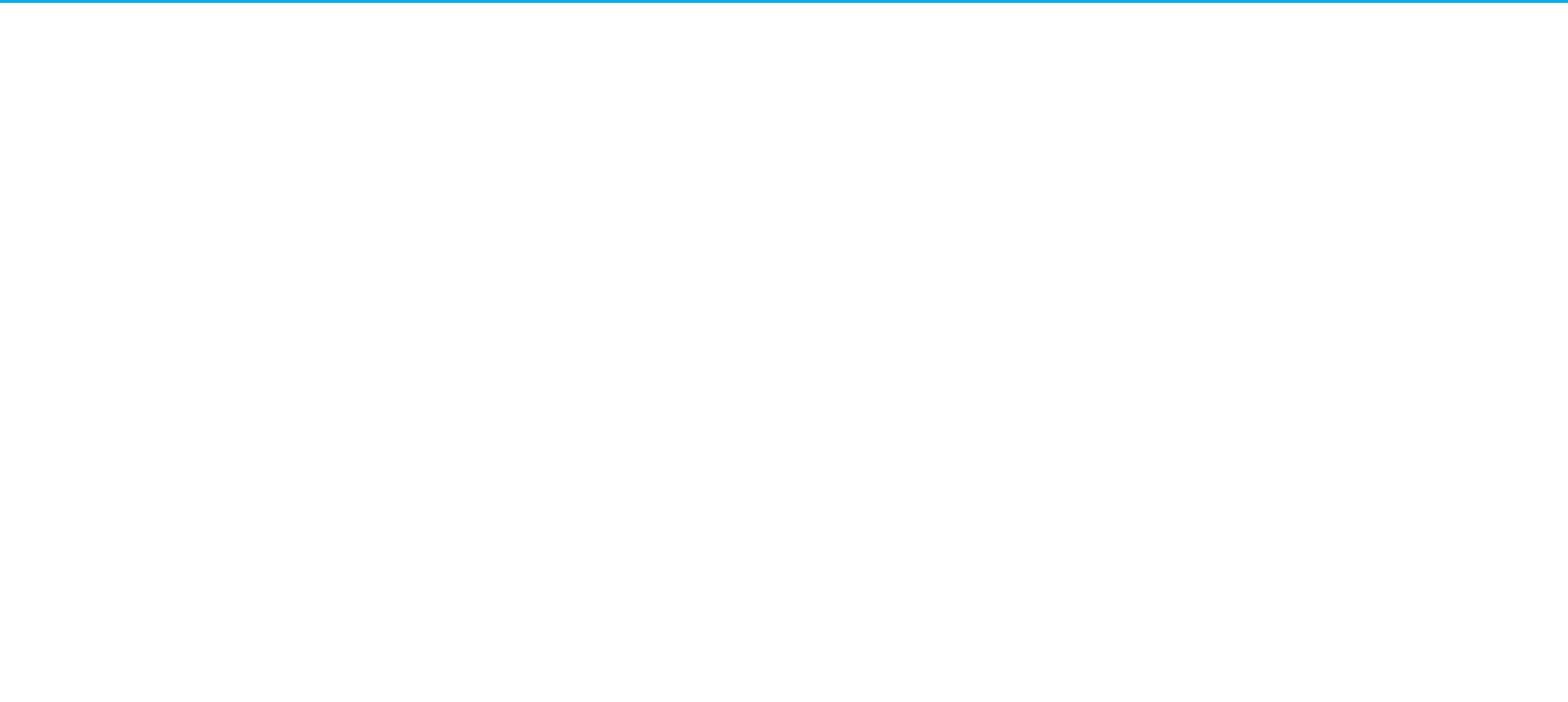




Making a Difference

How the Infrastructure Investor Assurance Framework is improving capital project delivery in NSW

A summary of the 2018 Trends and Analysis Report



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Introduction

Investment in NSW infrastructure is at record levels. Well over 700 capital projects are registered with Infrastructure NSW as the state powers ahead with the planning, development and delivery of new public transport, roads, schools, hospitals and urban revitalisation.

With so much public money being invested and so many complex, multi-year projects underway, it's essential there are regular checks and balances to ensure these investments deliver what they promise—people, businesses and communities are depending on them.

Projects must be delivered on time and within budget and meet community expectations for quality and functionality. As they are taking place in established communities, it's also important to minimise their impact on everyday life and involve local people in the decisions that shape their lives.

The role of the IIAF

As an independent, objective organisation, Infrastructure NSW works behind the scenes to support these goals. Since 2015, one of our major tools has been the Infrastructure Investment Assurance Framework (IIAF). This provides a comprehensive, flexible and robust approach to assessing the progress and success of NSW's most important capital projects and reporting on them to the NSW Government.

As well as reassuring the government that projects are tracking well against their objectives, the IIAF enables us to identify challenges early on and work with agency partners and Project Teams to overcome them. For example, we might recommend new approaches for delivery, appropriate funding or specialist resources.

In this way, the IIAF benefits the projects, their teams and local communities.

Constantly improving

To remain effective at shaping how the state's public sector delivers major public infrastructure, the IIAF must keep evolving. Continuous improvement is critical, and lessons learned play an important role.

Each year, Infrastructure NSW analyses all the information collected during the IIAF process and provides the NSW Government with a *Trends and Analysis Report*.

Making a difference summarises the 2018 *Trends and Analysis Report*. It assesses the IIAF's performance since it was introduced, highlights trends and themes, and outlines the improvements we're making.

We hope you find the information interesting and useful. To find out more, please contact Infrastructure NSW at assurance@insw.nsw.gov.au.

“Flying the plane while you're building it is something you want to avoid.”

—IIAF Reviewer

About the IIAF

The IIAF is an independent framework established to review, report, monitor and improve the delivery of NSW's major infrastructure projects throughout their lifecycle. It's designed to help them stay on track and to provide the NSW Government with assurance of good value for the public money invested.

The framework is applied to all government capital projects with an Estimated Total Cost (ETC) of \$10 million and above. This includes roads, railway systems, hospitals, venues and urban development projects.

The NSW Government Assurance Policy is owned by NSW Treasury. Infrastructure NSW uses the IIAF to deliver this policy as part of our role as a Gateway Coordination Agency (GCA), which involves reviewing and reporting on the NSW Government's capital infrastructure program.

Independence and objectivity

As government Delivery Agencies are the project sponsors and leads, they cannot review their own projects—to be credible, reviews must be independently produced so there's no question of bias.

That's why they are conducted by members of Infrastructure NSW's independent Expert Reviewer Panel, which is made up of external industry specialists and non-NSW Government public sector professionals and/or specialists. Between them, the Reviewers have extensive expertise and experience in government, strategic planning, infrastructure construction, project management, urban development and other relevant disciplines.

We assemble a Review Team for each project from this panel, aiming to match Reviewers' skills and knowledge to the specific needs of each project so they can assess it in depth and make practical recommendations.

A similar arms-length approach is taken to projects being sponsored or delivered by Infrastructure NSW. Although we are a GCA, we can't organise reviews of our own projects. In this case, NSW Treasury allocates the responsibility to another GCA, which selects the Review Team from the Expert Reviewer Panel. The alternative GCA then shares the team's insights with Infrastructure NSW so we can act on them and include them in our *Trends and Analysis Report*.

In other words, Infrastructure NSW's project arm receives the same independent scrutiny as all other major capital infrastructure projects.

Early warning system

The IIAF process produces vast quantities of detailed, timely and independent project information. This helps Infrastructure NSW to compile actionable reports that highlight issues, identify consistent themes in issues, and make fact-based recommendations.

We report on the most important IIAF outcomes to various NSW Government agencies. Major issues are escalated to the relevant Minister for action.

Our reports provide the NSW Government with assurance that the project or program is delivering good value for money and meeting its goals for budget, timing, quality and functionality.

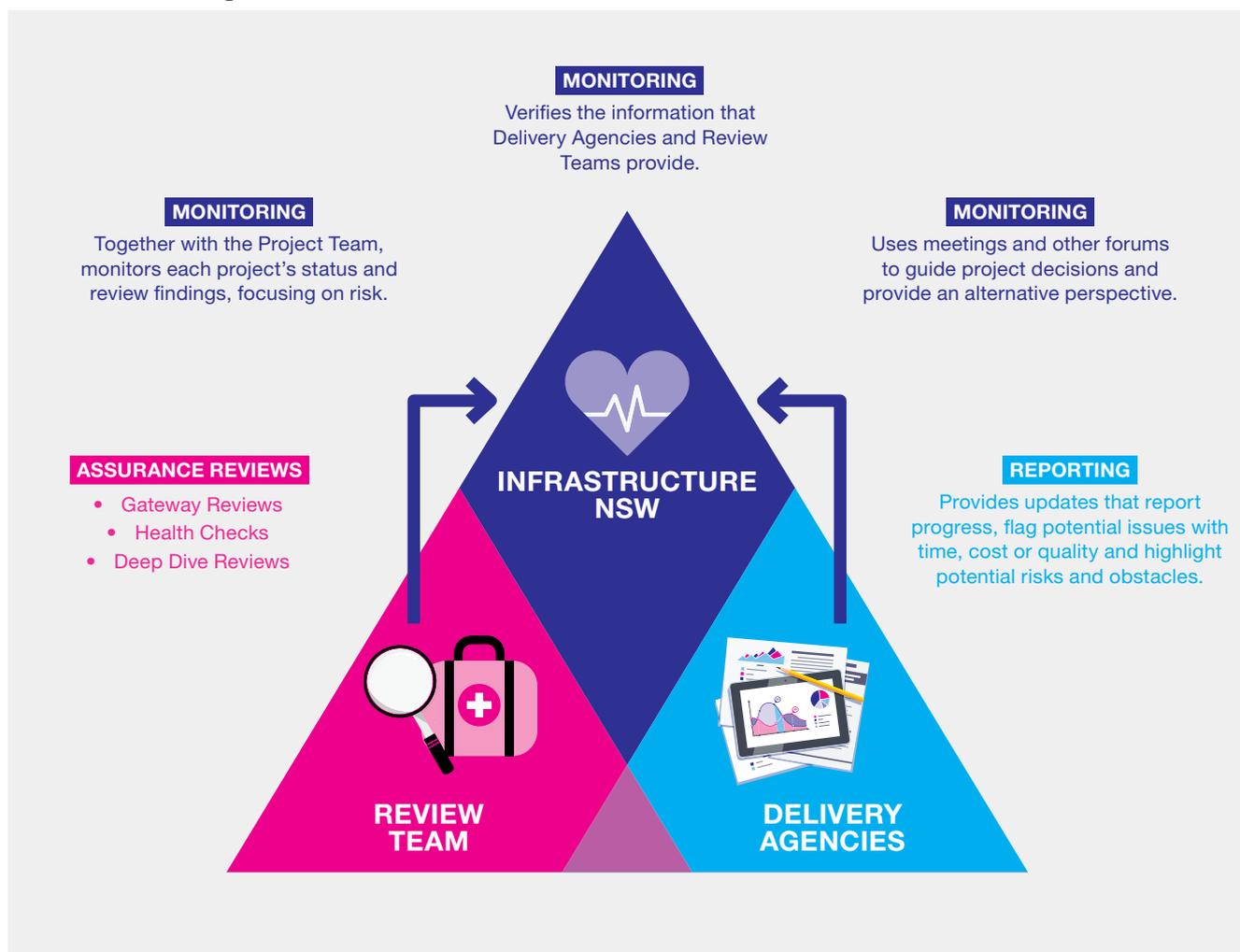
If it's in danger of not doing so, or if there are opportunities for improvement, the IIAF process highlights this. The Reviewers then recommend actions to ensure the project ultimately meets delivery expectations and prioritise them as Critical, Essential or Suggested.

Addressing their recommendations might mean allocating more government funding, adding new expertise to the Project Team, or finding ways for government agencies to improve how they work together. In this way, the IIAF acts as a failsafe mechanism.

“The Infrastructure NSW role is pivotal. They’re here to help, not put obstacles in our way.”

– Project Manager

The IIAF at a glance



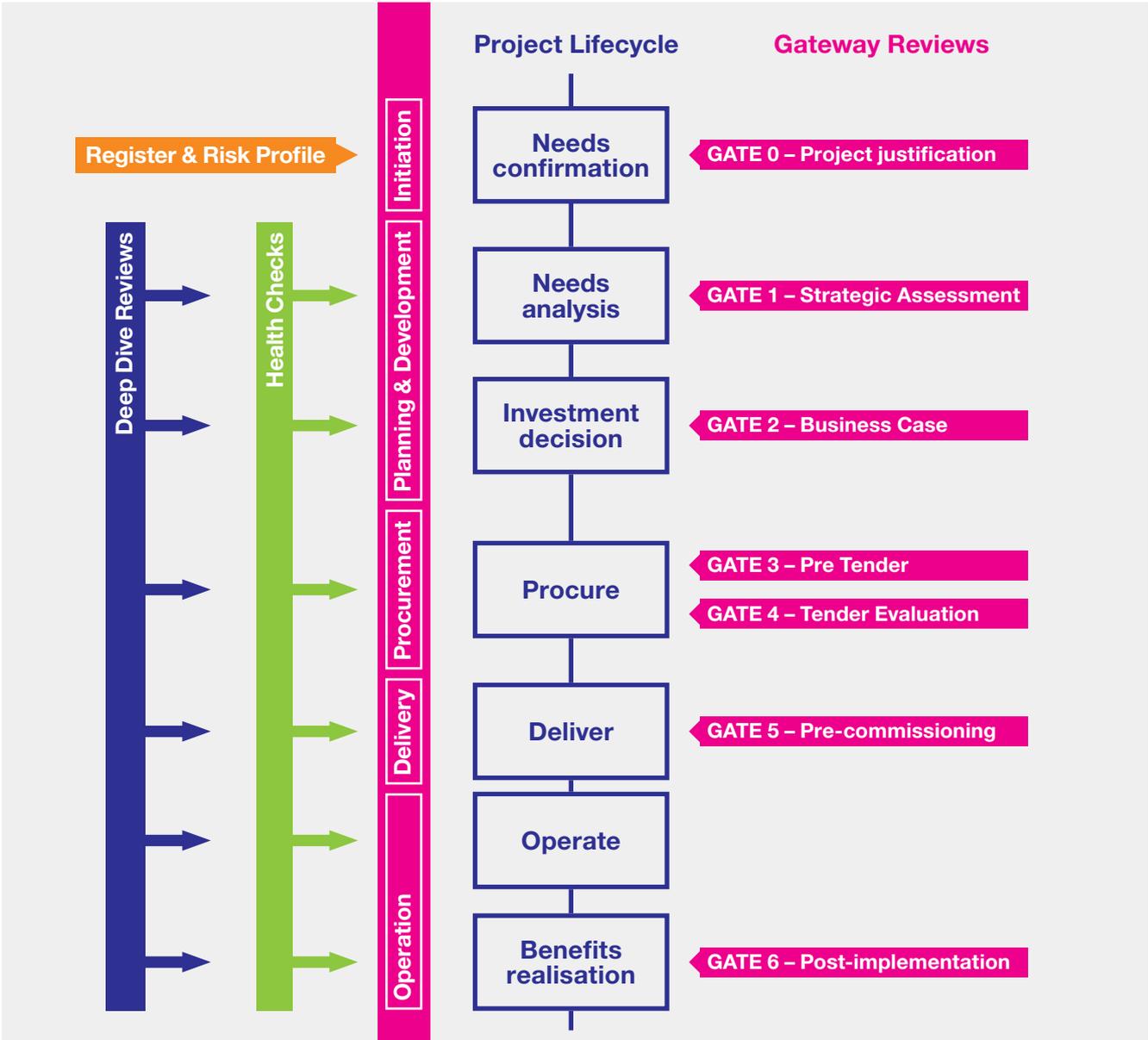
How the IIAF process works – frequently asked questions

When is assurance carried out?

There is a Gateway Review at key decision points for each project, with Health Checks and Deep Dive Reviews carried out as required.

- » Gateway Review: Short, focused appraisal that assures successful progress to the next stage if recommendations are addressed.
- » Health Check: Identifies issues that arise between Gateway Reviews.
- » Deep Dive Review: Focuses on a specific issue or technical matter raised by key stakeholders or the relevant Minister.

Project lifecycle assurance

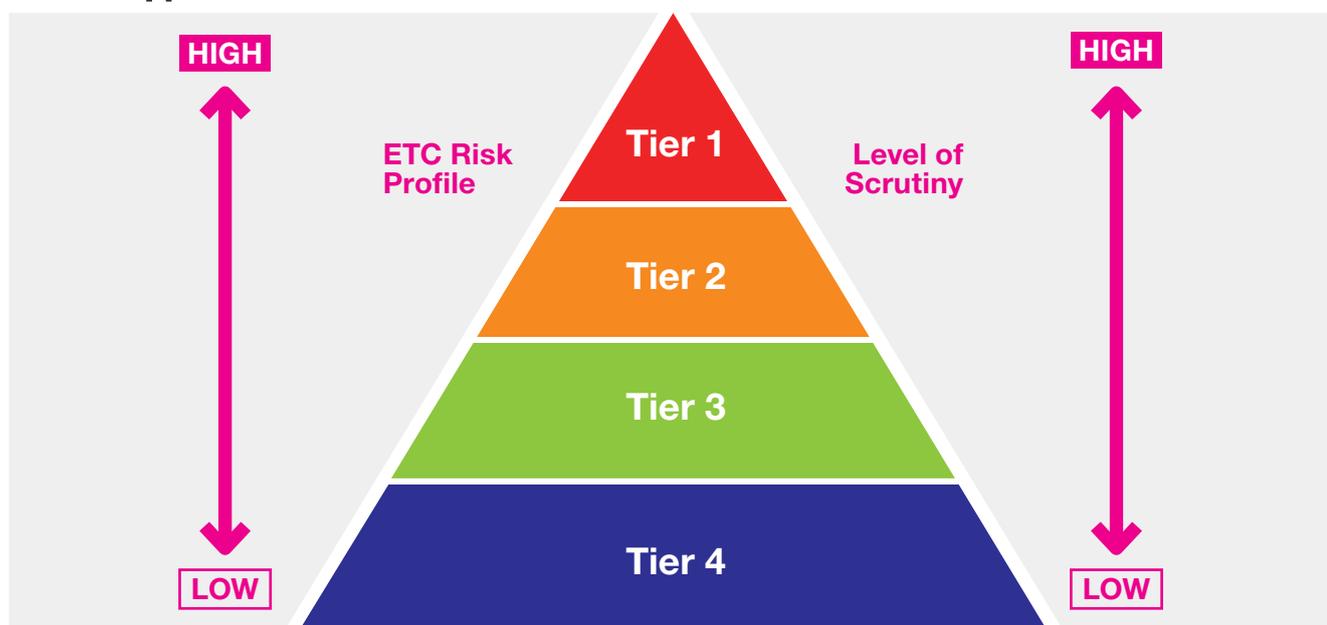


Are all projects treated the same?

The IIAF's approach to project assurance ensures review, reporting and monitoring efforts are applied appropriately—the most critical, complex projects are reviewed more frequently.

To support this risk-based approach, we classify projects into one of four Tiers according to the level of scrutiny they need. This depends on their risk profile and the ETC for delivering the project. There are more reviews for Tier 1–HPHR (High Profile High Risk) projects, which are reviewed throughout their lifecycle.

Tiered approach to the IIAF



How are projects assessed and rated?

The IIAF Reviewers consider seven Key Focus Areas to assess each project and rate their confidence that its delivery will meet time, cost and quality goals.

These are a consistent means of assessing projects. However, they are not detailed enough to identify major

trends, so Infrastructure NSW recently developed and introduced more detailed Key Themes to report against in the Reviewers' [workbooks](#).

The reviews use a traffic light system for rating delivery confidence.

Key Focus Areas for reviews

Service need

Value for Money and Affordability

Social, Economic and Environmental Sustainability

Governance

Risk Management

Stakeholder Management

Asset Owner's Needs and Change Management

Rating delivery confidence

  	<p>HIGH CONFIDENCE –no major unmitigated risks</p> <p>MEDIUM CONFIDENCE –major risks appropriately mitigated</p> <p>LOW CONFIDENCE –further action required to mitigate major risks</p>
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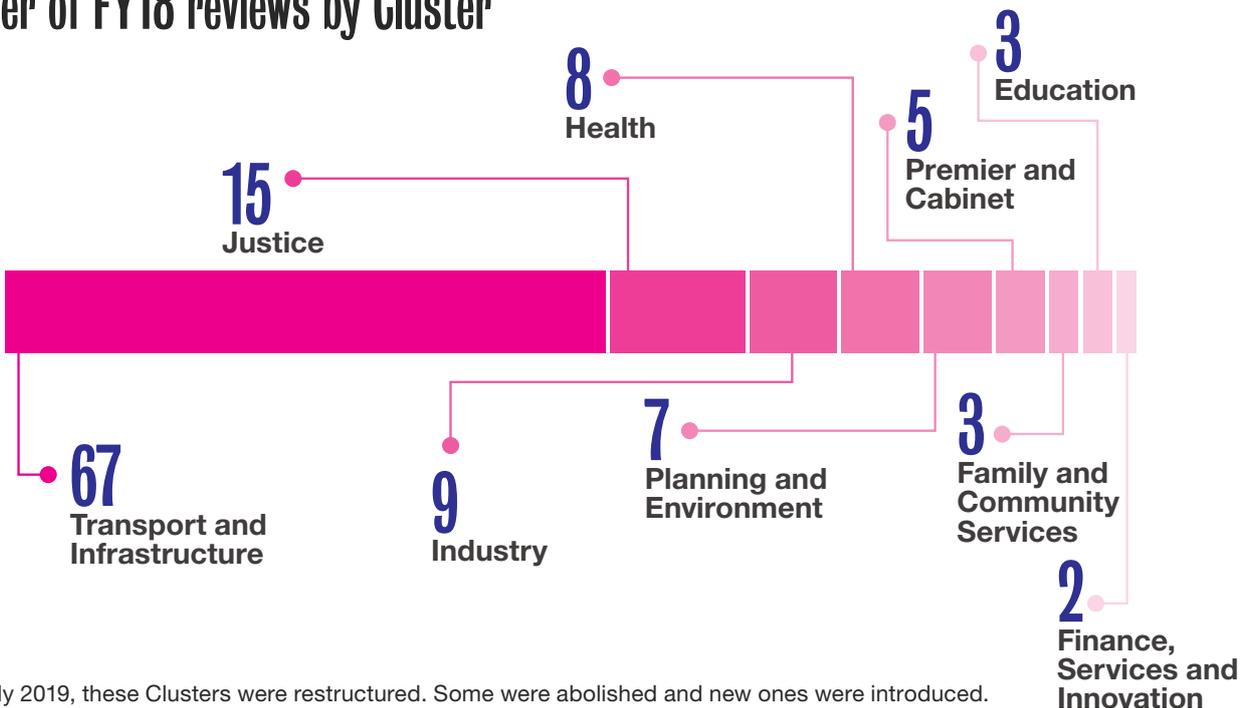
Are any categories of projects reviewed more than others?

The IIAF provides a consistent, standardised framework for assessing multiple projects of different types, timeframes and costs being delivered by a variety of government agencies, or collections of agencies.

Our analysis for the *2018 Trends and Analysis Report* covered the period from May 2015 to June 2018. During this time, NSW Government agencies were

divided into eight groupings¹, or Clusters. In FY18, Transport and infrastructure Cluster projects were reviewed more than all the other Cluster projects combined. This isn't surprising, as this Cluster had the highest number of projects (particularly Tier 1 projects, which are the most reviewed) and the highest percentage of investment.

Number of FY18 reviews by Cluster



¹ In July 2019, these Clusters were restructured. Some were abolished and new ones were introduced.

Compiling the 2018 Trends and Analysis Report

To evaluate the IIAF's performance and generate the Key Findings for the *2018 Trends and Analysis Report*, Infrastructure NSW analysed 295 Assurance Reviews and researched seven projects in depth. With two different information sources, we could provide quantitative and qualitative points of view.

Infrastructure NSW stores the information generated during the IIAF process on a centralised platform so all government agencies can access it and learn from it.

We analyse the collective data so we can make recommendations to the NSW Government about how to tackle recurring issues and improve project planning and delivery. As the IIAF continues, the data repository will grow, and this analysis will become even more valuable.

To compile the *2018 Trends and Analysis Report*, we analysed all the IIAF Assurance Reviews produced since our assurance activities began in May 2015, focusing on FY18 reviews but also considering those from the previous two years so we could identify and compare trends.

By analysing and comparing this information, we worked out year-on-year statistics and uncovered trends and emerging themes, which we condensed into six Key Findings.

Real-life examples

To illustrate the Key Findings, we prepared case studies for seven significant, complex projects that are still underway. These provide a deeper look at how Project Teams and Delivery Agencies have considered, and acted on, any points raised under the IIAF. They are a useful cross-section of the entire portfolio of capital projects being developed across all Clusters because they show how the Key Themes we've identified present opportunities for improvement.

To compile the case studies, Infrastructure NSW held individual, in-depth interviews with Delivery Agency Chairs, CEOs and Project Directors, Infrastructure NSW Executive Directors and IIAF Reviewers. We asked them about best practice, lessons learned and the role the IIAF plays, then we analysed the results.

Behind the scenes statistics



Strengths and benefits of the IIAF

The stakeholders we interviewed generally regarded the IIAF as useful and effective. They agreed it supports better outcomes for both individual projects and the entire state capital works program.

Benefits to individual projects and programs

- » Infrastructure NSW assigns Reviewers based on the circumstances of the project and lifecycle stage being reviewed, so Project Teams and Delivery Agencies gain access to experts with specialist experience and insights.
- » Reviewers' independence provides an objective, credible viewpoint that validates their results and makes it easier to escalate issues to the relevant Minister.
- » By necessity, Project Teams are often focused on their own narrow objectives and execution paths and can overlook wider needs for capital projects; Infrastructure NSW's independence can alleviate and resolve cross-agency misalignment.
- » To remain effective, project assurance must adapt as project risk shifts, so having an adaptable, risk-based approach to assurance is vital for delivering project success.
- » Complex capital projects are influenced by many environmental factors, and the IIAF is flexible enough to accommodate unique project characteristics and development approaches.
- » Being subject to regular reviews makes Delivery Agencies and Project Teams more disciplined and results in higher quality deliverables, documentation and outcomes.
- » The assurance process often adds value beyond typical expected outcomes and can be critical for helping Delivery Agencies to develop solutions to complex project issues.

Benefits to the NSW capital works program

- » The IIAF's principled approach drives government agencies to seek value and efficiency for capital projects.
- » Sharing project information across the public sector improves the overall quality of projects.
- » Demonstrating what success looks like sets the standard in NSW for capital project development and delivery.
- » Creating a collaborative working environment across government helps to support and promote public sector experience, successes and excellence.
- » Sharing insights and taking a whole-of-government approach can reduce the risks involved when government is delivering community projects.
- » Individual government professionals can seek input and support from their peers in other agencies.
- » The systems, processes and outcomes that emerge can be implemented across government.
- » The positive contribution of teams and agencies who drive innovation and deliver best practice results on behalf of NSW is recognised.

“The Review Team emphasised the need for a stronger governance structure with clearly defined roles and responsibilities.”

— Reviewer

Trends and challenges

The 2018 *Trends and Analysis Report* shows that, overall, the IIAF’s core structure and function remains fit-for-purpose. It provides assurance to NSW Government about capital investments and supports Delivery Agencies and Project Teams in meeting their project goals. Delivery performance is improving, but there are also new areas that need government attention.

Continuing and emerging themes

The report identifies some overall themes that have emerged since the IIAF was first applied in 2015.

Taken as a whole, they demonstrate that key capital projects are tracking better against their performance indicators than they were in 2015 in all areas except value for money and affordability.

While some areas of concern have stayed the same over the past three years—governance, commercial capability and risk management—new ones have emerged (procurement and quality of Business Case). Delivery Agencies need to pay more attention to these areas.

Things to look out for in FY19 and beyond include resourcing challenges, which are increasing as more large infrastructure projects commence across Australia, and the need for agencies to collaborate more so project decisions are made in a wider context.

Improved delivery confidence

Delivery confidence is an important component of the reviews and acts as a barometer for the success of capital projects.

Our analysis shows that overall, project delivery confidence has improved under the IIAF, with the profile across all Tiers for FY18 better than for FY16/FY17.

Top five Key Themes



FY16/FY17	FY18	FY16/FY17 +FY18
Governance	Business Case	Governance
Commercial	Procurement	Risk Management
Risk Management	Risk Management	Business Case
Options Analysis	Governance	Commercial
Stakeholder Management	Commercial	Procurement



The biggest challenges lie early in the project lifecycle, when the Delivery Agency analyses all the strategic options for the project, and at the end, when the project transitions from delivery to being operational. Across all the projects, Reviewers’ delivery confidence was lowest at both these points.

Key Findings

The six Key Findings from our analysis are examined in the following pages. They summarise the most common challenges emerging when developing and delivering NSW capital projects and highlight lessons from existing projects.

To support improved project performance, reduced risk and better infrastructure outcomes, NSW Government, Delivery Agencies and Project Teams should consider each Key Finding, although we recognise that some need more investigation before they can be addressed.

Key Finding 1 – Governance and risk management are major challenges at every stage of the project lifecycle

Governance and Risk Management were a top five Key Theme at every phase (apart from Tender Evaluation) across all three years.

This indicates that, in many cases, Project Teams are tending to focus on the current stage of their project and to consider governance and risk management controls later in the project lifecycle.

One example is the Northern Beaches Hospital Connectivity and Network Enhancement (NBHCaNE) project in Sydney. This highly complex project is completely reconfiguring the road network surrounding the new Northern Beaches Hospital and Stage 1 was being developed concurrently with the hospital. As part of the IIAF process, NBHCaNE was upgraded from a Tier 2 project to a Tier 1–HPRH project, which improved information sharing across both projects and helped them to work together to recognise and mitigate future risks.

NBHCaNE Stage 1 was delivered on time for the hospital opening, with Stage 2 expected to be completed in 2020.

LESSON ▶ NSW Government Delivery Agencies and Project Teams can improve governance and risk management by investing in strengthening controls in these areas.

Key Finding 2 – Complex spatial planning considerations are becoming increasingly critical

With record government investment in capital projects, the need for interaction between multiple projects that are happening in the same area is increasing. When there's greater interaction between Delivery Agencies and a better shared understanding of broader government needs, the whole investment becomes greater than the sum of its individual parts.

Project Teams that consider spatial interactions with other projects as well as focusing on their own deliverables will achieve better outcomes and realise more potential benefits across the board. By coordinating with other Delivery Agencies during development and delivery, they can avoid major stakeholder and community issues. They are also better positioned to flag any potential long-term strategic planning implications for the whole area arising from their project, such as higher demand for education and health services.

We can see this with the Newcastle Urban Transformation and Transport Program (NUTTP), which began as two projects: Newcastle Light Rail and the Newcastle Urban Transformation Project. A key reason for the investment was achieving broader urban renewal outcomes that would re-establish Newcastle city centre as an attractive place to work and live. However, the two projects were being developed and delivered separately. As a result of IIAF Review Team recommendations, the governance structure was redesigned, creating a Multi-Agency Steering Committee to manage key areas of the NUTTP as part of an integrated program. This improved decision-making, collaboration and coordination for the whole program.

LESSON ▶ Project Teams should consider adopting a place-based as well as a project-based approach for all phases, especially development.

Key Finding 3 – Increasing overlap and interdependency between projects is causing significant governance challenges

With much of the NSW Government's project portfolio concentrated in the Greater Sydney Metropolitan Area, project overlap is increasing. This not only drives spatial overlap between related and unrelated projects, it creates interdependencies between various stages of projects in related programs.

Project interdependencies are also arising more often because of increasingly sophisticated, city-shaping mega-projects, which have very long development and delivery timeframes and regional geographic scale.

While this situation creates challenges, Delivery Agencies can overcome them by reassessing their approach in key areas. These include promoting clearer, more formal benefits sharing; recognising the impact of intersecting frameworks; undertaking more dependency planning, management and control; and increasing consultation between Project Teams and other agencies.

This is happening with Sydney Metro West, which has significant overlaps and interdependencies with other projects and Delivery Agencies, including some transport mega-projects. As a city-shaping project supporting productivity, liveability and sustainability outcomes, its objectives go far beyond providing a new transport service. The IIAF assurance process has helped the Project Team to consider decisions within the context of interrelated projects and strategic planning objectives rather than from the point of view of a stand-alone project. This is having a positive impact on the investment's value for money.

LESSON ▶ **There is an opportunity for significantly more complex decision-making and governance around overlapping and interdependent projects, and for improved engagement between Project Teams, Delivery Agencies and the broader government.**

Key Finding 4 – We need more stakeholder management capability to meet evolving stakeholder and community expectations

With so many infrastructure projects and programs underway or scheduled, there's an increased risk of a public backlash, especially in the early stages. This presents a risk to government, Delivery Agencies and Project Teams, and can affect project delivery.

Managing stakeholder expectations and competing interests is therefore a major challenge that requires a strategic approach to engagement, particularly for high profile projects such as the Circular Quay Precinct Renewal. This will design and deliver upgraded ferry wharves and potentially create a renewed precinct with an expanded footprint. It's a complex undertaking— the Project Team involves 52 people, eight government agencies and five supplier panels.

There's a high potential for community impact, so the Project Team is following IIAF Review recommendations and engaging stakeholders comprehensively, consistently and effectively through a coordinated, strategic approach. The Project Team has developed a draft Communications and Stakeholder Engagement Strategy and is acutely aware of the need to minimise commuter, visitor and retailer disruption.

LESSON ▶ **Project Teams need to be better equipped to deal with the multiple (and sometimes conflicting) expectations of stakeholder groups, especially for complex community projects, so they can drive successful engagement strategies and change management plans.**

Key Finding 5 – An increase in the number, scale and complexity of major projects is creating procurement and resourcing challenges for government and contractors

Not surprisingly, Procurement Strategy and Project Resourcing were major concerns in the IIAF Reviews we analysed. The national infrastructure boom has led to a war for talent, and the industry's issues with risk-sharing and cost escalations are leading to pricing and costing challenges.

As a result, some major projects have recently been met with no bids or single bids, leading to concerns about market competitiveness and value for money.

The NSW Government's 2018 paper *A Ten Point Commitment to the Construction Sector* seeks to drive more collaborative contracting methods and improved risk allocation, aiming to ease pressures on contractors. While these measures will take time to feed through to the market, they are very welcome.

One infrastructure project that has tackled this issue head on is WestConnex Stage 3B. After only one response was received to the procurement Expression of Interest, IIAF Reviewers recommended changing how contractors were reimbursed for high bidding costs and offering improved risk-sharing arrangements. The Delivery Agency introduced a Collaborative Contractor Client model that addressed these concerns, making the procurement process more competitive because it attracted more bids.

LESSON ▶ **The NSW Government should equip Delivery Agencies to better manage new contracting methods and the associated processes.**

Key Finding 6 – Enhancing risk management capability must become a strategic priority for Project Teams

Risk Management was a top five theme at every Project Stage. With government investment in infrastructure increasing, projects will become more complex and interdependent, resulting in a higher level of strategic risks such as challenging stakeholder and community expectations.

It's essential that risk management plans or frameworks are not only developed but detailed and up to date; that all key risks are listed in risk registers; and that risk mitigation measures are fully considered.

The Sydney Football Stadium Redevelopment, for example, faces intense public and political scrutiny in a fast-paced, challenging delivery environment. Effective risk management is essential, so it has been a key factor during the IIAF Reviews, especially in the early stages. In response, the Project Team has deployed a significant stakeholder management strategy and other risk mitigation strategies.

LESSON ▶ **To protect project outcomes, Project Teams should improve their project risk management capability (particularly for strategic risks) so it is more disciplined, and ensure it influences decision-making.**

Supporting continuous improvement

To ensure the IIAF remains effective, Infrastructure NSW is addressing the Key Findings with a range of changes.

Improvements to the IIAF

Completed

Gateway Review and Health Check workbook updates

Updated workbooks with administrative, procedural, capability and scope improvements were introduced in January 2019. They are being used for all IIAF Gateway Reviews and Health Checks.

Gateway Review 360-degree feedback survey

Following each Gateway Review and Health Check, feedback is sought from the Project Team, Review Team and Infrastructure NSW on the Review's performance. This helps us to manage the Expert Reviewer Database, understand agency perspectives, and continually improve the IIAF.

In Progress

Ensuring earlier contact with assurance

A Gate 0 Gateway Review supports a Go/No Go Decision on a project. It's mandatory, as starting off on the right foot influences a project's success. We have redeveloped this Gateway's Review process so more projects take advantage of it.

NSW Assurance Portal

This state-wide technology platform will contribute to the efficient management of the IIAF process and support increased consistency in the implementation of assurance across Gateway Coordination Agencies. It will be progressively rolled out over 2019/2020.

Expert Reviewer Panel management framework and database

Infrastructure NSW has developed a policy framework to improve how we manage and select Review Teams. This will include an Expert Reviewer Database, which is currently under development and will be deployed at the end of 2019.

Expert Reviewer Panel accreditation and training

To build capability and capacity in the Expert Reviewer Panel, we are developing some training modules. These will evolve into an Infrastructure NSW Gateway Reviewer Accreditation Program, with a launch expected in late 2019.

Planned

IIAF policy review

As part of our commitment to supporting ongoing, incremental improvements to the IIAF, Infrastructure NSW is planning a policy review that responds to themes and issues highlighted in the *2018 Trends and Analysis Report*. Two focus areas will be how the IIAF can better identify and objectively measure project risk, and how it can better consider spatial influences on projects and interdependencies between them. We plan to incrementally update the IIAF over 2019 to address these challenges.

Capability-building across government

Complete

Publishing Business Case summaries

Since April 2018, we've published **regular summaries** of Business Cases for Tier 1 and Tier 2 projects with a capital value of more than \$100 million. This makes investment decisions and government practice more transparent, shares knowledge more widely, and demonstrates that proposed projects are economically and socially justified.

Business Case toolkit

In partnership with Delivery Agencies and private sector organisations, we've developed a toolkit to help agencies prepare their Business Cases and respond to the challenges highlighted in this document. The toolkit went live in early 2019 and we'll continue to develop it.

In Progress

Infrastructure NSW infrastructure round tables

In July 2019, Infrastructure NSW began a 12-month round table program (Infrastructure Co:Lab) to help improve public sector service delivery by discussing the Key Findings in this document and workshopping responses. Held every two months, the sessions involve representatives from government agencies and Infrastructure NSW.

Commercial Offset Framework and Property Assurance Panel

While attracting private sector funding for public infrastructure and services can be commercially beneficial, there are potential risks. To identify the risks and benefits, Infrastructure NSW is developing a Commercial Offset Framework as a sub-framework of the IIAF and establishing a Property Assurance Panel.

Business Case database

We're developing a database of NSW capital project Business Cases as a resource for Project Teams and the broader NSW Government that will help them meet the challenges raised in the *2018 Trends and Analysis Report*. The database will capture key project information and allow benchmarking and analysis. We expect to complete a pilot by the end of 2019.

Strategic initiatives

In Progress

NSW Government Ten Point Commitment to the Construction Sector Action Plan

In June 2018, the NSW Government Construction Leadership Group, led by Infrastructure NSW, launched this plan. It's designed to drive reform across government in developing, procuring and delivering infrastructure and building projects, and recognises that the NSW Government can only achieve its infrastructure objectives in partnership with the private sector. We continue to pursue follow-up initiatives from the plan.

Major Project Leadership Academy

By establishing this academy, we aim to address the scarcity of highly skilled and capable project leaders across the public and private sector by developing the leadership, knowledge and capabilities of critical project leaders in NSW Government agencies.

NSW Infrastructure Pipeline

In December 2017, we published the first NSW Infrastructure Pipeline and now update and release it every six months. It details infrastructure proposals with a minimum capital value of \$50 million that are under development by the NSW Government and expected to come to market over the next three to five years. This allows members of the construction industry to plan ahead and target suitable projects.

Appendix 1

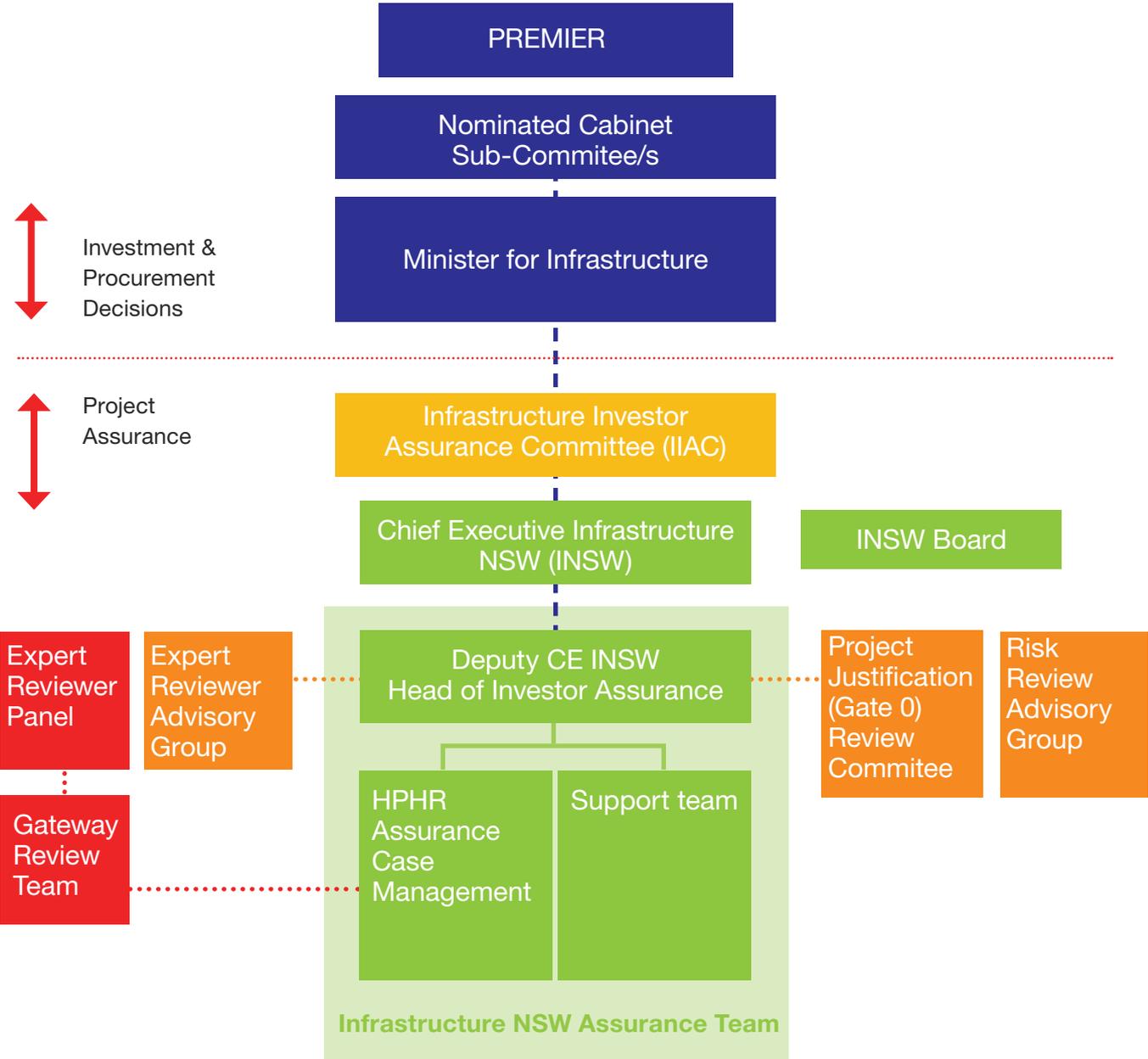
Glossary

Term	Definition
Assurance	A discipline that seeks to provide an independent and objective oversight of the likely future performance of major projects for those responsible for sanctioning, financing or insuring them.
Cabinet	The Ministers who are individually and collectively responsible to the legislature.
Capital Project	A project primarily made up of one or more of the following elements: <ul style="list-style-type: none"> » Infrastructure » Equipment » Property developments » Operational technology.
Cluster	Grouping of NSW Government agencies. There are eight Clusters.
Delivery Agency	The government agency that is developing and/or delivering a project or program to which the IIAF applies.
Deep Dive Review	Focuses on a single issue or limited Terms of Reference. Generally undertaken in response to issues raised by key project stakeholders or at the direction of the relevant Government Minister.
Delivery Confidence Rating – High	It is likely the project will be delivered successfully to time, cost and quality performance indicators and no major outstanding issues appear to threaten this.
Delivery Confidence Rating – Medium	Successful delivery is feasible, but some significant issues require timely management and attention.
Delivery Confidence Rating – Low	The project's successful delivery is in doubt, with major risks or issues apparent in key areas. Urgent additional action is needed.
Estimated Total Cost (ETC)	Estimated Total Cost. The aggregated total whole life cost of the project.
Gate	Decision point in a project or program's lifecycle when a Gateway Review may be undertaken.
Gateway Coordination Agency (GCA)	Agency responsible for designing and administering the IIAF, coordinating Gateway Reviews and reporting on the performance of the Gateway Review process.
Gateway Review	A review at a Gate in the project or program's lifecycle. This short, focused, independent expert appraisal highlights risks and issues which, if not addressed, may threaten successful delivery. It provides a view of current progress and assurance that the project/program can proceed successfully to the next stage if Critical recommendations are addressed.
Health Check	Review that seeks to identify issues that may arise between Gateway Reviews.
IIAC	Infrastructure Investor Assurance Committee. The body that provides senior government oversight and strategic perspective on matters related to the IIAF.
Infrastructure	Basic services, facilities and installations that support society e.g. water, wastewater, transport, sport and culture, power, health and education.
Investor	The NSW Government, representing the state of NSW.
Key Focus Area Ratings	Ratings assigned to Key Focus Areas during Assurance Reviews: Strong (no major outstanding issues that at this stage appear to threaten delivery), Satisfactory (some issues require timely management attention), and Weak (significant issues in this key focus area may jeopardise the project's successful delivery).

Term	Definition
Metropolitan	Projects or programs located within Greater Sydney, including the Blue Mountains, Newcastle city and Wollongong.
Program	A temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of individual but related projects and activities. Likely to be more long-term than a project.
Project	A temporary organisation that will deliver one or more outcomes in line with an agreed Business Case. Usually delivered in a defined time period on a defined site, with a clear start and finish. May or may not be part of a program.
Project Tier	Tier-based classification of project profile and risk potential based on the project's Estimated Total Cost and qualitative risk profile criteria (level of government priority, interface complexity, procurement complexity, agency capability and whether it is deemed an essential service). There are four Project Tiers. Tier 1 is projects considered to have the highest risk and profile and Tier 4 is those with the lowest risk and profile.
Recommendation Classification – Critical	Do now. Priority/Immediate action required.
Recommendation Classification – Essential	Do by [date]. Important but not urgent. Action needs to be addressed before the next Gate.
Recommendation Classification – Suggested	Not considered critical or urgent. The project may benefit from its uptake.
Regional	Projects or programs located outside Greater Sydney, including the Central Coast, the Hunter (excluding Newcastle city) and the Illawarra (excluding Wollongong).

Appendix 2

Responsibilities for the IIAF²



² Changes to the responsible Minister and the IIAC came into effect in July 2019.

For more information about the
2018 Trends and Analysis Report, contact
assurance@infrastructure.nsw.gov.au

If you would like know more about the IIAF, visit
infrastructure.nsw.gov.au/project-assurance

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