



BUSINESS RULES

Project Governance Board (PGB)

Purpose, Responsibilities and Membership

1. A key element of successful delivery of projects is the establishment and function of the Project Governance Board (PGB). The PGB has a collective management responsibility and will be established for all major capital facilities projects. The purpose of the PGB is to provide guidance to the Project Director and a forum for senior level liaison with input to the project by sponsors, users and senior Defence management.
2. The typical membership of the PGB will include:
 - Chair—Director General Capital Facilities Infrastructure Branch (DGCFI) - or alternatively the Executive Director, Capital Facilities Infrastructure Branch (EDCFI);
 - Secretary—the Project Manager / Contract Administrator (PMCA);
 - Member—the sponsor(s) or their representative(s);
 - Member—a CFI Director and Project Director;
 - Member—each user's representative (Unit Commander or equivalent); and
 - Member—Defence Support Operations Division's Regional Manager(s) or representative(s).
3. Other stakeholders' representatives may be invited to contribute specialist knowledge to the PGB and may include:
 - Defence's Design Consultant(s);
 - Defence's Construction Contractor(s);
 - other specialist consultants or contractors; and
 - representation from other areas within Defence with an interest in the project.
4. The PGB is appointed by DGCFI who is the authority for changes in the composition of the PGB.
5. The PGB should be established after project approval has been obtained and if required, the Public Works Committee (PWC) inquiry process has been completed.
6. The Project Director should propose the formation of the PGB and recommend its membership, role, and objectives to DGCFI for inclusion in the project's Detailed Business Case (DBC). The DBC will be submitted to the Estate & Infrastructure Gate Review (EIGR) / Capability Manager Gate Review (CMGR) for endorsement, noting that the PGB's objectives, responsibilities and membership may change as the project evolves and progresses from design to delivery (construction).
7. The Chairman of the PGB is normally DGCFI, however DGCFI may delegate this responsibility to a CFI Director or Project Director depending on the complexity, sensitivity or phase of the project.

- 8.** The PGB is responsible to and reports to DGCFI. The group:
- provides a forum for reviewing and making recommendations on key project issues;
 - provides guidance in relation to overall project planning, intermediate objectives and priorities on behalf of the project sponsor and other stakeholders;
 - provides strategic information and assistance to the Project Director in delivering the project;
 - reviews progress achieved and monitors risk to key performance parameters, such as against budget and schedule and relevant legislative matters; and
 - where end user, sponsor, Infrastructure Division (ID) and Service Delivery Division (SDD) or Departmental expectations deviate from those approved by the Estate & Infrastructure Gate Review (EIGR) / Capability Manager Gate Review (CMGR) within the DBC, particularly in relation to capability outcomes, provides a forum for recommending changes from the approved DBC to DGCFI. (In some circumstances, if the capability and/or budgetary impact is significant, DGCFI may refer the matter to the Estate & Infrastructure Gate Review (EIGR) / Capability Manager Gate Review (CMGR) for direction).
- 9.** Where projects are the subject of a PWC inquiry, the PGB has additional responsibilities, which include:
- reviewing progress on any recommendations made by the PWC in their report to Parliament as part of a progress report to DGCFI in May each year (for inclusion in an annual omnibus submission to the PWC in June/July);
 - referring any significant changes to the proposed scope or budget to DGCFI for referral to the PWC, as required by the PWC's guidelines (note: 'significant changes' are major additions to the project expected to cost more than 10% of the project budget and which were not included in the evidence submitted to the PWC, or a proposed increase of greater than 10% to the approved project budget): and
 - overseeing the preparation of a project post-implementation report for the consideration and endorsement by DGCFI at the completion of the construction. This report will provide the basis for DGCFI to report to the Department of Finance and Deregulation and the PWC on the key outcomes and lessons learned during the project.
- 10.** In carrying out its role, the PGB is to:
- meet as required, typically once per quarter, noting that meetings may be required more often during the early stages of a complex project;
 - conduct meetings in accordance with a written agenda, and produce formal minutes of the meeting which will be stored in accordance with Defence archive policy clearly recording key considerations and recommendations regarding the delivery of the project; and
 - provide a forum for resolving conflicts/disagreements between Defence stakeholders and record decisions and recommendations in writing.
- 11.** In addition to standard meeting agenda items such as the acceptance of previous meeting minutes, presentation of key project reports addressing key financial management aspects of the project (budget issues, forecast and actual expenditure, contract administration and asset rollouts), project schedule and other key project performance indicators, each PGB meeting agenda will include the following standing items:
- compliance with National Code of Practice for the Construction Industry;
 - compliance with the requirements of the Office of the Federal Safety Commissioner;
 - new business items; and
 - for those projects which have been the subject of PWC enquiries:
 - progress on recommendations made by the PWC;
 - significant proposed changes to approved project scope and budget; and
 - post –implementation report.