

Capital infrastructure programs and projects

Department of Health Standard

QH-IMP-359-1:2023

1. Statement

The management of capital infrastructure programs and projects undertaken on behalf of the Department of Health shall:

- apply a governance structure that is commensurate with the scale and complexity of the program or project
- use an industry standard or accepted project management methodology
- conduct building performance evaluation to support benefits management/realisation processes and support inputs in whole-of-government investment processes
- implement relevant elements of the assurance and lessons learned processes.

2. Scope

This standard applies to all employees, contractors and consultants within the Department of Health divisions and business units.

This standard may be adopted, or re-branded, for use by Hospital and Health services or statutory bodies.

3. Requirements

Compliance with the requirements in this standard are mandatory.

3.1. Governance

- 3.1.1. The Health Capital Board of Management has the role of developing and implementing the long-term capital strategy for Queensland Health.
- 3.1.2. All Queensland Health capital infrastructure programs and projects valued over \$5 million (including GST), that are seeking funding approval from or are funded by the Commonwealth and/or Queensland Government, shall comply with the requirements of the Queensland Government Building Policy Framework and Queensland Health's Investment Management Framework. The Investment Management Framework aligns with the Project Assessment Framework, which is the Queensland Government's minimum standard for project assurance for public sector infrastructure projects.

- 3.1.3. All capital infrastructure programs and projects shall comply with the Capital Infrastructure Requirements, which set out the technical governance for capital infrastructure projects.
- 3.1.4. All Sustaining Capital projects shall comply with the requirements of this standard.
- 3.1.5. All capital infrastructure programs and projects shall have a well-defined and documented governance structure commensurate with the scale and complexity of the program or project, in accordance with the governance policy and standard.
- 3.1.6. The roles and responsibilities for each of the positions/groups within the governance structure shall be clearly articulated in the project plan or other appropriate documentation and signed off or approved by the highest authority in the governance structure.
- 3.1.7. The Department of Health has a 'system manager' role, and the Director-General Queensland Health, is responsible for the development of statewide capital planning and managing major capital works for proposed public sector health service facilities.
- 3.1.8. The Director-General Queensland Health (or their nominated delegate) shall be the Senior Responsible Officer for any Department of Health infrastructure delivery project being undertaken.
- 3.1.9. The Chief Executive Hospital and Health Service (or their nominated delegate) shall be the Senior Responsible Officer undertaking minor capital works for any Hospital and Health Service, and major capital works approved by the Director-General Queensland Health, for any Hospital and Health Service.

3.2. Project management methodology

- 3.2.1. All capital infrastructure programs and projects shall be undertaken in accordance with a defined and documented project management methodology underpinned by all functions of project management.

3.3. Assurance and lessons learnt

- 3.3.1. All capital infrastructure programs and projects shall be undertaken in accordance with Assurance and Lessons Learned processes:
 - 3.3.1.1. **Investment assurance** – for investment assurance refer to the Queensland Health investment management framework which aligns with the Queensland Government's minimum standards for project assurance for public sector infrastructure projects.
 - 3.3.1.2. **Project assurance** – the project assurance framework and toolkit should be used.
 - 3.3.1.3. **Lessons learned** – the lessons learning management framework should be used.

- 3.3.2. The Department of Health shall be responsible for implementing internal and independent assurance review processes to ensure the consistent and rigorous delivery of capital infrastructure programs and projects.
- 3.3.3. The Department of Health shall undertake capital program assurance reviews to ensure capital infrastructure programs and projects are undertaken in accordance with and comply with all relevant departmental and whole-of-government policies and frameworks.
- 3.3.4. All projects shall undertake a documented review at key milestones to provide assurance that the project is progressing according to the agreed objectives. The type and frequency shall be commensurate with the scope, size, and level of risk.
- 3.3.5. These reviews will continuously inform process improvement through the implementation of an organisation-wide lessons learned process.
- 3.3.6. Benefits shall be managed and realised through the application of the benefits realisation methodology and processes, including building performance evaluation.

4. Human rights

Human rights are not engaged by this standard.

5. Legislation

This standard sets out the key actions the Department of Health undertakes to effectively govern and manage capital infrastructure programs and projects to ensure we meet our legislative requirements articulated in the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019.

- *Financial Accountability Act 2009*
- *Hospital and Health Boards Act 2011*
- Financial and Performance Management Standard 2019

6. Supporting documents

- FMPM 7.3 - Approvals of project and expenditure standard
- FMPM 8.32 - Capital funding standard
- FMPM 8.325 - Sustaining Capital Program Standard
- Capital infrastructure programs and projects standard
- Capital Infrastructure Requirements
- Investment Management Framework

- Lessons Learning Management Framework
- Project Assessment Framework
- Queensland Government Building Policy Framework

7. Definitions

| Term | Definition |
|-------------------------------------|--|
| Assurance | Assurance is the systematic monitoring and evaluation of the various aspects of a project, service, or facility to maximise the probability that standards are being attained by the production process. All the systematic actions necessary to provide confidence that the target (system, process, organisation, program, project, outcome, benefit, capability, product output, deliverable) is appropriate. Appropriateness might be defined subjectively or objectively in different circumstances. The implication is that assurance will have a level of independence from that which is being assured. |
| Building performance evaluation | BPE supports benefits management and realisation for capital projects. This methodology facilitates comprehensive evaluation of design and performance outcomes throughout the process of planning and delivery of capital infrastructure to ensure relevant benefits outlines in the business case are enabled and realised. |
| Capital infrastructure requirements | CIR provides a consistent and standardised approach to health capital infrastructure planning and design in Queensland Health which directly links client requirements to the built solution and promotes the application of contemporary and evidenced based standards. |
| Governance | <p>Governance comprises the hard and soft measures established to provide project direction and assurance for all strategic, core and control activities involved in all stages of a project.</p> <p>The hard measures include the structure and configuration of the project organisation. The soft measures include the set of policies, standards, information, roles and responsibilities, and decision making, reporting and performance monitoring process and procedures established to ensure the investment objectives are achieved and benefits are realised through clear accountabilities, effective management of risks and responsible use of resources.</p> |
| Lessons learned | The learning gained from performing the project. Lessons Learned may be identified at any point in a program or project. |

| Term | Definition |
|---------|--|
| Program | A program is a set of related projects and activities that deliver outcomes aligned to the organisation's strategic objectives. |
| Project | A project is a temporary endeavour undertaken to deliver one or more products according to an agreed business case and delivery parameters (scope, cost, time, quality, etc.). |

8. Approval and implementation

| Policy Custodian | Policy Contact Details | Approval Date | Approver |
|---|--|---------------|--|
| Executive Director, Operations, Health Capital Division | HCDDDG@health.qld.gov.au | 10 July 2023 | Priscilla Radice, Deputy Director-General, Health Capital Division |

Version control

| Version | Date | Comments |
|---------|--------------|--|
| 1.0 | 20 July 2012 | New Implementation Standard |
| 2.0 | 20 May 2015 | Policy Rationalisation Project review |
| 3.0 | 4 April 2019 | This implementation standard has been updated to reflect current governance practice for capital projects. |
| 4.0 | 10 July 2023 | Reviewed and updated following QAO's Performance Audit Report 17 May 2022 – 'Contract management for new infrastructure' Report 16: 2021-22 (Recommendation 11). |