HAZARDS FORUM

Infrastructure project risk

The effect of interconnected risks on outcomes

Infrastructure project risk management

Key characteristics and activities

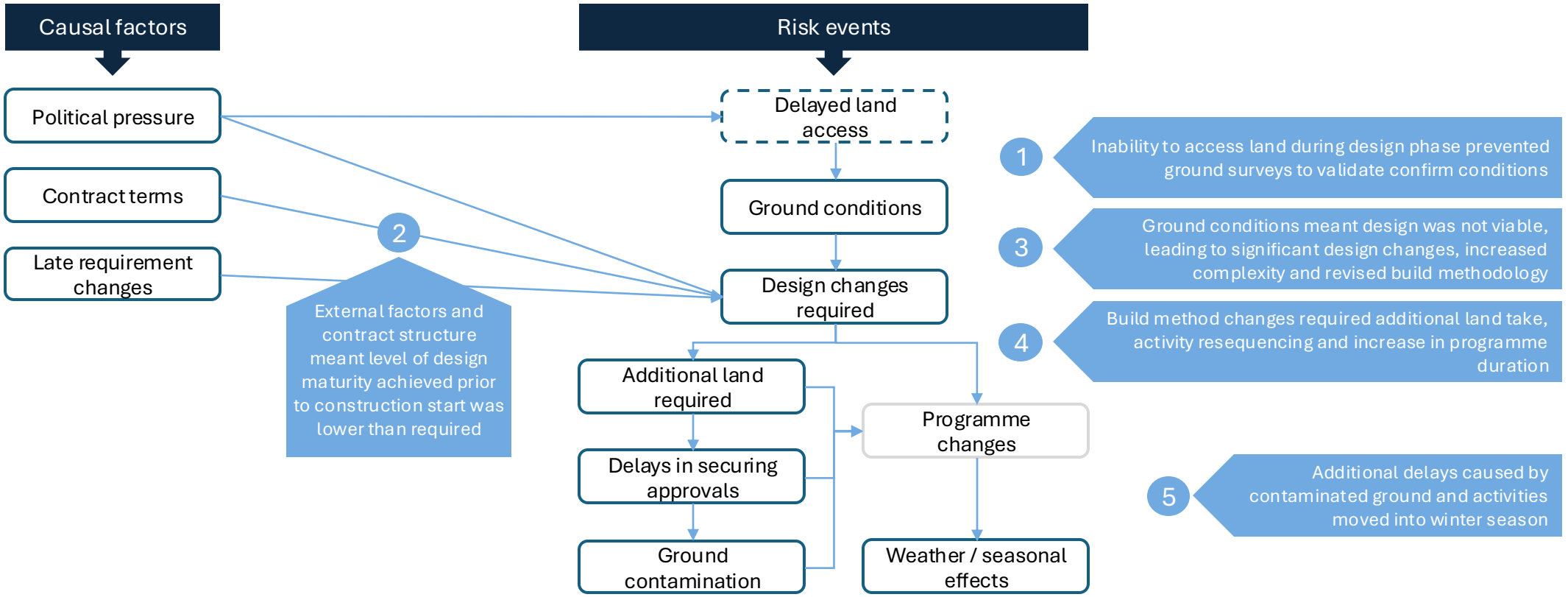
- Focus on risks which impact overall duration and cost
- Procurement and contract terms influence risk behaviour
- Risks identified and assessed (likelihood and quantum) at the start of the project, and used to inform pricing and programme duration
- Risks often treated as ‘discrete’, i.e. independent of one another

Example construction project

- Publicly-funded project to increase road capacity and improve safety for users
- Significant investment, with expected programme duration of several years
- Complex topography with impact on protected / conservation areas

Example construction project

A slow-motion chain reaction



Example construction project

Lessons for assessing risks

- Looking beyond risk events to identify common causes and unstable assumptions
- Avoiding biases when assessing likelihood and impact
- Using methods which simulate the combined effect of risks
- Independent challenge required