impacts on environment, asset & people

Storms in Wellington

Creating happy customers in aftermath of storms


Now...all together Wellington “weather bomb”





Storms in Wellington immobilise trains and mobilise staff



Electronic communications: real-time feedback

Originally assigned to: Query - Other	Priority: Medium
I just wanted to say whay a huge and wonderful job you have all done over the past week with coping with the lack of trains. It must have been a huge logistical exercie and I am one of many who were very impressed with how it was managed. I like to think most if us acceoted the delays as there is nothing that could be done immediately but were so impressed witht he speed that the trains got back running again. It is lovely to be back on the train again!! regards, Julie Lagan	
 OriginalEmail.html (2014 bytes)	
Date Submitted 27/06/2013 Current Age: 0 days Edit	

Originally assigned to: Query - Other	Priority: Medium
Just a quick note to say WELL DONE for the last few days. Not only the great job the guys did repairing the track so soon, but also the communication, the helpfulness of the staff and the way it all came together to get everyone to and from work as soon as possible. You all did an amazing job. Thanks!!!!	
 OriginalEmail.html (1843 bytes)	
Date Submitted 27/06/2013 Current Age: 0 days Edit	

Originally assigned to: Query - Other	Priority: Medium
I think that Kiwirail and the people working on the track repairs have worked magnificently. I saw the damage on Friday of last week. I cannot believe that you managed to fix it in less than a week. Please pass on my compliment to all of the staff and workers. Just as an aside I think that the people who work on the trains and at the stations are magnificent.	
 OriginalEmail.html (1911 bytes)	
Date Submitted 27/06/2013 Current Age: 3 days Edit	



And then there is Twitter....

BWJPereira

Jun 27, 3:35pm via Web

Don't think I thanked @TranzMetro for the awesome job getting the trains back up and running. Expected to bus for at least 2 weeks! #Thanks

bruzie

Jun 24, 9:47am via Twitter for Android

@SeanPaulK @TranzMetro definitely big thanks to all. Esp the guys on the track. Saw them on Sat and didn't envy them in that weather

sthjeff

Jun 26, 2:32pm via Web

Have to say congrats to @TranzMetro and @KiwiRail on getting Hutt Valley Line repaired. Amazing result if opens for tomorrow morning

iwithekiwi

Jun 28, 6:39am via Twitter for Android

@TranzMetro well done to everyone that worked on getting hvl trains back and running, people less stressed this morning. keep up good work

mysterisontoo

Jun 28, 5:50pm via Twitter for Android

@TranzMetro thanks for getting the hutt trains fixed so quickly after the storm

pwr27

Jun 27, 8:00am via Twitter for iPhone

Cheers @TranzMetro for your hard work on HVL line! Nice fast warm train to work today. You've been missed!

Chartered Institute of Logistics & Transport Award 2014



Risk managed well in advance,
and in response to, physical
events delivers **opportunity** to
shine



Other things I could have mentioned....

- Health and Safety in a changing regulatory environment
- Working with a staff of 500 in a 95% unionised environment
- Safety critical operations when everyone is watching
- Media management
- Carving a niche and doing business with asian economies
- Culture change in a environment steeped in traditional ways of working



Uplifting close: Scenic Journeys now a world class product

Movie here

<https://www.youtube.com/watch?v=CORPm2QFdQ4>

