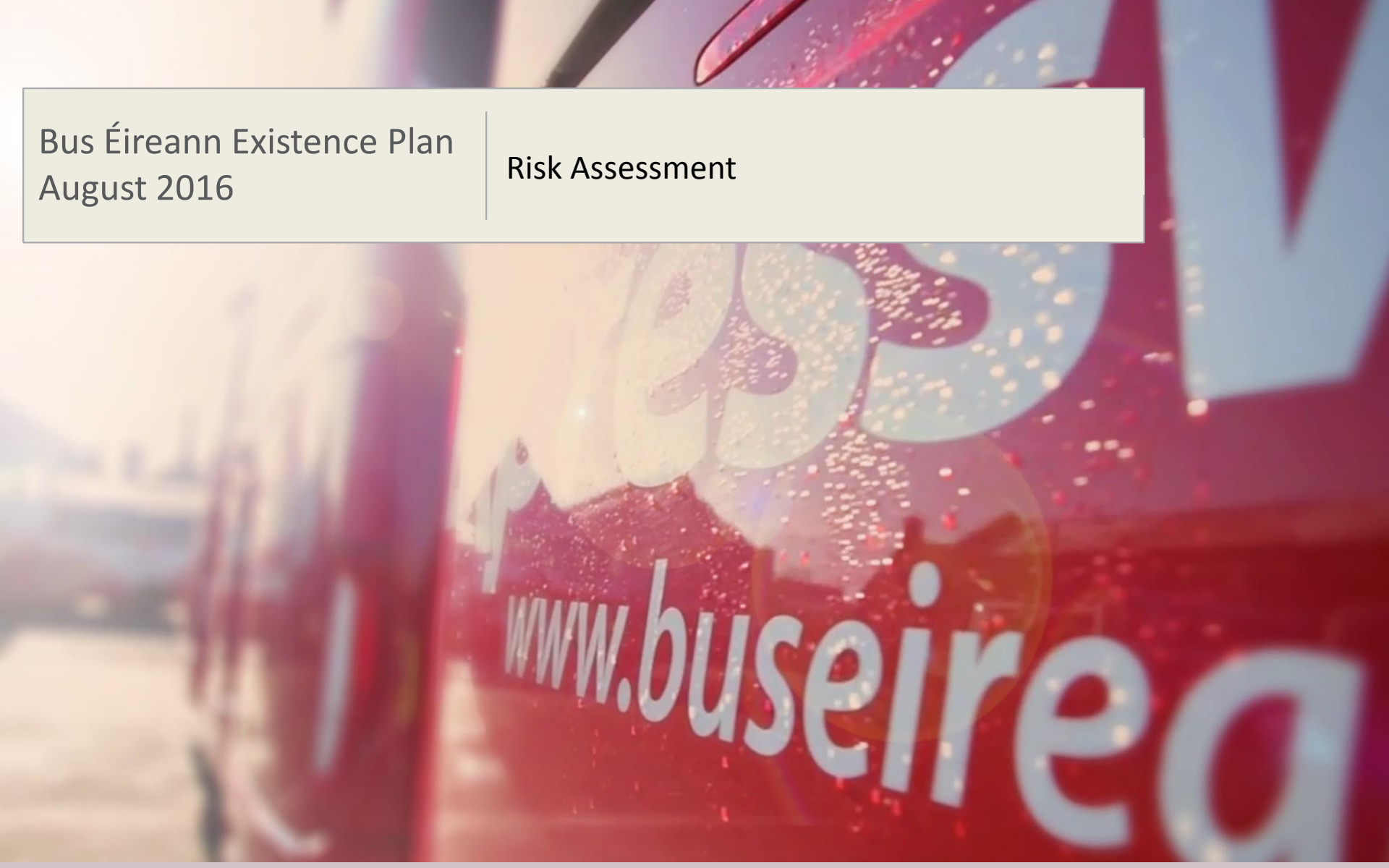


Bus Éireann Existence Plan
August 2016

Risk Assessment



Risk Assessment by proposed initiative

The proposed initiatives were assessed for risk as follows:

Measure	Risk Profile	Deliverability	Key Risks	Mitigate by
1- Sub Contracting (6 routes)	High	Very Challenging	<ul style="list-style-type: none"> • Financial – Proposed subcontracted rate per km is not achieved – inflationary pressures. • Cost Model – Residual costs impact company wide. Restructuring funds not in place. • IR – Outsourcing will create a strike – contagion to other parts of company. • Reputation – Expressway quality standards are not translated. • Cash Flow – Financial gains are not sustained over 5yp. • Regulatory – Licensing model continues to undermine Expressway profitability across routes. 	<ul style="list-style-type: none"> • Financial – Tight contractor management • Cost Model – Agree restructuring approach with stakeholders • IR – Close management of IR environment • Reputation – SLA/franchise approach to quality standards with contractors • Cash Flow – Strong financial controls, and detailed implementation plan • Regulatory – Dialogue with stakeholders
2 – Conditions of employment	Very high	Very challenging	<ul style="list-style-type: none"> • Financial – Proposed savings are not achieved as a result of negotiation • Cost Model – Restructuring funds not in place • IR – Proposal will create a strike – contagion to other parts of company • Reputation – Inability to retain/attract competent and skilled staff • Cash Flow – financial gains are not sustained across the 5yp • Regulatory – Dual pricing across products is not accepted by within competitive environment 	<ul style="list-style-type: none"> • IR – Close management of IR environment and dialogue with stakeholders

Risk Assessment by proposed initiative

The proposed initiatives were assessed for risk as follows:

Measure	Risk Profile	Deliverability	Key Risks	Mitigate by
3 – Corporate Expressway Structure (Support payroll, Non payroll, Inspectors & pensions)	Medium	Challenging	<ul style="list-style-type: none"> • Financial – Proposed savings are not achieved that will improve bottom line • Cost Model – Residual costs impact company wide – Restructuring funds not in place – Expressway will be under resourced to meet the competitive challenges • IR – Restructuring will force a strike – contagion to other parts of company • Reputation – Expressway quality standards are not sustained • Cash Flow – financial gains are not sustained 	<ul style="list-style-type: none"> • Financial – Strong financial controls, and detailed implementation plan. • Cost Model – Strong financial controls, and detailed implementation plan. • IR – Close management of IR environment and dialogue with stakeholders. • Reputation – Tight management of quality standards in Expressway • Cash Flow – Strong financial controls
4 – Wider Corporate Restructuring	Medium	Challenging	<ul style="list-style-type: none"> • Financial – Proposed savings are not achieved that will improve bottom line • Cost Model – Residual costs impact company wide – Restructuring funds not in place. • IR – Restructuring will force a strike – contagion to other parts of company • Reputation – Expressway quality standards are not sustained • Cash Flow – financial gains are not sustained 	<ul style="list-style-type: none"> • Financial – Strong financial controls, and detailed implementation plan. • Cost Model – Strong financial controls, and detailed implementation plan. • IR – Close management of IR environment and dialogue with stakeholders. • Reputation – Tight management of quality standards across all products • Cash Flow – Strong financial controls

Risk Assessment by proposed initiative

The proposed initiatives were assessed for risk as follows:

Measure	Risk Profile	Deliverability	Key Risks	Mitigate by
5 – Commercial Commuter Routes	Medium	Challenging	<ul style="list-style-type: none"> • Financial – Proposed rate per km is not achieved – inflationary pressures • Cost Model – Proposed rate per km is not achieved – inflationary pressures • IR – Outsourcing will create a strike – contagion to other parts of company • Reputation – Expressway quality standards are not translated • Cash Flow – financial gains are not sustained • Regulatory – Licensing model continues to undermine Expressway profitability 	<ul style="list-style-type: none"> • Financial – Tight contractor management • Cost Model – Agree restructuring approach with stakeholders • IR – Close management of IR environment • Reputation – SLA/franchise approach to quality standards with contractors • Cash Flow – Strong financial controls, and detailed implementation plan • Regulatory – Dialogue with stakeholders