CODC Risk Appetite and Tolerance Framework

Central Otago District Council

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Document Control

Version history

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Disclaimer

This guidance document has been prepared with all reasonable care and consideration, drawing on the expertise of professionals within the field of temporary traffic management and the wider transport sector. It incorporates relevant legislation, standards, and industry best practices applicable at the time of its development.

While Central Otago District Council (CODC) has made every effort to ensure the accuracy of this guidance, it is intended as a resource to assist in understanding the Road Controlling Authority's responsibilities under the New Zealand Guide to Temporary Traffic Management. This document does not override applicable legislation or statutory requirements. Users of this guidance must apply their own professional judgment and consider other relevant resources and advice when implementing its recommendations.

CODC cannot guarantee that the measures outlined will be suitable for every scenario. It is the responsibility of individuals to determine the appropriateness and adequacy of the guidance for their specific sites and conditions. The responsibility for ensuring safety and compliance with legal obligations remains with those conducting the work. Nothing in this guideline should be taken to mean that CODC has responsibilities to manage the health and safety of any person affected by the implementation of temporary traffic management. Nothing in this guideline should be interpreted as transferring responsibility for health and safety to the Council. Responsibility for identifying and managing risks associated with temporary traffic management remains with the PCBU undertaking the work.

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Glossary

Acronyms and abbreviations

Acronym	Meaning
ALARP	As Low As Reasonably Practicable
CAR	Corridor Access Request
NAC	Network Access Conditions
RCA	Road Controlling Authority
TMP	Temporary Traffic Management Plan
TTM	Temporary Traffic Management

Key terms

Term	Definition
Corridor Access	The occupation or use of the road corridor by an applicant to undertake works or activities.
Comprehensive Risk Review	The council's formal assessment of a submitted CAR, Temporary Traffic Management Plan (TMP), and supporting documentation to determine whether risks have been appropriately identified, assessed, and managed.
Network Functionality	The ability of the road network to operate safely, efficiently, and reliably for all road users.
Residual Risk	The level of risk remaining after control measures have been implemented.
Risk Appetite	The level and type of risk that the council is willing to accept in pursuit of its objectives.
Risk Domain	A category used to group related risks when assessing corridor access decisions (for example health and safety, service delivery, or regulatory compliance).
Risk Management Process	A structured approach used to identify hazards, assess risks, implement controls, and review outcomes.
Risk Tolerance	The degree of uncertainty or deviation from a desired outcome that the council is prepared to accept when making decisions.
Statutory Duties	Legal responsibilities placed on the council under legislation governing road management and public safety.
Worksite Risk Management	The process used by an applicant to identify hazards, assess risks, and implement controls associated with activities in the road corridor.

1. Purpose and scope

1.1. Purpose

This Risk Appetite and Tolerance Framework set out how CODC apply existing risk appetites and tolerances to corridor access request (CAR) decision-making.

The framework provides a shared, risk-based approach to support consistent, transparent, and defensible decisions when reviewing applications to access the road corridor.

1.2. Scope

This framework applies to corridor access requests and associated traffic management documentation, and the CODC role as Road Controlling Authority.

This framework:

- Supports professional judgement,
- Does not prescribe specific risk controls or solutions, and
- Does not replace CAR process guidance or applicant responsibility for risk management.

2. Overview of the risk appetite and tolerance framework

This section provides an overview of how the risk appetite and tolerance framework is structured and how it interfaces with the CAR process. It is intended to help readers understand how the components of the framework fit together before the detailed sections that follow.

Figure 1 illustrates how risk domains, appetite and tolerance, and indicators of acceptable risk form the foundation for assessment and are applied at different stages of the CAR process. These elements may be used during pre-CAR submission early engagement to support early discussion and non-directive feedback. They are formally applied during the post-CAR submission Comprehensive Risk Review to assess the submitted TMP and supporting documentation and to inform the CAR decision outcome.

The diagram is illustrative only and does not introduce additional requirements or decision points. Detailed descriptions of the framework components and their application are set out in the sections that follow.

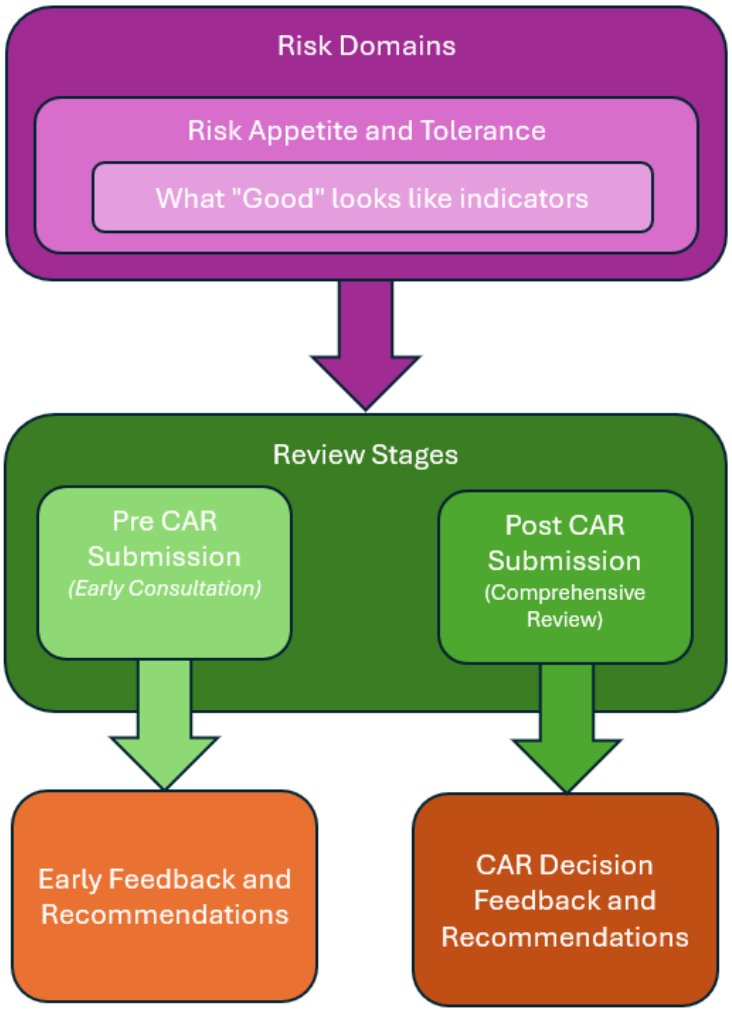

Figure 1: Application of risk appetite and tolerance within the CAR process

3. Risk domains

Corridor access decisions involve a range of risks that affect both applicants and CODC. For the purposes of CAR decision-making, risks are considered through the following four domains.

3.1. Risk domains table

Risk domain	What this domain represents
People / Health & Safety	The protection of people from harm arising from activities in and around the road corridor.
Service Delivery & Assets	The ability of the road network to function safely, reliably, and efficiently, and the protection of council-owned assets.
Legislative & Regulatory	Compliance with statutory and regulatory obligations governing corridor activities and council decision-making.
Reputation & Relationships	Public trust, stakeholder confidence, and the council's credibility as a regulator and network manager.

These domains reflect CODC enterprise risk frameworks and are applied here in a road corridor and RCA decision-making context.

4. Risk tolerance framing

Risk tolerance describes the degree of uncertainty or deviation from a desired outcome that CODC is prepared to accept in order to achieve their objectives. Tolerance applies irrespective of risk domain and reflects whether outcomes can be fully achieved through compliance or must be managed through judgement and trade-off.

4.1. Risk tolerance framing table

Tolerance level	Framing (what tolerance represents)
No tolerance	The desired outcome can be fully achieved through compliance with defined requirements, specifications, or procedures. Zero uncertainty and zero deviation are achievable and expected.
Low tolerance	The desired outcome is zero uncertainty and zero risk exposure; however, this cannot be fully achieved in practice. Some residual uncertainty is unavoidable despite best efforts.
Medium tolerance	Some uncertainty or deviation is necessary to achieve objectives or to support other risk domains with lower tolerance. Trade-offs are required to balance competing objectives.
High tolerance	Elevated uncertainty or risk exposure is accepted in pursuit of opportunity, benefit, or strategic objectives. Risk is consciously traded for potential upside.

5. Applied risk appetite for corridor access decisions

CODC risk appetite is applied to corridor access decisions by combining the risk domains with the tolerance framing above. This provides clear expectations for what is acceptable, what requires strong justification, and what cannot be accepted.

5.1. Risk appetite domains applied to CAR decisions table

Risk domain	Appetite tolerance	Risk appetite and tolerance definition
People / Health & Safety	**Low tolerance**	**Must be demonstrably safe:** There is no tolerance for significant unmanaged or unjustified risks to the health and safety of workers, road users, or adjacent land users. Applicants must demonstrate that hazards have been identified, significant risks have been assessed, and controls have been implemented so far as is reasonably practicable. The council's role is to confirm that a fit-for-purpose risk management process has been applied and that any remaining health and safety risk has been clearly identified and justified. Proposals that do not clearly demonstrate ALARP cannot be accepted.

Service Delivery & Assets	**Medium tolerance**	**Disruption must be justified and recoverable:** CODC recognise that temporary disruption to network operation, access, and service delivery is sometimes necessary to enable essential works. A balanced level of risk is tolerated where impacts are planned, proportionate, time-limited, and recoverable, and where asset integrity is protected. Avoidable, prolonged, or poorly managed disruption to services or assets is not acceptable.
Legislative & Regulatory	**No tolerance**	**Compliance must be explicit:** There is no tolerance for legislative or regulatory non-compliance. Applicants must demonstrate compliance with all applicable regulatory requirements, including those relating to traffic control devices, road closures, and temporary speed limits. The council must likewise ensure its decisions are consistent with its statutory duties and powers as Road Controlling Authority where applicable.
Reputation & Relationships	**Medium tolerance**	**Decisions must be defensible and transparent:** CODC acknowledge that necessary corridor access decisions may not always be well received and that some public dissatisfaction or reputational impact may be unavoidable. A measured level of risk is tolerated where decisions are transparent, proportionate, and well-justified. Unanticipated, unmanaged, or poorly communicated impacts on community trust and stakeholder relationships are not acceptable.

These risk appetite domains and definitions do not replace the CODC Risk Appetite Statement 2025, they provide a shared, applied interpretation of those statements for corridor access request decision-making, ensuring consistency across CAR reviewers while remaining aligned with each council's enterprise risk management framework.

6. How risk appetite is interpreted in practice

The indicators below provide guidance on what "good" looks like and what typically indicates a proposal sits outside the council's risk appetite tolerances. They are not checklists or mandatory requirements, but signals to support consistent, defensible judgement.

6.1. Risk appetite application in practice table

Risk domain	Indicators that risk is within appetite ("good looks like")	Indicators that risk is outside appetite
People / Health & Safety	• Hazards are clearly identified and specific to the activity and location • Significant risks have been identified • Risk assessment is proportionate to the level of risk • Controls are clearly linked to identified risks • Residual risk is explicitly stated and justified as ALARP	• Generic or template-based risk assessments • Obvious hazards have not been clearly identified specific to the activity and location • Significant risks have not been identified • Controls are unclear, copied, or not linked to risks • Residual risk not identified or ALARP not explained
Service Delivery & Assets	• Network impacts are clearly described and time-limited	• Network impacts are poorly understood or not described

	• Disruption is planned and coordinated with other activities • Access and recovery arrangements are clearly defined • Asset protection considerations are identified	• Disruption is open-ended or avoidable • No consideration of cumulative or downstream impacts • Asset risks are assumed or ignored
Legislative & Regulatory	• Regulatory requirements are explicitly identified • Compliance with TCD Rule, road closure, and speed limit requirements is demonstrated • Required approvals or processes are clearly understood	• Reliance on assumed or implied compliance • Missing or incorrect regulatory references • Misalignment with TCD Rule or statutory requirements • Expectation that approval will "sort compliance later"
Reputation & Relationships	• Impacts on the public and stakeholders are identified • Communication and notification are considered with evidence of consultation • Decisions can be clearly explained and justified	• Likely public or stakeholder impacts not acknowledged • No consideration of perception or communication or no consultation evidence • Decisions would be difficult to explain or defend if challenged

7. Using the framework in decision-making

This framework supports corridor access decision-making by providing a consistent basis to assess whether identified risks sit within CODC risk appetite and tolerance.

It is used to:

- Inform acceptance, conditional acceptance, or non-acceptance (declines) of corridor access requests.
- Support escalation where risk sits close to or outside tolerance.
- Document clear and defensible decision rationales.

The framework focuses on CODC ability to meet their statutory, regulatory, and operational duties. It does not direct how applicants must manage risk or prescribe specific controls.

8. Application of risk appetite and tolerance within the CAR process

CODC risk appetite and tolerance framework is applied at multiple points within the CAR process to support early clarity, robust assessment, and defensible decision-making.

- **Pre-CAR submission early engagement:**
  The framework may be used to inform discussions with applicants about how their proposed activity is likely to be assessed during the Comprehensive Risk Review. At this stage, the framework supports early identification of potential issues, helps applicants understand where their proposal may sit in relation to CODC risk appetite and tolerance, and informs non-directive feedback and recommendations to improve alignment prior to formal submission.

- **Post-CAR submission Comprehensive Risk Review:**
  The framework is applied to assess the submitted TMP and supporting documentation against the relevant risk domains, appetite, and tolerance. This assessment directly informs the CAR decision outcome, including acceptance, acceptance with conditions, or requirement for revision with feedback and recommendations.

Use of the framework during early engagement does not constitute a CAR decision and does not pre-determine the outcome of the Comprehensive Risk Review. Final decisions are made only after review of a formally submitted application and supporting documentation.

9. CAR decision outcomes (post–Comprehensive Risk Review)

Following completion of the Comprehensive Risk Review, the council applies the relevant risk appetite domains and definitions to determine the appropriate corridor access request (CAR) decision outcome. These outcomes describe how the council responds, in its role as Road Controlling Authority, to the applicant's management of risk and the council's ability to meet its statutory and operational duties.

The CAR decision outcomes table summarises the available decision responses and describes the circumstances in which each outcome applies. The table links the council's assessment of risk, network effects, and regulatory compliance to a clear decision outcome, and explains how each outcome manages the council's exposure. Together, the decision outcomes provide a consistent and transparent basis for accepting a TMP, accepting a TMP with conditions, or requiring revision with feedback and recommendations.

9.1. CAR decision outcomes table

CAR Decision Outcome	What this means in the CAR context	Council risk being managed
CAR Approved/Accepted	**Peer risk review:** The applicant has identified all significant risks through an adequate and proportionate risk management process and has demonstrated, through that process, that risks have been eliminated or mitigated so far as is reasonably practicable.	Minimal exposure to regulatory, operational, and reputational risk. The council can meet its statutory obligations as proposed.
	Network access: The proposed occupation of the road corridor and associated risk treatments fall within CODC Network Access (NAC) risk tolerances. The effects of the activity on network functionality, access, resilience, and recovery are acceptable as proposed. General work access conditions are applied.	

	Regulatory requirements: All regulatory requirements linked to risk controls have been clearly identified. Applicable requirements relating to traffic control devices, temporary speed limits, and road closures are demonstrated, and regulatory specifications are correctly identified and consistently reflected in the TMP and supporting documentation.	
CAR Approved/Accepted (With special conditions)	**Peer risk review:** The applicant has identified all significant risks through an adequate and proportionate risk management process and has demonstrated, through that process, that risks have been eliminated or mitigated so far as is reasonably practicable. Residual risk has been identified that affects network functionality, access, resilience, recovery, or cumulative impacts and requires specific network access conditions to ensure these effects remain acceptable.	Managed operational, network, regulatory, and reputational risk. Conditions are applied to manage the council's exposure and ensure statutory and operational obligations can be met without directing how the applicant manages worksite health and safety risks.
	Network access: The proposed occupation of the road corridor and associated risk treatments would, without specific network access conditions, result in effects on the road network that exceed CODC Network Access (NAC) risk tolerances. Specific conditions are therefore required to manage the effects of the activity on network functionality, access, resilience, recovery, or cumulative impacts and to ensure these effects are brought within acceptable limits.	
	Regulatory requirements: All regulatory requirements linked to risk controls have been clearly identified. Applicable requirements relating to traffic control devices, temporary speed limits, and road closures are demonstrated, and regulatory specifications are correctly identified and consistently reflected in the TMP and supporting documentation, subject to the applied network access conditions.	
CAR declined (revision required)	**Peer risk review:** The applicant has not adequately demonstrated that all significant risks have been identified, assessed, and managed through a fit-for-purpose and proportionate risk management process. Gaps remain in the identification, assessment, or justification of risks, and the applicant has not sufficiently demonstrated that risks have been eliminated or mitigated so far as is reasonably practicable. As a result, the council is not satisfied that the residual risk has been clearly understood or justified and cannot confirm that the applicant's proposed approach aligns with CODC risk appetite and tolerance at this time.	Unmanaged regulatory, network, and governance risk. Declining the TMP prevents approval of an activity that cannot be demonstrated to align with statutory duties or risk appetite and tolerance.
	Network access: The proposed occupation of the road corridor and associated risk treatments would result in effects on network functionality, access, resilience, recovery, or cumulative impacts that sit outside CODC Network Access (NAC) risk tolerances. The information provided does not demonstrate that these effects can be adequately managed or constrained through conditions without fundamental changes to the proposal. As submitted, the council cannot reasonably confirm that the activity can proceed while maintaining acceptable network performance or meeting its obligations as Road Controlling Authority.	

	Regulatory requirements: The TMP and supporting documentation do not adequately demonstrate compliance with applicable legislative and regulatory requirements. Required regulatory elements linked to risk controls are missing, unclear, or inconsistently applied, including those relating to traffic control devices, temporary speed limits, and/or road closures. As submitted, the council cannot confirm that the proposal complies with regulatory requirements or that it can lawfully exercise its duties as Road Controlling Authority and, where applicable, Traffic Authority. Regulatory non-compliance cannot be accepted, and approval cannot be granted until compliance is clearly demonstrated.	

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