NSW Treasury

Benefits Management Guide

TPG24-31

February 2025

NSW GOVERNMENT

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

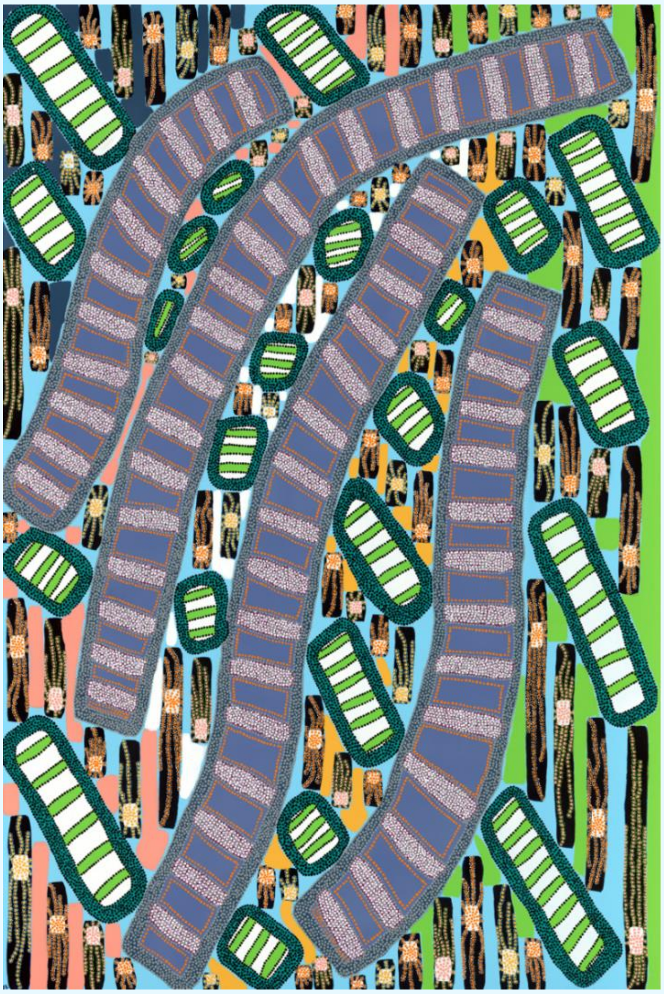
We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:
Regeneration by Josie Rose



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Treasury Policy and Guidelines (TPG) is relevant to?	☒ GSF Agencies ☒ General Government Sector ☒ Public non-financial corporation ☒ Public financial corporation ☒ State Owned Corporations ☐ Other
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Document contains
☐ **MANDATORY POLICY** compliance set out by NSW Treasury.
☒ **RECOMMENDED POLICY** reflecting best practice standards.
☒ **GUIDANCE/ADDITIONAL INFORMATION** to provide clarity or explain requirements in detail.

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Benefits Management Guide

Purpose

Benefits management is the process of identifying, organising, monitoring, measuring and reporting an initiative's intended benefits. It provides decision makers with the confidence that an agency will be accountable for achieving the outcomes of the initiative. During implementation, benefits management supports timely responses to deviations from intended benefits and collects lessons learnt.

This Benefits Management Guide (the Guide) establishes the role of benefits management and sets out a consistent, best practice approach. It is part of the Investment Framework, which sets the standard for evidence across the investment lifecycle. It does not create any mandatory requirements but supports mandatory requirements set in the Business Case and Evaluation Guidelines.

The Guide has been structured to accommodate agencies with varying levels of benefit management maturity:

- Section 1 provides an overview for a general audience and summarises key principles.
- Section 2 guides practitioners through the nine steps of benefits management.
- Appendices provide more detail for practitioners.
- It is supported by a set of user-friendly, scalable templates and tools.

Overview

Benefits management works best when applied early to help define a problem and identify options that align with initiative objectives. In line with the development of a business case, it supports refinement and comparison of options, and establishment of a monitoring and evaluation approach. Following investment decision, it tracks performance and is used to inform evaluation.

Benefits management provides a structured method and tools that many private and public sector organisations find valuable. It is more likely to be effective when integrated into an organisations' day to day operations and governance. While the use of benefits management is not mandated agencies should consider how benefits management can support achievement of outcomes.

Summary of guidance

When should benefits management be used?

- Benefits management can be used from the early stages of a business case to implementation, delivery, and ongoing operations (if required).
- Benefits management is a form of monitoring that can support, but does not replace, evaluation (as required by the Evaluation Guidelines (TPG22-22).
- A high-level monitoring and evaluation plan is required for all initiatives valued over $10 million[1]. This may be under a monitoring and evaluation framework or benefits management framework, scaled to the size, risk, and priority of the initiative. This is included in the full business case.
- Agencies should decide between a monitoring and evaluation framework, or benefits management framework based on the nature of the initiative. Benefits management is a good

[1] This requirement is set by the Evaluation Guidelines (TPG22-22) and Business Case Guidelines TPG24-29). Refer to the Business Case Templates for details about what to include in a high-level monitoring and evaluation plan.

choice where there are predefined measures of success that can be easily tracked, and where continuous monitoring and adjustment is likely to improve delivery.

- Monitoring evidence (using benefits management or monitoring and evaluation) can support parameter and technical adjustment or carry forward submissions to NSW Treasury.

How should benefits management be applied?

Phase	Step	Activities	Output
Understand	1. Identify and align benefits to objectives	Define the problem or opportunity, objectives, and benefits of the initiative to ensure the options pursued are aligned with desired outcomes from the initiative.	Logic model
	2. Define and categorise benefits	Define and categorise benefits according to their characteristics and use.	Benefits table
Plan	3. Assess and value benefits using CBA	Conduct CBA to inform an investment decision and prioritise benefits for monitoring.	Update logic model and benefits table
	4. Establish key performance indicators	Establish baseline measures to quantify current performance and KPIs for tracking the success of the preferred option.	Benefits register
	5. Develop a benefits management plan	Prepare a benefits management plan that identifies benefits, baseline and target KPIs, governance structure, reporting milestones and stakeholder responsibilities.	Benefits management plan
	6. Integrate benefits management into tender design and procurement[2]	Analyse the market, incorporate benefits and associated risks into the tender design criteria and articulate benefit delivery requirements in contracts.	Update benefits management plan and benefits register
Manage and Report	7. Implement monitoring and tracking	Measure and analyse actual data against planned targets.	Update benefits register
	8. Conduct regular reviews and report results	Assess achievement of benefits, feasible options for large variations and lessons learnt from implementation.	Benefits report
	9. Handover or close benefits	Handover benefits after delivery to support ongoing operations or evaluation.	N/A

[2] If there is a procurement need.

Key changes from previous framework

This Guide replaces the 2018 Benefits Realisation Management Framework and establishes the role of benefits management in the NSW Government Investment Framework.

Table 1: Summary of key changes

Area	Change
Structure of guide	• Simplified structure, including: ○ consolidation of guidance into one document ○ introduction of 9 steps practitioners can follow through investment appraisal, implementation, and delivery ○ integration with business case development and cost benefit analysis to remove duplication. • Removes duplicative practices including benefits realisation strategy, 3 column analysis, benefits map, benefit distribution matrix, benefits profile, lessons learnt report and business case variation report. • Integration of the use of logic models and new guidance on benefits maturity assessment.
When benefits management should be used	• Clarifies when benefits management should be used compared to monitoring and evaluation. • Clarifies that benefits management can be used to inform, but is not a substitute for evaluation under the Evaluation Guidelines (TPG22-22). • Establishes a role for benefits management as evidence to support carry forwards or parameter and technical adjustments.
New templates	• Benefits register. • Benefits management plan. • Benefits report.

1 Overview of benefits management

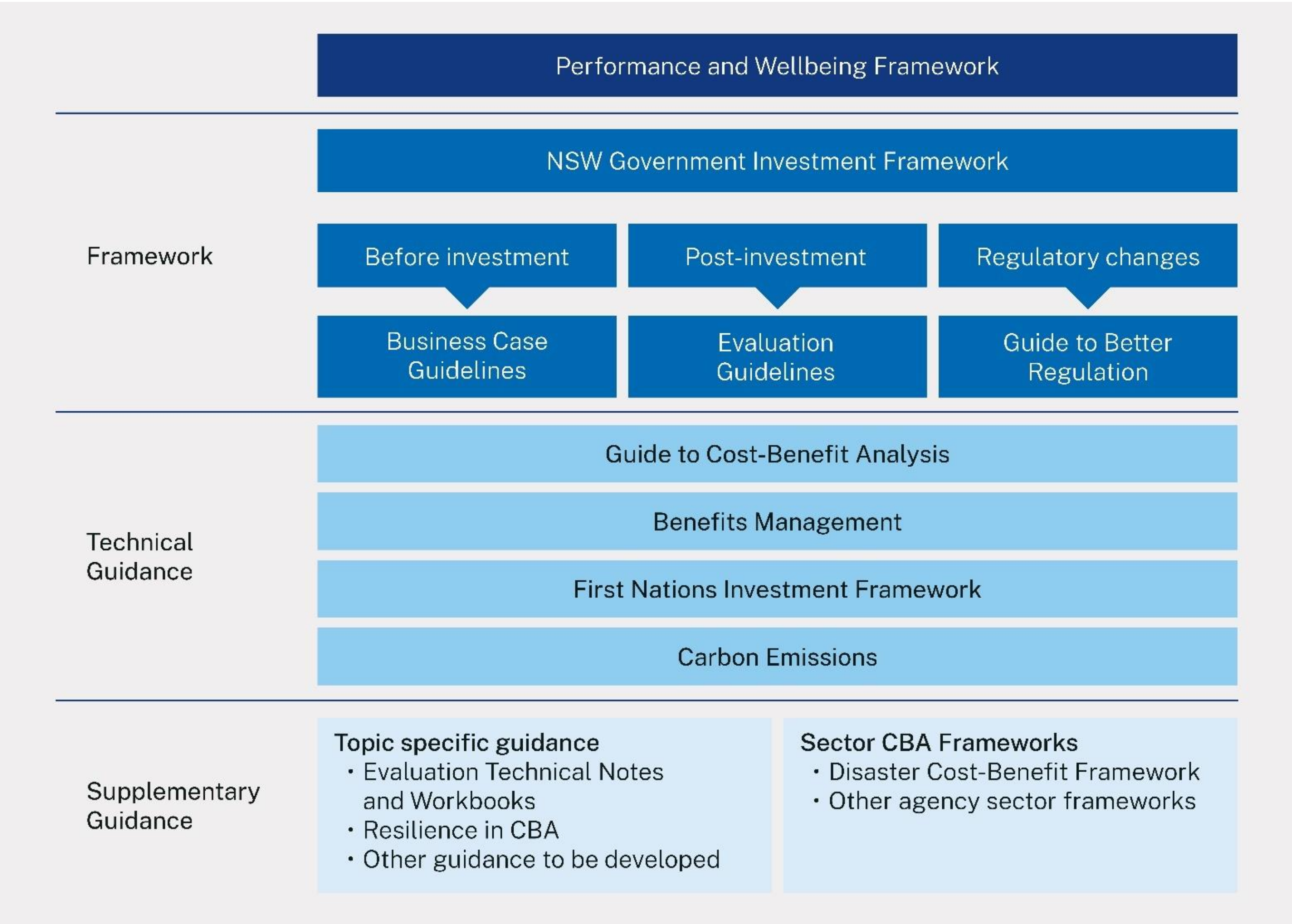
Key points

- Benefits represent increases in welfare associated with an initiative's outcomes.
- Benefits management is the process of identifying, organising, managing, measuring and reporting benefits so that intended benefits of an initiative are monitored and achieved.
- Key stakeholders involved in benefits management include but are not limited to project managers, sponsors and benefit owners.
- Benefits management suits initiatives with clear and measurable benefits. Monitoring and evaluation is preferable where benefits are hard to measure or require establishing a control group as a counterfactual.

1.1 The NSW Government Investment Framework

The NSW Government Investment Framework supports a consistent, evidence-informed approach to assessing projects, programs and policies (referred to as 'initiatives') throughout their lifecycle. This Guide forms part of the Investment Framework. It establishes the role of benefits management and sets out a consistent, best practice approach.

Figure 1. The NSW Government Investment Framework



The NSW Performance and Wellbeing Framework is being developed for the 2025-26 Budget. This will provide an overarching lens to view the role and performance of government and help to shape investment decisions by strengthening understanding of the connection between government policies and initiatives, and the results and impacts achieved. It will articulate how government performance influences outcomes and strengthen performance reporting and the quality of data insights that inform government decision-making.

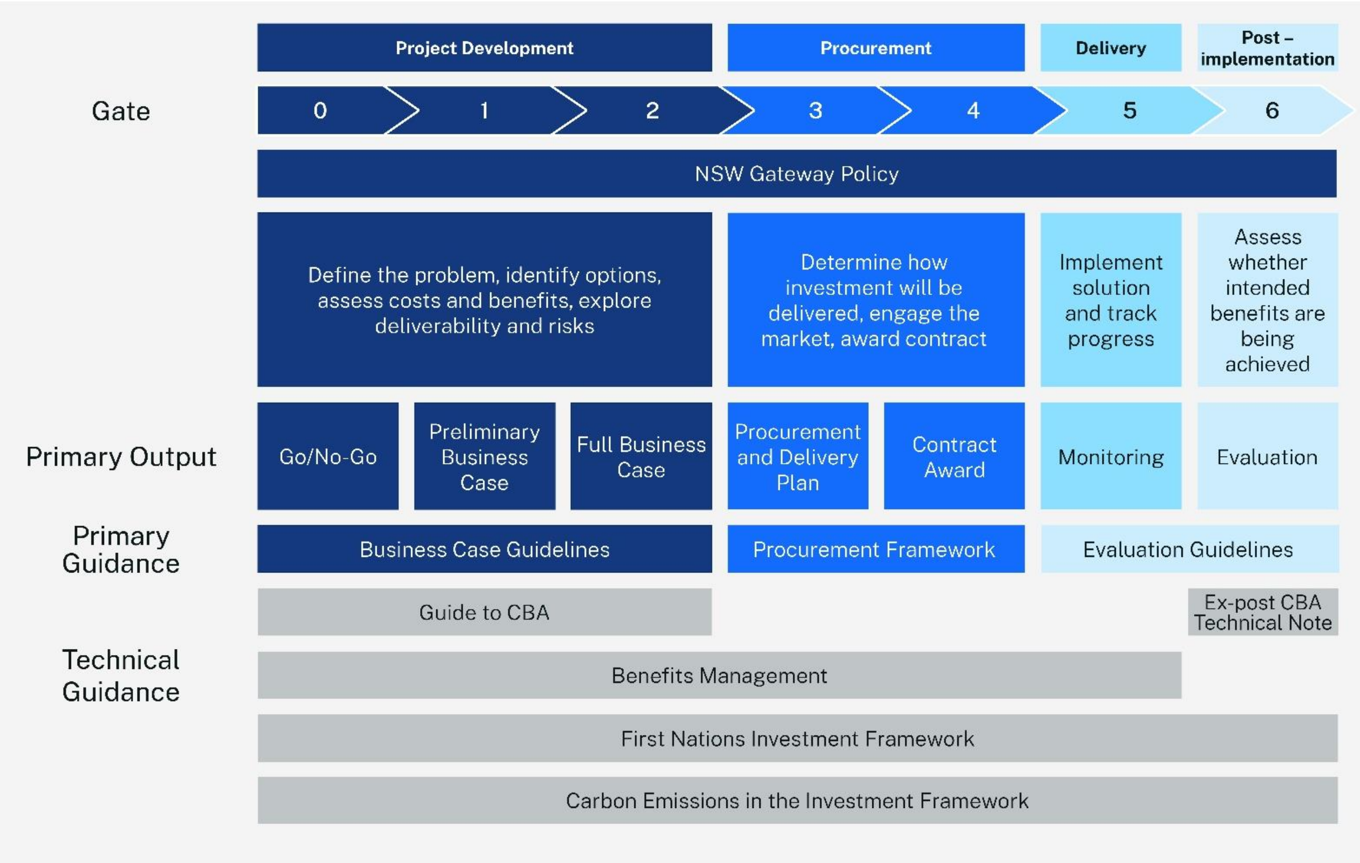
Further guidance

- NSW Performance and Wellbeing Framework
- Evaluation Guidelines (TPG22-22)
- Guide to Better Regulation (TPP19-01)
- Guide to Cost-benefit Analysis (TPG23-08)
- Business Case Guidelines (TPG24-29)
- First Nations Investment Framework (TPG24-28)

Gateway

Gateway provides independent assurance to NSW Government that initiatives are being effectively developed and delivered at key decision points or Gates (see Appendix 2. Alignment with Gateway). It provides independent, risk-based review that complements the Investment Framework for capital, recurrent and digital initiatives. Figure 2 provides an overview of the alignment between Gateway and the Investment Framework. Appendix 2. Alignment with Gateway provides further details.

Figure 2. Interaction between Gateway and Investment Framework



Further guidance:

For more information about Gateway refer to NSW Gateway Policy (TPG22-12)

- Infrastructure Investor Assurance Framework (IIAF) - Infrastructure NSW for capital projects
- Digital Assurance Framework (DAF) – NSW Department of Customer Service for digital projects
- Recurrent Expenditure Framework (REAF) - NSW Treasury for major recurrent expenditure projects

1.2 What is benefits management?

Benefits are welfare improvements resulting from the economic, social, environmental, or cultural outcomes arising from an initiative. Benefits justify public investment and can be used to measure success. They should be:

- measurable and evidence-based
- aligned to strategic outcomes or commitments
- monitored and reported to inform decision making
- regularly reviewed and updated as relevant for the initiative.

On the other hand, **dis-benefits** refer to a decline in welfare resulting from an outcome. For example, compliance costs, increased travel time, increased noise, or environmental impacts.

Benefits management is a continuous process of identifying, organising, managing, monitoring measuring and reporting on benefits (including dis-benefits). It provides a disciplined approach to clarify objectives, identify stakeholders, form recommendations to optimise benefits and adapt during implementation, and establish lessons learnt.

Benefits management works best when integrated into day-to-day operations. This Guide provides tools and templates agencies can use to apply benefits management, scaled to current benefits management maturity. A consistent process and tools help to build agency capability and reduce the need for external consultants.

Figure 3. Purpose of benefits management

Benefits management assists project managers and decision makers by (see Figure 3):

- **Setting performance indicators, targets and monitoring mechanisms:** Enabling measurement of success and timely identification and response where benefits are not on track.

- **Fostering ownership and accountability**: Providing a governance framework with clear responsibility for delivering and tracking benefits, including after project teams disperse.
- **Facilitating transparency and stakeholder support:** Clear communication about which benefits will be realised, monitored, and communicated and how this will be done.
- **Identifying dependencies and applying lessons learnt:** Ensuring alignment of activities, resources, and stakeholders for related initiatives (i.e. those that contribute to the same benefits), either within an agency or cross agency. Lessons learnt can also be applied to similar initiatives.
- **Ensuring continued strategic alignment:** Benefits should be linked to strategic outcomes or government priorities. Mature benefits management practices can track and report progress against priorities and commitments.
- **Regular and prompt reporting:** Benefits tracking against key performance indicators (KPIs) can inform decisions about whether to adjust, invest more, or use real options (see 2.5).

Hypothetical example: How benefits management can be applied in government

During development of a business case for a sustainable energy initiative, benefits were identified including emission reductions, job creation in the renewable energy sector and supporting local First Nations economic participation.

Following investment, KPIs were established along with a method and responsibility for tracking and measurement. The KPIs reflected the benefits forecast and assumptions used in the cost-benefit analysis. During implementation, data collected identified that take up was lower than expected and reductions in emissions were not being achieved. This informed a decision to extend eligibility for the initiative to achieve the intended emission reductions.

Benefit description	Benefit owner	Measure	Milestone	Performance values	Assumptions	Variation analysis	Action
				Goal (current)	Dependencies		
Emission reductions	Team 1	Percentage reduction in carbon emissions	January 2025	10% (5%)	Consumer uptake of energy upgrades	Lower consumer uptake	Changed eligibility criteria
Job creation	Team 2	Net increase of jobs created	January 2026	4,000 (3,000)	Jobs are additional rather than displaced from another location	Skilled workers not available due to labour mobility constraints e.g. limitations to interstate licensing	Align accreditation and support bridging courses
Local First Nation economic participation	Team 2	Percentage of employees from the local Aboriginal community	January 2026	10% (8%)	Culturally safe workplaces and timely delivery of pre-employment programs	Increased engagement with local community representatives	Ongoing partnership with the Aboriginal Working Group within the Renewable Energy Zone

1.3 Benefits management principles

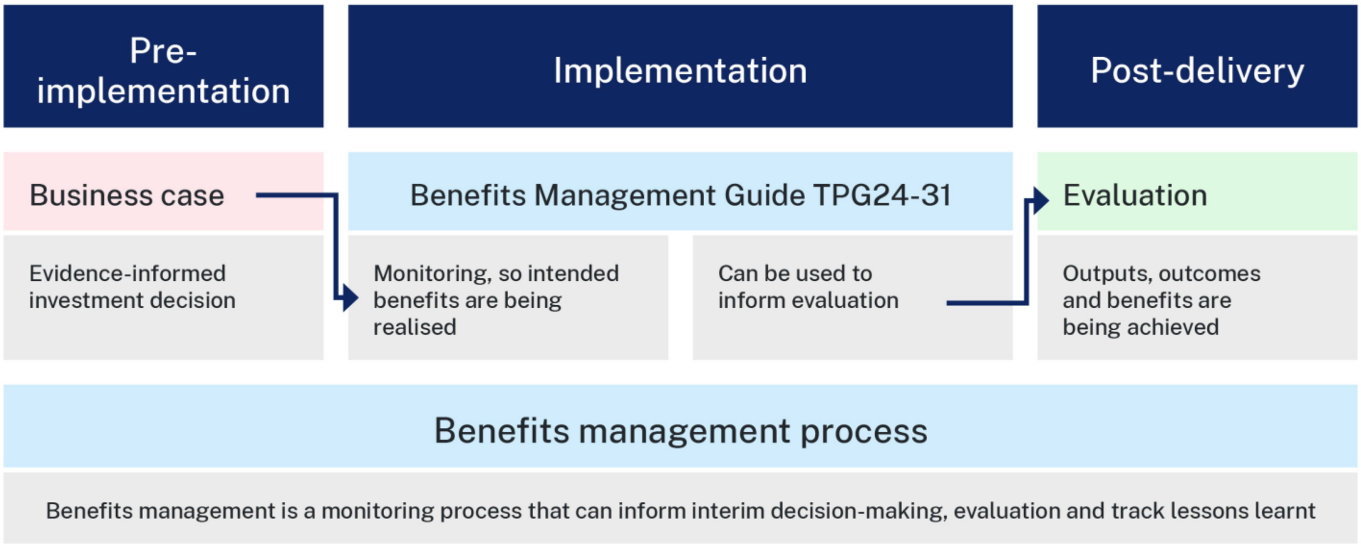
Principles to inform implementation of benefits management are set out in Table 2. The principles are flexible according to the cost and risk of the initiative.

Table 2. Benefits management principles

Principle	Description
Identify benefits early	Ensure alignment to government priorities or commitments. Establish an understanding of realistic and achievable outcomes.
Ensure benefits are simple to understand and integrated into agency activities and objectives	Make barriers to understanding and applying benefit management as low as possible to maximise usability and effectiveness.
Demonstrate the link between investments and benefits	Benefits managed clearly link to the initiative's objectives and activities, as visualised in a logic model. Align benefits managed and targets with the cost-benefit analysis.
Focus on benefits that make the greatest contribution to objectives	Categorise and prioritise benefits to identify those that are most important. Establish efficient and effective data and reporting activities in a benefits management plan.
Clear ownership and accountability for managing benefits across the investment lifecycle	Establish governance processes and structures to: • streamline decision making • set clear roles and responsibilities e.g., benefits owner • provide direction or take actions if intended benefits are not on track to be achieved.
Regular and prompt reporting to inform adjustments and interim decisions	Share lessons learnt and recommendations with decision makers and stakeholders. Establish and review handover processes to support knowledge retention and continuity of benefit management practices. Use findings from benefits management to identify what to investigate further during evaluation. Document, review, and use lessons learnt from benefits management to inform future design and delivery.

1.4 When should benefits management be used?

Figure 4: Role of benefits management across the Investment Framework



As part of business case development

A business case establishes evidence to support an investment decision. The process of understanding, planning and monitoring benefits can strengthen a business case.

Business cases valued over $10 million require a high-level monitoring and evaluation plan, under either a benefits management framework or monitoring and evaluation framework.

During implementation

Benefits management can signal when changes to design or implementation may be required to deliver intended outcomes and benefits. Reporting can be triggered at milestones such as major deliverables or phase completions to assess progress, realign strategies, adjust performance measures, and address any emerging challenges.

Benefits management can be a condition for the staged release of funds and provide evidence to support carry forwards[3] or parameter and technical adjustments[4]. For example, it can show whether intended benefits remain on track and aligned to government priorities before further funding is adjusted or released.

Benefit management reporting can be used as a prompt to analyse existing and alternate rescoped initiative options. Discretionary parameter and technical adjustments, where there is an ability to influence scope of the initiative, can show evidence of benefits and costs associated with the change of scope or scale.

Where government has no discretion to alter scope of the initiative, parameter and technical adjustments have little to no gain from providing evidence of benefits management. This may occur when government is legally or contractually required to deliver a proposed scope. Accounting adjustments within NSW government that are transfers should not need evidence of benefit management.

[3] TPG22-05 Carry Forwards Policy sets out the circumstances in which agencies may be permitted to transfer Budget Control Limits from the current financial year to future financial years, subject to meeting certain conditions and the approval of the Treasurer.

[4] TPG21-11 Parameter and Technical Adjustments (PTAs) and New Policy Proposals state that both NPP and PTAs should demonstrate how the proposal will impact the performance of a State Outcome(s) or its programs(s) where appropriate. PTAs are changes to the budget of an existing program or service, in response to external factors.

Post-delivery to inform evaluation or ongoing operations

Benefits management can:

- Provide information to help evaluators assess efficiency and effectiveness and identify areas for deeper analysis.
- Highlight successful strategies, challenges, areas for improvement and lessons learned for future initiatives.

Benefits management or monitoring and evaluation?

Either benefits management or a monitoring and evaluation framework can be used. Either approach is a form of monitoring that supports evaluation, as required by the Evaluation Guidelines. This flexibility accommodates different types of initiatives and agency practices. Using both approaches is not recommended as it is duplicative and resource intensive but elements of both can applied.

Benefits management is more suitable for initiatives that:

- Have objectives with predefined measures of success. This is common for capital initiatives or established programs.
- Have clear, tangible benefits and outcomes that can be easily tracked and measured.
- Require continuous monitoring and adjustment to optimise benefits. This is common for digital initiatives, where there are evolving technologies and changing business needs.

Monitoring and evaluation is more suitable for initiatives that:

- Have benefits that are more difficult to quantify or measure. Supporting evidence or data may be less readily available. For example, for newer interventions or social services initiatives.
- Require data to be collected, stored, or analysed for different cohorts. For example, when establishing a control group as a counterfactual for comparison including for experimental or quasi-experimental evaluations. This may also be relevant for data sets that require ethics approval.

Table 3 summarises the key differences and similarities between benefits management and monitoring and evaluation and evaluation provides further information.

Table 3. Benefits management vs monitoring and evaluation

	Benefits management framework	Monitoring and evaluation framework
Similarities	• Summarises the initiative and theory of change with a logic model. • Sets baselines, targets, and processes to achieve and measure targets. • Plans for data collection, specifying key assumptions. • Identifies and manages risks to achieving outcomes and benefits. • Requires clear governance arrangements. • Establishes review and reporting schedules.	
Key Differences	• Baseline figures used to measure changes in outcomes. • Relies on trend and variation analysis of benefit measures. • The scope extends throughout the lifecycle of an initiative. • Uses quantifiable metrics and KPIs to measure benefits realisation. • May extend into operations to monitor whether benefits are sustained. • Data collection is more targeted towards measuring specific benefits.	• A realistic counterfactual is established to compare what would have happened without the initiative. • Employs statistical and econometric methods to analyse data and determine causality and attribution. • Broader assessment of effectiveness and efficiency. • Can include quantitative and qualitative data collection including interviews, focus groups and observations. • Outputs monitored at milestones or at a point in time after completion. • Suited for more rigorous data collection, including quasi-experimental or experimental evaluation, to assess cause and effect relationships.

More guidance:

- Evaluation Guidelines (TPG22-22) and Evaluation Workbook II. Monitoring and Evaluation Framework.

1.5 Phases of benefits management

Phase 1: Understand

The understand phase defines the problem, outlines why the initiative is needed and identifies outcomes and potential benefits. This phase also defines the vision and objectives, ensuring alignment with NSW outcomes. These activities are part of business case development, regardless of whether benefits management is used for monitoring.

Phase 2: Plan

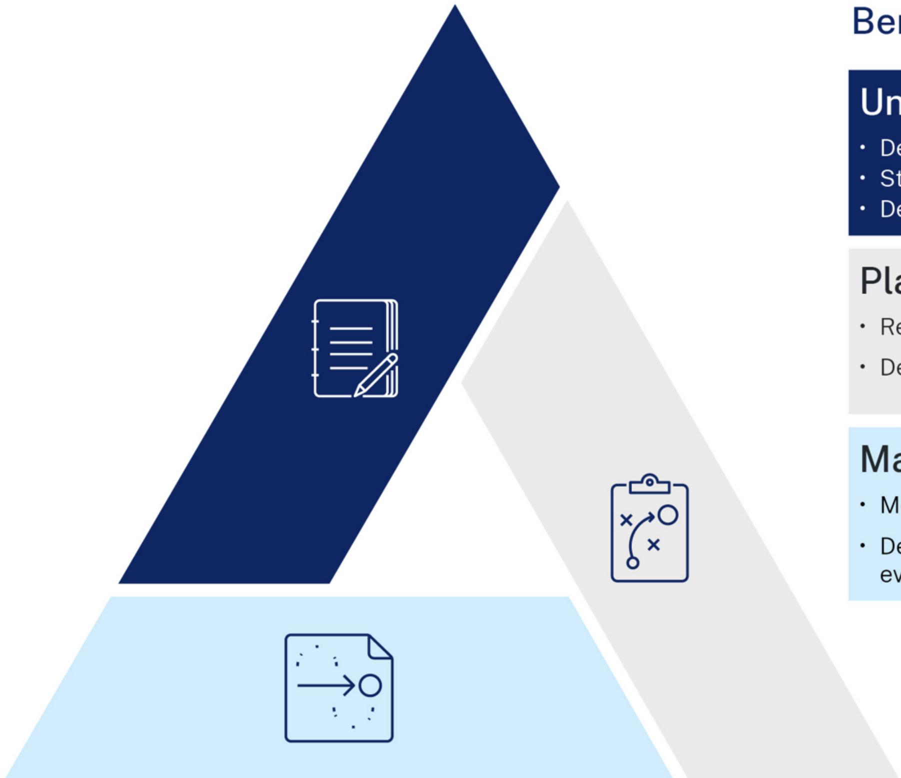
A benefits management plan establishes how the impact of the initiative will be measured, how data will be collected, baseline and target benefits, governance arrangements, and benefits handover arrangements. A summary of the approach should be included in a business case.

Phase 3: Manage and report

Following the investment decision, the benefits management plan should be finalised and monitoring progress towards benefits targets commences. Benefits reports can be periodic, as planned, or triggered by an event or deviations from intended benefits. They can identify learnings, provide evidence for continuing implementation and form recommendations for corrective action or further evaluation.

Steps under each phase are explored in section 2 - Benefits management steps.

Figure 5: Phases of benefits management



Benefits management phases

Understand
- Define the problem.
- Strategic alignment.
- Define objectives, outcomes and benefits.

Plan
- Refine benefits for preferred option.
- Develop a benefits management plan.

Manage and Report
- Monitor benefits against KPIs.
- Develop benefit reports for tracking, evidence collection and corrective action.

1.6 Using this Guide

Who should undertake benefits management?

Agencies should foster internal capability in monitoring and evaluation given their ongoing importance and role in providing evidence to inform future decision making. This includes benefits management (where used by an agency). External consultants should not be used for benefits management activities, unless capacity within government is not available to meet urgent government priorities, such as in crises and disasters, or if specialist technical skills required do not exist within the agency.

Who is the Guide for?

Benefits management is used by practitioners, reviewers, decision makers, and other stakeholders. Table 4 outlines the different roles needed for benefits management. One person may have multiple roles. For example, the benefit owner can also be the project manager for a smaller project delivered by the team who will operate the deliverable.

Table 4. Users of Benefits Management

User	Responsibilities
Practitioners	
Benefit owner(s)	• Individual or team responsible for identifying, defining, and managing specific benefits. Should reside in the business area most likely to be responsible for the benefits once it transitions into business as usual.
Project manager	• Oversees a project team and reports to the Sponsor.
Project team	• Responsible for the delivery of an initiative's outputs.
Benefits manager	• Oversees and ensures consistency of benefits management processes for a project, program or agency.
Operations manager	• Individuals or teams responsible for business-as-usual operations (non-project) (e.g. the asset management team). • May assume responsibility for benefits management following delivery (see section 2.9).
Reviewers	
Sponsor	• Is accountable for the initiative's benefits at the project, program and organisational levels. • At the agency or portfolio level, the sponsor sets the strategic vision and objectives to which initiatives within the organisation should align. The sponsor may also review proposals for initiatives where relevant to ensure strategic alignment.
Central agencies	• Provides advice to the Treasurer and Cabinet on resource allocation.
Gateway Coordination Agencies	• Co-ordinate Gateway reviews and reporting to Cabinet. • Agency responsible for the development and operation of an approved risk-based Framework for the assessment of projects.
Decision maker	
Cabinet	• Sets Government priorities. • Makes decisions on the allocation of resources through the annual Budget process.
Other stakeholders	
Evaluators	• Evaluating the implementation, effectiveness, or net social benefits of an initiative. Can draw on benefits management insights and data.
Other	• Internal and external parties impacted by, or able to influence project outcomes and benefits, including industry, peak bodies, local communities, First Nations communities, and regulators.

Supporting resources

This Guide is supplemented by tools and templates. These have been developed to assist users and may be used according to the context of the initiative.

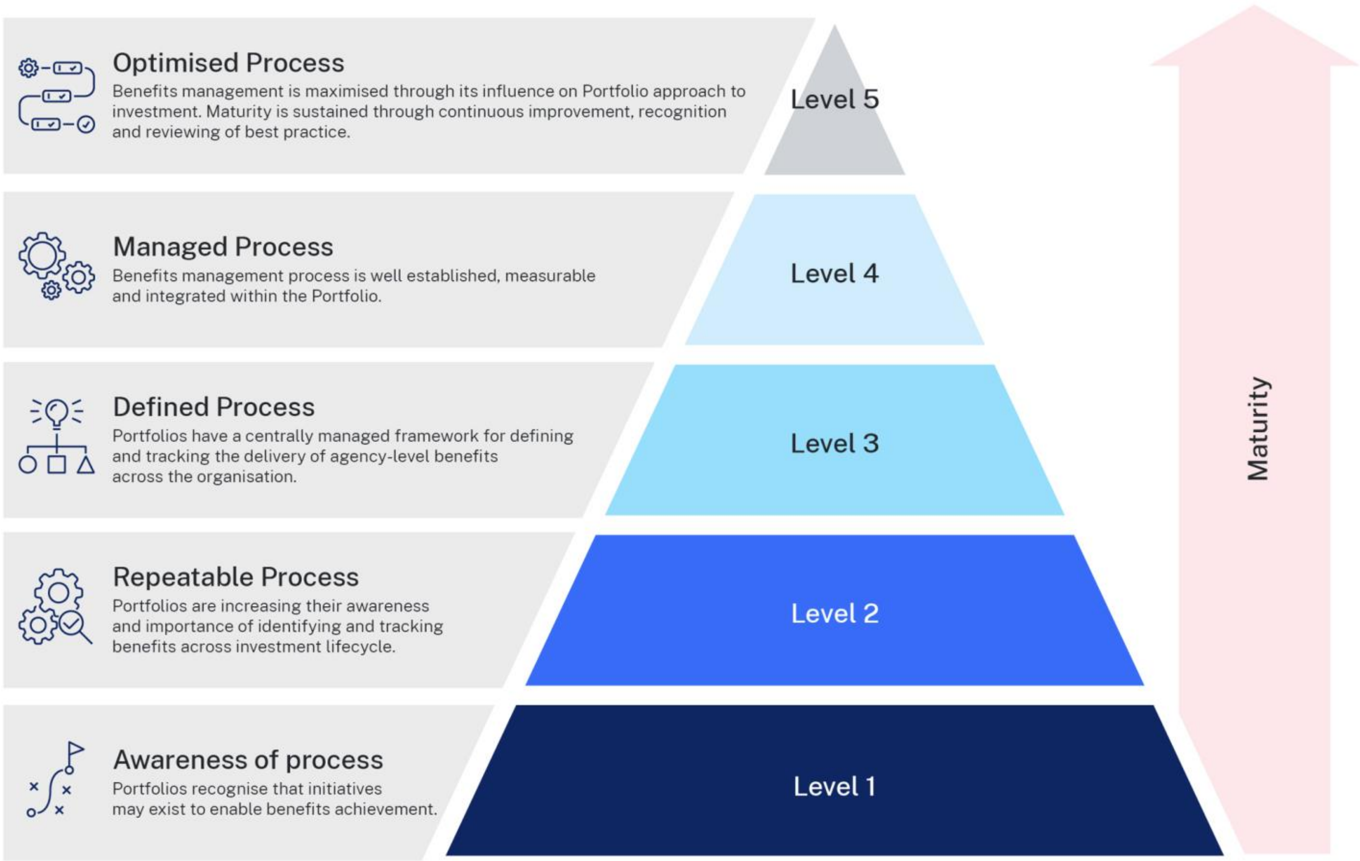
Resources

- Benefits register template
- Benefits management plan template
- Benefits report template
- Business case templates (includes high-level monitoring and evaluation plan)

1.7 Benefits management maturity

Benefits management is an evolving discipline. Agencies can self-assess their maturity using the matrix in Figure 6. The matrix outlines five maturity levels used by organisations to assess and improve performance. Benefits management becomes more centralised as maturity increases, from initiative monitoring to supporting portfolio performance reporting.

Figure 6. Benefits management portfolio maturity model



Source: P3M3® Portfolio, Program, Project Management Maturity Model

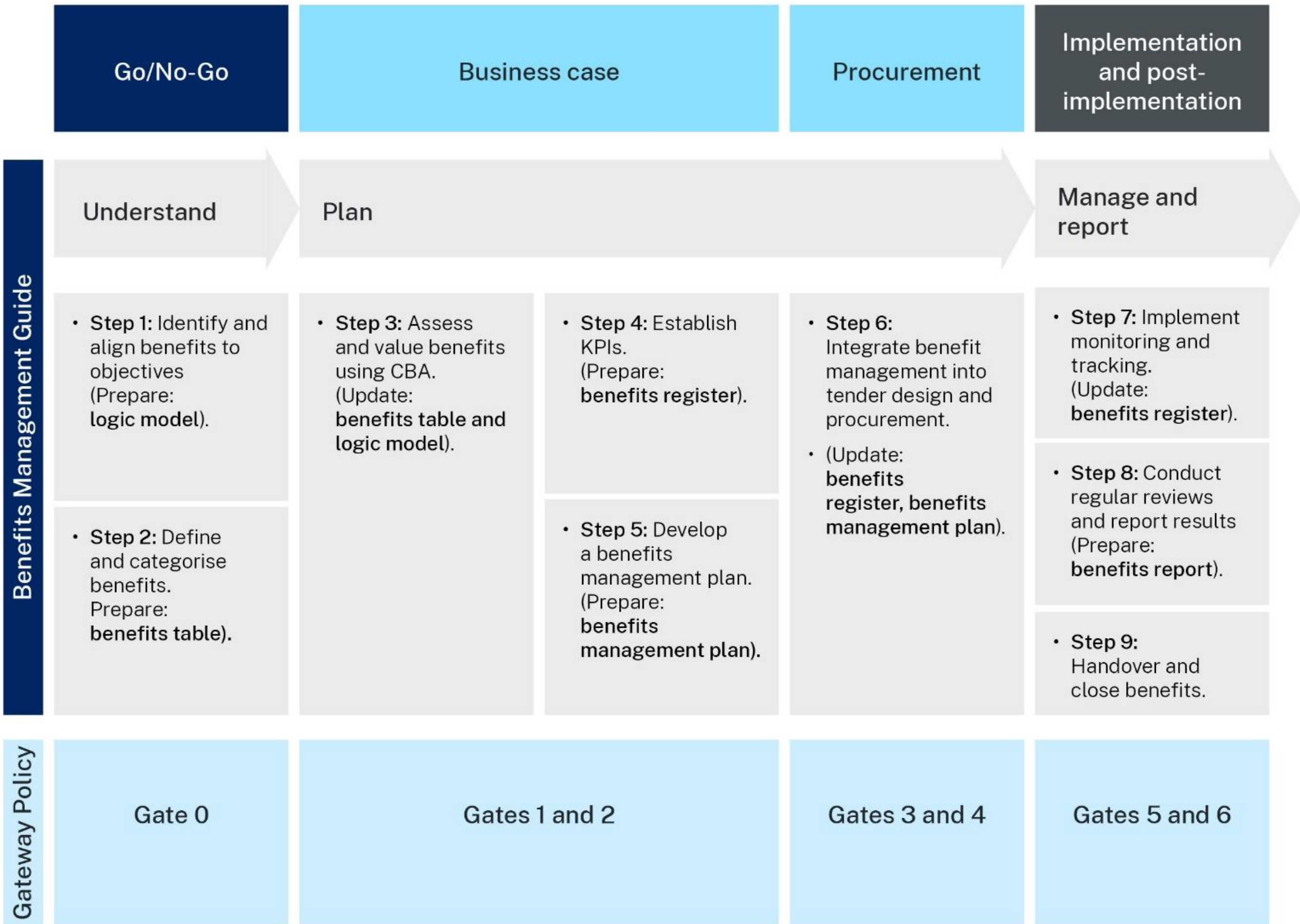
2 Benefits management steps

Overview

Figure 7 illustrates:

- The nine steps of benefits management across its three phases.
- The relationship of the three phases with business case development and Gateway. The first three steps relate to business case development.

Figure 7. Benefits management steps



Note: Gate 0 is mandatory for infrastructure projects valued over $100 million under the Infrastructure Investor Assurance Framework.

2.1 Identify and align benefits to objectives

Understand | Step 1 | Go-no-go

Define the problem or opportunity, objectives, and benefits of the initiative to ensure the options pursued are aligned with strategic objectives.

Benefits management begins with establishing objectives. That is, the goal(s) of the initiative based on the defined problem or opportunity. Having a common understanding of the problem or opportunity and objectives with stakeholders is essential for securing their support. This step is part of the go-no-go in the Business Case Guidelines and gate 0 of the NSW Gateway Policy and the Infrastructure Investor Assurance Framework.

The go-no-go examines high level options, or classes of options, that address the problem or opportunity. Benefits are identified using a logic model and supported by the theory of change. A benefits workshop can be useful to identify benefits.

Areas where benefits could be identified can include:

- improvements in product and service quality
- improvements in public health and worker safety
- improvements in environmental amenity
- reductions in compliance costs for businesses and administrative costs for government
- reductions in greenhouse gas emissions, and
- improvement in resilience to shocks (e.g. extreme weather events) and stressors (e.g. housing affordability).

Common benefit and cost categories are outlined in the section 2.3 of the CBA Guide, such as travel time savings, reduction in emissions, avoided capital costs and benefits to students.

Identification of benefits should consider:

- What are the main benefits and dis-benefits from the initiative's outcomes?
- Do the benefits address the problem or opportunity?
- What evidence is there that the benefits are additional (i.e. would not have happened without the initiative?)
- What negative consequences could occur from the initiative?
- Who are the main beneficiaries of each benefit?
- Where and when benefits will be realised?

More guidance:

See the Business Case Guidelines for information on the go-no-go stage.

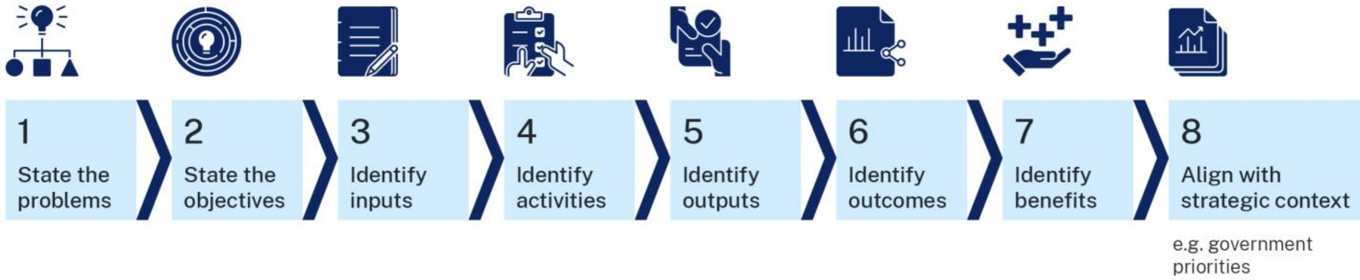
Logic model

A logic model provides a visual representation of the causal linkages between the problem or opportunity, inputs, outputs, outcomes and benefits. Developing a logic model helps ensure options align with government priorities. It evolves and adapts throughout options analysis, implementation, and evaluation. It can also change to reflect changes to scope, assumptions, design, and external influences.

All business cases require a logic model.[5] In the understand phase, the logic model contains high-level information with key components seen in Figure 8.

[5] See Business Case Guidelines section 3.1.

Figure 8. Logic model



The theory of change embedded within the logic model should be supported by research and evidence, such as previous evaluation or benefits management reports. Logic models should be developed with key stakeholders to ensure benefits are appropriate and align with stakeholder needs and expectations. Where initiatives impact First Nations people and communities, allow time and resourcing for genuine stakeholder involvement from the early stages.

Further guidance:

- Evaluation Workbook I: Foundations of evaluation for more information on logic models.
- First Nations Investment Framework TPG24-28 on how to work with First Nations communities.

Benefits measures

Benefit measures establish a common understanding of success. Measures are qualitative or quantitative values (direct, observable, and measurable) that directly track change, and the extent to which intended implementation and impacts are being achieved.

Choose measures that provide information on the strength of assumed causal links, risks, or any unintended impacts. Measures should be SMART (Specific, Measurable, Achievable, Relevant and Timely).

Benefits can have more than one measure, but the amount should be limited to ensure relevance, specificity, and usefulness. The primary focus is on monitoring outcomes and benefits, however measures can cover inputs, activities, and outputs. This can support early detection and mitigation of issues before they impact outcomes and benefits and support assessment of contribution to final benefits. Choice of measure depends on:

- data availability
- type of evaluation planned (e.g. outcome evaluation requires measures of outcomes, economic evaluations require measurement of benefits)
- stage of the initiative (e.g. inputs and activities could be tracked in the early stages and outcomes and benefits in later stages).

Table 5 provides an example of common measures for building a new hospital.

Table 5. Measures for a new hospital proposal

Input (measures)	Activities (measures)	Outputs (measures)	Outcomes (measures)	Benefits (measures)
Funding: • Labour costs • Cost of materials • Compliance costs • Employment of staff	Construction: • Number of construction commencements Procurement (medical equipment): • Number of tenders received • Number of recruitment advertisements published	Hospital capacity: • Number of medical wards completed Procurement: • Number of medical machinery units procured. • Number of staff appointed	Decreased Emergency Department and general surgery wait times Reduced travel time to hospital for local area residents: • Travel time savings Improved health outcomes: • Number of quality-adjusted life years (QALYs)	Reduced travel for residents: • Value of travel time savings Improved health outcomes: • Number of QALYs

Further guidance:

- Workbook II: Monitoring and Evaluation Framework for information and examples of measures
- CBA Guidelines A.3.3 Practical issues in CBA describes benchmarking and use of stated preference when benefits may be difficult to be valued

Checklist for Step 1	Completed
• Has a logic model been developed including information on options, objectives, inputs, activities, outputs, outcomes and benefits?	☐

2.2 Define and categorise benefits

Understand | Step 2 | Go-no-go

Defining and categorising benefits ensures a consistent understanding among stakeholders and builds the foundation for effective management and communication. Categorising benefits:

- enhances understanding of benefits
- helps avoid re-reporting on the same benefits in different ways (double counting)
- assists agencies to identify relevant stakeholders and tailor their stakeholder engagement
- can be used by agencies to identify patterns and synergies, facilitating strategic decision-making that aligns with agency or government priorities.

Benefit categories

Categorising benefits supports identification of relevant stakeholders. For instance, financial benefits may require input from finance teams, while social benefits may need engagement with the community or advocacy groups. Categorisation also helps when benefits management is used at an agency or portfolio level to support identification of patterns and synergies across initiatives.

There is no standard categorisation scheme for benefits. Each organisation, agency or team can define and agree on categories that are most relevant to the context and objectives of each initiative and agency.[6] Sector cost-benefit analysis frameworks may provide a useful structure.

Table 6 presents a non-exhaustive list of categories. These categories are not mutually exclusive. For example, an economic benefit may also be a monetary benefit.

Table 6: Benefit categories

Category	Description
Monetised or non-monetised	Monetised benefits can be quantified and measured in dollar terms. They include improvements in health, education, amenity, heritage cultural practices or other non-market outcomes, although ability to monetise can depend on the availability of data and methods.
Direct or indirect	Direct benefits are primary impacts of the goods or services associated with the initiative (e.g. increased business profit or government cost savings). Indirect benefits are impacts on third parties not directly linked to the production or consumption of the primary goods or services (e.g. negative externalities or impacts in related markets).
Quantitative or qualitative	Distinguishes whether the benefit is numerically measured. Qualitative benefits may involve improvement to externalities such as increased trust in public institutions or strengthening of First Nations culture.
Dis-benefits	Dis-benefits can include incremental costs, disruption to existing processes, or negative externalities. Identifying and addressing dis-benefits can help mitigate risks.
Beneficiary type	Categorisation based on who receives the benefit and how it is distributed (e.g. user or non-user, producers or consumers).

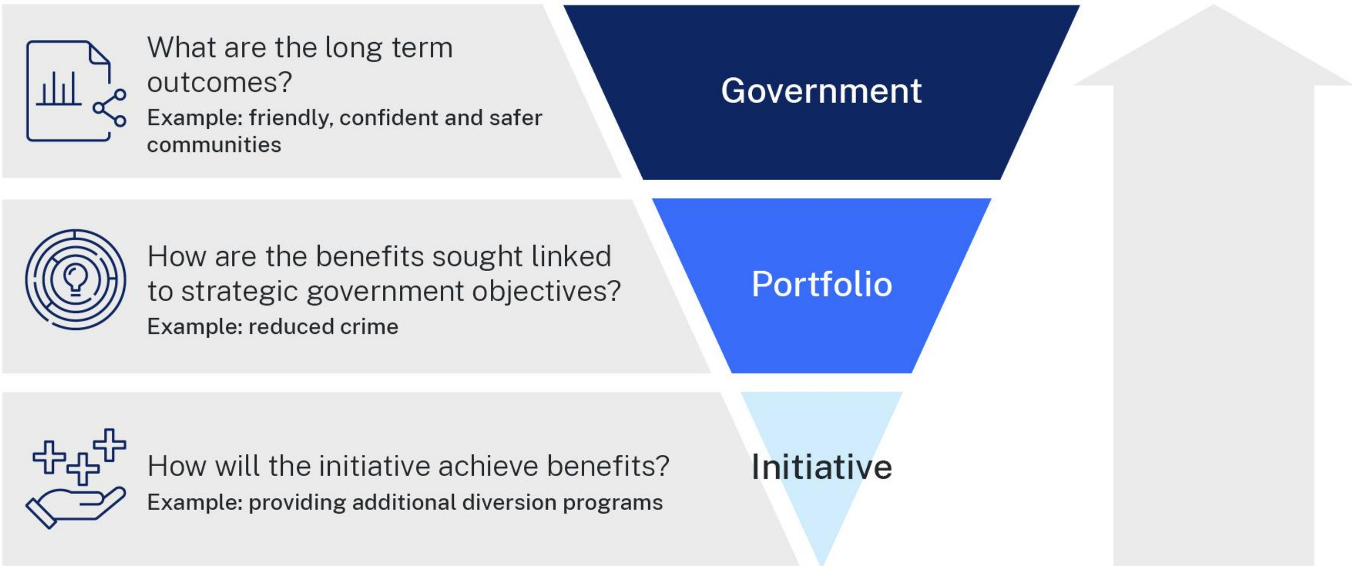
[6] PMI Global Standard

Category	Description
Programmatic	Categories associated with programs within the agency or outcomes an agency seeks to achieve.
Type of benefit	Social, economic, environmental or cultural.

Agency-level benefits management

Benefits can manifest at different levels (see Figure 9). Initiative benefits can be categorised according to their agency or government level outcomes. Aggregating benefits at the agency level allows agencies to assess whether benefits and resources are appropriately distributed across agency outcomes. This can assist in portfolio performance reporting.

Figure 9. Hierarchy of benefits



Benefits table

A benefits table defines and categorises anticipated benefits, expected outcomes and impacts. It is a useful way to summarise information and can be a basis for the benefits register. It can be further refined in subsequent steps, eventually becoming the benefits register.

Table 7. Benefits table example for a new road

Benefit	Description	Benefit category[7]	Benefit measure	NSW Outcome
Travel time savings	Reduced travel time by road users	Economic benefit	Average travel time	People, businesses and communities are connected through safe and reliable public transport[8]
Improved road safety	Reduced likelihood of incidents of harm when using roads	Economic benefit	Number of fatalities and injuries per year	
Noise pollution	Impact of construction and traffic noise on residents	Dis-benefit	Average sound levels in decibels	N/A
Improved resilience	Improved resilience to extreme weather events	Economic benefit	Avoided cost (e.g. infrastructure repairs)	Climate Change Action
Increased emissions	Increased emissions including embodied emissions and operational emissions	Dis-benefit	Amount of emissions	N/A

Checklist for Step 2	Completed
• Does a benefits table identify, define, categorise, and explain how benefits will be measured?	☐

[7] The benefit category should be a CBA benefit category.

[8] Proposed NSW outcome from the NSW Performance and Wellbeing Framework Consultation paper

2.3 Assess and value benefits using CBA

Plan | Step 3 | Business case

Prepare a cost benefit analysis (CBA) following the CBA Guide. Update the logic model and benefits table to reflect refined benefits and measures for the short-listed options.

Valuing benefits

In NSW, CBA is the preferred method for assessing the relative merit of proposed government initiatives. CBA is a form of economic analysis and offers a structured way of assessing government initiatives in terms of their capacity to improve welfare, compared with a "do nothing" base case. This provides an assessment of the 'net benefit' to society. CBA is a key component of business cases.

Benefits in a CBA are valued in real terms:

2. **Market based valuation** should be used whenever prices or reasonable proxies are available (e.g. replacement costs, damage costs, market data and prices in similar markets).
3. **Non-market valuations** can be used when there is no clear market price. These can include revealed preference, stated preference or unit value transfers (that is applying a value used elsewhere for a similar thing).

Qualitative benefits should be included in the CBA where quantification is not practicable or possible. A list of qualitative benefits can include the direction of impacts and significance to an option to inform decision makers.

More guidance:

- The CBA Guide provides guidance on valuing benefits.
- The First Nation's Investment Framework (TPG 24-28) guidance on CBA for initiatives that impact First Nations people and communities.
- The Rapid CBA Tool can be used to generate key CBA results from quantity and price data without the need for a bespoke model.'
- The Outcome Values Database (OVD) is a repository of parameters for use in CBA.

Relationship between CBA and benefits management

Benefits management can track inputs, outputs and benefits. This differs from CBA's focus on monetised benefits but there is a close relationship. CBA can support benefits management by:

- establishing clear and quantifiable measures that can be used to track and manage benefits
- prioritising the highest valued benefits for monitoring

Conversely, benefits management can support CBA by:

- tracking CBA assumptions and forecasts (e.g. costs, demand forecasts) to test their robustness for future use
- tracking measures drawn from CBA (e.g. a benefit of travel time savings can be tracked by monitoring actual travel times before and after implementation) to see if benefits are being achieved, or if adjustment are needed
- informing ex-post CBA (recommend by the Evaluation Guidelines for initiatives valued over $50 million).

Real options analysis

Real options provide the flexibility, but not the obligation, to undertake actions when risks and uncertainties become clearer. It can complement benefits management by increasing adaptability and resilience and providing more leeway for corrective action if benefits are not being achieved. For example, an option could allow for the use of different materials if cost pressures arise. Or planning could leave flexibility for an extra lane when building a new bridge if demand is higher than expected.

More guidance:

- The CBA Guide provides further information on real options.
- Business Case Guidelines provides further guidance on options analysis.

Checklist for Step 3	Completed
• Have benefits been refined during options analysis and have these changes been reflected in the benefits table and logic model?	☐
• Have the highest valued benefits and measures been prioritised for monitoring, as established by the CBA?	☐

2.4 Establish key performance indicators

Plan | Step 4 | Business case & procurement

Identify baseline and target key performance indicators (KPIs) and prepare a benefits register. KPIs should prioritise the highest value or contentious emerging benefits for monitoring.

✓ Template: benefits register

Once a preferred option has been selected, develop baseline indicators and target KPIs:

- **Baseline indicator:** Provides a reference point to compare future performance. Collect prior to implementation or at the earliest possible opportunity.
- **Target KPIs:** Forecast measure to enable monitoring against a specific and defined outcome. Targets should be realistic and aligned to the assumptions used in the CBA.

Table 8. Example KPI identification[9]

Benefit name	Benefit measure	Baseline	Target	Calculation method
Reduced travel time	Average travel time from point A to B	40 minutes travel time from point A to B	10% reduction from baseline by 2028	Telematics data from Geographical Information System software

The number of benefits that should be tracked will depend on the cost and risk of the initiative. Focus on the most important, informed by the CBA, to avoid excessive resourcing requirements.

[9] This is a snapshot of the Benefits Register, please refer to the Benefits Register for the complete data fields.

KPIs should be time-bound and reviewed at regular milestones. Use interim KPIs where possible to allow for reporting on progress. This supports detection of potential issues and adjustments to ensure targets are met.

Data availability and quality can make setting KPIs challenging. Establish robust data collection mechanisms early in the project to ensure accuracy. Collecting baseline data can be challenging for new or unique initiatives. When direct data collection is not feasible, look at existing research, industry benchmarks, or theoretical models to establish baseline indicators.

Ethics approval may be required where there is human participation in research, or due to cultural and privacy issues when accessing government data. Other techniques to support KPI development are set out in Table 9.

Table 9. Techniques used help establish KPIs

Techniques	Use
Benchmarking	Comparing KPIs with industry standards or competitors to assess performance and ensure KPI targets are realistic.
Root cause analysis	Understanding cause and effect relationships to inform KPI development. It helps track inputs to avoid time lag by providing insights into the underlying factors affecting performance.
Historical data analysis	Analyse performance from a related or similar initiative to identify trends and patterns.

Benefits register

A benefits register keeps data for each benefit in one place to help monitoring, review, and evaluation. It builds on the benefits table and supports reporting to decision-makers. Benefits registers may take a range of formats, provided they clearly show benefits milestones and support ongoing tracking.

The benefits manager is usually responsible for the benefits register (see Table 10). In practice, a benefits manager is often also a project manager. Benefit owners handle information for their respective benefits.

Table 10. Benefits register snapshot for investment in a new road.

Benefit name	Benefit manager	Measure	Benefit owner	KPI baseline value	KPI target value
Road user travel time savings	Transport benefits realisation management team	Average travel time from point A to B	Traffic modelling team	40 minutes	10% reduction from baseline by 2028
Improved road safety		Average number of major crashes per year	Centre for Road Safety	22 major crashes	5% reduction from baseline by 2028
Construction phase noise pollution		Decibels of noise from construction activity is tolerable to the community	Transport Management Centre	Noise levels unacceptable to 95% of residents and commuters	Noise levels acceptable to 85% of commuters and residents by phase 3 of construction.

Updating the logic model

The logic model from step 1 can be updated to reflect any changes or detail on benefits, dis-benefits and measures for the preferred option.

Figure 10: Logic model example: at home glucose test kits for diabetics

<table>
<tr><td colspan="5">Hypothetical initiative: Continuous glucose monitoring (CGM) mobile application and sensors</td></tr>
<tr><td colspan="5">Theory-of-change: New technology will further empower diabetes patients in tracking and managing their condition with less reliance on the healthcare system, resulting in equal or better health outcomes for diabetics. Minute by minute readings and a glucose alarm coupled with home finger prick checks will reduce hospital visits.</td></tr>
<tr><td colspan="5">Objectives: 1. Empower diabetic patients to manage their conditions; 2. Improve health outcomes for diabetic patients</td></tr>
<tr><td>Input</td><td>Activities</td><td>Output</td><td>Outcomes</td><td>Benefits</td></tr>
<tr><td>Funding

Technology: sensors, app, accompanying infrastructure</td><td>Procurement of app and sensors

Measure: Number of kits procured</td><td>Increased access to CGM kits

Measure: number of CGM kits distributed by provider type across LGAs</td><td rowspan="2">Reduced diabetes related emergency hospital visits due to alerts and early detection

Measure: Number of emergency visits for diabetics using CGM kits</td><td rowspan="2">Reduced emergency department (ED) presentations with a principal diagnosis of diabetes

Measure: avoided cost of emergency presentations</td></tr>
<tr><td>Labour resources for delivering CGM kits</td><td>Promotion, including for culturally and linguistically diverse communities.

Measure: Number and modes of promotion for target audience</td><td>CGM kits are available online and at pharmacies for eligible individuals

Measure: number of providers (including by Aboriginal community-controlled organisations)</td></tr>
<tr><td>Training material</td><td>Training for doctors and pharmacists and Aboriginal community-controlled health organisations

Measure: Training participation rates</td><td>Patient engagement

Measure: Number of users actively tracking glucose levels through the app; number of readings taken; and number of alerts triggered.</td><td>Patient confidence in managing diabetes at home with minimal medical intervention

Measure: Number of GP bookings for diabetics using CGM kits (frequency before and after use)</td><td rowspan="2">Reduced healthcare costs from reduced GP visits and testing for diabetics

Measure: Avoided health system expenditure on diabetes (excluding emergency services)</td></tr>
<tr><td>Medical product review and approval by regulator: Australian Technical Advisory Group (ATAGI)</td><td>Amendment to the Pharmaceutical Benefits Scheme (PBS)</td><td>Medical staff and retailers are aware of CGM kits and can provide guidance on how to operate</td><td>Improved health outcomes from continuous tracking and self-management of glucose levels

Measure: Glucose range for patients using CGM kits</td></tr>
</table>

Key Questions Checklist for Step 4	Completed
• Have baseline, interim and target KPIs been identified and recorded in the benefits register?	☐

2.5 Develop a benefits management plan

Plan | Step 5 | Business case & procurement

Prepare a benefits management plan that outlines benefits, baseline and target KPIs, governance structure and stakeholder responsibilities. This ensure processes and accountability are in place to manage, review and report benefits.

✓ Resources: Benefits management plan template and business case templates

Business cases are required to include a high-level monitoring and evaluation plan, under either a monitoring and evaluation framework or benefits management framework[10]. The high-level plan should include:

- type of monitoring framework
- type of evaluation to be undertaken
- evaluation purpose, scope and schedule
- who is accountable for monitoring and evaluation (i.e. the senior responsible officer)
- how monitoring and evaluation will be resourced
- benefits register (where available).

Refer to the business case templates for the high-level monitoring and evaluation plan.

A benefits management plan should be prepared following investment decision including a description of the initiative, a logic model, benefits and key performance indicators, benefits register, and components set out below.

Benefits governance

Identify the sponsor, benefit owners, and benefits manager accountable for managing and tracking benefits of the initiative. Tools such as the Responsible, Accountable, Consulted, and Informed (RACI) chart can help defines key roles and responsibilities. Benefits management governance arrangements should be integrated with broader initiative governance arrangements. See Appendix 1. Benefits governance for further details on benefits governance.

Benefits risk management

Risk identification, mitigation and control helps to anticipate and address risks before they materialise, thereby increasing the likelihood that benefits are realised. Benefits risk management should be integrated into broader project risk management to ensure an integrated approach and promote transparency and accountability.

Identify risks to benefits realisation and record in the project risk register, or the risk section of the benefits management plan. Keep the risk register updated to reflect changes in risk status, mitigation strategies, and capture emerging risks. The benefits owner and project manager should be responsible for monitoring, recording, and identifying risk mitigation strategies.

[10] This requirement is set by the Business Case Guidelines and Evaluation Guidelines. Refer to the Business Case templates for the high-level monitoring and evaluation plan.

Example 3 (hypothetical): Train Station upgrade project

A benefits management plan was prepared for a regional station upgrade that aimed to deliver improved accessibility consistent with the *Disability Inclusion Act 2014*. The plan included baseline and target KPIs for quantitative benefits and measures for qualitative benefits.

Benefit category	Benefit	Measurement method	Baseline measure	Target measure	Target date
Quantitative	Travel time savings	Survey of average peak and non-peak travel times to the regional city to popular hubs	Daily total: Non-peak hub 1: 30 - 45 minutes Non-peak hub 2: 40 – 60 minutes Peak hub 1: 25 minutes Peak hub 2: 35 minutes	Non-peak: 5 per cent increase from baseline Peak: 15 per cent increase from baseline	Two years post construction
Quantitative	Active Transport benefits – benefits of walking to and from the station	Monthly surveys on passengers walking to and from station Data from ticket sales and transport cards	Walk: 60 per cent Weekday: 120 passengers Weekend: 90 walkers	3 per cent increases from baseline	Two years post construction
Qualitative	Compliance with legislation	Satisfactory post construction compliance check	Partially compliant Passengers with disabilities: 3 on average per day	Fully compliant	Upon project completion

Key risks and mitigation strategies were also included. A segment is provided below.

Risk	Risk Description	Risk rating	Mitigation strategy	Benefit impacted
Heritage impacts - station	Heritage listed elements of the station such as the building	Moderate	Condition assessment to be carried out prior to construction. Action any recommendations to conserve listed areas during planning phase.	Land use uplift; station amenity; construction cost
Underground utilities	Information on possible underground wiring and sewerage	Moderate	Utilities assessment is to be made and recommendations included in planning phase.	Station amenity; accessibility; transfer times; cost
Commuter safety	High likelihood of reduced walking space from construction phase	Moderate	Undertake Safety assessment and act on recommendations during planning phase.	Active transport; travel time

Benefits review and reporting timelines

The benefits manager is generally responsible for coordinating the review process, particularly at the program level, where multiple benefit owners and projects require oversight. At the initiative level, the project manager can organise the review. Reviews should be conducted at predetermined milestones, which can be either time-based (such as quarterly or monthly) or event-triggered (such as the completion of a major project phase). Reviews aim to:

- monitor progress
- consider opportunities to enhance benefits or minimise dis-benefits
- identify emergent benefits or dis-benefits, and
- respond to changes.

Each review should be documented in a benefits report and distributed to relevant stakeholders.

Benefits handover

Benefits are usually realised after initiatives have been delivered. Establishing a benefits handover approach helps ensure benefits continue to be tracked following delivery. A benefits handover plan should identify when, and to whom, responsibility for benefits tracking will be transferred (e.g. following delivery responsibility is transferred from the project manager to the benefit owner). For further information on benefits handover, see section 2.9.

Key Questions Checklist for Step 5	Completed
Has the approach to monitoring and evaluation, including accountability and resourcing, been established in the business case?	☐
Has a benefits management plan been developed and finalised as a standalone document post-investment decision?	☐

2.6 Integrate benefits management into tender design and procurement

Plan | Step 6 | Business case & procurement

Leverage early market engagement, incorporate benefits and associated risks into the tender design criteria and articulate benefit delivery requirements in contracts. This step is only applicable if there is a procurement need.

Tender design and evaluation

The procurement approach and tender evaluation criteria should reflect the intended benefits and seek to mitigate risks where possible. For example, for a benefit of reduced carbon emissions, the procurement specifications should reflect the use of low carbon materials.

Figure 11. Benefits management in procurement

Analyse market	Post-investment decision	Tender evaluation design	Clear contractual arrangements for benefit delivery
• High level assessment of market capability to deliver initative benefits and risks, tailored to the proposal type, cost and risk per the Business Case Guidelines. • Identify required resources for monitoring and evaluation.	• Document deviations from approved targets with evidence if market capability and level of risk have changed. • Finalise decision-making and update benefits report accordingly.	• Align benefits with procurement delivery model and tender evaluation criteria. • Define performance metrics and milestones.	• Hold parties accountable for benefit delivery. • Articulate benefit delivery requirements in contracts. • Record deviations from targets due to procurement.

Early market engagement can inform target measures and KPIs. Any deviations from approved targets set in the business case, resulting from procurement, should be documented as variations from the original targets rather than reasons for changing them.

Tender documentation and evaluation criteria should align with the intended benefits, in accordance with the overarching principle that procurement should deliver value for money. Contracts should also include performance metrics and milestones aligned with intended benefits to hold parties accountable for delivery.

Table 11 shows the alignment between benefits management steps and procurement. Timing of establishing the procurement approach should be considered based on the proposal type, cost and risk per the business case guidelines.

Table 11. Alignment with procurement policy framework

Procurement policy framework: plan, source, manage, approach	Alignment with benefits management
P1: Analyse business needs	**Step 1:** Identify and align benefits to objectives **Step 2:** Define and categorise benefits
P2: Analyse and engage market	**Step 3:** Assess and value benefits using CBA **Step 4:** Establish key performance indicators **Step 5:** Develop a benefits management plan
S1: Approach the market	**Step 6:** Integrate benefit management into tender design and procurement
S2: Select	
S3: Negotiate and award	
M1: Implement arrangement	**Step 7:** Implement monitoring and tracking
M2: Manage arrangement	**Step 8:** Conduct regular reviews and report results
M3: Renew	**Step 9:** Handover or close benefits

More guidance:

- NSW Procurement Policy Framework

Checklist for Step 6	Completed
• Are variations from approved targets due to procurement explained?	☐
• Do contracts include performance metrics and milestones aligned with intended benefits (where relevant)?	☐

2.7 Implement monitoring and tracking

Manage and report | Step 7 | Implementation

Regular monitoring allows deviations to be identified and addressed early. Measure and analyse actual data against baseline measures as set out in the benefits management plan. Record results in the benefits register.

Monitoring begins after the investment decision and continues throughout the investment lifecycle. This stage operationalises methods and tools established in the benefits management plan and benefits register. Results should be reported to those accountable for the realisation of benefits (e.g. benefit owner, sponsor).

Conduct periodic independent checks to assure the data collected and its interpretation. 'Independent' can mean a team internal to government with separate reporting lines and a level of independence from the delivery team.

Monitoring methods

Data collected may include surveys, interviews, observations and operational data. This can include performance reports provided by suppliers as required by their contracts.

Comparison and analysis of data can include the aspects set out in Table 12.

Table 12. Data analysis and comparison

Aspect	Description
Outcome performance	Compare actual outcomes with targeted outcomes to measure the extent to which the initiative is achieving its intended benefits.
Realisation date	Assess whether benefits are being realised within the expected timeframe.
Dependencies	Identify and analyse dependencies and correlation between different benefits and external factors to manage risks.
Activities	Identify activities or actions that need to be taken to address significant deviations.
Stakeholder impact	Feedback can be collected through surveys and interviews to analyse stakeholder satisfaction and engagement levels.
Assumptions	Review the assumptions made about the probability and value of benefits.

Aspect	Description
Risks	Check for new risks and implement mitigation strategies where financially viable and feasible.
Measurement costs	Assess the costs associated with measuring and tracking benefits. Ensure that the measurement process is cost-effective and provides value in terms of the insights gained.
Effectiveness of approach	Evaluate the benefits management approach and make improvements where necessary.

(Source: ATAP Benefit management)

Automatic benefit tracking uses technology to identify deviations from targets and manage large amounts of data. Other methods that can be considered include:

- **Data visualisation:** using tools such as Excel, Microsoft Power BI, Tableau, or Altus to visualise performance metrics and highlight benefits not performing as expected. The procurement of specific products should follow procurement policies.
- **Application Programming Interfaces (APIs):** Use APIs to automate data flow (e.g. ABS data can be automatically updated).

Variations management may be needed to analyse and address significant variations from expected outcomes or when government priorities change. Where variations are identified, use **root cause analysis** (e.g. reviewing logic model or assumptions underpinning the theory of change) to assess the cause and take appropriate **corrective action.**

Budgetary adjustments

Any adjustments to an initiative's budget and funding profile should be communicated to the agency's internal finance teams. A parameter and technical adjustment (PTA) or carry forward may need to be submitted as part of the Budget process, depending on the materiality and cause of the adjustment.

- **PTAs** are budget changes for existing initiatives in response to external factors, where there are obligations or legal requirements to meet, and a change in service provision is not possible (e.g. an increase in teacher salary costs due to enrolments).
- **Carry forwards** are transfer Budget Control Limits from the current financial year to future financial years, subject to meeting certain conditions and the approval of the Treasurer.

Monitoring evidence, such as a benefits report, can be used to support PTAs or carry forwards.

More guidance:

- For PTAs, see TPG 21-11 Parameter and Technical Adjustments and New Policy Proposals.
- For Carry Forwards, see TPG22-05 Carry Forwards Policy.

Checklist for Step 7	Completed
• Are governance processes in place to collect and track benefits?	☐

2.8 Conduct regular reviews and report results

Manage and report | Step 8 | Implementation

Review and regularly report progress using a benefits report. This provides information on whether outcomes and benefits are being achieved and can lead to corrective actions to ensure initiative success.

✓ Template: Benefits report

Practitioners should:

- Understand that benefits are dynamic and can change during the investment lifecycle.
- Conduct regular reviews to examine performance and identify any deviations from planned benefits.
- Take corrective actions as necessary to address deviations and ensure alignment with the benefits management plan.
- Report and communicate the results to stakeholders, highlighting achievements, challenges, and lessons learnt in a benefits report.
- Include additional benefits, dis-benefits or unintended benefits in the lessons learnt section of the benefits report to inform evaluation, even if not identified in the benefits management plan. If there are large variations, this may require an interim evaluation or new policy proposal.
- Review and refine benefits management strategies based on feedback and lessons learnt.

Benefits report

The benefits report reviews how a project is tracking against its benefits management plan. It can be part of a reporting milestone or be triggered by an event such as a PTA request. It includes:

- a description of the initiative
- alignment to government priorities
- progress to date, including any variations
- where scope changes are required, an assessment of options
- a summary of changes to risks affecting benefits
- lessons learnt and recommendations to adjust the initiative or to inform evaluation.

Benefits reports assist internal teams with project monitoring and tracking. Reports do not need to be publicly available as the function and scope is different to an evaluation report. Reports should be proportionate and flexible to the initiative cost, risk and stakeholder needs. For example, a simple benefits report could summarise current information in the benefits register and recommend adjustments as needed. It may be appropriate to share and validate findings and recommendations with key stakeholders (e.g. First Nations communities).

Checklist for Step 8	Completed
• Is the benefit report's content tailored to its purpose and audience?	☐
• Have variations in benefits and funding been assessed? Have additional benefits, dis-benefits or unintended benefits been considered?	☐

2.9 Handover or close benefits

Manage and Report | Step 9 | Handover

Handover of benefits after delivery ensures they are integrated into ongoing operations and asset management and allows continuation of processes and accountability to maintain benefits. Benefits that do not require ongoing tracking can be closed. Handover of benefits also sets the stage for evaluation.

- ✓ Handover Benefits section (see Benefits Management Plan template)

Handover for operations or asset management

Project teams often disband following delivery, dispersing resources, and expertise. Handing over benefits to teams responsible for ongoing management ensures benefits management continues after delivery and helps prepare for evaluation (see Appendix 3. Benefits Management informs evaluation). For capital initiatives, benefits will usually be handed over to the asset management team.

Handover arrangements should be specified in the benefits management plan, including roles, responsibilities, timelines, and key documents. Handover may occur either before or after delivery, depending on the nature of the initiative. Handover can happen more than once, for example, during a staged delivery where several delivery teams take ownership. Handover arrangements can also ensure continuity of relationships with key stakeholders, particularly community stakeholders. Tailor handover processes according to the needs of the initiative and the organisational environment.

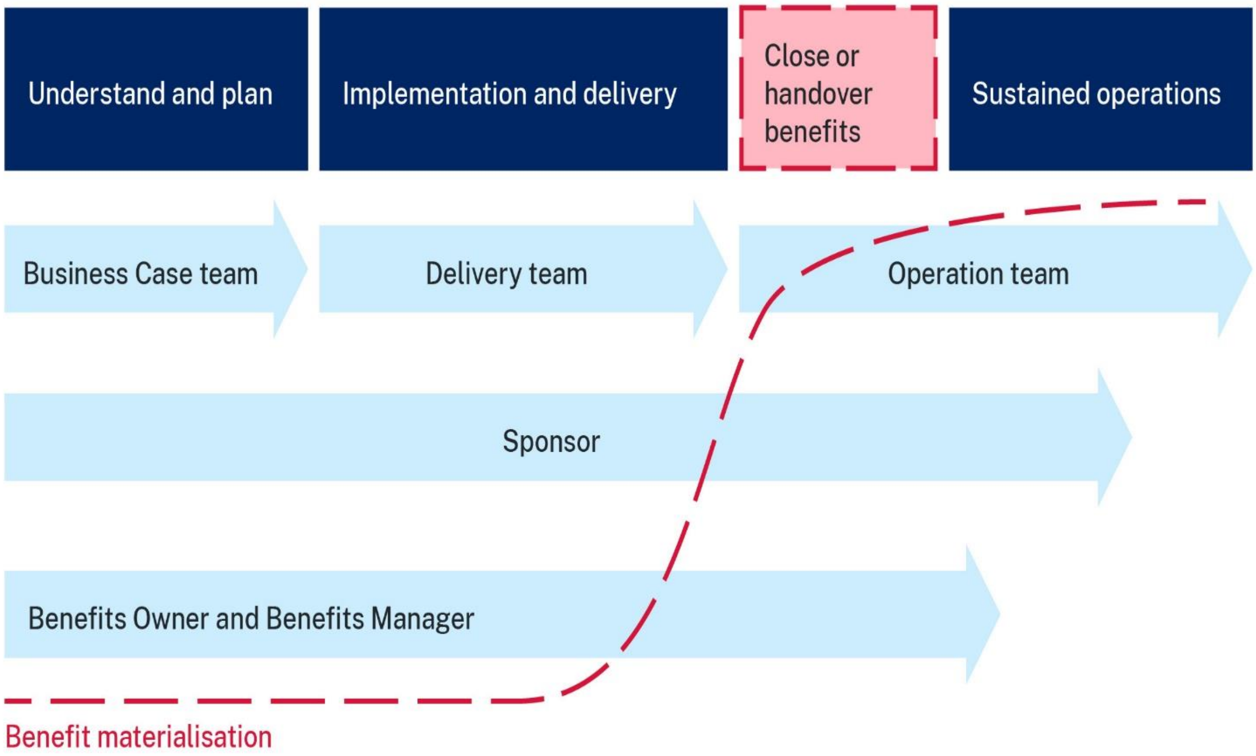
The handover should be signed off by the benefits manager or equivalent. Training on handover can support a smooth transition.

Table 13. Benefits handover example

Milestone	Responsibility	Handover from	Handover to	Estimated handover date	Communication strategy
Transition to operation	Tracking quantified benefits using the benefits register	Project team	Operation team (asset management team)	Q3 2025	Email coupled with a debrief
Periodic review	Overall benefits management responsibility	Sponsor	Operations Manager	Q1 2026	Formal handover meeting

Figure 12 illustrates involvement of different stakeholders across the initiative lifecycle.

Figure 12. Benefit materialisation over the initiative lifecycle[11]



Closing benefits

Benefits should be closed once they have stabilised, and no significant changes are expected. For example, a new train station will have an operational life of decades but monitoring throughout its life won't be worthwhile. Benefits such as travel time savings could be closed within two years of operations if passenger numbers have settled. Generally, the longer a benefit is monitored, the less useful the information, as other factors increasingly impact the data.

The benefit owner should verify that benefit closure criteria are met and documented, update the benefits register and consult with the sponsor before closure.

Checklist for Step 9	Completed
• Does a handover plan identify when, how, and to whom benefits will be handed over?	☐

[11] Weaver, P. (2024, 04 05). *Who manages benefits?*

Appendix 1. Benefits governance

What is benefits governance?

Benefits governance is the process of assigning the accountability and responsibility for the realisation and management of benefits associated with an initiative. Key components of benefits governance are set out in Table 14.

Table 14. Characteristics of effective benefits governance

Characteristic	Description of characteristic
Accountability	• Roles and responsibilities clearly articulated and assigned to individuals or teams with appropriate authority and delegation.
Leadership and reporting	• Clear reporting and escalation processes when forecast benefits are not being achieved. • Sponsors champion a culture of benefit management and ensure alignment with agency or government priorities.
Risk and performance management	• Risk tolerance defined and documented. • Clear mitigation and escalation processes.
Communication	• Clear and transparent communication to stakeholders.

Benefits governance: project, program and agency levels

Benefits governance depends on the cost, risk, and benefits management maturity of the agency. As benefits management maturity evolves, governance of benefits becomes more centralised.

Benefits governance is likely to be decentralised where benefits management is applied to a single project level on an ad hoc basis. A person or team may hold multiple roles as the project manager, benefit owner and benefit manager and there is usually direct reporting to the sponsor. At the program level, governance becomes more centralised. A benefit manager may oversee multiple projects. Benefit owners may be responsible for benefits that span across several projects. A steering committee could oversee progress and risk management.

At the agency level, an executive forum such as a steering committee or executive board can oversee overall performance, contribution to priorities, and provide strategic direction.

Specific governance roles and responsibilities of stakeholders can be recorded and monitored in a RACI chart and included in the benefits management plan (see benefits management plan template).

Appendix 2. Alignment with Gateway

Table 15. Alignment with Gateway

Gateway process	Phase	Benefits management outputs
Gate 0 *Justification*	Go-No-Go	• Logic model
Gates 1- 3: - *Strategic assessment* - *Business Case* - *Pre-tender/Pre-execution*	Business Case	• Logic model (updated) • Benefits Table • High-level Monitoring and Evaluation Plan
	Post- investment decision	• Benefits Register • Benefits Management Plan
Gate 4 *Tender evaluation*	Selection of service provider	• Benefits Register (updated) • Benefits Management Plan (updated)
Gate 5 *Pre-operations*	Start of operations	• Logic model (updated) • Benefits Register (updated) • Benefits Management Plan (updated)
Gate 6 *Post-implementation*	Achievement of outcomes	• Logic model (updated) • Benefits Register (updated) • Benefits Report

Appendix 3. Benefits Management informs evaluation

Key points

- Evidence generated by benefits management can support but does not replace evaluation.
- Evaluation is needed to demonstrate attribution and measure impacts on welfare.

Benefits management and evaluation are distinct but related processes. Benefits management aims to maximise the likelihood of an initiative achieving its intended outcomes and benefits. On the other hand, evaluation is an independent process used to assess efficiency and effectiveness.

Benefits management is a form of monitoring that can support the three types of evaluation:

- **Process evaluation** examines implementation and delivery, focusing on inputs, activities, and outputs.
- **Outcome evaluation**: examines achievement of intended outcomes.
- **Economic evaluation**: estimates costs relative to benefits (monetary and non-monetary) to determine impacts on welfare.

Benefits management can inform evaluation through providing data against established KPIs and baseline measures about whether intended benefits have been achieved. For example, baseline metrics can assist in development of a counterfactual for evaluation, and performance data can inform an outcome evaluation. It can also identify lessons learnt that may be explored further through evaluation. But it is unable to demonstrate attribution (causality), a key focus of outcome and economic evaluations.

Table 16. Differences between benefits management and evaluation

Type	Benefit management	Evaluation
Purpose	Identifying, tracking and managing benefits to support their realisation.	Assess efficiency and effectiveness. Uses key evaluation questions tailored to the evaluation purpose, which may consider broader dimensions (e.g. investigates unintended results).
Timing	Ongoing process throughout the investment lifecycle.	Specific milestones during or following implementation of initiatives.
Counterfactual	Counterfactual set using baseline indicators for target KPIs.	Involves establishing a counterfactual to understand incremental changes in outcomes and benefits.
Methods	Relies on monitoring methodologies to track progress against predefined inputs, outputs, benefits and outcomes.	Quantitative and qualitative approaches including ex-post CBA. A variety of evaluation/econometric methods may be used.
Reporting and analysis	Reports focus on benefits tracking and informs decision makers during implementation if	Detailed analysis and reporting to provide insights for cross-agency learnings and future planning.

Type	Benefit management	Evaluation
	corrective adjustments are required.	Required to be publicly released, unless not in the public interest.

Benefit management and process evaluations have similarities that allow benefits management to be adapted to meet process evaluation requirements. Both can track initiative inputs, activities and outputs, assessing the effectiveness of implementation and identifying factors that contribute to or hinder the achievement of objectives. A benefits report could, for example, be adapted into a process evaluation through inclusion of key evaluation questions and additional data collection as required (e.g. interviews or focus groups).

Further information about evaluation is provided in Policy and Guidelines: Evaluation (TPG22-22).

Appendix 4. Benefits management maturity

What is the Benefits Management Portfolio Maturity Matrix?

The Benefits Management Agency Maturity Matrix (see Table 17) helps agencies self-assess their benefits management maturity and consider the next steps to build further capability. Agencies should identify key individuals or teams e.g., senior management, involved in developing and reviewing initiatives at a high-level. These stakeholders could self- assess themselves with the results then collected and analysed by senior managers to determine current agency maturity level.

If there is an existing benefits management team it may be more efficient for them to conduct the self-assessment. It could also be useful to triangulate data from the team with data from relevant staff operating at the initiative-level, where benefits management would theoretically be evident. The triangulation of data here could improve the accuracy and validity of the self-assessment.

How to use

- Use to self-assess agency maturity and identify steps to build capability.
- Relevant staff/teams can self-assess to determine where the agency sits for each component.
- If most components are at the same level the agency is at that maturity level.
- Where levels vary, consider steps takes steps to bring the lower rated components up.
- The APMG International Managing Benefits Health-Check Assessment [12]is another useful resource.

Box 1 overviews how the Department of Customer Service (DCS) has implemented their Benefits Management Maturity Plan to build their portfolio maturity over time.

Box 1 Example: Building benefits management maturity

DCS established a benefits team in April 2023 to drive the implementation of their Benefits Management Maturity Plan, which outlines the current state, barriers to success, work plan and expected outcomes. The plan included:

- Development of framework, guidance, and tools (e.g. reporting and dashboards) stored on a centralised page.
- Creation of a centre of excellence and benefits management community of practice.
- Delivery of training to stakeholders.
- Establishment of governance arrangements, change control guidelines, benefits ownership and reporting processes.
- Alignment of benefits management best practice into existing processes used by the agency.

[12] APMG International. (2023). The Managing Benefits Health Check Assessment. APMG International. Retrieved from https://apmg-international.com/article/managing-benefits-resources-candidates.

Table 17. Benefits Management Portfolio Maturity Matrix

		Level 1: Awareness of process	Level 2: Repeatable process	Level 3: Defined process	Level 4: Managed process	Level 5: Optimised process
Benefits Planning	Establish Benefits Management Principles over the investment lifecycle	May use some benefits management principles, but these are isolated and vary	Some use of benefits management principles but inconsistent across initiatives	Benefits Management Principles evident in a central framework and in most initiatives	Well-established Benefits Management Principles evident in all initiatives	Benefits Management Principles used proactively to continuously improve and monitor best practice
	Create Benefits Guidance and Templates	Limited evidence of templates/ guidance in use	Inconsistent use of templates/ guidance	Templates/ guidance is developed and regularly used	Agency-specific Templates/ guidance is developed and used	Templates/ Guidance are proactively maintained and reviewed
Benefits Process	Establish Benefits Forecasting capability for quantifying and valuing Benefits	Limited evidence of benefits forecasting	Some evidence of benefits forecasting capability and updates across some initiatives	Growing benefits forecasting capability evident in consistent updates, templates and consistency across initiatives	Well-established commitment to reviewing benefits forecasts within initiatives and throughout the agency	Benefits forecasting is highly developed and proactively reviewed and improved
	Establish Benefits Tracking and Reporting	Limited evidence of benefits tracking or reporting	Some evidence of benefits tracking and reporting	Defined processes, templates and guidance establish tracking and reporting	Benefits tracking and reporting is integrated throughout the agency	Benefits tracking and reporting are highly established and proactively reviewed and improved at agency-level
	Establish benefits assessments and review processes	Limited evidence of benefits assessments or reviews	Some evidence of benefits assessment across some initiatives e.g. ex-post evaluation, review timelines	Consistently reviewing and assessing benefits within initiatives as per Gateway or similar stages	Benefits assessment and reviews are continuously undertaken agency-wide	The assessment and review processes are strategically aligned to the Agency leading to increased benefits realisation.
Benefits Culture	Establish Staff Benefits Management capability	Limited training or encouragement in using benefits management principles	Some training or encouragement in using benefits management principles, however, inconsistent	Relevant staff are trained and encouraged to use benefits management.	Training is routinely delivered, and staff are comfortable managing benefits	Highly developed capability with the ability to adapt and extend. May collaborate with other agency's to further extend capabilities
	Establish a clear governance structure for managing benefits in an initiative	Limited evidence of a benefits management governance structure in initiatives	Developing a benefits management governance structure to manage benefits	Defined governance structure to manage benefits in initiatives. Evident in Benefits Management Plan	Well-established benefits management governance structure in all initiatives	Governance structure is well-integrated and recognised as a key element of initiative success. Handover plans are well-developed to minimise issues

Source: Managing Benefits Health-check assessment, P3M3® model

Appendix 5. Glossary

Term	Definition
Baseline measure	A measure of the conditions before an initiative's implementation, that provides a basis for monitoring and evaluating change in key indicators.
Benefit	Increases in welfare resulting from economic, social, environmental, or cultural outcomes of an initiative.
Benefits management plan	The benefits management plan outlines how benefits will be realised and managed. It includes benefits measures, governance structure, benefits risk management and benefits handover. See section 2.5 for further details.
Benefits manager	An individual who oversees and ensures consistency and sign off in the benefit management process for a project, program or agency.
Benefit owner(s)	A role designated to an individual or team responsible for tracking and managing a specific benefit or benefits for an initiative.
Benefits register	A data repository of relevant information for monitoring and reviewing benefits e.g. indicators, baseline, actual and target measures and review timeframes. For more information see section 2.4 for details
Benefits report	A report completed at planned milestones or where significant variations in the achievement of intended benefits is identified. See section 2.8 for details.
Benefits table	A summary of an initiative's intended benefits and how they will be measured. See section 2.2 for further details.
Capital initiative	An initiative primarily comprised infrastructure, equipment, property developments, or operational technology that forms a component of a capital project.
Digital initiative	An initiative for resources required to acquire, process, store and disseminate information e.g. software, hardware, communications technologies and related services. This includes stand-alone operational technology projects and programs.
Dis-benefit	A decline in welfare resulting from an outcome, perceived as a negative by one or more stakeholders.
Full Business Case	Identifies a preferred option and supports a government investment decision. Includes a high level plan for monitoring and evaluation.
Initiative	Any capital, recurrent, ICT, regulatory or policy action undertaken with the aim to achieve outcomes for the NSW community. This can be a program, policy, strategy, service, project, or any series of related events.
Key Performance Indicators (KPIs)	A subset of indicators selected to track and report upon the success of the initiative.
Logic model	A logic model is a visual representation of an initiative used to show the causal link from the problem or objective to the proposed initiative's intended outcomes and benefits. For more information, please refer to section 2.1 and Evaluation Workbook 1: Foundations of Evaluation.

Term	Definition
Outcome	Changes that are attributable to the initiative outputs. Changes may be in social, economic, environmental or cultural conditions and may occur in the short, medium or long term. They may include changes in lives, status, health, surroundings, knowledge, attitudes, values, behaviours, or satisfaction levels.
Outputs	The products, services and infrastructure that result from the initiative's activities.
Parameter and Technical Adjustments	Changes to the cost of providing an existing program or service at current levels of service, in response to external factors such as legislation or economic conditions.
Preliminary business case	A business case completed to narrow down options prior to developing a full business case. It may be used to seek funding to prepare a full business case for large or complex projects.
Quasi-experimental evaluation	An evaluation design that does not use randomisation to assign participants to an intervention group or to a comparison group (a group not exposed to the initiative), to test for causal attribution. It is also known as non-randomised experimental design.
Real options analysis	A technique that ensures that the scope and timing of an initiative provides the best chance of limiting its exposure to downside risk while increasing its exposure to upside risk by creating 'optionality' within an initiative, as well as improving design.
Recurrent initiative	An initiative that is predominantly neither capital nor digital expenditure. This can include grants, new policies or services, renewal, re-tender or outsourcing of an existing policy or service, material changes to an existing policy, service or operating model, establishment of a new entity or unit within an entity, development of a strategy or research program, enhancement or extension of agency capability, or response to a regulatory or legislative change.
Sponsor	An executive who provides authority, resources, and is accountable for an initiative's benefits, ensuring strategic alignment with agency priorities. The sponsor can exist at the initiative, program or portfolio level.
Go-No -Go	Is a short document which identifies the problem or opportunity, establishes that addressing the problem or opportunity is a government priority, and supports the decision to invest in preparing a business case.
Target	The desired level of performance for a measure or indicator to be achieved in a specific time frame.
Theory of change	A theory of change is a summary narrative that explains how and why the initiative is intended to achieve intended outcomes and benefits, based on evidence, logic or theory. It complements the logic model.
Total Cost	Total cost over the budget and forward estimates for recurrent initiatives (4 years), and over 10 years for capital initiatives.

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