Australian Government

Department of the Prime Minister and Cabinet

Guide to Implementation Planning

Cabinet Implementation Unit

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Introduction

Purpose

The purpose of this guide is to help departments and agencies formulate robust implementation plans that clearly articulate how new policies, programs, and services will be delivered on time, on budget and to expectations. It is particularly important that plans explicitly identify and address the implementation challenges and risks involved.

> *This guide (July 2011) is a first revision that supports the Government's approach to strengthen Cabinet decision making and improve program governance and implementation.*
>
> *It will be progressively enhanced over the coming months as part of a range of measures including establishment of the APS Policy Implementation Network, provision of a Policy Implementation Toolkit on the PM&C website and revision of the existing joint ANAO and PM&C Better Practice Guide on the Implementation of Programme and Policy Initiatives*[1]
>
> *Departments and agencies are encouraged to monitor the implementation planning website for updates and additional information including planned revision dates for these guidelines.*

Why do Implementation Planning?

To ensure outcomes are delivered on decisions made by Government, implementation planning must be carried out. For the most part the Australian Public Service (APS) does a good job of delivering and implementing the Governments' policy objectives, delivering thousands of programs successfully each year. However some policies, programs and projects involve high implementation risk, and thus require appropriate management disciplines to be used and engagement with central agencies to maximise the prospects of delivery success.

Whether implementation of a new policy initiative is managed by an agency as "business as usual" or via project management disciplines, there is a wide variance in capability, skills and expertise across the APS. Often these capabilities, critical to delivery success, are poorly understood or undervalued. The clear message here is that everyone involved in implementation planning has an opportunity to learn and seek out the people and knowledge that can help them with their approach.

New policy reform often involves major transformational change that may impact policies, programs and services across multiple departments and agencies. The drivers for the change will vary – political changes, environment or random events, societal change, technological change, new legislation, economic and competitive forces are all powerful forces. They create ambiguity, uncertainty, are usually complex and often radically impact the way departments and agencies conduct themselves or are required to do business. Implementation often requires teams of people with different skills working together across normal functional boundaries within and between departments and agencies.

Experience shows that traditional departments and agency structures and processes are sometimes not well suited to the introduction of such transformational change, and that is when a disciplined approach to implementation planning is required.

What is Implementation Planning?

Implementation Planning is the process of determining how a policy will be implemented in sufficient detail for Cabinet to make an informed judgement about whether to proceed in the light of the risks and requirements involved.

Implementation planning has a strong management focus which requires best practice approaches, skills and experience to be applied in the following seven areas:

1. Management Control and Program/Project Management
2. Governance and Accountability
3. Planning
4. Resource Management
5. Risk Management
6. Stakeholder Engagement
7. Review, Monitoring and Evaluation

Effective implementation planning requires a structured approach to thinking and communicating in these seven areas. This will create a shared understanding among those who will drive implementation, from the most senior leaders to the most junior managers, and across boundaries between and within departments and agencies and non APS bodies.

Note that implementation planning is <u>not</u> about "filling in an implementation plan template": rather the final implementation plan document should simply be a record of the structured thinking and communication that has occurred between key leaders and managers through face-to-face workshops, discussions and conversations. It must be underpinned by consultation and research.

When is an Implementation Plan required?

All Cabinet submissions, memoranda and New Policy Proposals which have significant implementation risks or challenges are required to attach robust implementation plans. Departments and agencies will apply their own judgement as to when an implementation plan may be needed, based on the guidance provided in the Drafters Guide for preparation of Cabinet submissions and consultation with PM&C.

As a guide, Cabinet submissions are likely to have significant implementation risks or challenges when the submission:

- addresses a strategic priority of the Government;
- makes major or complex changes;
- involves significant cross-agency or cross-jurisdictional issues;
- is particularly sensitive, e.g. has a large number of conflicting stakeholders, has or is likely to receive adverse media attention or is particularly risky;
- requires urgent implementation;
- involves new or complex delivery systems; or
- has been developed over a very short period.

New Policy Proposals must be assessed using the Risk Potential Assessment Tool (RPAT), available from the Finance website. It is a recommended best practice that submissions without an NPP are also assessed with the RPAT to confirm the level of implementation risks or challenges (Finance website). A submission which has a high or very high risk rating will almost always require an implementation plan to be attached. Moreover, central agencies may also require departments and agencies to attach implementation plans to submissions where proposals are deemed to be higher risk than shown by the risk assessment or have particular implementation challenges.

If central agencies determine that a submission has 'significant implementation challenges' and does not contain an implementation plan it will not be considered by Cabinet unless the Cabinet Secretary provides written authority for an exception to be made.

Getting started

Departments and agencies must consult early in the first instance with the relevant policy area of PMC, the Gateway unit in Finance, and the Cabinet Implementation Unit (CIU) to determine whether an implementation plan is likely to be required.

The CIU offers a range of knowledge resources that will assist implementation planning, from broad guidance, general case studies and other people to speak with, through to detailed examples, checklists and templates.

The very first thing required is a "plan for the planning" – in other words a commitment of time and effort from the people who will be engaged in implementation planning. As a first step this might be as simple as a series of commitments in people's calendars to get together to set direction; but for a comprehensive implementation plan the implementation planning process itself may need to be managed as a project which will run over several months.

There are two roles that must be filled from day one:

a) A Senior Responsible Officer (SRO) who will lead and drive implementation planning – where identifiable they will most likely become the person who is accountable for the success of a policy's implementation. Typically an SES3 level officer with implementation planning experience.

b) An Implementation Planning Manager who will plan and control the structured thinking and communicating processes that will deliver the implementation plan. Typically an SES1 level officer supported by a small team of program/project management specialists.

It is vital that those in key roles have access to the specialised management skills and experience required for implementation planning. Departments and agencies should consult the Cabinet Implementation Unit (via the relevant PM&C policy area) for guidance on the skills and experience required, and how these can be obtained – including the role of Central Agencies and use of mentors or specialist expertise.

Important Implementation Planning terminology

The Glossary provides explanations of all the terms commonly used in this guide that have a specific meaning in an implementation planning context. However there are a few key terms used that it is important to understand from the start.

Benefit the measurable improvement resulting from an outcome which is perceived as an advantage by one or more stakeholders. It should be noted that not all outcomes will be perceived as positive, and outcomes that are positive for some stakeholders will be negative for others (sometimes referred to as "**dis-benefits**").

Governance structure the management bodies (groups, boards and committees) and individual roles that will lead, plan and manage implementation, including clearly defined responsibilities, lines of accountability and reporting.

Management Control the approaches, methodologies and frameworks applied by an agency to plan and control the implementation of change initiatives for which it is responsible, in this context new policy proposals.

Program (or Programme) a temporary flexible structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to strategic policy objectives. Because the term "program" is in common use by the APS, it is recommended that departments and agencies use the term "change program" to name initiatives if it is felt confusion may arise.

These terms are consistent with the OGC Common Glossary published by the UK Government in support of its best practice frameworks, including Managing Successful Programmes (MSP®) and Portfolio, Programme and Project Management Maturity Model (P3M3®). The definitions provided are not identical to the Common Glossary because they have been tailored to suit the Australian Government policy implementation environment.

How to use this Guide

This guide is designed to help those involved in implementation planning understand how an implementation plan should be formulated and their roles in this. It is not intended to be a mechanical guide on how to complete an implementation plan, because it is not possible to formulate an implementation plan using a mechanistic or template-driven approach. Nor is it intended to be used in isolation from other guidance, as implementation planning requires a much deeper understanding of management approaches than can be conveyed in a single guidance document. With this in mind it is recommended that:

- In addition to this introduction, SROs familiarise themselves as a minimum with Section 1 "Management Control and Program/Project Management" and Section 2 "Governance and Accountability";
- Implementation Planning Managers and members of the implementation planning team familiarise themselves with all sections;
- Individual sections – e.g. "Planning" or "Risk Management" are offered as a reference to leaders and managers who are to be engaged in formulation of the implementation plan during face-to-face workshops, discussions and conversations.

We encourage departments and agencies to refer to these guidelines in developing their implementation plans. Remember that a step by step approach is not essential to the process - planning is an iterative process, and multiple iterations of the planning process are necessary. We encourage you to consult with us while documents are still at draft stage.

You may also find the Better Practice Guide on the Implementation of Programme and Policy Initiatives[1] and the materials supporting Gateway reviews useful.

The agreed record from implementation planning is an Implementation plan. These should be:

- succinct, but not to the point that important information is buried
- jargon free – they should be capable of being understood by everyone using them
- based on a sound programme logic, presenting a clear line of sight from the original proposal and the government's expectations, to the inputs and how they will contribute to the achievement of those expectations; the outputs to be delivered; why and how those outputs are expected to deliver the outcomes and benefits sought, and the assumptions made about those links; and how this delivery chain and its supporting assumptions will be evaluated
- clear on timeframes and project phases, especially where there are interdependencies with other programmes or measures or critical requirements such as the passage of legislation or negotiations with the States and Territories
- clear on the decision pathways forward – often both the objectives and the means to achieving those objectives are uncertain. Implementation plans need to recognise the unknowns as well as the knowns, and explain how and when the unknowns will be addressed.
- precise about risks – their source, likelihood of occurrence, consequence and mitigation strategies.

The implementation plans lodged with the Cabinet Implementation Unit form the baseline information for ongoing monitoring of a measure's implementation and for informing the Prime Minister and Cabinet about progress. This information is presented via the Cabinet Implementation Unit's regular reporting processes.

[1] This Better Practice Guide will be updated late in 2011.

1. Management Control and Program/Project Management

1.1 Program / Project Management Methods

There are multiple documents issued by central agencies that provide guidance and stipulate requirements for the program and project management of initiatives. It is recognised that these need to be consolidated and simplified, and that in the main they say "what" is to be done, not "how to" do it.

For "how to" guidance many departments and agencies using non-proprietary best practice methods as the foundations of their Portfolio, Program and Project Management capability[2]. The most widespread methods used in the APS are the UK Office of Government Commerce's (OGC) suite of best practice management frameworks which include P3M3® Managing Successful Programmes (MSP®), PRINCE2® and Portfolio, Programme and Project Offices (P3O®). The best practice suite sets out what "good" looks like for those involved in program and project management, and draws upon the knowledge of experience and others which ensures quality and consistency throughout. The Project Management Body of Knowledge (PMBOK®) is another widely used project management standard in the APS.

Departments and agencies that use the best practice suite are encouraged to understand the principles, themes and practices of the methods, and to avoid a "robotic" or "template-driven" approach. The methods are flexible and are specifically designed to be tailored to suit the context of a program or project. They are also designed to be embedded into an organization so as to match the culture and management processes.

1.2 Management Capabilities Required

Planning and managing the implementation of policy requires additional skills and experience beyond the subject matter of the policy area concerned (e.g. social inclusion). It requires leadership and management expertise in such things as best practice program and project management methods, resource planning (financial and non-financial) and risk management.

Obtaining such skills involves a combination of formal learning, coaching and on the job experience. The APS Policy Implementation Network, agency Centres of Excellence and APS Custodians of Best Practice (e.g. in Benefits Realisation Management) provide contacts who can share their experiences and approaches to developing these skills and agency capabilities.

There are also industry bodies who specialise in program and project management qualifications and competencies. These include:

- **APMG-Australasia** - the Australasian arm of the Official Accreditor for the OGC suite of frameworks. Specialises in the accreditation and certification of organisations, processes and people, within a range of industries and management disciplines.
- **Australian Institute of Project Management (AIPM)** - the peak body for project management in Australia. AIPM has been instrumental in progressing the profession of project management in Australia over the past 30 years. It fosters professional application of project management skills and techniques as the preferred process for delivering business outcomes.
- **PMI** – a global body with Australia chapters that serve practitioners and organizations with standards that describe good practices, globally recognized credentials that certify project management expertise, and resources for professional development, networking and community.

Departments and agencies are encouraged to understand and consider what these bodies can offer.

[2] All FMA Act agencies with an annual ICT spend greater than $2 million are required to implement the Portfolio, Programme and Project Management Maturity Model (P3M3™) to assess their capability to commission, manage and realise the benefits of ICT investment.

2. Governance and Accountability

2.1 Key Considerations

Establishing a clear and effective governance structure to govern the planning and management of implementation is critical to effective policy delivery. This means ensuring that the correct management structures, roles and responsibilities are established and sustained throughout implementation phases. It must be driven by agency heads and Senior Responsible Officials who have direct access to individuals with expertise in this area.

Existing 'business as ususal' agency management structures alone are not usually adequate to govern the planning and management of implementation, because implementation often requires teams of people with different skills working together across normal functional boundaries within and between departments and agencies. What must be put in place is a temporary (for the duration of implementation), flexible, role-based management structure.

This structure will transcend, and take precedence over, the permanent agency line structure(s), and thereby establish clear line-of-sight accountability from the SRO down to individuals for creation of deliverables and realisation of benefits. The structure must be formally documented and key individuals must be formally appointed, be accountable and sign-up to their role and responsibilities.

- This section is one of the most important in the implementation plan, because unclear governance and management arrangements pose a major risk to every other aspect of a measure's implementation. Governance and management structural diagrams need to supported with clear and comprehensive documentation of :how executive support for, and commitment to, the implementation will be maintained and supported, the most critical element in project success;
- who is going to manage the various implementation processes;
- who they are accountable to and what they are responsible for;
- whether there are bodies outside the relevant business line, or the agency concerned, who have a formal decision making or advisory role; how this framework will operate; and
- what rules and procedures for decision making will apply.

2.2 Roles and Responsibilities

Governance arrangements must cover all internal agency reporting lines and lines of accountability, including relevant agency boards or executive committees. For example the 'sponsor' may report directly to the agency head and minister, as well as to an internal agency executive committee, and to external advisory or steering groups; the project manager may report to the project 'leader' or directly to the 'sponsor' but may also be accountable to an ad hoc working group or task force.

External reporting lines and accountability mechanisms must also be identified, including any relevant ministerial councils, committees, cross-jurisdictional or cross-portfolio bodies.

It is vital that the primary governance body (e.g. Sponsoring Group, Steering Committee) has expertise and sufficient independence to provide objective direction and advice on the implementation plan.

Typical key structures and roles include:

a) the program/project 'sponsor' (SRO) – the senior executive officer within the agency responsible for ensuring delivery of the policy. Names, positions and contact details must be supplied. .

b) the program sponsoring group / program steering committee – the driving force behind a program that provides the investment decision and top-level endorsement for the direction and objectives of the program.

c) the project board(s) / project steering committee(s) – a group of executive-level management, which is represented by all of the interested parties in an organisation, including any suppliers (internal and external) that have been identified. A list of group/committee members must be supplied.

d) the program/project manager(s) responsible for managing operations and the project team(s). This person may be the same as the project 'leader' in some cases.

e) the business change manager(s) – the role responsible for managing benefits, from identification through to realisation, ensuring implementation and embedding of the new capabilities delivered by the program.

f) program/project assurance – independent assessment and confirmation that the program or any of its aspects are on track, applying relevant procedures, and that the projects, activities and business rationale remain aligned to the program's objectives.

g) the key accountabilities – for example the 'sponsor' may report directly to the agency head and minister, as well as to an internal agency executive committee, and to external advisory or steering groups; the project manager may report to the project 'leader' or directly to the 'sponsor' but may also be accountable to an ad hoc working group or task force. Names, positions and contact details must be supplied.

This may be illustrated in an organisational chart or in a table such as the following:

Governance Role	**Responsibility of:**	**Accountable to:**		
Government	Minister for…	COAG Working Group	Ministerial Council	
Sponsor	Agency, Position	Joint Steering Committee	Minister	Agency CEO, Executive Board
Leader	Agency, Position	Inter-Departmental Committee	Sponsor	Agency Risk and Audit Committee
Manager	Agency Position	Project Steering Committee	Leader	Sponsor

Note for Cross_Portfolio Measures: Ideally, a lead agency should be agreed with a mandate for identifying a project sponsor with overall governance responsibility across departments and agencies. At a minimum, the lines of accountability between departments and agencies must be transparent, with the roles and membership of any steering committees clearly laid out together with the nature and frequency of reporting processes between departments and agencies.

3. Planning

3.1 Defining the End Goal

Policy implementation is about creating a different future. An implementation plan must provide a clear picture of that future as it is the basis for the outcomes and delivered benefits of the new policy.

A clearly articulated vision and description of the desired future are vital to the buy-in, motivation and alignment of effort and expenditure of the large number of people involved in any new policy implementation. This element of implementation planning sets the framework for dealing with the "expectations" part of the objective "on time, on budget and to expectations".

When departments and agencies need to deliver transformational change, different stakeholders will not necessarily understand the big picture without a vision statement. A good vision statement:

- is written in the present tense as a description of the desired future state;
- can be easily understood by a wide range of stakeholders;
- is written with the broadest grouping of stakeholders as the target audience;
- describes a compelling future that engages the heart as well as the head; and
- is short/concise and memorable.

Vision statements must reflect:

a) the approved policy objective;

b) the policy context or environment, including the underlying need or problem, related policies currently in place and any previous policies, cross-jurisdictional or cross-portfolio issues, the legislative and regulatory environment, and key research and information that will influence the policy direction;

c) approvals to date including enabling legislation, relevant decisions by government and work already completed; and

d) the policy solution, delivery model or strategy for achieving the approved policy objective – this may be a brief statement of how the outputs will be delivered, how these outputs will achieve the desired outcome (policy objective) and how this outcome aligns with the Government's strategic policy agenda, the agency's Business Plan and outputs/outcomes framework.

To support the vision, which is only a summary impression, a more detailed picture of the desired future state is required. This much more detailed "blueprint" is primarily a design document, providing a meticulous description of the changed future state. It must incorporate all the key components that need to be changed or created as deliverables during implementation:

- processes - changed legislation, department and agency processes, operations and functions
- organisational structures – changes to departments and agencies and other bodies
- technology and infrastructure – ICT, buildings, facilities and equipments

Note For Cross_Portfolio Measures: where multiple departments and agencies are involved in implementation of a measure, this section must clearly show which departments and agencies are responsible for the various aspects of the policy solution.

3.2 Benefits

The purpose of this step is to describe measurable benefits expected to flow from the policy, enabling departments and agencies to demonstrate that intended outcomes are being achieved. The Benefits Statement should provide a clear description of the intended beneficiaries and expected benefits of the policy measure. This should include an estimate of when the benefits are likely to be achieved and an indication of how they will be measured. This should also include significant dis-benefits (ie: outcomes that may be negative for some stakeholders). Indirect benefits should only be included if they are to be evaluated as part of the policy objective.

A good Benefits Statement describes::

a) The intended beneficiaries for each policy objective as accurately as possible (noting any assumptions, constraints or exclusions).

b) The benefits expected to be realised by specific project/policy deliverables:

- Direct benefits accrue to the intended beneficiaries of the policy such as the unemployed, small to medium size businesses, a particular environmental sector etc. Indirect benefits (or externalities) accrue to other beneficiaries such as the community and society more broadly.
- Some discretion is needed to decide whether or not to include the indirect benefits of a policy measure in the benefits statement. If the indirect benefits are an important part of the policy objective then they should be included in the statement of benefits.

c) How the benefits realised will be monitored and how they will be delivered.

Couch benefits in **SMARTA** terms:

- Specific
- Measurable
- Achievable
- Relevant
- Time framed
- Agreed

Performance measures should adopt the right **FABRIC**:

- Focused on your department's/agency's aims and objectives, relevant to what you are aiming to achieve and the scale and complexity of the particular measure or package of measures;
- Appropriate and useful for those who will use these measures. Your performance measures should clearly link outcomes to your agency's work (establishing intermediate outcomes if final outcomes are subject to too many factors that are not directly in your agency's control);
- Balanced in their reflection of priorities and total effort;
- Robust - data should be clearly defined and collected consistently, measures should be easy to understand and use, data should be collected frequently enough to track progress, and quickly enough for the data to still be useful, measures should be reliable, comparable and verifiable;
- Integrated in existing performance management processes; and
- Cost-effective

Many departments and agencies have difficulty separating out the success factors for the implementation process as opposed to success in terms of a measure's outcomes or impacts. It often happens that an implementation process is quite successful – everything happened on time and on budget – but the expectations of the government or the community weren't met; in other words, 'the operation was successful, but the patient died.' The implementation plan needs to articulate a framework in which the success of the implementation process can be monitored, but is linked to an evaluation of the overall outcomes.

3.3 Deliverables

Scope/Deliverables

This section must list in tangible terms all the products and services to be delivered. It will be based upon the detailed description of the desired future state ("blueprint").

A **deliverable** is a measurable, tangible, verifiable output, result or item that must be produced to complete a project or part of a project.

For each deliverable, you must list the milestones that need to be achieved in order to achieve that deliverable. (A milestone is an important check point along the way that tells you if you are on track to delivery. "Establishing a section" or "having a meeting with the States and Territories" are generally insufficient indicators of progress as they say little about whether the completion of these activities contributes to the overall measure being implemented).

Every deliverable has a cost. Where possible the cost for each deliverable and milestone should add up to form the project budget.

If the project budget is a critical indicator of progress – for example, in the case of a procurement project – you must specify how the work will be done within budget and how work will be reported: for example, percentage complete, actual versus projected outlays and so on.

Your plan should also list the resources needed to achieve each deliverable.

The plan should explain what activities will be undertaken to deliver the project, and what activities the project will not be doing as well as any related activities. It defines the boundary of the project manager's responsibility and the activities that the project manager has to undertake within that boundary, with associated deliverables.

The plan needs to identify related activities that are outside the scope of the project manager, and are the responsibility of other parts of the agency or of external agencies – this is an important opportunity to establish expectations on who is doing what from the outset of the project.

A commonly used template for mapping out scope is as follows:

IS in Scope		**IS NOT in Scope**		**Responsible Manager and Agency**
Activity	Deliverables	Activity	Deliverables	

3.4 Planning Techniques

Implementation Schedule

This section must clearly outline what the project will be delivering and when. It sets the framework for dealing with the “on time” part of the objective “on time, on budget and to expectations”.

The Implementation Schedule determines and defines the major phases of work that will be undertaken to achieve the desired policy objective/s and the associated deliverables. It documents a logical sequence of events over time to progress the policy from concept to delivery. It provides a foundation for the remainder of the implementation plan, including the work breakdown structure which will detail the related activities and tasks, responsibilities and timeline.

For most policy initiatives, major phases of work will overlap, run concurrently or sequentially and explaining these interrelationship and interdependencies is an important task for the planners. For example, development of performance measures and an evaluation strategy should proceed concurrently with other ‘set-up’ work since different skills and therefore people are likely to be required. On the other hand, getting guidelines or eligibility criteria approved may depend on completion of an extensive consultation phase.

Project phasing is an important way of dealing with uncertainties. For example, it is a fact of public sector life that systems development will often have to proceed in advance of all the policy issues being sufficiently nailed down to allow detailed business specifications to be developed. Similarly, issues around technology or functionality may be unresolved at the time the plan is being developed.

These are issues that need to be articulated here and in the risks section, particularly in identifying issues that are unresolved at the time - the plan needs to identify how those issues will be resolved, when and by whom.

The Implementation Schedule should provide the following information in a clear, easy to read format:

- Project Phases
- Deliverables associated with each phase
- Major Activities for each deliverable
- Key milestones
- Who is responsible for delivery of each major activity, and
- Any dependencies.

You must ensure the Implementation Schedule has been checked by portfolio business and programme delivery managers to ensure that targets are achievable and appropriate.

Note for Cross-Portfolio Measures: A global Implementation Schedule which integrates the key activities of all the participating departments and agencies and their sequence, together with any interdependencies, is a minimum requirement of cross portfolio Implementation Plans. Typically this is the document against which progress will be monitored and assessed for reporting through the Cabinet Implementation Unit.

Work Breakdown Structure (WBS)

The Work Breakdown Structure (WBS) follows on from the Implementation Schedule and provides the detail behind each key activity showing tasks, deliverables and allocated resources including staff. WBSs vary depending on the complexity and type of project undertaken. There is no single format that must be adopted, as long as there is a clear line of sight between the Implementation Schedule, scope and WBS. For complex projects, a WBS will extend over many pages.

Key *phases* of work usually form the first-level element in the WBS, followed by the component elements of *activities* and *tasks* at the second and third levels. A further breakdown is possible with lower level tasks being regarded as phases or projects in their own right. Project resources such as staffing, IT and funding can be allocated at the activity / task level of the WBS.

The level of detail on these lower level activities should be no more than is required to assign responsibilities, timeframes and resources. The WBS should also identify dependencies where one piece of work depends on the completion of another.

A WBS may be provided in tabular format. This form lends itself to more detailed project management software. Alternatively, a high-level WBS may be provided as a tree diagram. Departments and agencies are free to choose a format that suits their need, however a WBS is the minimum requirement for cross-portfolio policies.

4. Resource Management

Resource management relates to balancing the supply and demand of any constrained resource that limits the capacity of the organisation to deliver its change initiatives. Resources include, but are not limited to, skilled program staff; specialists; required equipment and accommodation; and the agency's capacity to absorb business change.

Throughout the life of the program the constraints and availability of resources for a program will change. Considering resource management in implementation planning helps to understand and manage the amount of resources available and required to enable:

- More informed decisions concerning the initiation and scheduling of initiatives to match resource availability;
- More efficient and effective use of available resources;
- Improved delivery since initiatives are less likely to be held up by resource shortages; and
- Improved realisation of benefits, as the scale and timing of change is proactively managed.

4.1 Required Expertise

It is important that implementation management teams are assembled, which have appropriate capabilities and skills to deliver the program. To effectively plan for appropriate human resources, the following elements must be considered:

- Understand the demand – consideration of resource requirements, including staff and skills;
- Understand the supply – for example, develop a skills register to match staff skills, experience and capacity;
- Match supply and demand – ensure that high-priority program activities are sufficiently resourced;
- Gap closure – where there are shortages in supply (numbers, skill or experience), take corrective action (recruitment, external providers, staff development) and ensure that these gaps are referenced in the risks of the implementation plan.

4.2 Business Case

A Business Case outlines the optimum mix of information used to judge whether a program is (and remains) desirable, viable and achievable, and therefore worthwhile investing in. The Business Case should not be used only to gain initial funding for a program, but should be actively maintained throughout the life of the program and be continually updated with information about costs, benefits and risks.

The Business Case should provide as much detail as is available on the estimated costs, timescales and effort required to set up, manage and run the program from initiation through to delivery and realisation of benefits. Options for delivery, clearly explaining the differing benefits, change, risk and cost profiles may also be provided at this stage.

When making investment decisions, it is important to understand what benefits can be gained when, with what degree of risk and how much it will cost. It is important to consider:

- Does the program support corporate strategy, is it viable and is the Business Case acceptable?
- Does it make sense to approve this program? Should some things change?
- Is there a plan in place for any benefit reviews that can take place during the program?
- Does the Business Case stack-up? Will we get the benefits?
- Can we sell this to the agency?
- Can we commit the money?

4.3 Resource Types

The implementation management team requires expertise in planning for both financial and non-financial resource types, such as human resources, supplies, specialist knowledge and supporting teams.

The Resource Management Strategy typically consists of the following elements:

- Funding requirements (including budget)
- Procurement approach
- Required assets (such as office space and equipment)
- Technology and services
- Human resources (including Subject Matter Experts).

Budget

The budget section involves the allocation of administered and departmental funds against key project deliverables. This section sets the framework for dealing with the "on budget" part of the objective "on time, on budget and to expectations".

The principle underlying this section is cost control. This section will enable departments and agencies to effectively track expenditure over time and provide early warning of likely overspend / underspend or possible savings. In some cases, expenditure will be a critical indicator of progress.

It is critical that the budget reflects **whole of life** costings for the measure concerned and clearly distinguish departmental and administered items as well as distinguishing capital and operating expenses. Budgets should indicate:

- Departmental items/expenses allocated to project deliverables, such as:
  - staff resources (ASL – average staffing level),
  - legal advice,
  - other corporate services such as cost of updating internal financial management systems,
  - IT development if this is part of core business,
  - cost of convening advisory/reference groups or steering committees, and
  - costs of managing any tender process.
  - payments against contract milestones, based on expenditure forecasts,
  - cost of running pilot projects or prototype programmes,
  - cost of collecting baseline data e.g. consultancy costs,
  - cost of market testing or consultative processes if administered funds have been bid for and allocated for this purpose, and
  - costs of convening tender panels, advisory/reference groups or steering committees.
- Administered expenses such as grants, as these may be an important indicator of progress

Procurement

This section of the implementation plan will only be necessary for projects where there is substantial buy in of expertise or capital items. Projects that do not involve a high level of procurement expenditure should simply indicate that this requirement is not applicable.

The Procurement Plan should document:

a) Policy deliverables to be procured by proposed agreement or contract etc.

b) Strategies for negotiating and managing agreements/contracts.

c) If there is need for staged delivery and desirability of testing the deliverables.

d) Whether a purchase-provider arrangement is being considered and if so:

- timings for release of documentation to the public, tender and contract finalisation, contract period;
- the procurement method (specific purpose payments, expressions of interest, request for price/quote, request for tender);
- the funding model (ie: milestone payments);
- supplier selection processes such as tender evaluation and contract negotiation, and tender evaluation criteria; and
- arrangements for ongoing contract management including review and evaluation.

e) Probity issues should be covered in the Quality Assurance section.

f) Where appropriate, link also with risk management, resources, quality assurance and stakeholder engagement sections.

Non-Financial Resources

a) Review the scope and work breakdown structure and identify the resources that are critical to the successful implementation of the measure. Critical resources are those which are vital to the success of the measure, and may include staff with the special skills, consultants, a co-located office venue, ICT equipment, transportation, data / information systems etc.

b) Determine whether the resource is available internally, and if so outline a strategy to manage or acquire it for the required duration.

c) If a critical resource is unavailable internally, determine whether it is available through other Australian Government departments and agencies and if so outline a strategy to manage or acquire it for the required duration.

d) If it is necessary to purchase a resource externally, this should be identified in the contracting and procurement section described below. A business case may need to be prepared to justify the procurement strategy;

e) Scope the actual resource requirement including an initial cost estimate and link to deliverable(s) and risk management plan.

f) Summarise the information in a resource management strategy, linking to high level policy outputs (see example at Figure 4 below). Availability and quality of critical resources should be identified and assessed in the risk management and quality assurance sections.

g) Where appropriate, ensure resource issues are reflected in relevant sections of the plan such as risk management, contracting and procurement, quality assurance, work breakdown, and funding.

Figure 4: Example of a resource management strategy

Critical resource	Critical to: (Activity/Phase Deliverable)	Strategy to manage or acquire critical resource	Duration (days or dates)	Est. cost

5. Risk Management

5.1 Key Considerations

Successful program management requires managers to plan for and deal with uncertainty, complexity and ambiguity. Risk management and issue resolution are the vehicles for achieving this. The Government has decided to strengthen the Cabinet submission and New Policy Proposal process through ensuring a greater focus on implementation risks.

A risk is an uncertain event or set of event which, should they occur, will have an effect on the achievement of objectives. These effects might not always be detrimental. A risk can be either a threat (i.e. an uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e. an uncertain event that could have a favourable impact on objectives or benefits).

Issues are events that have happened, were not planned, are currently affecting the program and need to be actively dealt with and resolved. Risks, should they occur, become issues.

Program risk management ensures that the program makes cost-effective use of a risk management process that includes a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.

The risk management section is one of the most important parts of implementation planning. By understanding the potential risks which may affect the implementation of a policy measure, departments and agencies can reduce the likelihood or consequence of unpleasant surprises that may jeopardise the achievement of policy objectives.

From 8 August 2011, agencies must complete a Risk Potential Assessment Tool (RPAT) for every NPP. This is the RPAT self assessment stage. The overall Risk Rating derived from the RPAT, and the Top Five Risks should be included in the Cabinet Submission and/or the NPP. PM&C, Cabinet Secretariat will not process submissions where this does not appear.

Most departments and agencies have their own risk management framework in place. Where this is the case, this approach can underpin this element of implementation planning, to inform the overall Risk Rating derived from the RPAT. The Risk Potential Assessment Tool (RPAT) and instructions for its use can be found on the gateway pages of the Finance website.

5.2 Risk Identification

Broadly speaking, risks may be categorised as either strategic risks from factors outside of the program or operational risks related to resistance to change. Once these risks have been identified, strategies for mitigating these key risks should be provided. Any current issues and any known constraints, assumptions or conflicts that may affect the program should also be listed.

Risks may arise as a consequence of:

- changing circumstances and new developments;
- further refinement of project planning;
- changes to the scope of the project; and
- discussions/negotiations with the stakeholders.

Departments and agencies should ensure that risks to achieving the desired policy outcome as well as risks to the successful implementation of the project are identified separately. This links back to the two elements of success to be evaluated in the plan: the success of the implementation process; and the success of the overall measure in terms of the outcomes or impacts aimed for.

During implementation planning, management should identify risks through:

- stakeholder consultation;
- review of historical and related projects;
- the application of professional knowledge in project-based management;
- consultation with specialist technical advisers as needed;
- dedicated risk workshops; and
- review of known risks and issues.

5.3 Risk Planning

Once risks have been identified, management should document a clear risk management process through a Risk Management Plan. The design and implementation of the risk management plan will be influenced by the objectives of the policy and the governance arrangements within each agency. Although most departments and agencies undertake risk management exercises associated with policy implementation, there are differing levels of rigour with which departments and agencies undertake, oversight and document risk assessment and associated strategies to manage risk.

To be effective, risk management needs to be an ongoing and meaningful element in the management of the plan. The plan needs to do more than a 'tick and flick' exercise at the commencement of the project; it needs to identify who is responsible for reviewing risks on a regular basis, and how this will be done.

It is important to ensure risk management plans remain current and become a regular aspect of the performance reporting and review of a project, with responsibility for particular risk mitigation activities assigned to individuals who are accountable to the programme or project owner.

Throughout the course of implementation, risk identification should continue to occur to take account of changing circumstances so the risk plan should identify who is responsible for its maintenance and at what points it will be reviewed. For example, risks should be reviewed prior to the release of tender documentation, prior to formal approval to proceed to implementation,and in conjunction with periodic reporting.

Note for Cross-Portfolio Measures: The particular risks associated with multiple agency involvement must be reflected in the risk management strategy.

6. Stakeholder Engagement

A stakeholder is an individual or a group that has an interest in the program, its outcomes or benefits. Stakeholder engagement is the process of identifying and communicating effectively with those people or groups who have an interest or influence on the project's outcome. Effective communication with key stakeholders, both internal and external, is essential to the program's success.

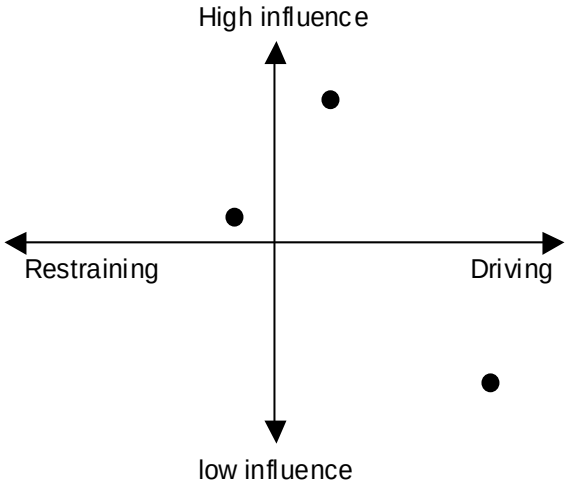
The development of the Stakeholder Engagement Strategy addresses the vital role of engaging, informing and managing stakeholders in the achievement of public policy. It seeks to ensure that key stakeholders and their interests are identified and strategies are developed to engage them. It should be noted that not all outcomes will be perceived as positive, and outcomes that are positive for some stakeholders will be negative for others. Such "dis-benefits" must be considered as a key part of stakeholder engagement.

Where a stakeholder strategy includes a major communications campaign this should be reflected in the scope and work breakdown structure of the implementation plan.

6.1 Stakeholder identification

Stakeholder engagement begins with identifying all the stakeholders involved in or affected by the program and its outcomes. Identifying the individual stakeholders involved in, or affected by, the program is important to ensure that key messages can be targeted effectively and input sought in a timely manner. Identify the people and organisations that may be able to significantly influence the policy objective or success of any of the phases of the measure.

Analyse the positions (including values and expectations) of key stakeholders. You may wish to use a diagram such as the one below to plot stakeholders by their level of influence and support for the measure.



During the life of the program, stakeholders will change. Some stakeholders will participate in the program in advisory roles; others will be important in assessing the realisation of the program's benefits; others will have an audit or assurance perspective.

Management should identify the people and organisations that may be able to significantly influence the policy objective or success of any of the phases of the measure. Management should then analyse the positions (including values and expectations) of key stakeholders.

Programs are likely to have large numbers of individual stakeholders. It can therefore be useful to organise the program's stakeholders by category, such as:

- users / beneficiaries;
- negatively impacted / disadvantaged;
- governance (management boards / steering committees / audit);
- influencers (e.g. the trade unions, the media); and
- providers (suppliers, business partners).

Management may wish to use alternative headings or break-down these high-level categories further to organise communication by shared interests.

Stakeholders who must be consulted in order to ensure the effective implementation and delivery of the policy measure include, among others, those with prime carriage of implementation and delivery such as the delivery arms of portfolio agencies or private sector organisations where purchaser-provider arrangements are planned.

6.2 Stakeholder Engagement and Communication Plan

The Stakeholder Engagement and Communication Plan describes what will be communicated, how it will be communicated, and by whom, during the program. It facilitates engagement with stakeholders through the establishment of a controlled and bi-directional flow of information. It should be defined and implemented as early as possible and then maintained throughout the program.

The two key steps in developing a Stakeholder Engagement and Communication Plan are identifying key stakeholders and developing strategies to engage with stakeholders.

Consider the purpose of communicating with each stakeholder. Is it to:

- build rapport?,
- convey intentions?,
- ask for feedback / input?,
- provide them with information?,
- build credibility?,
- understand their perspective?, and
- seek buy-in?.

a) What commitment / input do you want from stakeholders and what messages do you need to impart to them?

b) What nature and level of contact is necessary? Consider indirect and direct contact, and if the latter, at what bureaucratic level is contact most appropriate? Would the measure benefit from a communications campaign? What tools and/or communications activities (ie, newsletter, website, public forums, briefings to the Minister) should be used?

The strategy should make clear the intent and logic of consultation with key stakeholders. These should, of course, support the achievement of policy objectives as stated in the scope statement and be adequately costed in the work breakdown structure.

Most departments and agencies have their own stakeholder management and communications framework in place with associated templates. Where this is the case, these templates should be used for this section of the Plan.

Most agencies have their own stakeholder management and communications framework in place with associated templates. Where this is the case, these templates should be used for this section of the Plan. An example is provided below.

Example extract from a Stakeholder Management Strategy

Stakeholders	Their views in respect of the policy	Your strengths in managing these views	Your vulnerabilities with reference to these views

7. Review, Monitoring and Evaluation

7.1 Context

The success of the implementation of a New Policy Proposal will be judged in terms of the benefits delivered – i.e. the measurable improvements resulting from outcomes which are perceived as an advantage by stakeholders.

From the moment the first elements of change are introduced into the operations of a department or agency and on-the-ground in the public arena, expectations will be met or not met. Implementation planning must therefore consider how the transition into this future state will be managed, and how the realisation of benefits will be managed – not only monitored and evaluated. In other words actively ensuring the "expectations" part of the objective "on time, on budget and to expectations" is met.

Benefits Realisation and Transition Management

It is not sufficient for departments and agencies to plan to create deliverables without being clear who is accountable for transitioning those deliverables into active use and thereby realisation of benefit. Benefits must be managed from their initial identification to their successful realisation. This requires the planning and management of transition from the old to new ways of doing things for departments, agencies and other stakeholder areas impacted by implementation of the new policy.

This element of implementation planning should answer the question – **how** will we know if the policy objective has been achieved? What **method** will be used to measure this?

Departments and agencies must formulate implementation plans that provide for active management of the implementation until desired outcomes are demonstrated and a stable state is achieved. It is not sufficient to allow work to stop at departmental or agency boundaries and hope that the rest of implementation will look after itself. External stakeholders who are responsible for benefits realisation must also be engaged, including different levels of government, industry bodies and representative interest groups.

7.2 Key Considerations

Implementation planning must identify who is accountable for the realisation of benefits – particularly if the stakeholders concerned are external to departments or agencies. You are encouraged to consult the relevant policy area of PM&C in developing your approach to this.

Be mindful that the milestones, tracked through the CIU reporting process, will focus on outcomes and benefits, such as the expected impacts or level of user take-up, as well as the development of products, services and programmes and their roll-out.

The evaluation methodology should be designed having regard to the objectives and performance measures in your benefits statement.

The evaluation strategy should include a schedule showing when monitoring and evaluation will occur and who will be responsible for this. Where formal evaluations are undertaken, care must be taken to avoid conflicts of interest.

You may need to consider the importance of mid-term evaluations, interim progress reports or post-implementation reviews as a means of providing early feedback to government on progress towards success, and as a means of meeting accountability and transparency requirements. You may also

wish to consider the adoption of internal Gateway processes as a way of ensuring continuing alignment between your project and the government's expectations.

The development of performance indicators to measure progress, both quantitative and qualitative, should be undertaken with care. If the skills to develop performance indicators are not part of the skill set of the proposed project team, then the project manager may wish to include 'indicator development' skills in the 'Resource' section and in the 'Risks' section of the Implementation Plan. Performance indicators may be developed for both the policy as a whole, and for each phase or activity.

Departments and agencies must provide supporting documentation for each indicator identifying information needed, collection cost and method, frequency of reporting, validity, reliability etc.

7.3 Control Variables

As implementation progresses leaders and managers need to be able to refine and improve delivery, minimise the impact of ambiguity and bring certainty wherever possible. To achieve such control requires management mechanisms to monitor and compare actual achievements against those planned. Implementation plans must therefore contain clear targets against which progress can be measured, with agreed limits on how much forecast deviation is permissible before problems are escalated (tolerances).

Implementation plans and management control mechanisms must focus on the following six variables:

1. **Time** – plus or minus an amount of time on target completion dates;
2. **Cost** – plus or minus an amount of the planned budget;
3. **Quality** – plus or minus degrees off quality targets (e.g. concurrent users);
4. **Scope** – permissible variations of the plan's outputs (e.g. mandatory requirements plus or minus desirable requirements);
5. **Risk** – limits on the plan's aggregated risks (e.g. costs of aggregated threats to remain less than 10% of the plan's budget) or limits on individual threats;
6. **Benefit** – plus or minus degrees off an improvement goal (e.g. 30-40% cost reduction).

An important aspect of project governance is setting up controls so that it immediately refers up to the next management layer for a decision on how to proceed if, during the project, the sponsoring agency forecasts that it will exceed these tolerances. This implementation of 'management by exception' provides for efficient use of senior management time.

Independent assurance may be required as part of control. Quality assurance means assuring the integrity and probity of all processes undertaken to implement the policy on time and on budget. It also involves monitoring progress against milestones and within budget.

a) List deliverables involving significant quality assurance processes such as management of contracts, statutory reporting requirements, regulatory / legal / professional standards, performance / achievement indicator development, survey design, research methodology and technical specifications.

b) Where appropriate link to agency-based audit, probity and risk management resources, Chief Executive Instructions, relevant legislation and mandated standards, for example the FMA Act.

c) Where appropriate identify external Quality Assurance processes that may assist or which are mandatory, such as internal or external Gateway review processes.

d) This section should also include a description of who will be responsible for ensuring the quality of particular deliverables, including management of risk.

e) Also ensure links with other sections of the Plan, where appropriate, such as resources, contracting and procurement, scope (governance) and funding.

8.0 Additional Information

8.1 Useful References

The following references and hyperlinks might be useful when preparing Implementation Plans.

- Drafters Guide
- Addendum to the Drafters Guide
- APS Style Guide

8.2 Contacts

For further information on Implementation Planning, please contact the CIU at implementationdivision@pmc.gov.au.