Attachment 2.3

Investment Delivery Framework
Management Standard and Project
Investment Delivery Management Standard

Project Investment Delivery

Management Standard
CONTROLLED DOCUMENT

applicable during 2019-2024 regulatory period

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	

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CONTENTS

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 portfolios[1]. 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 scope[3]; 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.

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[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 hierarchy[4], 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).

FIGURE 1: PIDF DOCUMENT HIERARCHY
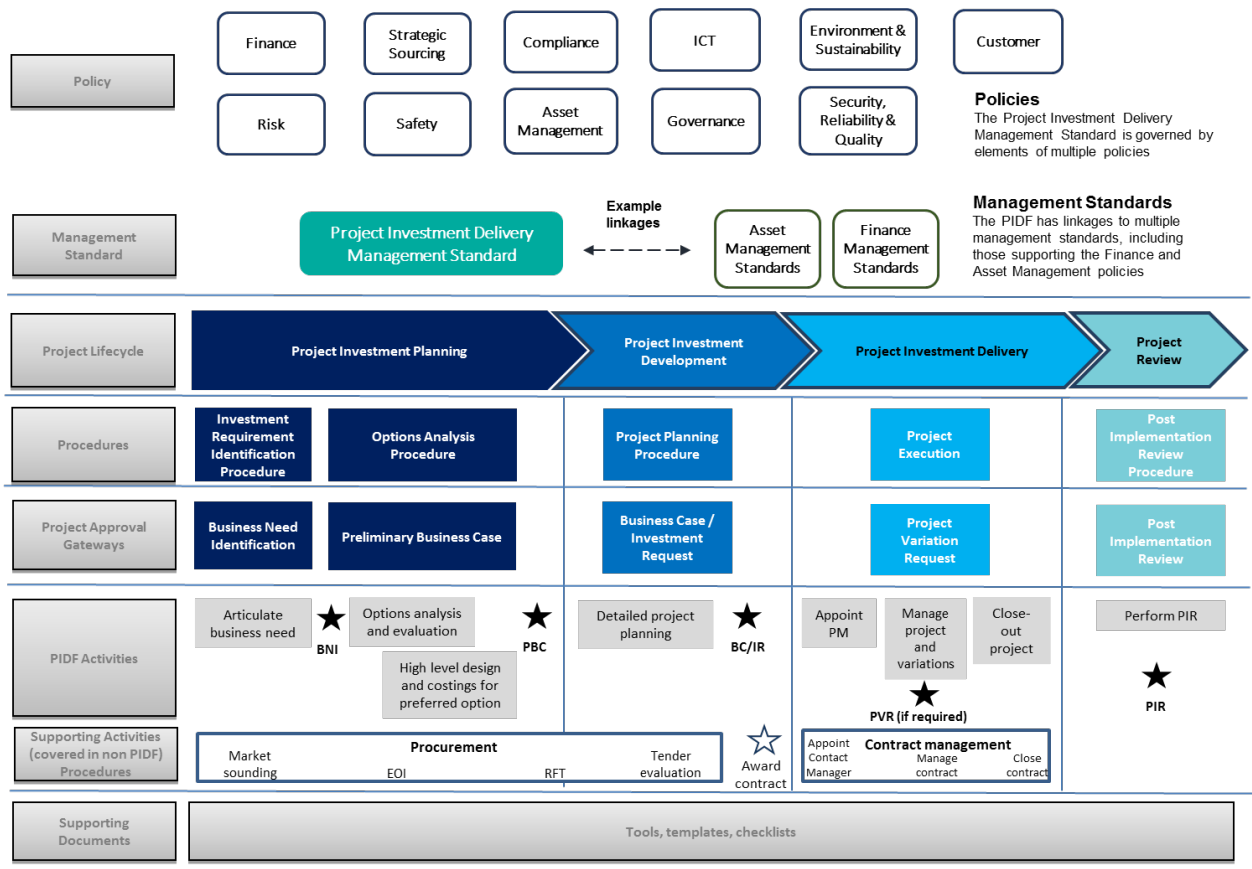
3.2 Project Investment Planning and Delivery Procedures

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

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[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 classification[5]

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.

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

FIGURE 2: PROJECT CLASSIFICATION[6]
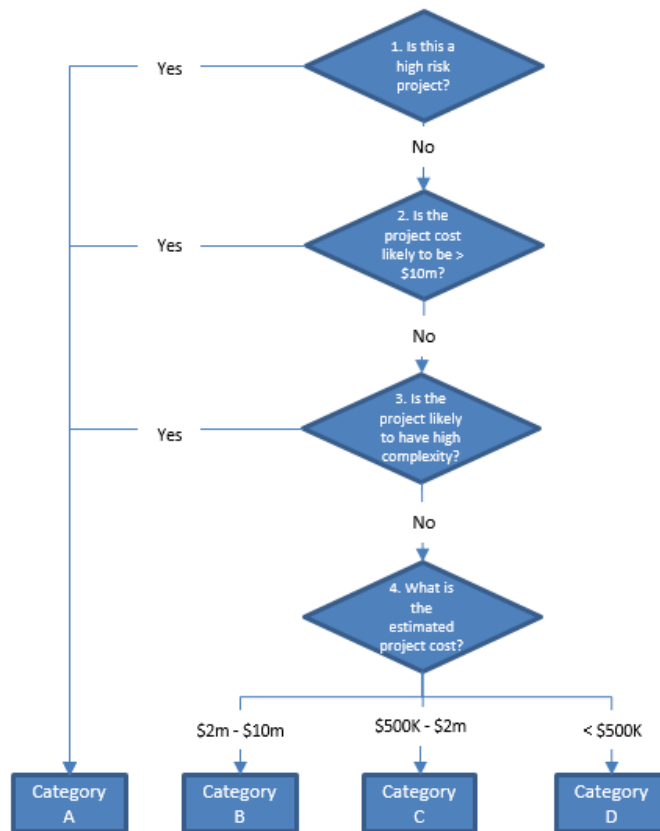
NOTE: ALL CATEGORIES ARE UP TO THE THRESHOLD. I.E. CAT D LESS THAN $500K ($499.99K)

TABLE 2: PROJECT CLASSIFICATION QUESTIONS

Question	Issues to consider
Is the project high risk?	Projects are considered high risk if: • 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?	Based on Power and Water's experience, or high level engagement with external parties, is it likely the project's total cost could exceed $10m[7]? Detailed costings are not required to answer this question.
Is the project likely to have high complexity?	Projects are considered to have high complexity if: • 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.

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[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

Gateway documents	Category A	Category B	Category C	Category D
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:

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[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.

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[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 buisness' 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	The EPMO provides a consistent approach that aligns to the project governance framework to initiating, delivering, reporting and reviewing projects by: • 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. 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.
Enterprise Portfolio Management Committee (EPMC)	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: • 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.

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[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)
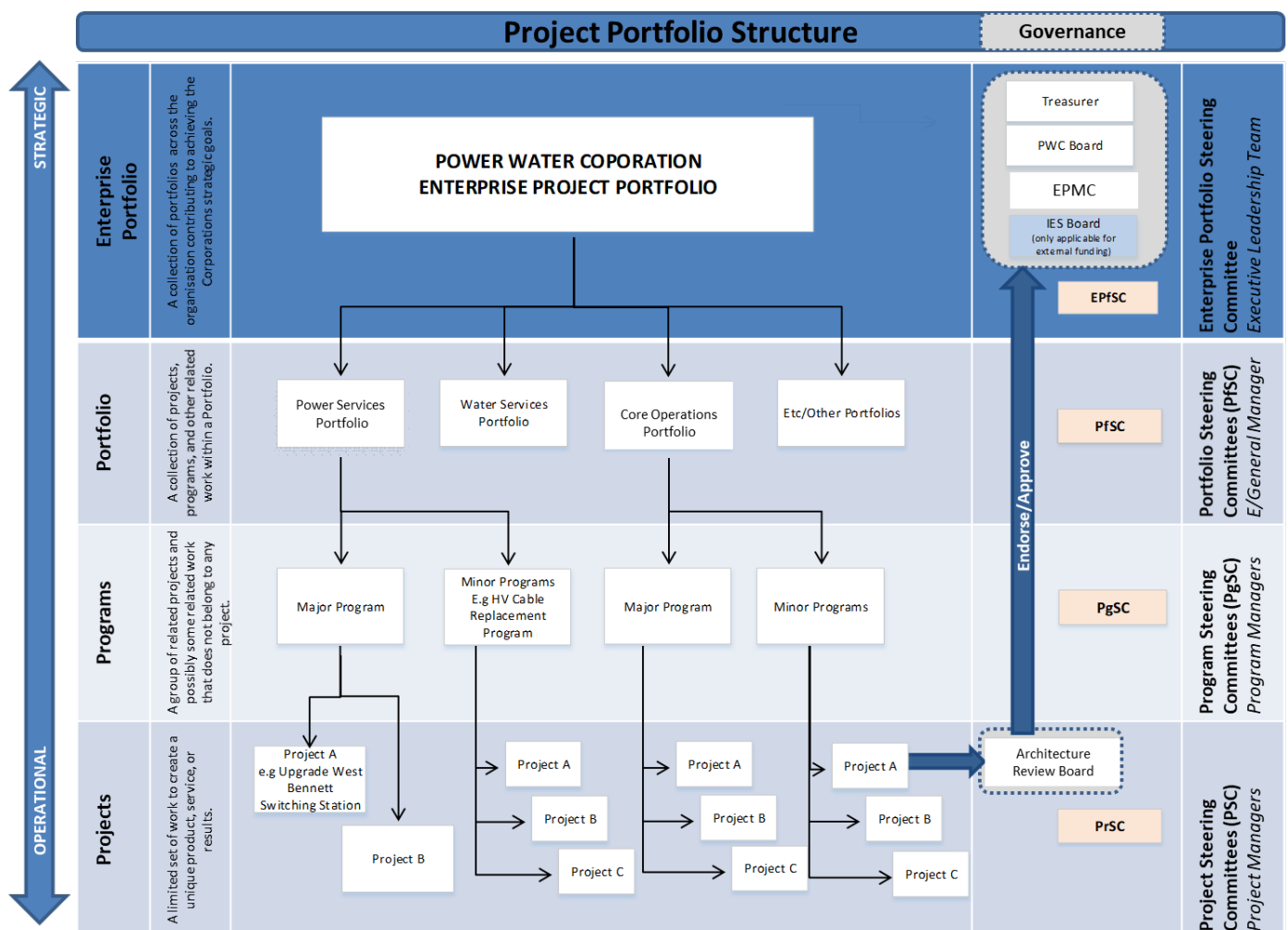
4   Definitions

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	• 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	• 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	• 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

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 • 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	• 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	• Examine delivery of benefits • Project performance summary • Improvement recommendations • Learnt Lessons Register	n/a	Senior Manager EPMO & See Table 4

POWER AND WATER CORPORATION

Investment and Delivery Framework (IDF)

Management Standard
CONTROLLED DOCUMENT

applicable during 2024 - 2027 regulatory period

REV	DATE	GENERAL DESCRIPTION	PREPARED	REVIEWED	ENDORSED
5.0	29/04/2024	Major revision to include portfolio and program management. Project management framework was also revised.	K McMaster	P Hosking	ELT (Operating BU members)

				NEXT REVIEW	01/07/2027
			APPROVED	Chief Executive Officer	
				Djuna Pollard	
				Power and Water Corporation	

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CONTENTS

1   Introduction

1.1   Background

Power and Water Corporation (Power and Water) is committed to excellence in the delivery of its capital and operating expenditure programs and recognises the importance of effective governance to achieve this. This management standard outlines Power and Water's approach to investment delivery and seeks to achieve this through:

- Ensuring that portfolio planning and management practices align with the expectations set by our Board.
- Developing portfolio processes that integrate seamlessly with the Works Management Value Chain and Capital Delivery, enhancing efficiency in project management.
- Implementing robust governance structures to ensure accountability, transparency, and effective oversight throughout the program and project lifecycle.
- Streamlining submission processes to alleviate administrative burdens, allowing resources to be directed towards value-added activities.
- Providing comprehensive visibility of the pipeline(s) and in-flight projects and programs across the organisation to facilitate better decision making and resource allocation.
- Enhancing decision-making processes, particularly in prioritisation, by providing clearer insights into program and project dependencies and strategic alignment.

The establishment of portfolio management as a core practice within Power and Water is foundational to achieving the objectives outlined above. This is enabled by the Investment and Delivery Framework (IDF), developed in alignment with contemporary standards and best practices, including PRINCE2, Managing Successful Programs (MSP), and Management of Portfolios (MoP).

By tailoring these methodologies to suit our organisation's unique context and requirements, we aim to establish robust governance structures, enhance decision making processes, and effectively deliver initiatives that align with our strategic objectives. This journey towards organisational excellence will pave the way for continued success and growth in the future.

1.2   Purpose

This management standard is in accordance with our Security, Reliability and Quality Policy Statement (CONTROL0294), outlining Power and Water's framework for effectively managing portfolios, programs, and projects. The standard ensures that investment decisions and outcomes are both sound and efficient, thereby ensuring effective deliverability. It's essential to note that portfolio planning and management follow a continuous lifecycle throughout the lifespan of individual projects and programs.

This management standard also supports the commitment contained in our Finance Policy Statement (CONTROL0289) 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.

1.3 Scope

This management standard applies to all investments within Power and Water's enterprise portfolio, encompassing the following:

- All program and project investments (both CAPEX and OPEX) across all business units. OPEX-funded projects are included, but Business as Usual (BAU) activities funded by OPEX are not in scope[1].

- The entire investment and delivery lifecycle, starting from the conceptualisation of an investment to its closure.

Accountable and responsible parties for each stage of the Investment and Delivery Framework (IDF) are required to understand and adhere to this management standard and its related procedures.

2 Investment and Delivery Framework

2.1 Overview of the Investment and Delivery Framework

The IDF encompasses this management standard and a comprehensive set of procedures, tools, and templates. Its primary aim is to facilitate the prudent and efficient planning and delivery of investments by Power and Water throughout the investment and delivery lifecycle.

Figure 1 provides an overview of the IDF, illustrating the interconnectedness between policy statements, management standards, and associated procedures and documentation. This framework serves as an integral component of Power and Water's overarching Management Governance and Assurance Framework (MGAF).

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[1] Project-related expenditure, irrespective of funding sources, relates to activities conducted within specified timelines and controlled parameters to accomplish defined objectives. Examples of operating expenditure projects include NTEMS, Gas Pipeline Augmentation, and Customer Connections. An example of non-project, business-as-usual activity is the procurement of fuel for the vehicle fleet. For further clarification, please reach out to the Enterprise Portfolio Management Office (EPMO).

FIGURE 1: IDF FRAMEWORK OVERVIEW

Policy

| Finance | Strategic Sourcing | Compliance | ICT | Environment and Sustainability | Customer |
| Risk | Safety | Regulation | MGAF | Asset Management | Security, Reliability & Quality |

Policies
The Portfolio Investment Delivery Management Standard is governed by elements of multiple policies

Management Standard

Investment Delivery Management Standard

Example Linkages

Asset Management Standards

Finance Management Standards

Management Standards
The Portfolio Investment Delivery Management Standard has linkages to multiple management standards.

Program/Project Investment Lifecycle

Investment Concept → Investment Planning → Investment Development → Portfolio Approval → Delivery Planning → Delivery → Closure

Stage Gates

Concept Approval | Options Approval (If required) | Business Case Approval | BU Portfolio Approval | Delivery Readiness | Handover Approval | Closure Approval

Procedures

| Investment Concept | Investment Planning | Investment Development | Portfolio Approval* | Delivery Planning | Delivery | Closure |

Portfolio Governance

Program Governance

Project Governance

Schedule

Continuous Improvement (Lessons Learned)

Key Outputs

| Project or Program Brief | Options Analysis | Business Case | BU Portfolio | Execution Plan / Management Plans | Project Status Reports / Handover Plans | Post Implementation Review |

* This is outlined in the Portfolio Governance procedure

2.2 Investment and Delivery Framework Procedures

This management standard is supported by the below procedures that correspond to the portfolio, program, and project lifecycle stages, as well as common practices like program and project governance.

Program or project progress through the IDF depends on its investment classification, detailed in Appendix A.

TABLE 1: IDF STAGE PROCEDURES

Procedure	Purpose
Portfolio Governance	The Portfolio Governance Procedure (CONTROL1039) outlines the process for planning and maintaining a business unit portfolio. This includes assessing and reviewing the portfolio annually in alignment with the Statement of Corporate Intent (SCI), identifying and grouping strategic outcomes, outlining assumptions and risks, and defining how these groups contribute to Power and Water's strategic business goals and objectives. Additionally, this procedure addresses how to manage changes within the Business Unit Portfolio. Note: The aggregation of all the BU Portfolios is the Enterprise Portfolio.
Investment Concept	The Investment Concept Procedure (CONTROL1042) outlines the process to identify and define current or emerging business needs and opportunities to be considered for inclusion in the business unit portfolio. This procedure provides guidance on developing a **Program or Project Brief,** summarising the business need and the justification for investment.
Investment Planning	The Investment Planning Procedure (CONTROL1043) outlines the process for developing Options Analysis for individual projects or programs, encompassing high-level options analysis to ascertain the viability of the preferred option. Additionally, it outlines how investments can integrate into the annual portfolio planning process. This procedure provides guidance on developing an **Options Analysis** with the intent of proposing a recommended option for further development within the business case.
Investment Development	The Investment Development Procedure (CONTROL1044) outlines the process of demonstrating to decision makers that sufficient justification of the preferred option has been conducted before seeking approval to proceed. Additionally, it describes how investments can integrate into the annual portfolio planning process. This procedure provides guidance on developing a **Business Case** including assessing the deliverability of the initiative.
Delivery Planning	The Delivery Planning Procedure (CONTROL1045) outlines how initiatives will be delivered, including tracking and baselining performance against cost, outcomes, or outputs, as well as time. This procedure provides guidance on developing an **Execution Plan** and **Management Plans** and describes the process of delivering projects within programs.
Delivery	The Delivery Procedure (CONTROL1046) outlines the process of informing stakeholders about the progress of initiatives in comparison to the business case. Additionally, it describes the process of handing over completed initiative(s) to the owners of the solution, product, or asset. This procedure provides guidance on producing **Project/Program status reports** and the **handover plans**.

Closure	The Closure Procedure (CONTROL1047) outlines the process of evaluating whether the anticipated outcomes of the investment have been achieved and how lessons learned will be managed. It provides an overview of the activities necessary to assess the delivered value of an investment and outlines the criteria for evaluating investment performance. This procedure details the process for developing a **Post Implementation Review.**

TABLE 2: PROCEDURES THAT ARE COMMON ACROSS ALL IDF STAGES

Procedure	Purpose
Program Governance	The purpose of the Program Governance Procedure (CONTROL1040) is to provide a structured approach for managing both recurrent and scoped programs effectively, ensuring alignment with strategic objectives and enabling informed decision making. In this procedure, risk, issues, and change are interrelated components critical for achieving program success.
Project Governance	The purpose of the Project Governance Procedure (CONTROL1041) is to ensure effective management and oversight of projects from concept to completion. This procedure outlines how risk, issues, and change are interrelated components vital to project success.
Schedule	The purpose of the Schedule Procedure (CONTROL1048) is to systematically assess, forecast, and manage program and project timelines to ensure efficient allocation of resources, timely delivery of milestones, and adherence to schedules.

3   Governance

3.1   Program and Project Classification

The level of documentation and rigor required for governance mechanisms is determined based on the type, risk, and value of each initiative relative to Power and Water.

Initiatives are classified as either a program, a major project, or a minor project. These classifications are ascertained early, typically during the concept stage or while developing the portfolio for the SCI[2]. **Table 3** outlines the considerations used to determine the classification.

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[2] This is outlined in the Portfolio Governance Procedure (CONTROL1039)

TABLE 3: CLASSIFICATION DEFINITION

Classification	Definition		Governance
Program	Recurrent Program	Initiatives are considered recurrent if: ▪ They relate to routine or recurrent types of work, ▪ The funding relates to planning for unplanned work, ▪ Activities that repeat year on year.	Senior Management level group (at the discretion of the EGM) that oversees the status and performance of the program.
	Scoped Program	Initiatives are considered scoped (non-recurrent) if: ▪ There are a group of projects being delivered under the program. They are interrelated and highly dependent on each other. The projects within the program all align to the outcomes of the program ▪ A group of 'like minded' projects that can be bundled together for improved efficiency, cost savings or enhanced delivery.	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.

Major project	major projects are initiatives that meet one or more of the following criteria:
	▪ They are stand-alone projects (not part of a program) and have at least one of the following characteristics:
	  o The options or design to deliver the project are not well understood.
	  o Integrating the project's output into Power and Water is expected to be complex.
	▪ They relate to new or upgraded technology representing a significant change to Power and Water's current systems architecture or operations.
	▪ There are significant uncertainties associated with the initiative, such as unknown regulatory or legislative positions.
	▪ There are a large number of diverse stakeholders.
			The Executive level management group oversees the portfolio of Projects and Programs within their business unit. This includes business unit portfolio forecasting and portfolio management.

Minor project	Minor projects are initiatives that meet one or more of the following criteria: ▪ The size, complexity, and delivery risk are low. ▪ The stakeholders are either internal or, if external, regularly dealt with. ▪ The statement of work (scope) is known upfront[3]		Senior Management level group (at the discretion of the EGM) oversees the status and performance of the project.

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[3] Use the procurement standing arrangements for anything that is not deemed a project, e.g.: Engagement of vendors to provide a managed service.

3.2 Stage Gates, Monitoring and Control

In the Investment and Delivery Management Standard, the classification of initiatives determines two critical aspects:

- The mandatory stage gates that each initiative must pass through before proceeding.
- The governing bodies responsible for endorsing and approving initiatives at each stage gate.

3.2.1 Stage Gates

Stage Gates are key decision points used by Power and Water to ensure the prudent and efficient delivery of investments. These gates serve as specific checkpoints for governing bodies at the end of each stage, evaluating an initiative's readiness to progress. Within the IDF, there are seven gates, each linked to a stage procedure that outlines the exit/approval from that gate.

3.2.2 Approval and Endorsement

Gateway submissions will be approved as per below:

- Submissions in investment concept and investment planning stage gates are to be endorsed/approved in line with CEO Delegation of Authority (CONTROL0714) based on the cumulative total of the seed funding requested.
- Key outputs from investment development onwards are to be endorsed/approved in line with CEO Delegation of Authority (CONTROL0714) based on the total project value.
- Projects and programs exceeding EGM approval limits will be required to be presented to the Enterprise Portfolio Management Committee for endorsement or approval subject to the cumulative total of the funding requested.

FIGURE 2: STAGE GATES

| Result	Concept Approval	Option Approval	Budget Approval	Portfolio Approval	Delivery Approval	Handover Approval	Closure Approval
Gate Purpose	To demonstrate the investment need and supporting logic.	To investigate the preliminary business case options analysis for High Value, High Risk initiatives to determine viability and preferred option.	To investigate the Business Case and confirm that the preferred option is achievable and is going to deliver agreed outcomes within the planned timeframe.	To develop and maintain a business unit portfolio of work that is prioritised to achieve agreed outcomes within an agreed funding limit.	To review how robust the execution plan is and to confirm if the initiative is 'shovel ready'. To provide estimation feedback.	To investigate how ready Power and Water are to take ownership of the solution/product/asset.	To investigate how ready Power and Water are to take ownership of the solution/product/asset.
Input	• Risk rating • Clear investment logic, aligned to strategic and/or operational objectives. • Quantitative measures of success • Investment drivers • Optimisation considerations/ constraints	• High level cost/benefit • Options identified but not detailed. • Preferred option proposed. • Early procurement opportunities • Forward planning for land tenure • Forward planning for infrastructure sustainability rating (IS Ratings) • Benefits identification	• Preliminary Design (functional specifications) • Estimates • Preferred option • Benefits identification	Business Unit Portfolio. This is made up of: • Programs, projects, recurring programs (annually to inform SCI) • Change requests • Annual project investment planning	• Execution plan • Detailed Design (functional specifications) • Integrated schedule • PMP and associated project delivery management documents • Procurement plan including evaluation and negotiations etc. • Associated tender documents, etc	• Practical completion/Cutover documents • Operational plans • Contractual management arrangements (if applicable)	• Final project status report • Post implementation review • Benefits realisation plan • Updated enterprise risk registers. • Assets capitalised.
RACI	BU EGM = Accountable BU Asset Manager = Responsible	BU EGM = Accountable BU Asset Manager = Responsible PDM/FBS/ICT = Consulted	BU EGM = Accountable BU Asset Manager = Responsible PDM/FBS/ICT = Consulted	BU EGM = Accountable BU Management = Responsible	EGM = Accountable PDM = Responsible (if required) BU Asset Manager = Consulted Finance/ICT = Consulted Procurement = Engaged	BU EGM = Overall Accountability PDM (if required) = Delivery Accountability BU Asset Manager = Consulted	BU EGM = Accountable PDM (if required) = Responsible FBS = Engaged
Decision Confirms	• Confirms progression to either preliminary business case or business case and to develop high level options analysis.	• Confirms progression to business case and to develop detailed options analysis. • Preferred option is viable. • Approve early procurement. • Approve land tenure engagement. • Approve Infrastructure Sustainability Rating • Approval to proceed to BC.	• Approved business case • Approval to go to market. • Approval to progress early supply chain etc, including land tenure. • Approval to proceed to next steps. • Handover to PDM	Board gives the EGM(s) accountability to deliver the outcomes listed as projects or initiatives to the funding envelope.	• Approval to sign contract. • Baselined execution plan and management products • Approval to proceed to next steps.	• Approval to handover to operations • Approval to proceed to closure steps. • Whether a PIR is required	• Approval of final project status report • Approval of Post implementation review • Handover of benefits realisation accountabilities *Subsequent action*: • Closure of project in project management system(s)
Key Output	• Program Brief or • Project Brief	• Options Analysis	• Business Case	• Business Unit Portfolio	• Execution Plan • Management Plans • Contract Awarded (if required)	• Status reports • Handover documents	• Post Implementation Review • Tranche report (programs) • Capitalised asset

3.2.3 Monitoring and Control

Nine key bodies are involved in endorsing, approving, monitoring, and steering initiatives within Power and Water including:

- the Treasurer
- Power and Water Board (the Board)
- Indigenous Essential Services (IES) Board,
- Audit and Risk Management Committee (ARMC)
- System Control, Market Operations & Regulation Committee (SCMORC)
- Enterprise Portfolio Management Committee (EPMC)
- Portfolio Steering Committees (PfSC)
- Program Steering Committees (PgSC), and
- Project Control Group (PCG).

FIGURE 3: GOVERNANCE HIERARCHY
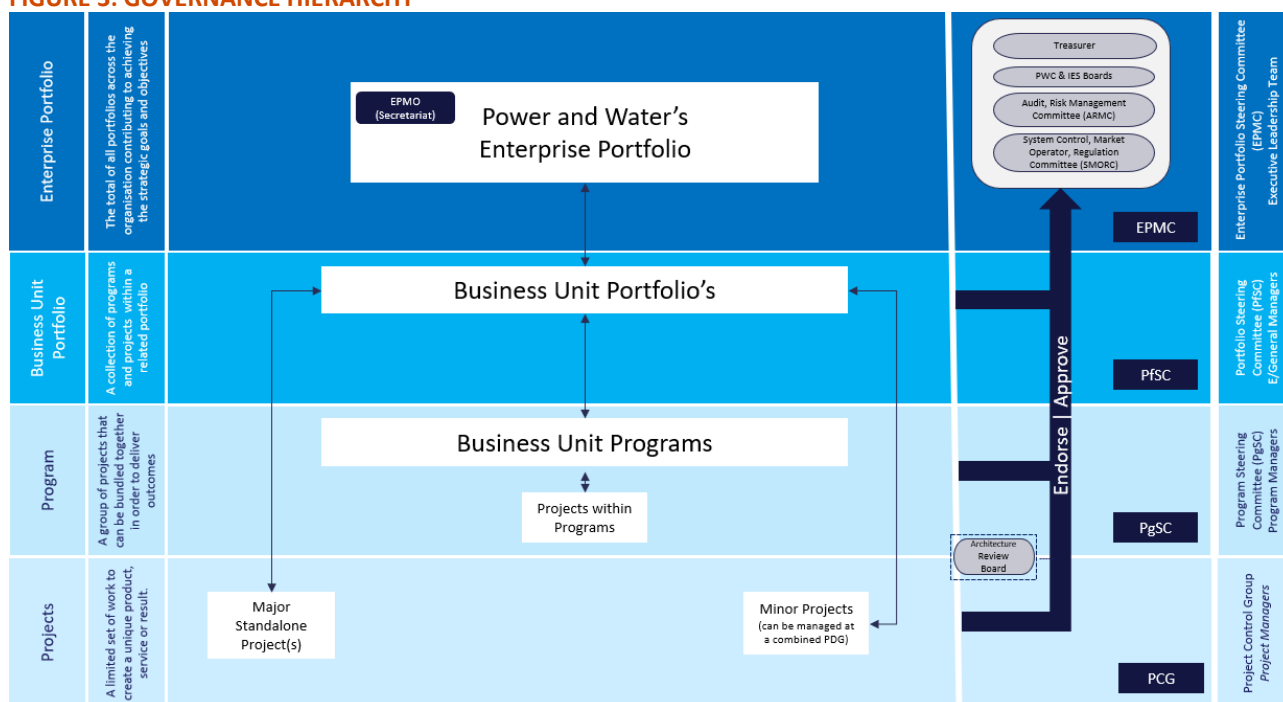
Performance management and reporting are fundamental elements of the Investment and Delivery Management Standard. They ensure that program and project performance is monitored, measured, and communicated effectively throughout the investment lifecycle. The standard recognises the importance of establishing clear guidelines for tracking progress, evaluating outcomes, and reporting on key performance indicators (KPIs).

Key components of performance management and reporting include:

- Defining relevant KPIs aligned with strategic objectives.
- Establishing regular reporting cycles to stakeholders.
- Implementing mechanisms for monitoring and addressing deviations from planned targets.

By prioritising performance management and reporting, Power and Water can enhance transparency, accountability, and decision-making. This enables stakeholders to make informed assessments of program and project success and take timely corrective actions when necessary.

4   Definitions

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

TABLE 4: DEFINITIONS

Term	Definition
Architecture Review Board (ARB)	A group responsible for reviewing ICT-related projects and endorsing before they are submitted to further approval bodies.
Audit and Risk Management Committee (ARMC)	A committee established by the Board to achieve its objectives to maintain and improve the quality, credibility and objectivity of Power and Water's financial accountability processes, while ensuring effective risk and compliance frameworks, strategies and functions are in place.
Enterprise Portfolio Management Committee (EPMC)	An executive level committee that provides advice and recommendations to the Chief Executive Officer (CEO) on initiatives objects that meet certain criteria for approval at each of the governance gateways.
Enterprise Portfolio Management Office (EPMO)	The EPMO provides the Executive with an enterprise view of portfolios, programs and projects across Power and Water. The EPMO is responsible for providing an Investment and Delivery Framework that guides a consistent approach to initiating, delivering, and reviewing of investments, while supporting the Corporation with governance, tracking and reporting.
Indigenous Essential Services (IES) Board	The Board of directors for *Indigenous Essential Services Pty Ltd*, a not-for-profit subsidiary company of Power and Water Corporation, contracted to deliver electricity, water and wastewater services on behalf of the Northern Territory Government through the Department of Territory Families, Housing and Communities.
Investment and Delivery Framework (IDF)	The IDF is the overarching framework that describes the hierarchy and relationship of documentation that supports prudent and efficient project investment.
Investment stages	The six sequential stages that provide the structure and governance for progressing project investments.
Investment submission	An investment governance gateway submission is a checkpoint that determines if the continued approved investment remains viable, and of value. Investment submissions may include Program Brief, Project Brief, Options Analysis, Business Case, Execution Plan, Management Plan, Project/Program Status Report, Handover Plans, Post Implementation Review
Initiative	For the context of this document, initiative is used as a general term to label a program or project when the subject refers to both.
Management Governance and Assurance Framework (MGAF).	Power and Water's holistic management governance and assurance framework
Outcome(s)	Is the result of a business change that is a direct result of the output(s).
Portfolio	A portfolio is a collection of projects and programs and other works 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.
Program	Programs are a group of projects that all contribute to achieving a shared outcome. Programs are made up of smaller projects.
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

Term	Definition
	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.
Portfolio Steering Committees (PfSC)	A business unit committee established to strategically manage and optimise programs and projects portfolios
Program Steering Committees (PgSC)	A business unit committee established to strategically manage a recurrent or scoped program.
Project Control Group (PCG)	The governing body for a project chaired by the Project Sponsor.
Power and Water Board (the Board)	The Board guides the strategic vision of Power and, ensuring it meets regulatory and statutory requirements and organisational and financial performance goals.
RACI	Responsible, Accountable, Consulted, and Informed
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.
System Control, Market Operations & Regulations Committee (SCMORC)	A committee established by the Board that provides fiduciary and corporate governance on initiatives relating to the Corporation's role as the NT's electricity System Control and Market Operator and matters pertaining to economic regulation.
Tranche Report	A brief overview of a completed component of a program, typically on an annualised basis. This will be used instead of a Post Implementation Review
Treasurer	The Treasurer of the Northern Territory Government.

5 Document 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 Portfolio Management Office (EPMO) Governance Manager, EPMO Business Partners, EPMO	Maintain document effectiveness, consult for changes and support implementation
Project Management Community	Communication – inform of any changes

5.2 Review

The requirements of this document are mandatory and shall be reviewed and updated every three years for its ongoing effectiveness. A review of this document must occur in the event of any significant change in environment.

5.3 Internal references and related documents

Document title	Record number
Board Delegation of Authority	CONTROL0240
CEO Delegation of Authority	CONTROL0714
Portfolio Governance Procedure	CONTROL1039
Program Governance Procedure	CONTROL1040
Project Governance Procedure	CONTROL1041
Investment Concept Procedure	CONTROL1042
Investment Planning Procedure	CONTROL1043
Investment Development Procedure	CONTROL1044
Delivery Planning Procedure	CONTROL1045
Delivery Procedure	CONTROL1046
Closure Procedure	CONTROL1047
Schedule Procedure	CONTROL1048
Overhead Allocation Procedure	CONTROL1011
Strategy & Planning Management Standard	CONTROL0386
Management Governance and Assurance Framework (MGAF)	D2016/510217
Enterprise Portfolio Management Committee (EPMC) Terms of Reference	D2024/236404

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.

Date of issue	Version	Prepared by	Description of changes
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
15/04/2024	5.0	K McMaster P Hosking	Review of framework to include portfolio and program. Inclusion of all approved improvements for project management.
03/07/2024	5.0	Document control	Published approved document

6 Appendices

A Appendix A: Summary of investment gateways, classification & target cost accuracy.

Gateway	Purpose	Investment and Delivery Lifecycle Stage	Investment Classification	Relevant procedure	Typical Elements	Target Cost Accuracy
Concept Project Brief or Program Brief	To demonstrate the investment need and supporting logic	Concept	All projects	Investment Concept Procedure CONTROL1042	▪ Risk rating ▪ Clear investment logic, aligned to strategic and/or operational objectives ▪ Quantitative measures of success ▪ Investment drivers ▪ Optimisation considerations/ constraints	+/-50%
Options Approval Options Analysis	To demonstrate the robust development, analysis and selection of options. The market sounding can happen, but testing the market should not be until after the PBC gateway has been approved.	Investment Planning	All major projects	Investment Planning Procedure CONTROL1043	▪ Suite of options ▪ Full options analysis ▪ Risk register ▪ Scope and requirements definition for preferred option	+/-35%
Business Case Approval Business Case (BC)	To demonstrate sufficient project development prior to seeking approval to proceed. The market can be tested during the process of developing a business case, but a contract is typically not awarded until after the business case gateway has been approved.	Investment Development	All major and minor projects	Investment Development Procedure CONTROL1044	▪ Updated options analysis ▪ Procurement strategy ▪ Deliverability assessment ▪ Detailed cost estimate including contingency ▪ Detailed schedule ▪ Concept Design	+/-20%
Portfolio Approval BU Portfolio	To approve the refresh of the BU portfolio in alignment with the SCI timelines. To manage the BU portfolio throughout the year (adding, removing projects or programs)	Portfolio Approval Throughout the framework lifecycle	All projects	Portfolio Governance Procedure CONTROL1039	▪ To develop and maintain a business unit portfolio of work that is prioritised to achieve agreed outcomes within an agreed funding limit	0%

Gateway	Purpose	Investment and Delivery Lifecycle Stage	Investment Classification	Relevant procedure	Typical Elements	Target Cost Accuracy
Delivery Readiness Execution Plan	Provides certainty that the project or program is ready to commence delivery. Going out to market.	Delivery Planning Note: The deliverability assessment is included in the business case	All projects Note: For recurrent programs a Program Management Plan (PMP) is completed during the delivery planning stage For scoped program, a PMP is commenced during the investment development stage	Delivery Planning Procedure CONTROL1045	▪ Complete management products ▪ Interfaces and control measures ▪ Design complete	+/-10%
Handover Approval Handover Reports	To investigate how ready Power and Water are to take ownership of the solution/product/asset.	Delivery	All projects/programs	Delivery Procedure CONTROL1046	▪ Approval to handover to operations ▪ Approval to proceed to closure steps ▪ Whether a PIR is required	n/a
All lifecycles Change Requests	To manage any proposed changes to scope/outcomes, time or expenditure over that approved baseline including putting the project/program on hold or reactivating a project/program	All stages	Major and minor standalone projects Program level only for recurrent and scoped programs		▪ Quantification and reasons for cost over-run ▪ Impacts to the business case ▪ Impact to the portfolio	Dependent on the change and where it is in the Lifecyle.
Closure Approval Post Implementation Review (PIR) Tranche Reports	Examines whether benefits have been delivered through the investment to inform continual improvement	Closure	All projects and programs Notes: Programs (recurrent and scoped) will complete the tranche report on an annual basis	Closure Procedure CONTROL1047	▪ Examine delivery of benefits ▪ Project performance summary ▪ Improvement recommendations ▪ Learned lessons register	n/a

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