

Attachment 2.3

Project Investment Delivery

Management Standard

CONTROLLED DOCUMENT

REV	DATE	GENERAL DESCRIPTION	PREPARED	REVIEWED	ENDORSED
3.1	8/09/2023	The standard was updated to align to the CEO Delegation of Authority. Key change includes changing the Project A threshold changed from \$5M to \$10M. FIGURE 2: PROJECT CLASSIFICATION was also updated	J Simisakakis R Plume	P Hosking	J Howe
4.0	15/09/2023	Published approved document	Document Control	-	-

NEXT REVIEW	14/09/2026
-------------	------------

APPROVED

Enterprise Portfolio Management Committee
Executive Leadership Team
Power and Water Corporation

THIS DOCUMENT IS UNCONTROLLED WHEN PRINTED



CONTENTS

1	Purpose	3
2	Scope	3
3	Management Standard	3
3.1	Overview of the Project Investment and Delivery Framework	3
3.2	Project Investment Planning and Delivery Procedures	4
3.3	Project classification	5
3.4	Project gateways, endorsements and approvals.....	7
3.5	Project governance and reporting	8
3.6	Overarching governance roles and responsibilities.....	9
4	Definitions	11
5	Change management and continuous improvement	12
5.1	Consultation, approval and communication.....	12
5.2	Review.....	12
5.3	Internal references and related documents	12
5.4	External references, legislative and regulatory obligations.....	12
5.5	Records management	12
5.6	Improvement suggestions	12
5.7	Document history	13
6	Appendices	14
6.1	Appendix A: Summary of investment gateways, endorsements and approvals	14

1 Purpose

This Management Standard supports the Security, Reliability and Quality Policy Statement.

The purpose of this Management Standard is to describe Power and Water Corporation's (Power and Water) framework for managing project investment through its lifecycle, to ensure that investment decision-making and outcomes are prudent and efficient.

NOTE: This version of the Management Standard is to align approved current activity. Throughout the document, future improvements will be included as footnotes under "PIDF2".

2 Scope

Power and Water's investment expenditure can be managed at one of three levels: projects, programs and portfolios¹. The requirements outlined in this Management Standard and associated Procedures apply at every level of investment being managed, whether that is project, program or portfolio. Therefore, while this Management Standard typically refers to 'projects', the same requirements apply if the investment is being managed at program or portfolio level.²

This Management Standard applies to:

- Project investment across all Power and Water business units. In this context, 'investment' refers to proposed or actual expenditure to meet an identified need or objective;
- All project investment, including capital investment projects, non-capital investment projects and ICT projects. Operating expenditure undertaken as part of business as usual activities is not in scope, but project-related operating expenditure is within scope³; and
- The entirety of the Project Investment Delivery Lifecycle, from the identification of an investment requirement, through to successfully delivering an investment solution and analysing whether it met its intended objective.

All staff have a responsibility to understand and implement this Management Standard and related procedures.

3 Management Standard

3.1 Overview of the Project Investment and Delivery Framework

The Project Investment Delivery Framework (PIDF) is the term used to describe the policy statements, Management Standard, Procedures and supporting documentation that support prudent and efficient project investment planning and delivery by Power and Water, across the Project Investment and Delivery Lifecycle.

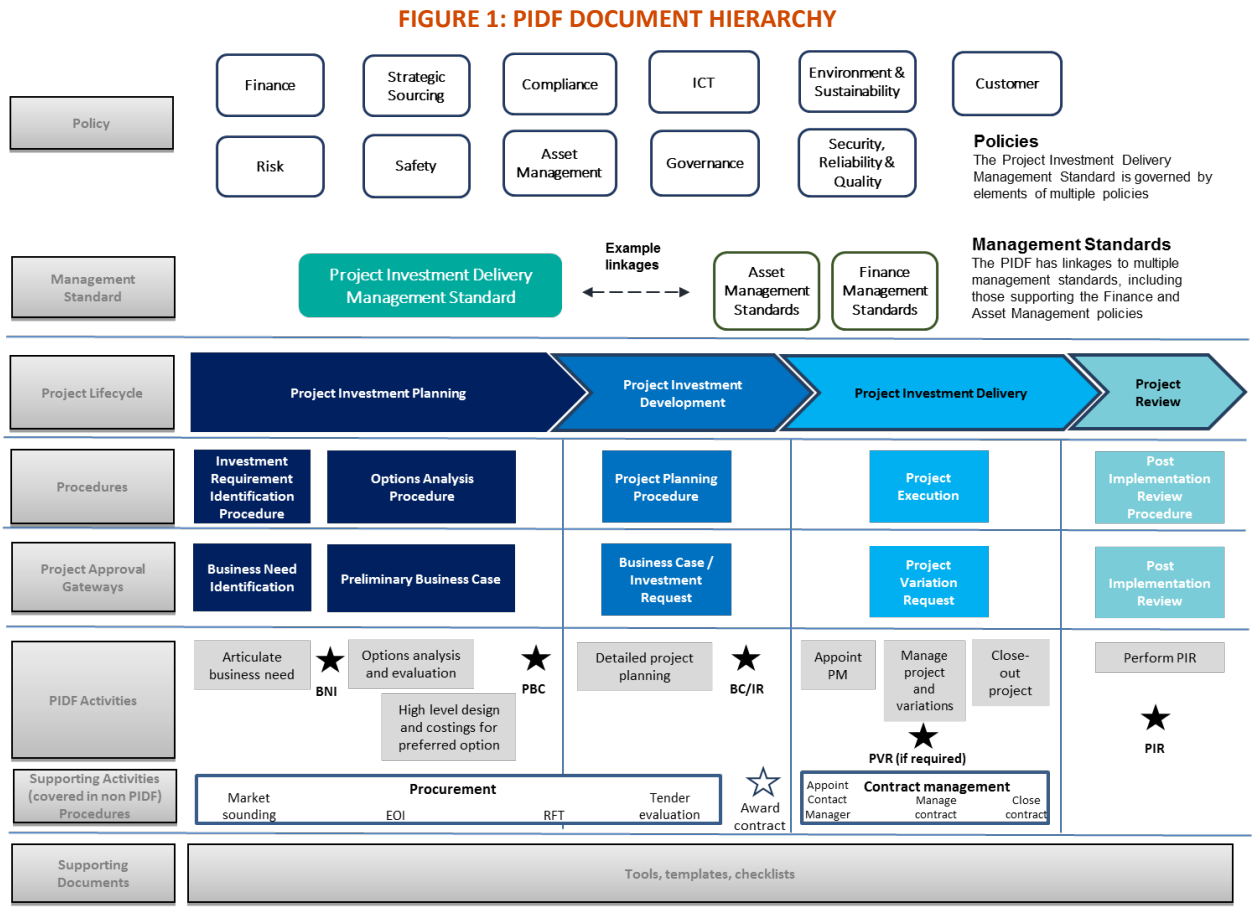
This Management Standard supports the commitment contained in our Finance Policy Statement of effective financial management to ensure that our resources are directed, managed and controlled in a way that achieves our strategic objectives, maximises financial value, and delivers electricity, water, gas and sewerage services in a safe, reliable, efficient and cost effective way.

¹ Full definitions can be found in Section 4 .

² PIDF2 will include specific requirements for program and portfolio level management.

³ The key difference between project-related versus business as usual operating expenditure is that project-related operating expenditure is incurred on a series of coordinated and controlled activities with start and end dates, performed to achieve defined objectives. Operating expenditure related to developing a culture and leadership framework is an example of project-related operating expenditure. Purchasing fuel for the vehicle fleet is an example of business as usual operating expenditure. Please contact the EPMO if you require further assistance with regards to clarification.

Figure 1. provides an overview of the PIDF document hierarchy⁴, and the linkages between policy statement, management standards, and supporting procedures and documentation, as part of Power and Water’s overarching Management Governance and Assurance Framework (MGAF).



3.2 Project Investment Planning and Delivery Procedures

There are five PIDF Procedures aligned with this Management Standard. The Procedures explain how to identify, select, plan, implement and review prudent and efficient project investments.

A project’s classification determines which of the Procedures must be followed to progress a project through the Project Investment and Delivery Lifecycle. Section 3.3 describes the project classification process.

Links to each of the Procedures, and to the supporting documentation and tools, can be found on the intranet. A summary appears in the table below.

TABLE 1: PIDF PROCEDURES

Procedure	Description
Investment Requirement Identification Procedure	The Investment Requirement Identification Procedure describes how to demonstrate and document the need to invest. This includes clearly and succinctly describing the need or objective to be addressed, explaining how addressing the need or objective is congruent with, and will contribute to, Power and Water’s strategic business objectives, and defining the outcomes sought from the investment.
Options Analysis Procedure	The Options Analysis Procedure describes how to identify a range of potential solutions to address the identified investment need and how to evaluate the

⁴ Note PIDF2 will include Concept and Program lifecycles

Procedure	Description
	options identified.
Project Development Procedure	The Project Development Procedure outlines the progression of a project from selection of the most prudent and efficient option to detailed technical and managerial planning.
Project Execution Procedure	The Project Execution Procedure describes how projects are operationalised and monitored. It outlines how project performance is tracked and benchmarked against cost, design and time criteria, established in the earlier phases.
Post Implementation Review Procedure	The Post Implementation Review Procedure describes the process of examining whether the expected benefits of the project investment have been realised and what lessons can be learned. It provides an overview of the activities required to assess the delivered value of an investment project, and outlines the criteria to be used in assessing the performance of an investment.

3.3 Project classification⁵

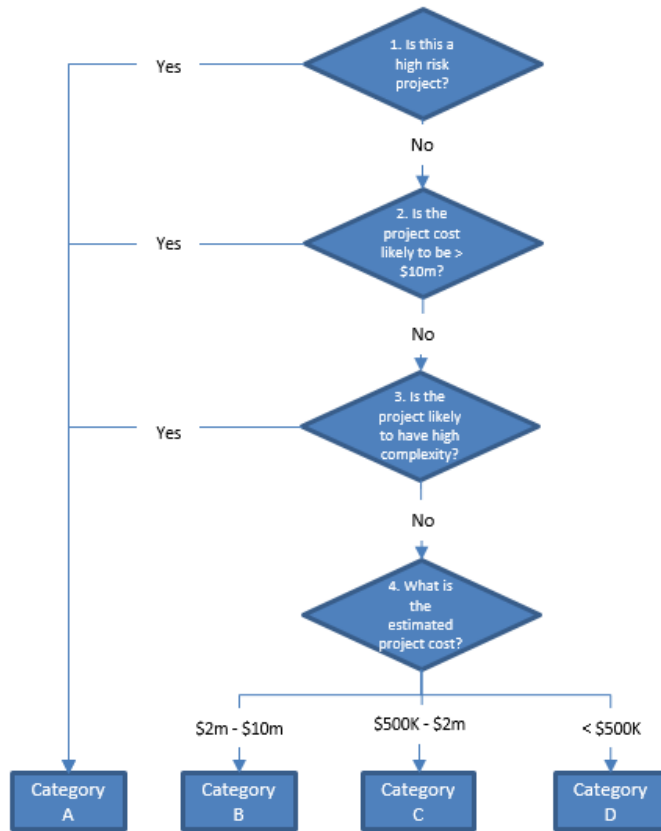
The size, risk and complexity of a project is considered when determining the level of documentation and oversight required, to ensure governance mechanisms and the effort applied is commensurate with the value and risk it represents to Power and Water.

Projects are classified as either Category A, B, C or D. Figure 2 describes the classification of projects according to risk, complexity and investment value.

Table 2 provides guidance to answer each of the four questions required to classify a project.

⁵ PIDF2 will include further refined classification in relation to risk analysis, project type and funding source.

FIGURE 2: PROJECT CLASSIFICATION⁶



NOTE: ALL CATEGORIES ARE UP TO THE THRESHOLD. I.E. CAT D LESS THAN \$500K (\$499.99K)

TABLE 2: PROJECT CLASSIFICATION QUESTIONS

Question	Issues to consider
Is the project high risk?	<p>Projects are considered high risk if:</p> <ul style="list-style-type: none"> • They relate to new or upgraded technology that represents a significant change to Power and Water’s current systems architecture or operations; • There are significant uncertainties associated with the project such as unknown regulatory or legislative positions; or • There are a large number of diverse stakeholders.
Is the project cost likely to be > \$5m?	<p>Based on Power and Water’s experience, or high level engagement with external parties, is it likely the project’s total cost could exceed \$10m⁷? Detailed costings are not required to answer this question.</p>
Is the project likely to have high complexity?	<p>Projects are considered to have high complexity if:</p> <ul style="list-style-type: none"> • The options or design to deliver the project are not well understood; or • Integrating the project’s output (whether it is a new or upgraded system or new processes) into Power and Water is expected to be complex.

⁶ Revision of the Project Classification decision tree and questions will be included in PIDF2 as DoA is updated

⁷ Refer Capitalised Overheads Information Pack

Question	Issues to consider
What is the estimated project cost?	As per question 2, based on Power and Water’s experience, or high level engagement with external consultants, using total estimated cost which category is the project likely to fall into? Detailed costings are not required to answer this question.

3.4 Project gateways, endorsements and approvals

A project classification determines:

- The mandatory gateways through which a project must pass before it can proceed; and
- The bodies responsible for endorsement and approval at each gateway.

Appendix A provides a summary table outlining the gateways and endorsement and approval requirements as they apply to each project classification.

A Gateways

Gateways are the central mechanism by which Power and Water ensures that each investment is prudent, and that the resulting projects are planned, and delivered efficiently. There are five gateways across the Project Investment and Delivery Lifecycle, which link to the five Procedures that sit under this Management Standard.

Which gateways apply to a project depends on the project’s classification.

A project can only proceed to the next gateway once the required endorsements and approvals have been received for the current applicable gateway.

A summary of the applicable gateways for each project classification appears in Figure 3.

FIGURE 3: SUMMARY OF PROJECT GATEWAYS, ENDORSEMENTS AND APPROVALS BY PROJECT CLASSIFICATION

	Category A	Category B	Category C	Category D	
Gateway documents	Business Needs Identification	Required	Required	Not required	Not required
	Preliminary Business Case	Required	Not required	Not required	Not required
	Business Case / Investment Request	Required (BC)	Required (BC)	Required (BC)	Required (IR)
	Project Variation Request	Required*	Required *	Required *	Required *
	Post Implementation Review	Required	Required	Required	Not required

*Project Variation Request – During the **Project Investment Delivery phase** there may be instances where the project scope, timing or budget needs to be changed or varied by Power and Water. **In some cases**, the change or variation will need to be supported **by a formal Project Variation Request (PVR)**. Please refer to the Project Execution Procedure for further information of when a PVR is required.⁸

Templates for each investment gateway document must be used, and can be accessed via Power and Water’s intranet.

B Project endorsement and approval bodies

The Business Needs Identification gateway, which is relevant for Category A and B projects, requires endorsement by the Project sponsor and approval by the Enterprise Portfolio Management Committee (EPMC) before it can proceed.

For the Preliminary Business Case, Business Case and Project Variation Request gateways, the body responsible for endorsement and approval at these gateways depends on the project classification. The key bodies are:

⁸ PIDF2 will provide updates to the use of PVR’s in combination with Business Case documents.

- Treasurer;
- PWC Board or IES Board (Regions and Remote Operations specific);
- Enterprise Portfolio Management Committee (EPMC)
- Enterprise Portfolio Management Office (EPMO)
- Architecture Review Board(ARB); and
- Power and Water Project Sponsors.

The following table summarises the body that is responsible for endorsement or approval based on the project’s classification at Preliminary Business Case, Business Case and Project Variation Request gateways. Endorsements (where required) must be sought from the appropriate body prior to seeking approval from the higher decision making body.

TABLE 3: SUMMARY OF ENDORSEMENT AND APPROVAL BODIES

Endorsement / Approval body	Project classification			
	A	B	C	D
Treasurer	Approve (capital project > \$15m) Noting (non-capital projects >\$1m)	Noting (capital project <\$2.5m – \$5m)	n/a	n/a
Power and Water Corporation Board / IES Board	Approve (capital projects <\$10m) Endorse (capital projects > \$15m)	Noting	n/a	n/a
EPMC	Endorse	Approve	n/a	n/a
ARB*	Endorse (for ICT project)	Endorse (for ICT project)	Endorse (for ICT project)	Approval based on financial delegation
Management	Endorse (Project Sponsor)	Endorse (Project Sponsor)	Approval based on financial delegation ⁹	Approval based on financial delegation

*ARB – Projects that have an ICT or Data implication will undergo an endorsement process by the ARB.

A summary of the responsible bodies for approvals at all gateways are shown in appendix A.

3.5 Project governance and reporting

The size, risk and complexity of a project determines the level of governance and monitoring required. Projects with complex stakeholder issues and/or complex risk issues to manage should be governed by a Project or Program Steering Committee (PrSC and PgSC respectively). Examples of characteristics of a project warranting consideration of a Project or Program Steering Committee include:

- Project of a cross-functional nature (i.e. affects multiple business units);
- Utilisation of a new (including new to organisation) or complex technologies;
- Significant external scrutiny; or
- Complex stakeholder interface.

⁹ For information regarding delegated financial authorities at Power and Water, see the Delegation of Authority Document (CONTROL0240)

A fit for purpose reporting regime must be developed for each project that is commensurate with the risk and complexity of the project. An adequate reporting regime should enable the project team (and management) to identify issues at the earliest point to enable appropriate intervention. To this end, it is critical that project reporting is based on key performance indicators and underpinned by accurate data and forecast information. Standardised reporting templates are available on the intranet.¹⁰

Additional guidance on project governance and reporting can be found in the Project Execution Procedure.

3.6 Overarching governance roles and responsibilities

There are five bodies that play a role in project investment and delivery:

- Enterprise Portfolio Management Office (EPMO);
- Enterprise Portfolio Management Committee (EPMC);
- Portfolio Steering Committees (PfSC); and
- Program Steering Committees (PgSC).
- Project Steering Committees (PrSC).

In particular, these bodies play an important role in oversight and reporting due to their consolidated ‘whole of business’ or business unit perspective on project investment and delivery. This differs from the individual project reporting outlined in section 3.5.

A summary of the governance roles in project investment and delivery is provided in Table 4 below.

TABLE 4: OVERARCHING GOVERNANCE ROLES AND RESPONSIBILITIES

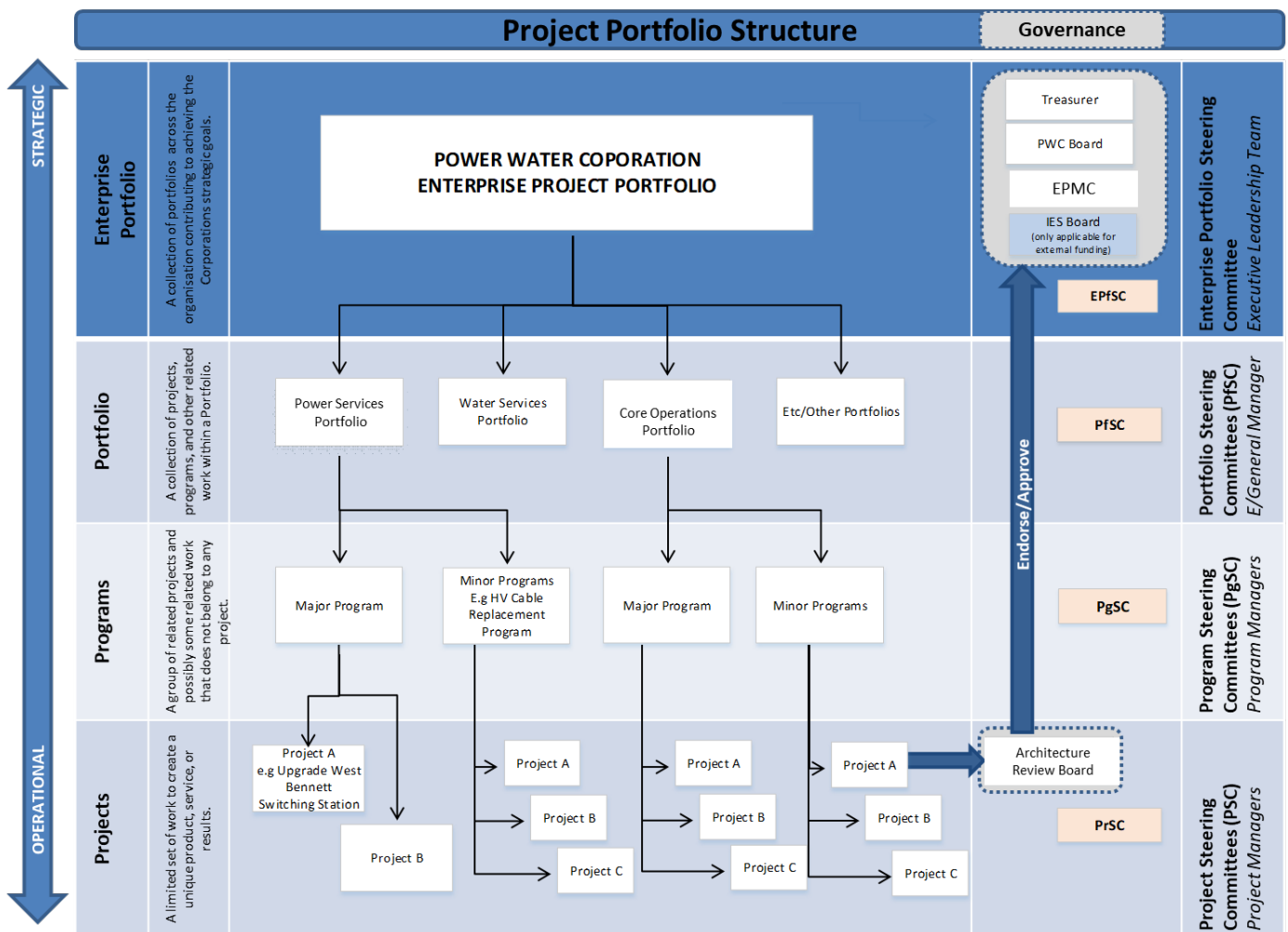
Role	Responsibility
EPMO	<p>The EPMO provides a consistent approach that aligns to the project governance framework to initiating, delivering, reporting and reviewing projects by:</p> <ul style="list-style-type: none"> • Supporting the business in the project and program approval process; • EPMO is an authorising body for submissions to the EPMC • Providing advice regarding the project investment process and requirements; • Analysing and reporting on the status and performance of Power and Water’s portfolio of projects; • Contributing to a project management capability uplift across Power and Water; and • Administering EPMC processes. <p>The EPMO provides Project Sponsors with monthly Program Steering Committee reporting packs relevant to their Business Unit. These reporting packs contain details of the performance of their individual projects and programs. This enables the Project Sponsor to better manage the project investments for which they are accountable.</p>
Enterprise Portfolio Management Committee (EPMC)	<p>An executive level committee that assesses the status and performance of Power and Water’s portfolio of work and provides related advice and recommendations to the Chief Executive. Responsibilities include:</p> <ul style="list-style-type: none"> • Assessing project/program performance focusing on exceptions relating to scope, budget, schedule, risk, safety and issues; • Making recommendations concerning critical path activities, resource and risk dependencies; • Reviewing and assessing periodic re-forecasts and impacts relating to delivery of the SCI and business plans; and • Planning on hold or stopping any projects, if required.

¹⁰ In conjunction with PIDF2 all templates will be reviewed and updated to ensure alignment

Role	Responsibility
Portfolio Steering Committee (PfSC)	Executive level management group that oversees the portfolio of Projects and Programs occurring within their business unit. This includes business unit portfolio forecasting and portfolio management.
Program Steering Committee (PgSC)	Divisional level management group that oversees all related Projects within a Program occurring within their business unit or across multiple business units. This body reports into a Portfolio Steering Committee (PfSC).
Project Steering Committee	Management level group that oversees the status and performance of the project that is essential to ensuring the delivery of the project specific outputs and the obtainment of project outcomes.

Figure 4 shows how the EPMO, EPMC, PfSC, PgSC and PrSC operate as part of the overall Project Investment Delivery Framework.

FIGURE 4: OVERARCHING GOVERNANCE STRUCTURE (FOR ILLUSTRATIVE PURPOSE ONLY)



4 Definitions

Where terms or words are not included in the definitions section, refer to Power and Water’s intranet glossary.

Term	Definition
Architecture Review Board (ARB)	A group responsible for reviewing ICT-related projects and endorsing before they are submitted to further approval bodies.
Enterprise Portfolio Management Committee (EPMC)	An executive level committee that provides advice and recommendations to the Chief Executive (CE) on projects that meet certain criteria (outlined below) for approval at each of the governance gateways
Project Investment and Delivery Framework (PIDF)	The PIDF is the overarching framework that describes the hierarchy and relationship of documentation that supports prudent and efficient project investment.
Project Investment and Delivery Lifecycle	The four sequential phases that provide the structure and governance for progressing project investments
Project	A project is a unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve defined objectives.
Project Sponsor	The Project Sponsor is primarily concerned with ensuring that the project delivers the agreed business benefits. The Project Sponsor is responsible for the project funding allocation as part of the planned project budget and has ultimate responsibility and single point of accountability for the project including time, cost and quality metrics and is the authorised delegate responsible for overseeing the project and endorsing any variations.
Program	Programs are a group of projects that all contribute to achieving a shared outcome. Programs are made up of smaller projects.
Portfolio	A portfolio is a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet strategic business objectives. The projects or programs of the portfolio may not necessarily be interdependent or directly related.
Statement of Corporate Intent (SCI)	A statement outlining the nature and scope of Power and Water’s business activities, objectives and strategies, risk management, capital investment plans and performance targets for a rolling multi- year period.

5 Change management and continuous improvement

5.1 Consultation, approval and communication

The responsible and accountable managers listed below must endorse and approve this document.

Role or title	Requirement
Chief Executive Officer	Accountable - approve this document
Executive Leadership Team	Responsible - endorse this document
Executive General Manager Customer, Strategy & Regulation (CSR)	
Senior Manager Enterprise Project Management Office (EPMO)	Maintain document effectiveness and support implementation
Key Stakeholder / Committee	Consult for changes and support implementation
Special Interest Group	Communicate – inform of any changes

5.2 Review

The requirements of this document are mandatory and shall be reviewed and updated periodically for its ongoing effectiveness. A review of this document must occur, at a minimum, every three years or in the event of any significant change in:

- our vision, values, long-term goals.
- risk appetite, policy statement.
- business model or related systems or processes.

5.3 Internal references and related documents

Document title	Record number
Delegation of Authority	CONTROL0240
Investment Requirement Identification Procedure	CONTROL0382
Options Analysis Procedure	CONTROL0394
Project Planning Procedure	CONTROL0397
Project Execution Procedure	CONTROL0396
Post Implementation Review Procedure	CONTROL0395
Capital Overhead Pack	

5.4 External references, legislative and regulatory obligations

- Not Applicable

5.5 Records management

This document and all related documents, are captured, stored and managed in our Electronic Document and Records Management System and controlled in the Controlled Document Register.

5.6 Improvement suggestions



Have an improvement suggestion? Feedback and improvement suggestions for this document can be lodged by completing the online form on your browser or using the QR code from your mobile device.

URL: <https://forms.office.com/r/gxsQ1v1grd>

5.7 Document history

Date of issue	Version	Prepared by	Description of changes
1/05/2018	0.1	B Fox	Initial Draft
21/05/2018	0.2	K Giles	Reviewed content and prepared for endorsement and approval
11/07/2018	0.3	Z Dales	Submission to Operational ELT for approval
25/07/2018	1.0	K Giles	Published Management Standard after ELT approval on 25/07/2018.
30/03/2021	1.1	C Mitchell	Updated to reflect approval & endorsement at 19 Feb 2021 ELT meeting for EPMO to be an authorising body for submissions to IRC
06/04/2021	1.2	Document Control	Published approved controlled document.
17/02/2023	1.3	J Simisakakis J Reeves R Plume	Updated to incorporate Corporate Overhead allocations. Updated IRC/PCG references to EPMC.
16/03/2023	2.0	Document Control	Published approved document
03/05/2023	3.0	Document control	Published approved document
8/09/2023	3.1	Rhiannon Plume	The standard was updated to align to the CEO Delegation of Authority. Key change includes changing the Project A threshold changed from \$5M to \$10M. FIGURE 2: PROJECT CLASSIFICATION was also updated.
14/09/2023	3.1	Rhiannon Plume	Approved by the Executive Leadership Team (Enterprise Portfolio Management Committee)
15/09/2023	4.0	Document control	Published

6 Appendices

6.1 Appendix A: Summary of investment gateways, endorsements and approvals

Gateway	Purpose	Project Investment and Delivery Lifecycle Stage	Investment Classification	Relevant procedure	Typical Elements	Target Cost Accuracy	Endorser / Approvers
Business Need Identification (BNI)	To demonstrate the investment need and supporting logic	Project Investment Planning Phase	All Category A and B projects	Investment Requirement Identification Procedure	<ul style="list-style-type: none"> Risk rating Clear investment logic, aligned to strategic and/or operational objectives Quantitative measures of success Investment drivers Optimisation considerations 	+/-35%	Senior Manager EPMO & Project sponsor (endorse) EPMC (approval)
Preliminary Business Case (PBC)	To demonstrate the robust development, analysis and selection of options. The market should not be tested until after the PBC gateway has been approved.	Project Investment Phase	All Category A projects	Options Analysis Procedure	<ul style="list-style-type: none"> Suite of options Full options analysis Project risk register Scope and requirements definition for preferred option 	+/-20%	Senior Manager EPMO & See Table 4
Business Case (BC) (or Investment Request for Category D projects)	To demonstrate sufficient project development prior to seeking approval to proceed. The market can be tested during the process of developing a	Project Development Phase	All Category A, B and C projects. Notes: Projects classified as Category C have a simplified	Project Planning Procedure	<ul style="list-style-type: none"> Updated options analysis from (PBC) or options analysis if PBC not required Complete Project Management Plans Procurement/Delivery 	+/-10%	Senior Manager EPMO for business case only & See Table 4

THIS DOCUMENT IS UNCONTROLLED WHEN PRINTED

Gateway	Purpose	Project Investment and Delivery Lifecycle Stage	Investment Classification	Relevant procedure	Typical Elements	Target Cost Accuracy	Endorser / Approvers
	Business Case, but a contract cannot be awarded until after the BC gateway has been approved.		Business Case Template. Projects classified as Category D do not need a formal Business Case, but will need to complete an Investment Request.		Strategy <ul style="list-style-type: none"> Detailed cost estimate including contingency Detailed schedule Design complete 		
Project Variation Request (PVR)	To govern any proposed variation to scope or expenditure over that approved including putting the project/program on hold or reactivating a project/program	Project Delivery Phase	All Category A, B, C and D projects	Project Execution Procedure	<ul style="list-style-type: none"> Quantification and reasons for cost over-run Impacts on project scope, timing and benefits 	n/a	Senior Manager EPMO & See Table 4
Post Implementation Review (PIR)	Examines whether benefits have been delivered through the investment to inform continual improvement	Project Review Phase	All Category A, B and C projects	Post Implementation Review Procedure	<ul style="list-style-type: none"> Examine delivery of benefits Project performance summary Improvement recommendations Learnt Lessons Register 	n/a	Senior Manager EPMO & See Table 4