**RISK MANAGEMENT PART I**

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# Introduction

There is a certain amount of risk that is associated with the change of any type, occurring in any place and of any standard. The replacement of a system and a series of transport is a huge task that associates great risks for the company carrying it out and for the country as well where the project is being funded. Therefore, when the government of New South Wales in Australia decided to substitute the old regional fleet of rail that had trains, which were more than 36 years old, a lot many people got associated to the project. The people in the government and in Momentum Trains involves managers, stakeholders, shareholders, sponsors, and more and each individually is invested in the project and might face risks from it that this paper discusses.

# The Western Australian Government’s requirement for the project

The Western Australian Government and the policymakers of the land have derived quite standard rules and regulations for the people of the area (Walsh et al., 2015). The communication and transport system is diverse and connected well with the rest of the country but the need for more development involving the recent technological advancements is what the government focuses on in the area. The government is also concerned about the welfare and the development of the Aboriginal people of the area by supporting their culture and heritage. This project will involve the Aboriginals of the Dubbo maintenance Facility and give them employment as well as participation (Walsh et al., 2015). The local community of the area will get a thrust towards development both socially as well as financially.

The Regional Rail Fleet project is important as it will help the government change the old trains with new and better ones that will have customer engagement concept, which will help improve the economy of the transport system (Peng et al., 2016). The intercity trains that will be included in the project will carry customers daily from Sydney to places like the South Coast, the Blue Mountains, and Central Coast and to New Castle as well with enhanced features of comfort and safety. The accessibility will increase as well, which is a huge benefit for the people of the scarcely populated areas.

# The feasibility of the project

The project of the Regional Rail Fleet that will help the Western Australian Government to establish railway system that is both accessible and comfortable between the Regional Centres in Western Australia and Perth (Peng et al., 2016). There are a lot of people and a lot of functions attached to the project and all these have to be strategically managed in order to complete the task on time successfully. The feasibility of any project lies with the expected results and their performance level. The railway project that is being discussed is one that will prove to be of significant value to the people of Western Australia. The areas that were less traveled and had unequal communication would get a chance at accessibility (Boateng, Chen & Ogunlana, 2015). The society as a whole will go through development because of the sudden opportunities for finance, employment, and participation.

The transportation sector in New South Wales will provide strategies related to jobs, industry participation and skills that will increase the chances for getting a job and the business opportunities of the area will develop too (Boateng et al., 2015). There will be sustainable employment, traineeships, as well as an apprenticeship for all the people, involve and being a project by the government it will follow the environmental, financial, employment and social laws of the land that involves the special laws for the Aboriginals too. The company Momentum trains are financing the project but the profit will be earned on a collaborative level by the company, the government, and the people too. The comfortable, larger, faster and more frequent cars will improve the transport system and their economic condition as soon as the project is up and running (Boateng et al., 2015). The budget involves the capital of $1.26 billion and the total budget is $208billion. The return expected from the project is much higher with the variations in the classes of the seats available on the trains. Finally, the community will be updated with the information regarding the construction project and the operations so that the business of the society and the residents do face trouble or negative impact (Kyriakidis, Majumdar & Ochieng, 2015).

# Positive conditions and risks in the Western Australian project

There are a lot of people who are involved with the project of the Regional Rail Fleet that is being constructed in Western Australia. The areas that the railway system will cover such as Dubbo, Perth, New South Wales, Central Coast, Blue Mountains, etc., will all be significantly improved once the project is complete (Kyriakidis et al., 2015). The project although has been formulated by the government of New South Wales and the company Momentum Trains are building or constructing the system, have a lot more people who are the stakeholders of this process. The people of these areas, the government employees, the whole Aboriginal community, the employees of Momentum Trains and all the other companies related to the project such as the UGL Rail Services in Sydney, DIF Infrastructure V Cooperation in The Netherlands, Pacific Partnerships in Sydney as well, Construcciones y Auxiliar de Ferrocarriles or CAF in Spain and CAF Investment Projects in Spain (Kyriakidis et al., 2015).

The company Momentum Trains and all its associates are sponsoring the project along with the government of Western Australia. Therefore, while there are a lot of positive aspects that they are bound to achieve, there are a lot of risks that they might face in the course of the construction planning and process as well. The contract promises an addition of 117 carriages that are new (Plantinga & 2016). There will be 10 intercity trains that are regional, 10 regional trains that are long and 9 regional trains that are short within the 117 carriages. The benefits of the project are the availability of Premium as well as economy class seats that will attract people from different economic and cultural backgrounds as well. The seats will be ergonomically-designed and spacious and the carriages will have an open buffet, bay seating, airplane style storage of luggage overhead, and more. The safety updates will include CCTV equipment, doors that have an automatic selective opening, emergency doors in the internal sections, etc. (Plantinga & 2016).

The NSW TrainLink, which is Government owned operator will operate the services of the train and significant upgrades will be done to the stations, platforms and train tracks that will increase speed and reduce time. Along with 200 job opportunities, the organizational development will be brought by the diverse employees and the participatory group of advisors of the jobs and skills industry will provide opportunities to mitigate the shortage of regional employees (An, Qin, Jia & Chen, 2016). The organization values the society and its people as well and safeguards them from negative impact by keeping them updated on upcoming works, construction activity that is out-of-hours and traffic access or pedestrian rules change.

However, there are still great risks that the sponsors and the stakeholders face along with the organization as well.

* A very significant risk that the sponsors and the stakeholders face is the issue of land acquisition (An et al., 2016). The railway department and the ministry dealing with it in Australia have to be aware of the contract so that there is no breaching of the aspects.
* The financial risk that the sponsors face is huge too. The unmanaged flow of cash between the government, company and the employees with the involvement of the society is a complex procedure that requires strategic control (Parkinson & Bamford, 2016). The construction phase, total expenditure of the project and duration of the project have all to be considered.
* The safety issue of the railway project with the compliance of laws has to be considered. The use of safety gadgets for all the employees equally is a must and the government and the company at times fail to take the measures leading to accidents and chaos (Parkinson & Bamford, 2016). The lack of regional skilled personal becomes an issue as well.
* There are management and organizational risks such as the untimely approval of designs, the delay in the submission of reports leading to the generation of permits being delayed. The raw materials have to be protected against the weather as well or they might become useless leading to a loss of money (Plantinga & 2016).
* Legal risks are faced as well regarding the window of clearance, employee engagement, the involvement of the Aboriginal people, etc.

# Conclusion

The risks that have been identified in the operation, governmental, and financial units involving various people from the government of Western Australia and of Momentum Trains pose as a threat towards the successful fulfillment of the project, which has to be mitigated strategically. The compatibility between the organization and the nation as well as the society is necessary for the minimal generation of risks and easy version of threats. The discussions have made these points clear for the management to take control of the issues.

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