

# Governance and management of capital infrastructure programs and projects

Department of Health Standard  
QH-IMP-359-1:2015

## 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/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

Compliance with the requirements in this standard is mandatory.

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

This standard can be used by Hospital and Health Services (HHS) either as is, by re-branding or as a base for a HHS specific standard.

## 3. Principles

Compliance with this standard will support the successful delivery of capital infrastructure programs and projects providing they are based on sound business and project management principles.

Program and project governance is underpinned by:

- **Accountability** – being answerable for decisions and having meaningful mechanisms in place to ensure the program / project adheres to all applicable standards and legislation.
- **Transparency / openness** – having clear roles and responsibilities and clear procedures for decisions and exercising authority.
- **Integrity** – acting impartially, ethically and in the interests of the department, and not misusing information acquired through a position of trust.
- **Stewardship** – using every opportunity to enhance the value of the public assets and resources that have been entrusted to care.
- **Efficiency** – ensuring the best use of resources to further the aims of the organisation, with a commitment to evidence-based strategies for improvement.
- **Leadership** – achieving a department-wide commitment to good governance through leadership.
- **Benefits management / realisation** – incorporation of building performance evaluation to support benefits management / realisation processes.

## 4. Requirements

### 4.1 Governance

- i. All Queensland Health capital infrastructure programs/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 Capital Works Management Framework and Queensland Health's Investment Management Framework (IMF). The IMF aligns with the Project Assessment Framework which is the Queensland Government's minimum standard for project assurance for public sector infrastructure projects.
- ii. All Priority Capital Projects shall comply with the requirements of this standard.
- iii. All capital infrastructure programs and projects shall have a well-defined and documented governance structure commensurate with the scale and complexity of the program/project, in accordance with the governance policy and standard.
- iv. The roles and responsibilities for each of the positions/groups (Appendix 1) 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.
- v. The Director-General, Department of Health or their nominated delegate shall be the Senior Responsible Officer for any Department of Health infrastructure delivery project being undertaken.
- vi. The HHS Chief Executive or their nominated delegate shall be the Senior Responsible Officer for any HHS infrastructure delivery project being undertaken.

### 4.2 Project Management Methodology

- i. 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 (Appendix 2).

### 4.3 Assurance and Lessons Learned

- i. All capital infrastructure programs and projects shall be undertaken in accordance with Assurance and Lessons Learned Processes (Appendix 3).
- ii. 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.
- iii. 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.
- iv. 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.
- v. These reviews will continuously inform process improvement through the implementation of an organisation-wide lessons learned process.
- vi. Benefits shall be managed and realised through the application of the benefits realisation methodology and processes, including building performance evaluation.

## 5. Supporting documents

Relevant policies, legislation and associated documentation includes, but is not limited to, the following:

### Department of Health

- Project governance policy. Policy #QH-POL-359:2015
- Capital funding policy. Policy #QH-POL-024:2012
- Capital infrastructure project delivery policy. Policy #QH-POL-374:2015
- Financial commissioning of capital infrastructure and software works in progress policy. Policy #QH-POL-350:2015
- Capital Infrastructure Requirements Volumes 1 – 4. Policy #QH-GDL-374-1-1
- Financial Management Practice Manual (FMPM). Policy #QH-POL-267:2015
- Risk management policy. Policy #QH-IMP-428-1:2016
- Risk assessment and treatment policy. Policy #QH-GDL-070-1-1:2015

### Other

- Queensland Treasury 2015, Project Assessment Framework.
- Department of Housing and Public Works 2017, Capital Works Management Framework.
- Department of Housing and Public Works 2017, Maintenance Management Framework.

## 6. 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)	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 outlined in the business case are enabled and realised.
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</p>

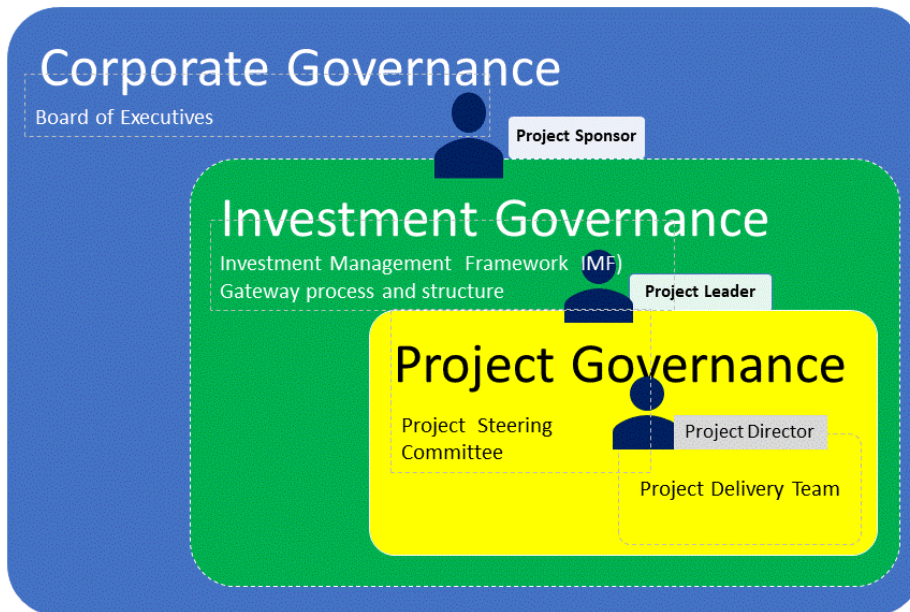
Term	Definition
	achieved and benefits are realised through clear accountabilities, effective management of risks and responsible use of resources.
Lessons Learned	The learning gained from performing the project. Lessons Learned may be identified at any point in a program or project.
Program	A program 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.).

## Version Control

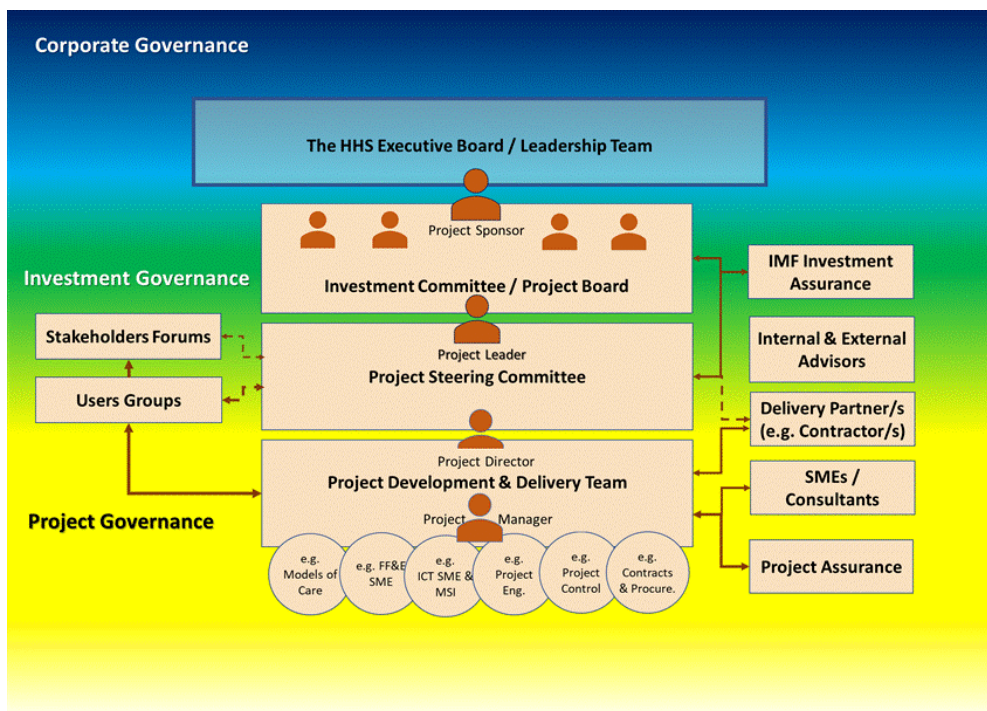
Version	Date	Comments
Version 1.0	20 July 2012	New Implementation Standard
Version 2.0	20 May 2015	Policy Rationalisation Project Review- this policy document does not include references to the Investment Management Framework as this framework has not been endorsed at this point in time.
Version 3.0	4 April 2019	This implementation standard has been updated to reflect current governance practice for capital projects.

## Appendix 1 Project governance structure

### Levels of governance



### Structural pillars of a generic project governance structure



### Technical Governance

The Capital Infrastructure Requirements (CIR) sets out the technical governance for capital infrastructure projects.



Term	Definition
Corporate Governance	The permanent organisational structure and governance arrangements put in place for managing the core business and operational activities of the organisation. Also known as Organisation Governance, Operation Governance, and/or Business as usual governance.
Investment Governance	<p>The Investment Governance refers to all functions, forums and processes established to inform the decision-making process and provide assurance that the project will achieve its strategic and operational objectives.</p> <p>The Investment Governance arrangements include permanent functions established in the State Government and Queensland Health to direct and manage capital investment and funding arrangements in health infrastructure.</p> <p>It also includes, the Investment Management Framework's processes and functions established at different decision points of the capital infrastructure delivery lifecycle to ensure the strategic, technical and operational viability of the projects.</p>
Project Governance	<p>The Project Governance comprises a temporary project organisation structure (hard measures), and management and control activities and processes (soft measures) established to provide project direction and assurance throughout the project initiation, planning, implementation and finalisation phases.</p> <p>The structural elements of a Project Governance organisation expand to include elements of the Corporate Governance, Investment Governance, and the temporary governance arrangements established for delivering the project.</p>
Capital Infrastructure Requirements	The Capital Infrastructure Requirements (CIR) set out the technical governance and technical requirements for all capital infrastructure projects. All capital infrastructure projects and health facilities must comply with the CIR. Checklists are available to assist with compliance.
Capital Funding	The state budget provides capital funding in a number of ways. Individual projects or programs can receive a commitment in Budget Paper 3 and in addition to these there are base capital allocations for Emergent Works, Priority Capital Program (for sustaining capital), Health Technology Equipment Replacement and Minor Capital Works (allocated to HHSs on an agreed percentage basis).
Project Commencement	Each discreet project, irrespective of the capital funding source, must obtain a Project Commencement approval prior to making any financial commitments. This is also referred to as a "non-recurrent" financial approval. The appropriate financial delegate depends on the total value of the capital budget allocated. For projects greater than \$10 million (including GST) the delegate is Governor in Council. The Health Minister can provide project commencement approval up to \$10 million (including GST) and for projects up to \$5 million (including GST), a departmental delegate with the required level can provide the approval. Once a Project Commencement approval is in place, delegates can use their recurrent financial delegation to approve component contracts.

Senior Responsible Owner (SRO)	The Senior Responsible Owner has overall accountability for a project to realise approved commitments within time, scope and budget. This position has the necessary authority to provide strategic leadership and is accountable for the successful delivery of the project.
Project Steering Committee	<p>The Project Steering Committee acts as the single point of accountability for the project outcomes. It directs and oversees the project initiation, planning, implementation and finalisation phases to maximise social, economic, financial and environmental return on the invested capital and realisation of the strategy and operational benefits sought by the organisation.</p> <p>The Project Steering Committee acts as the link between the Organisation and Investment Governance structures on one hand and the project-level governance on the other.</p> <p>The Project Steering Committee should be chaired by the Project Leader. The Project Leader reports to the Project Sponsor. In smaller organisations, the role of the Project Sponsor and the Project Leader may be combined.</p> <p>The size of the Project Steering Committee should be as small and agile as possible. Membership of the Project Steering Committee should include only relevant members of the senior executive team (e.g. the heads of finance, asset management, operation, etc.).</p> <p>Members of the Project Steering Committee may include:</p> <ul style="list-style-type: none"> <li>• The Project Leader.</li> <li>• Relevant members of the executive team.</li> <li>• Main delivery partner/s.</li> <li>• eHealth representative where required.</li> <li>• Department of Health representative.</li> <li>• Representatives of key government agencies where required.</li> </ul> <p>Key heads of operations may attend the Project Steering Committee by invitation and on an as needed basis.</p> <p>The Project Director attends the Project Steering Committee.</p>
Project Leader	<p>The Project Leader is a member of the senior executive and/or operational team; Chairs the Project Steering Committee and reports to the Project Sponsor.</p> <p>The Project Leader should represent the organisation's interest in effective delivery of the project outcomes.</p>

Project Director	<p>The Project Director is an experienced project development and delivery professional who directs and leads the project team and reports to the Project Steering Committee.</p> <p>The Project Director acts as the central point of leadership for the project development and delivery activities and is accountable to the Project Steering Committee for delivering the project outcomes and outputs within the agreed cost and time parameters.</p> <p>The Project Director must have significant expertise and hands-on experience in the development and delivery of capital infrastructure projects.</p> <p>The Project Director should provide advice to the Project Leader in relation to the structure and arrangements of the project governance including the type of project advisors, technical consultants and subject matter experts the project will need.</p>
Project Manager	<p>The Project Manager undertakes all project planning, management and control activities throughout the project life cycle, and manages the project delivery team.</p> <p>The Project Manager is accountable and reports to the Project Director for the project outputs.</p>
External advisors, consultants and subject matter experts.	<p>External advisors, consultants and subject matter experts (SMEs) should be identified, procured, appointed and managed by the Project Director and the Project Manager.</p> <p>High value-high risk projects could involve external advisors (e.g. technical, commercial, project management, clinical, change management). The Project Director and Project Leader should be clear on the distinction between the role of advisors and that of consultants.</p>
Internal heads of operational and functional teams. (Stakeholders Forums or Users Groups)	<p>Internal heads of operational and clinical divisions should be involved in the project initiation, planning, implementation and finalisation phases on an as-needed basis.</p> <p>Engagement of internal heads of operations could be achieved through:</p> <ol style="list-style-type: none"> <li>1. Dedicated stakeholders forums (stakeholders consultation workshops/meetings);</li> <li>2. Focused stakeholders working groups;</li> <li>3. User groups (the operational users of the facility);</li> <li>4. Representation on the Project Advisory Group;</li> <li>5. By invitation to the Project Advisory Group and/or Project Steering Committee on an as needed basis; or</li> <li>6. Combination of the above.</li> </ol> <p>Selecting the right forum to engage the heads of operational and functional teams would be subject to:</p> <ul style="list-style-type: none"> <li>• The size of the organisation and number of internal staff.</li> <li>• The value and complexity of the project.</li> <li>• The need to ensure the size of the project committees are manageable.</li> </ul> <p>The Project Director should engage with operational leaders and staff through well planned stakeholders' consultation forums and processes.</p>

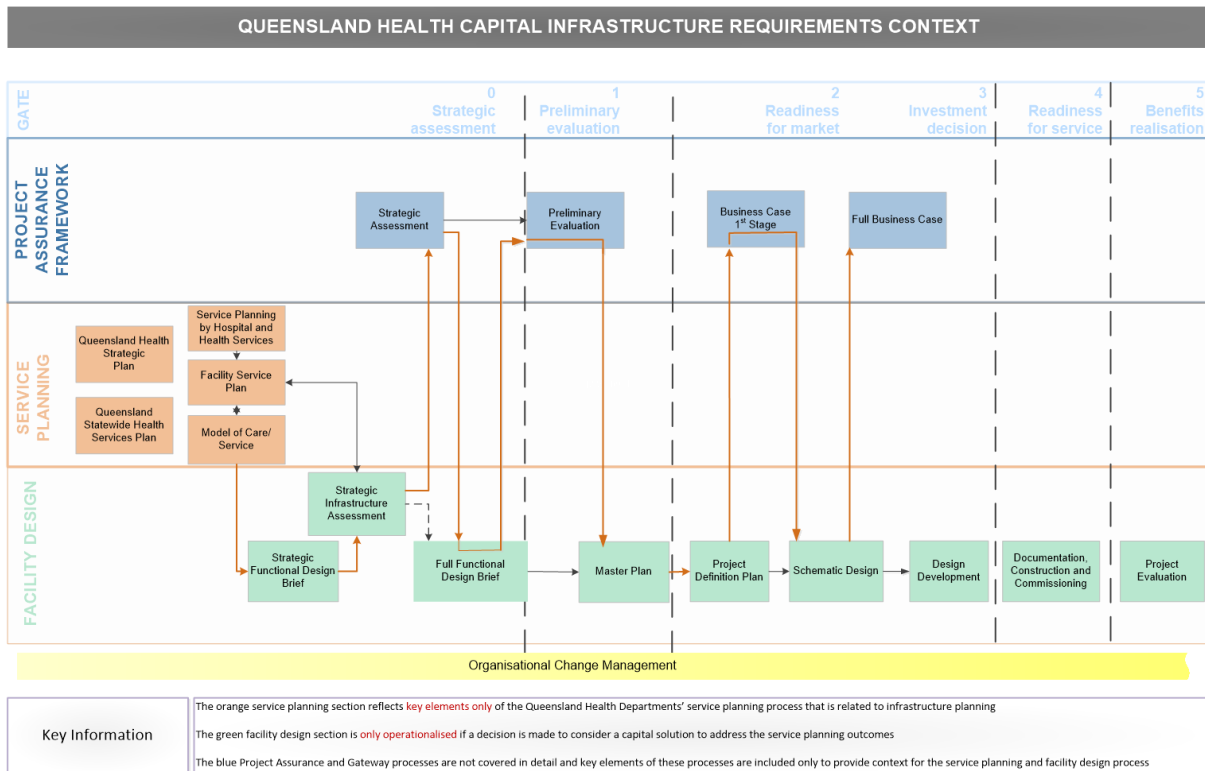


<p>Other Stakeholders Consultation Forums</p>	<p>These groups of stakeholders may have less direct impact on the project. Stakeholder consultation processes and forums should not be a part of the main project governance structure (e.g. the Investment Committee, Project Board, Project Steering Committee or Project Team).</p> <p>Stakeholders should not be permanent members of the project governance structure, particularly the Project Steering Committee.</p> <p>The Project Leader with the support of the Project Director should identify relevant stakeholders and establish forums and processes dedicated to stakeholders' engagement and consultation.</p> <p>Stakeholders Consultation is not Community Consultation.</p> <p>While, the Project Director should plan and lead the implementation of stakeholders' consultation forums and processes, the responsibility for Community Consultation sits with the HHS.</p>
<p>Project Advisory Group</p>	<p>In the case of high value-high risk projects, the project governance structure may include a dedicated forum to facilitate the participation and input of groups of stakeholders with significant interest in and influence on the project. These could be facility operators and management, representatives from <i>central agencies</i> (i.e. Treasury, Premier &amp; Cabinet), other Queensland Health organisation (e.g. eHealth) and/or other line agencies</p> <p>The Project Advisory Group provides expert advice and direction from their respective organisation/area of accountability.</p> <p>The Project Director chairs the Project Advisory Group.</p> <p>Members of the Project Advisory Group are not members of the Project Steering Committee.</p>
<p>Project Control Group</p>	<p>In the case of high value-high risk projects, the project governance structure may include a Project Control Group.</p> <p>'Project Controls' is a professional discipline stream within Project Management. It refers to activities such as cost control, schedule control, risk management and project performance reporting.</p> <p>The Project Control Group oversees the activities and deliverables of the Project Team/Project Delivery Team/Project Planning and Development Team. The Group provides technical and project management due diligence assurance, project planning and performance reporting.</p>

Project Team	<p>The Project Team is the team that undertakes the project planning, implementation and finalisation phases of the project as well as the project management and project controls activities (e.g. the management of scope, cost, time, quality, etc.)</p> <p>The Project Team is led by a professional Project Director and managed by a Project Manager (both roles could be combined in the case of small projects). Both roles should have significant expertise and hands-on experience in the development and delivery of capital infrastructure projects.</p> <p>Members of the Project Team may include all project functions, subject matter experts, project management, project controls and operational staff required to deliver the project (e.g. project engineers, project officers, project control staff, design team, contract and procurement team, stakeholders and communications staff, commissioning management staff, Furniture, Fittings and Equipment (FF&amp;E) professionals, and Information, Communication and Technology (ICT) professionals).</p> <p>The Project Team may include external subject matter experts and/or consultants (e.g. design team, ICT, FF&amp;E).</p>
Investment Assurance	<p>Investment Assurance refers to independent reviews and the Gateway Reviews undertaken as a part of the Investment Management Framework (IMF) to inform the investment decisions made by the Investment Review Committee.</p>
Project Assurance	<p>Project Assurance refers to independent reviews of the technical and financial integrity of the project as well as the adequacy and effectiveness of project arrangements, strategies, disciplines, functions, resources, governance and activities. Project Assurance activities are most effective during the project planning and development phase (from Gate 0 to Gate 2) however, they may be conducted at any point of the project life cycle.</p>
Program Coordination	<p>Program coordination is undertaken to oversee a range of programs and projects to ensure strategic alignment.</p>
Delivery Partner/s	<p>Projects may involve number of project Delivery Partners. Other projects may involve a key Delivery Partner who sources and provides the full supply chain for delivering the project.</p> <p>In both cases the Project Director should establish and chair regular forums with the Delivery Partner/s.</p>
Transition Manager and Business Change Owner	<p>The Transition Manager and/or the Business Change Owner lead the transition to operation which may start at the project commissioning stage.</p> <p>The Transition Manager and/or the Business Change Owner is accountable for the business and operational change management process and ensuring that the delivery solution meets the service and operational requirements and the organisation is ready to deliver the business change.</p> <p>For capital infrastructure projects in HHS's these roles sit with the HHS.</p>

## Appendix 2: Project Management Methodology

### Technical Governance



### Project Methodology

The Department of Health applies the Project Management Body of Knowledge (PMBOK) methodology for capital infrastructure projects.

### Project Management Body of Knowledge Functions

Integration management	Refers to processes required to ensure that the various elements of the project are properly coordinated. It consists of project plan development, project plan execution and overall change control.
Scope management	Refers to processes required to ensure that the project includes all the work required and only the work required, to complete the project successfully. It is primarily concerned with defining and controlling what is or is not included in the project.
Time management	Refers to processes required to ensure timely completion of the project. It consists of activity definition, activity sequencing, activity duration estimating, schedule development and schedule control.
Cost management	Refers to processes required to ensure timely completion of the project within budget. It consists of resource planning, cost estimating, cost budgeting and cost control.
Quality management	Refers to process required to ensure that the project will satisfy the needs for which it was undertaken. It consists of quality planning, quality assurance and quality control.
Human resource management	Refers to processes required to make the most effective use of the people involved with the project. It consists of organisational planning, staff acquisition and team development.
Communications management	Refers to processes required to ensure timely and appropriate generation, collection, dissemination, storage and ultimate disposal of project information. It consists of communication planning, information distribution, performance reporting and administration closure.
Risk management	Refers to processes concerned with identifying, analysing and responding to project risk. It consists of risk identification, risk quantification, risk response development and risk control.
Procurement management	Refers to processes required to acquire goods and services from outside the performing organisation. It consists of procurement planning, solicitation planning, source selection, contract administration and contract close-out.

## Appendix 3: Assurance and Lessons Learned Process

### Investment Assurance

For investment assurance refer to the Queensland Health Investment Management Framework (IMF) and associated Technical Assurance Framework, and Economic and Financial Guidelines. The IMF aligns with the Project Assessment Framework which is the Queensland Government's minimum standards for project assurance for public sector infrastructure projects.

### Project Assurance

For Project Assurance a Project Assurance Framework and Toolkit should be utilised.

### Lessons Learned

For Lessons Learned a Lesson Learned Management Framework should be utilised.