DELIVERING FOR QUEENSLAND

Engineering Policy 153

Project Risk Context Profiles

January 2026

Queensland Government

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Feedback

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Contents

1 Engineering Policy

1.1 Background

This policy was developed in consultation with Project Directors, Project Managers, and various relevant Subject Matter Experts (SMEs) involved with the Department of Transport and Main Roads infrastructure project delivery.

1.2 Policy statement

Project Risk Context Profiles (RCPs) are applied to departmental projects to enable improved project risk management by attaining a better understanding of a project's risk context.

1.3 Applicability

This policy is applicable for delivering departmental infrastructure projects.

Table 1.3 provides guidance regarding the application of Project RCPs to departmental infrastructure projects. The definitions in Table 1.3 are subject to change. To confirm the current project classification information, please contact the Project Management team via email at Project.Management@tmr.qld.gov.au.

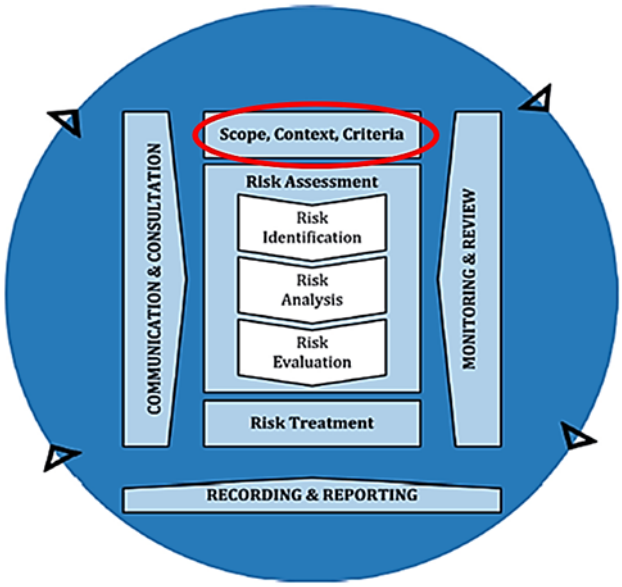
Table 1.3 – Application of Project Risk Context Profiles according to project classification

Classification	Typical Threshold	Project Management Framework	Project Risk Context Profiles (RCP)
Major Project	> $250M	PAF	Apply Project RCP
Type 1	$50M – $250M	OnQ (PAF if high risk)	Apply Project RCP
Type 2	< $50M Straightforward, medium to high risk	OnQ	Apply Project RCP
Type 3	< $25M Simple, low to medium risk	OnQ	Project RCP optional

1.4 Context

The department's Risk Management Framework is aligned to AS/NZS ISO 31000 *Risk Management*. The Risk Management Process as described by AS/NZS ISO 31000 is shown in Figure 1.4.

Figure 1.4 – Risk Management Process



Establishing the context is a critical component of the risk management process because it is within this context that the risk event might occur. Establishing the context involves defining the external and internal factors to be considered when managing risk.

1.4.1 External context

The external context can include, but is not limited to:

- whole-of-government considerations
- social and cultural, political, legal, regulatory, financial, technological, economic, natural, and competitive environment, whether international, national, regional, or local
- key drivers and trends having an impact on the department's objectives, and
- relationships with, and perceptions and values of, external stakeholders.

1.4.2 Internal context

The internal context is the environment in which the department seeks to achieve its objectives and is associated with the way in which we manage our risks. It is important to establish the internal context, as risks that are identified may threaten the department’s objectives.

The internal context can include, but is not limited to:

- governance, departmental structure, roles, and accountabilities
- policies, objectives, and the strategies in place to achieve them
- capabilities in terms of resources and knowledge

- the relationships with, and perceptions and values of, employees
- departmental culture
- information systems, information flows, and decision-making processes
- standards, guidelines, policies, and procedures adopted by the department, and
- the form and extent of contractual obligations.

1.5 Objectives and benefits

Project RCPs are a risk management tool that will support project managers in establishing a project's risk context.

It is intended that project RCPs will enable more effective and efficient project risk management. RCPs will assist Project Managers to identify and focus on a project's key risks and better prioritise the use of project resources.

The application of project RCPs will:

- enable consistent assessment of project risk context for departmental infrastructure projects
- provide an effective process to prioritise project risk context areas
- enable the development of more effective project risk and opportunity registers
- provide clear and consistent documentation to capture project risk context assessment, and
- enable effective discussions within project teams regarding project risk management.

1.6 Evaluation and policy review

The Manager (Risk) from the Risk and Insurance team in Program Management and Delivery (PMD) is responsible for reviewing this policy annually. Feedback to PMD_Risk_Management@tmr.qld.gov.au is welcome at any time.

1.7 Availability of the Project Risk Context Profile tool

The Project RCP tool is a component of the PDO Project Risk Log.

You can request a copy of the current version of the PDO Project Risk Log via email to PMD_Risk_Management@tmr.qld.gov.au.

1.8 Contact personnel

This policy is developed by the PMD Risk Team located in Risk and Insurance, within the Commercial Contract Management (CCM) unit in PMD.

For further information, please contact PMD_Risk_Management@tmr.qld.gov.au.

2 Engineering Guidelines – Project Risk Context Profiles

2.1 Introduction

Project RCPs are intended to inform the project Risk and Opportunity Register (ROR), not replace it.

RCPs are intended to assess and document a project's risk context, whereas a project ROR is intended to assess and document specific project risks and opportunities.

A good understanding of a project's risk context enables better and more effective project risk assessment. Project RCPs are a risk management tool that will support project managers in gaining a more comprehensive understanding of a project's risk context.

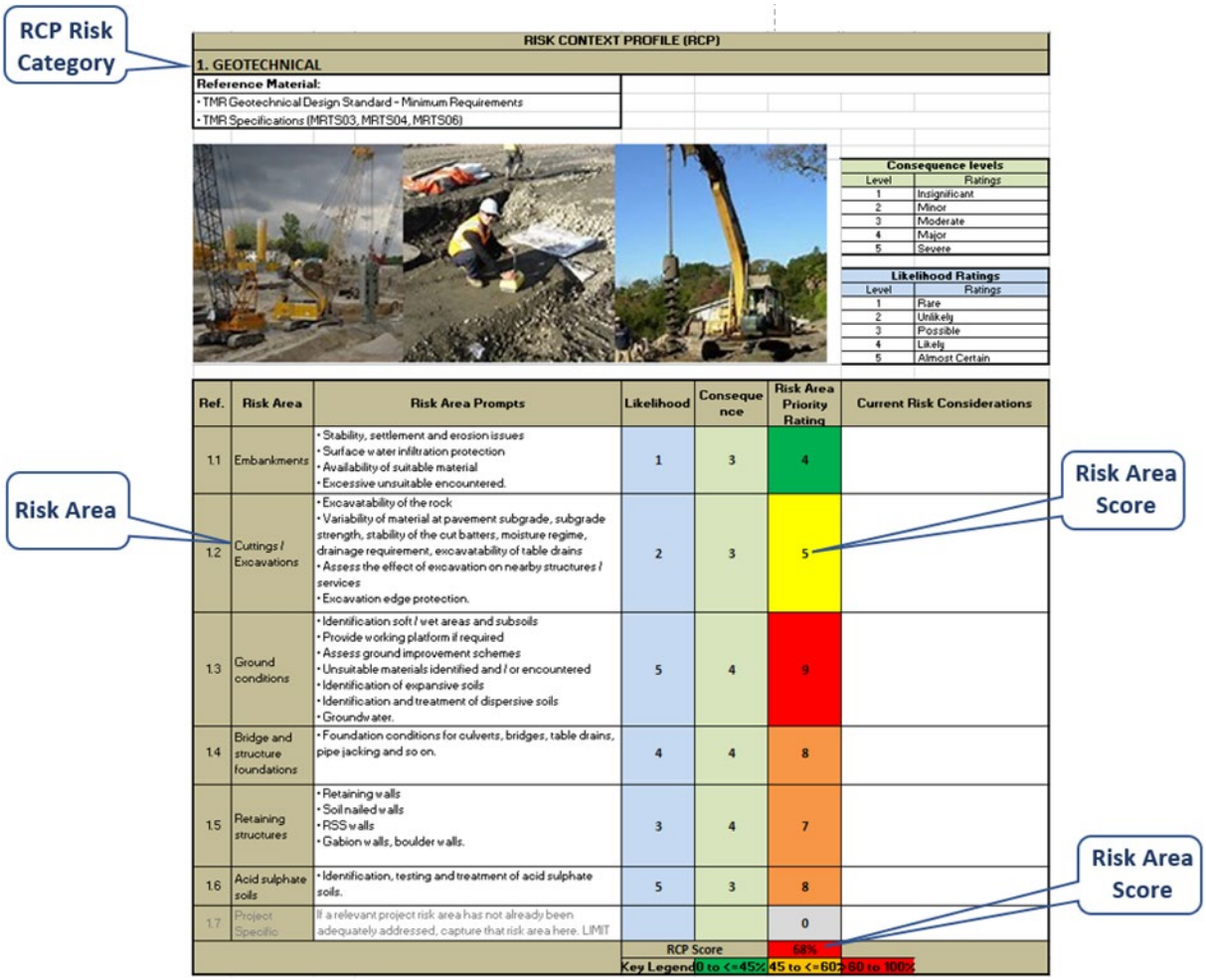
The RCPs are presented in Excel format and consists of the following 10 categories:

1. Geotechnical
2. Environmental, Weather, Cultural Heritage, and Native Title
3. Vulnerable Road Users
4. Stakeholders
5. Procurement
6. Project Management
7. Safety and Well Being
8. Contract Administration
9. Construction, and
10. Finalisation.

Each risk category has a set of relevant nominated risk areas. There is also provision for a project-specific risk area.

An example of a Project RCP risk category worksheet is shown in Figure 2.1.

Figure 2.1 – Example of Project Risk Context Profiles risk category worksheet



2.2 How to complete a Project Risk Context Profile

Each RCP category is completed one at a time. To do this, a score for Likelihood (1-5) and a score for Consequence (1-5) for each risk area is determined. These 2 scores are added to produce the risk area priority rating for each risk area. The total of all risk area priority ratings determines the overall RCP score (Low, Medium and High) which informs the RCP Dashboard (refer Figure 2.5).

If a relevant project risk area is identified and has not already been adequately addressed by the existing nominated risk areas, then there is provision to add a project-specific risk area.

2.3 Who is responsible for completing a Project Risk Context Profile?

The Project Manager is responsible for project risk management activities, including completing an RCP.

The Project Manager is encouraged to consult with any relevant SMEs and key project team members in completing an RCP.

The Project Manager (or assigned delegate) may choose to request a member of the PMD Risk Team to conduct the review of an RCP.

2.4 When to complete a Project Risk Context Profile

The Project Manager (or assigned delegate) may complete an RCP at any time during a project if it is beneficial, or a project's risk context has changed considerably since the last time an RCP was completed.

An RCP shall be completed or at least reviewed on a minimum quarterly basis. This should be completed prior to preparing or reviewing the ROR.

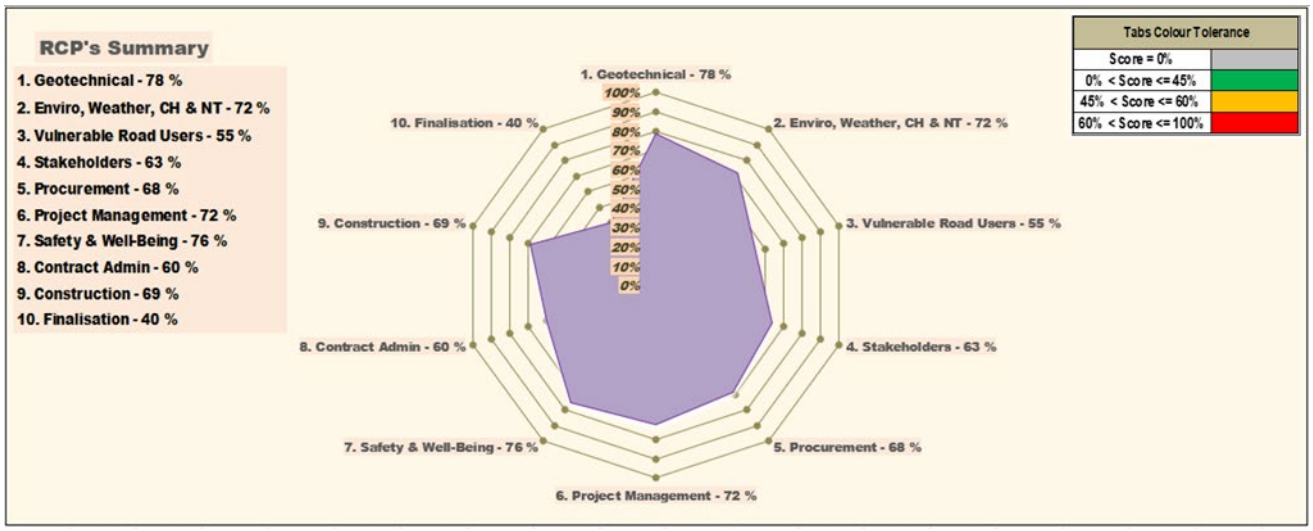
2.5 What to do after completing a Project Risk Context Profile

The completion of the RCP will have identified and qualitatively analysed the main risks to the project. A profile of these risks in their current state can be viewed on the Dashboard sheet of the PDO Project Risk Log. Following this, the significant risks as determined by the RCP process would be captured in the Risk and Opportunity Register (ROR) sheet of the PDO Project Risk Log for more detailed evaluation and assigning necessary treatments.

2.5.1 Using the Dashboard for Risk Prioritization

After completing an RCP, the Dashboard will provide an overview of the current project risk profile (refer Figure 2.5.1(a)). This ranking provides a useful basis to prioritise project risk management activities and resources.

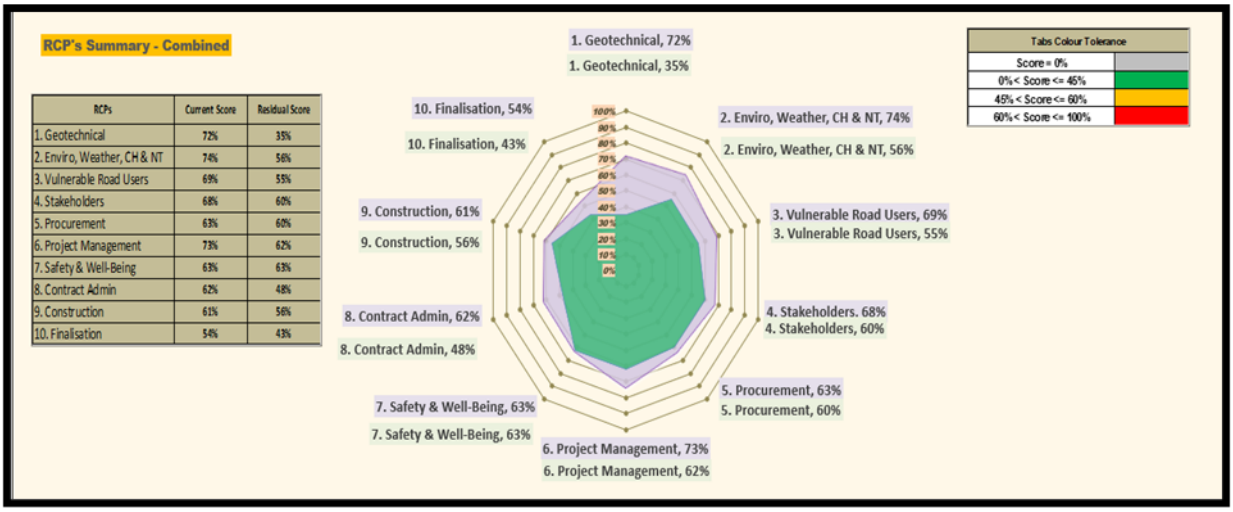
Figure 2.5.1(a) – Dashboard – Project Risk Context Profile risk category ranking



An updated RCP dashboard is now available in the PDO Project Risk Log (Figure 2.5.1(b)) which features individual spider diagrams of:

- Current risk profile – Generated based on present likelihood and consequence ratings assigned to RCP risk areas.
- Residual risk profile – Generated based on residual (post-treatment) likelihood and consequence ratings assigned to risks captured on the ROR, and
- A combined spider diagram featuring the project's residual risk profile overlayed on its current risk profile for visual comparison.

Figure 2.5.1(b) – Dashboard – Current, Residual, and Combined



2.5.2 Constructing a Risk and Opportunity Register (ROR)

The ROR is the most essential document residing in the PDO Project Risk Log. It captures the most critical contingent (unplanned) risks and opportunities in the project, as per the RCPs.

Unplanned risks are defined as risks attached to ‘unmeasured’ items; that is, risks not accounted for in the project's Base Estimate because they are ‘unknown’, loosely identified, and may or may not occur and contribute to the project cost, as opposed to planned risks.

An opportunity is any uncertain event that would have favourable impacts on project objectives or benefits if it occurred. ‘Opportunities’ should be captured under the RCP risk area 6.8 Opportunity Management and populated onto the ROR under the blue colour-coded column headings only.

When constructing the ROR, the risk areas within the RCP categories will form the basis for initial risk identification. There should be an alignment between RCP tabs and the ROR in the PDO Project Risk Log. RCP risk areas with a total score of 6 or above must have risk entries captured on the ROR. This ensures that the ROR captures the most significant project risks.

Risk is quantified in terms of Net Financial Impact. This refers to the 'expected financial exposure' to Transport and Main Roads if the risk occurs, expressed in best, most likely, and worst case scenarios. Estimators should be involved in the quantification of risks.

Project Managers must ensure that the Risk and Opportunity Register is aligned with the Estimator's Contingent Risk Register in the cost estimate report. The ROR provides a sheet for the Estimator's Risk Register, where Estimators may import data from the ROR, assign Base Values and methods of valuation, and quantify risks for Net Financial Impact. This sheet offers compatibility between Transport and Main Roads ROR and external risk registers and may be used by Project Managers and Estimators to input net financial impact data directly into @Risk software, to determine P50 / P90 project contingency.

If the Estimator is using their own contingent risk register, they should ensure their risk quantification data aligns with the net financial impact columns on Transport and Main Roads ROR. Alignment between the 2 may also be achieved by using the Reference (Estimator's Contingent Risk Register) column on the ROR. This column is used to capture the Reference IDs on the Estimator's contingent risk register showing where the cost for each risk is allocated. If a risk on the ROR contributes to multiple Reference IDs on the Estimator's contingent risk register, proportional financial contributions and supporting commentary must be provided to understand the individual contributions of each risk item.

2.6 Risk Context Profiling at Strategic Assessment of Service Requirements (SASR)

For projects at the PAF Gate 1 SASR stage, a separate RCP tool is applicable based on PESTLE analysis (refer Table 2.6).

Table 2.6 – PESTLE analysis

No.	SASR Risk Context Profiling categories
1	Political
2	Economic
3	Social
4	Technological
5	Legal
6	Environmental

The SASR Risk RCP tool is designed to enhance the SASR approvals process, supporting informed investment decisions. The SASR RCP tool is available for download from SharePoint for Transport and Main Roads internal employees. External stakeholders seeking information or access to this tool are encouraged to contact the PMD Risk team at PMD_Risk_Management@tmr.qld.gov.au.

SASR RCPs are applied via a 2-step workshop methodology to evaluate project risks using PESTLE. The first workshop is conducted with the District Director, project working team, and a risk specialist if required, and involves a high-level discussion of project risks. The second workshop involves a detailed examination of each PESTLE RCP sheet with SMEs, project team, and risk specialists, to identify major project risks and potential showstoppers, as well as opportunities and necessary treatments and actions.

The PESTLE RCP sheets, including a dashboard featuring a spider diagram that illustrates RCP Risk Scores across PESTLE categories, will inform project planning and be incorporated into the SASR report. No quantitative analysis or ROR development is required at this stage.

3 Review

This policy will be reviewed annually by the Manager (Risk) – Program Management and Delivery.

4 References

- AS/NZS ISO 31000 *Risk Management*
- AS 8001 – *Fraud and Corruption Control*
- Transport and Main Roads *Fraud and Corruption Control Framework*
- Transport and Main Roads *Fraud and Corruption Control Risk Management Guide*.
- Transport and Main Roads *Risk Management Framework*
- Transport and Main Roads *Risk Management Policy*
- Transport and Main Roads *Risk Management Practice Guide*