



NEW ZEALAND
INFRASTRUCTURE
COMMISSION
Te Waihanga

Selecting and appointing Senior Responsible Owners (SROs) for infrastructure success

Best Practice Guide for Boards, CEOs & Senior Leaders

[Tewaihanga.govt.nz](https://tewaihanga.govt.nz)

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1. Introduction

1.1. Getting it right matters

The odds of you being able to deliver your infrastructure project within time and budget are stacked against you.

Only 3% of mega projects are delivered on time and budget, and only 0.2% are delivered on time, budget, and within quality parameters.¹ While medium and large projects tend to fare slightly better, the difference is not particularly reassuring.

Your project's Senior Responsible Owner (SRO) holds ultimate accountability and is the key person standing between you and the harsh truth of cost and time overruns, or an asset that does not provide good value for money. Getting this appointment right is critical. In fact, it is one of the most critical decisions you'll make on the project.

To deliver your expected investment, you will need to find a 'unicorn' who is deeply self-aware, and highly skilled in stakeholder engagement, risk management, and leadership and strategic oversight. Equally important is ensuring they have the time and authority to deliver, as high turnover in the SRO role poses a significant risk to the project.

1.2. About this guide

This Best Practice Guide has been designed to assist Boards, CEs and Senior Leaders who have the responsibility for selecting and appointing the best available SRO to oversee an infrastructure investment. It also provides ideas to consider in setting your SRO up well, then supporting them for success.

This Best Practice Guide is not official guidance issued under [CO \(23\) 9](#)

1.3. Developing the guide

The development of the Best Practice Guide, Selecting and appointing SROs for infrastructure success, was driven by clear evidence of gaps in the processes for selecting and supporting Senior Responsible Owners (SROs) in New Zealand. Gateway reviews repeatedly identify leadership and governance issues as contributing factors to delays, budget overruns, and poorly realised benefits in major infrastructure projects.

To further understand these challenges, Te Waihanga undertook a targeted training needs analysis to uncover the causes and propose practical solutions. This analysis included workshops and one-on-one interviews with current SROs to gain insight into the realities of the role. The feedback was unequivocal: many SROs are appointed

¹ Flyvbjerg, B. (2014). *What you should know about megaprojects and why: An overview*. *Project Management Journal*, 45(2), 6-19

without adequate preparation or prior experience in overseeing large infrastructure projects.

Feedback from Project Directors further reveals that many SROs lack a clear understanding of their responsibilities, resulting in misaligned decision-making, governance gaps, and instances of overreach.

The analysis highlighted several significant gaps, particularly in critical areas such as commercial acumen, stakeholder management, and political navigation. Additionally, it became evident that onboarding and ongoing support for SROs are lacking in many Public Sector entities. SROs reported feeling isolated, overwhelmed by the demands of balancing their substantive roles with project responsibilities, and unclear about their key governance focus.

This guide aims to address these challenges by providing recommendations to improve the selection, onboarding, and support of SROs, ensuring they are better equipped to deliver infrastructure projects successfully.

The best practice recommendations are informed by the expertise and insights of Tregaskis Brown, specifically Karen Tregaskis, in collaboration with the knowledge and experience of Te Waihangā staff. They are closely aligned with guidance and recommendations from the UK Infrastructure and Projects Authority and the New Zealand Treasury.

2. Defining the role of a Public Sector SRO

The term Senior Responsible Owner (SRO), as defined by the New Zealand Treasury, is widely recognised as the default designation for the individual ultimately accountable for a project's overall success. While "SRO" is the standard term within central government, similar roles exist outside this context, often referred to as Project Executive, Project Sponsor, or other equivalent titles.

Regardless of the specific title, the focus remains on the function. The individual in this role is tasked with ensuring the successful delivery of project outcomes, managing risks effectively, and overseeing a procurement process that aligns with the project's strategic objectives. Ultimately, they are responsible for ensuring the project delivers value for money and meets stakeholder expectations.

2.1. The SRO, in summary

Below is a summary of the purpose of the role from the NZ Treasury (The Treasury New Zealand, 2023).

NZ Treasury - the role of the SRO

The Senior Responsible Owner (SRO) for an investment has delegated authority from the Chief Executive to oversee the:

- Development of a business case for the investment.
- Delivery of the investment so that the expected benefits and outcomes can be realised.

The SRO also:

- Makes sure the investment-related risks are identified and managed across the agency.
- Champions the investment to make sure all critical stakeholders are appropriately engaged in the agency and, if appropriate, the sector, partners and the wider community.

2.2. A simple way of thinking about the role of the SRO

The SRO **represents the interests of the investor** throughout the design and delivery of the investment. This is illustrated in the diagram below:



2.3. What good looks like

The SRO is ultimately accountable for successful delivery of the investment. An effective SRO:

- Is obsessed with the business case. This means,
 - Being clear about the project's expected outcomes and benefits and never losing sight of these.
 - Actively ensuring the project is managed within the agreed parameters, including costs, timeframes, scope and appropriate quality standards.
 - Ensuring risks that might prevent successful delivery or achievement of the expected benefits are identified, managed, and monitored.
- Has the mana (authority and respect) to lead effectively.
 - For major infrastructure projects, appointing a Tier 2 (or Tier 1) leader is often ideal to provide the necessary delegations of financial and decision-making authority as well as strategic oversight.
 - When this is not practical or feasible, it is essential to have someone with a deep understanding of the business and the strategic influence to drive project outcomes.
- Ensures an appropriately qualified and experienced Project Director is appointed to lead the project, then:
 - sets them up for success by clearly defining expectations, providing necessary resources, fostering alignment with the project's objectives, and building stakeholder confidence,
 - provides ongoing support as required by offering guidance, removing roadblocks, and facilitating access to decision-makers or additional resources, and
 - monitors and manages their performance by setting clear metrics, conducting regular reviews, providing constructive feedback, and addressing issues promptly to maintain accountability and drive results.
- Makes expectations clear of:
 - Project Board/Steering Group members
 - Relevant supporting functions
- Manages upwards – and outwards – very well:
 - Ensures no surprises for the investor, whether this is Cabinet, a Minister, a Chief Executive, a Council, or a Portfolio Governance Group.

- Provides regular assurance and reports back to the entity who authorised the investment.
- Ensures wider impacts on the organisation or sector are understood, and relevant risks or issues are escalated when necessary.
- Engages with relevant senior leaders and stakeholders (internal and external to the organisation) to champion and support the work of the project.
- Establishes a clear and structured approach to stakeholder engagement, ensuring interactions are purposeful, well-timed, and aligned with project governance and decision-making processes.
- Provides steadfast leadership for the project, ensuring transparency by celebrating successes and addressing challenges.
- Chairs high-value Project Board/Steering Group meetings.

We have developed an example SRO Job Brief which can be found in Appendix One – Examples. You are welcome to adapt and adopt this as you see fit.

2.4. The role of an SRO is difficult

Our recent review of the needs of Public Sector Senior Responsible Owners (SROs) highlighted that serving as an SRO is among the most demanding and complex responsibilities many senior executives have ever faced. For very high scale, high risk investments the pressure placed on these individuals was immense. Many would not have taken up the role if they felt they had a choice.

Even highly experienced senior executives reported significant challenges in the role. Many felt isolated and unsupported, with nearly all noting that their SRO responsibilities were added on top of their substantive roles. This often resulted in work spilling into evenings and weekends, leaving little room for balance. In some instances, executives were tasked with serving as the SRO for multiple projects simultaneously, with workloads exceeding 20 projects in extreme cases, further compounding stress, inefficiency, and lack of retention.

Despite these long hours, many SROs felt unable to perform the role effectively due to a lack of capacity and, at times, gaps in capability. Chief Executives, Boards, and Senior Leaders must recognise the immense complexity of this role and ensure that appointments are made thoughtfully, with adequate resources and support provided.

A competent SRO with sufficient capacity is not a luxury—it is a fundamental requirement for successfully managing high-scale infrastructure investments.

3. Key skills SROs must have

During the recent analysis, it became clear that few executives have *all* the skills and competencies needed for the role.

Self-awareness - the most important attribute needed by SROs

The most critical attribute of any SRO is self-awareness. SROs need to be ruthlessly self-aware and to seek advice, expertise or mentoring in order to buy or develop the expertise and experience they need to ensure project success. Unwarranted self-confidence is highly risky for an SRO.

The three critical capabilities needed for all SROs

All Public Sector SROs, *including* those with responsibility for infrastructure projects, must be highly skilled in the following three critical areas:

Leadership & strategic direction

Ensures the overall project, vision and purpose are clear, and champions these for the life of the project.

Creates an effective authorising environment to ensure decision-making is transparent, appropriate and timely.

Fosters a positive culture and ensures effective communication.

Provides strategic oversight to align the project with the organisation's goals, needs and ways of working.

Manages the Project Board/ Steering Group for governance adherence.

Supports and provides direction to the Project Director/Manager and teams.

Stakeholder engagement

Builds and maintains relationships with key stakeholders including the Executive Team, Ministers and all critical impacted parties.

Builds trust and oversees public and private sector collaborations.

Escalates issues that cannot be mitigated or resolved.

Ensures stakeholder engagement is purposeful, well-timed, and aligned with project governance to avoid confusion or duplication

Risk management

Proactively identifies, manages, and mitigates risks and issues.

Takes a strategic view of risk – to both the project and the organisation, the sector and its stakeholders.

Seeks the appropriate types and levels of assurance throughout the project lifecycle.

Adapts to changes in the political and/or wider landscape.

Aligns project aims with organisational priorities and updates the business case as necessary.

Key competencies for Infrastructure SROs/Project Sponsors

In addition, SROs/Project Sponsors of Infrastructure Projects need to be highly skilled and experienced in the following three critical areas:

Infrastructure project delivery and performance

Stays updated with current thinking and good infrastructure practices – from business case development through to design and delivery of a suitable, value-for-money asset.

Ensures the project is sufficiently well-planned to be able to give high levels of confidence to the investor that it will deliver to time, budget and expected quality standards.

Maintains a strong focus on health and safety, ensuring that infrastructure projects are designed and delivered in a way that protects workers, stakeholders, and the public.

Secures and manages the resources that are appropriate to the scale and risk of the investment.

Is particularly attentive to recruiting an effective Project Director and leadership team.

Oversees progress with appropriate rigour to ensure delivery to expected standards.

Owns and tracks the business case, ensuring the expected benefits are realised.

Commercial acumen and partnering

Ensures the project team acts as a sophisticated and savvy client that creates commercial arrangements which:

- Deliver high value-for-money assets
- Encourage a healthy, confident and innovative commercial sector within NZ

Focuses on delivering high value, better outcomes, not just outputs.

Can support strong and effective commercial partnerships across a range of organisations, sectors and/or providers.

Ensures the project team collaborates well with all the key partners in order to learn, create efficiencies and continuously improve.

Value focused

Has a deep understanding of value as opposed to cost and keeps this at the heart of all decision-making.

Ensures that the business case process has created sufficient insights into whole-of-life costs before a preferred solution or option is agreed.

Has deep insight and control over the project's budget, forecasting and actual costs.

Makes sure appropriate financial delegations & systems are in place to effectively balance the need for transparency, accountability and good stewardship of public money against timely decision-making, and project progress.

Is keenly aware of the ongoing costs within the business once the asset has been 'handed over' and ensures these have been appropriately costed and accounted for.

4. Selecting the best-fit SRO

There are two key principles to consider when selecting the most appropriate SRO for your infrastructure investment: Defining the role and seeking the experience and capabilities that *matter most*.

4.1. Principle One: Define the role

There are three things to consider when defining the SRO role:

- The **context** for the investment – its strategic importance to your organisation, the sector, the community, or critical stakeholders.
- **Scale and risk** of the investment – scale and risk aren't determined by capital cost alone; you also need to consider whole-of-life cost, operational impacts of the project, broader organisational risk impacts (e.g., reputational risk), and how difficult the investment will be to deliver, including the complexities and uncertainties it will face.
- The **nature** of the investment – whether this is a straightforward infrastructure project with little, if any, business change required, or if there will be significant impacts on your business, service delivery model, and/or your people.

Once you've defined the role and adapted the Job Brief accordingly, you will be much clearer about the experience and capabilities needed for the role.

4.2. Principle Two: Seek from a potential SRO the experience and capabilities that *matter most*

Experience matters – a lot. During the recent SRO review, it was clear that finding an SRO with every possible skill, capability and depth of experience needed for a very large infrastructure investment is like finding a unicorn. Therefore, it is critical you appoint someone with the capabilities and experience that *matter most* based on the role you have defined. Good SROs know how to make up for their gaps and weaknesses through who they appoint to the Project Director role and to the Project Board/Steering Committee, and by seeking external assurance, advice and expertise as required.

It is our observation there are two broad types of SROs:

1. The public sector senior leader – an experienced executive who has a deep understanding and experience of the public sector and/or their organisation's core business.
2. The infrastructure expert – a senior executive who has deep understanding and experience across the infrastructure delivery system.

Each have their likely strengths and gaps. These are outlined below:

Public sector senior leader

Likely strengths	Likely gaps
A deep understanding of how decisions get made in the public sector and is able to expertly navigate the political environment.	Unlikely to have extensive contacts across the infrastructure delivery community or any deep knowledge of how the infrastructure market and system works.
Will know how to ensure the right things are happening to keep momentum going while ensuring public transparency & probity expectations are met.	Limited exposure to or experience in commercial practices
Will have a strong network across government agencies and relevant community organisations. Will know how to engage all critical stakeholders effectively, ensuring all stakeholders remain aligned with the project objectives and maintain their support throughout its lifecycle	Unlikely to have an interest in encouraging a healthy, confident and innovative commercial sector within NZ. Will more likely focus on their own project, rather than the broader infrastructure system.
Is more likely to make decisions based on the long-term needs of the business. Likely to ensure that any required business transition or change is appropriately planned and delivered.	Is likely to lack the confidence to make timely decisions regarding the more technical elements of the project, safely navigate innovative options, or know how to drive appropriate efficiencies into the project.
Is likely to be a highly experienced and effective public sector leader and a competent Chair of the Project Board/Steering Group.	May experience significant pressure and struggle to find sufficient time and focus for the role as they are more likely to have other obligations and responsibilities.

Infrastructure expert

Likely strengths	Likely gaps
Likely to have extensive contacts across the infrastructure delivery community and a deep knowledge of how the infrastructure market and system works.	May be frustrated with how collaborative, consultative, and therefore 'slow' decision-making is in the public sector. May have little appreciation of the effort required to navigate the political environment successfully.
Will be commercially astute and able to develop effective partnerships with suppliers.	May struggle to ensure public transparency and probity expectations are met, particularly if their background is primarily in the private sector. Should there be a significant problem, investigation, audit, or review this could become a significant reputational problem.
Will be a confident decision-maker regarding the more technical elements of the project, be able to safely navigate innovative options and drive appropriate efficiencies into the project.	Is more likely to make decisions based on achieving delivery on budget than with an eye to the long term needs of the business and/or the expected outcomes.
Is more likely to encourage a healthy, confident and innovative commercial sector within NZ and have an eye towards broader or future infrastructure projects and investments.	May struggle to identify and effectively engage key stakeholders, increasing the risk of disruption and unhelpful stakeholder behaviours. Will likely have only a limited appreciation of potential business impacts or transition challenges.
Is more likely to have the project as their day job and/or be able to commit sufficient time to getting it right.	May not be experienced in chairing a Project Board/Steering Group and/or have deep leadership experience in the public sector context.

The infrastructure expert is more likely to be appropriate when:

- Similar investments will be repeated across a sector – the more 'productised' the investment can be, the more likely an infrastructure expert is a better-fit SRO.
- There are only minor or modest service or business operating model changes required for successful delivery of the investment.
- The political and/or stakeholder environment (relating to the investment) is generally straightforward or there is a well-established routine and system for managing them.

The public sector senior leader is likely to be more appropriate when:

- There is significant business change/adaptation or transition needed for success.

- There is a heightened and complex political and/or stakeholder environment to navigate.
- Deep knowledge of the business/service delivery is critical for good decision-making e.g. for a 'once in a generation' investment for the organisation.

International appointees

It may be necessary to source a suitable infrastructure expert from the international market for the SRO role. However, it is important to recognise that such individuals are likely to lack an understanding of the New Zealand context—whether in terms of the infrastructure system, the public sector, or the broader cultural, legislative, and regulatory environment.

If an international appointment is determined to be the best 'on balance' choice, it is critical to provide them with appropriate support, oversight, and advice to help them navigate the New Zealand context effectively.

There are inherent risks in sourcing both the SRO and Project Director roles internationally, particularly when neither appointee has a clear understanding of the organisation's strategic objectives, the political landscape, or the cultural context. If a choice must be made, it is generally more appropriate to source the Project Director role internationally while appointing the SRO from within the local context.

It is strongly recommended that you do not make an international appointment to both SRO and Project Director roles.

5. Setting the SRO up for success

Continuity of your appointed SRO significantly increases the likelihood of project success. Therefore, after appointing the best SRO possible, it is important you set them up for success.

5.1. Make expectations clear

As for any role, making expectations clear provides a sound foundation for good performance. We encourage this to be done formally. It is suggested that you develop *at least one*, preferably all of the following:

- A Job Brief
- A letter of appointment
- Expectations included in the individual's annual performance agreement
- A clear, formally authorised project mandate (or similar) - which will eventually be overtaken by an approved Business Case as the core authorising document.

We have included an example Job Brief and Letter of Appointment in Appendix One that you are welcome to adopt and adapt.

5.2. Ensure the conditions are right

When appointing an individual to the role, you need to ensure the conditions are right, including:

- **Capacity** to undertake the role effectively. This might require:
 - Seconding or appointing the person full-time to the SRO position.
 - Delegating a portion of the person's substantive responsibilities to another executive leader.
 - Establishing support roles to do some of the heavy lifting for their substantive role e.g. a Chief of Staff or Chief Advisor.

It is worth noting that the UK Infrastructure and Projects Authority (IPA) recommends that, *for projects in the government major projects portfolio, there is a presumption that senior responsible owners will be able to commit at least half of their time to their project up to the approval of the full business case.* (In NZ this is called the Implementation Business Case).

- **Remuneration.** Given the significant responsibilities and expectations of the SRO role, remuneration should reflect the level of accountability and the complexities of the project. This may include:

- Offering a higher duties allowance or performance-based incentives (depending on the type of public sector entity you are).
- Adjusting remuneration to align with market benchmarks for senior project leadership roles, especially for high-scale, high-risk investments.
- **Resources** to obtain the expert advice and support they need. Ideally the SRO has a portion of the project budget that they can utilise to seek independent, external expertise, assurance and advice however they see fit. Prior to approval of the business case, this will need to be found from within the organisation's operating baseline. We strongly recommend that this is sufficient to ensure the SRO is never reluctant to seek expert advice due to lack of funds.
- **Reporting** lines and financial delegations that are in place to enable them to do the role effectively and efficiently. An SRO should have the authority for the appropriate approvals and spending decisions. Financial, HR and any other relevant delegations need to be explicit and properly formalised according to your organisation's relevant policies.

5.3. Support the appointment of an appropriately skilled Project Director

It is crucial that the CE, Board, or Senior Leaders who appoint the SRO also support them in recruiting an appropriately experienced and qualified Project Director.

Sourcing and remunerating Project Directors in the public sector can be challenging due to their specialised expertise and the high global and private-sector demand for their skills. Often, a significant gap exists between public sector pay scales and the expectations of candidates with the experience and capability to lead large, complex projects. To attract top talent, organisations must offer competitive remuneration while adhering to public sector constraints.

In some circumstances, it may be necessary to remunerate the Project Director at a higher level than the SRO. When this occurs, SROs may require CE support to navigate HR and Finance processes, particularly if the appointment falls outside standard organisational policy settings. This support is critical to ensure the organisation can secure the calibre of leadership needed for project success.

6. Supporting the SRO

Supporting the SRO isn't a one-off event—it's an ongoing commitment that lasts for the life of the project. The right support can mean the difference between success and frustration.

6.1. Visible support for the project

When the Board, CE and/or other Senior Leaders are vocal in their support for a project, it paves the way for the SRO to have meaningful stakeholder engagement, remove organisational or sector barriers to success, and energise the delivery team.

6.2. A safe space to solve the tough problems

Sometimes there will be bad news or wicked problems to be solved. Providing a safe space with the CE or executive team to work through strategic options and trade-offs can be helpful. Avoid the blame and shame game – it can lead to significant dysfunction and put the investment at more risk.

6.3. Equip the SRO with the right resources

A new SRO shouldn't be left to figure things out alone. A structured induction covering investment management, stakeholder engagement, and risk governance may be required. First-time SROs should also receive training in business case development and the role of the SRO in Public Sector Projects.

Peer support:

- Connecting with other SROs who are facing similar challenges fosters shared learning and collaboration.
- Regular forums—whether informal catch-ups or structured networks—allow SROs to exchange insights and support.
- Te Waihanga will be establishing a Community of Practice for SROs. Encourage your SRO to be involved.

Mentorship and coaching:

- Access to experienced mentors can provide personalised guidance and sharpen leadership skills.
- Professional coaching helps SROs build resilience and tackle the unique pressures of the role. The Leadership Development Centre (LDC) offers a pool of leadership coaches.

Independent expertise:

- SROs should have access to independent advisors who can offer technical, commercial, or strategic insights.

6.4. Formal development

SROs are senior leaders, and their professional development should match their level. Some useful options include:

- The Infrastructure Commission's one-day intensive for Public Sector Infrastructure SROs who are new to the role or need a refresher.
- Project, Programme and Portfolio Governance Professional (P3GP).
- Asset Management Governance – Āpōpō Govt.
- Gateway training through Treasury.
- Public Governance Aotearoa courses.
- The Institute of Directors' governance development programmes.

Being an effective SRO isn't automatic—it takes investment. When organisations prioritise ongoing support for their SROs, they're investing in better project outcomes.

6.5. Recommended reading

There is a range of information available to Boards, CEs, Senior Leaders and SROs, below is some available guidance and a reading list that might be helpful:

Public Sector

- [Standards of Integrity & Conduct](#) (Public Service Commission, 2020)
- For those new to the Public Sector - [The Public Sector Induction](#) (Leadership Development Centre, n.d.)
- [One page guide to conflicts of interest conversations and explanatory notes](#) (Public Service Commission, n.d.)
- Public Service Commission [Core Capability Learning](#) including Political neutrality, Public Service Principles and Free and Frank advice (Leadership Development Centre, n.d.)
- Public Service Commission [Model standards: Conflicts of Interest](#) (February 2025)

NZ Public Sector Governance and Investment Guidance

- [Cabinet Office Circular CO \(23\) 9](#) (Department of the Prime Minister and Cabinet, 2023)
- [Risk Profile Assessment and Strategic Assessment information](#) (The Treasury New Zealand, 2024)
- [Better Business Cases™](#) (The Treasury New Zealand, 2021)
- [Gateway Reviews](#) (The Treasury New Zealand, 2023)
- [Quarterly Investment Reporting](#) (The Treasury New Zealand, 2025)
- [Guide to the Budget process](#) (The Treasury New Zealand, 2024)
- [Project governance guidance](#) (New Zealand Infrastructure Commission, 2019)
- [Project leadership capability framework.](#)
- <https://tewaihanga.govt.nz/our-work/project-support/guidance/project-leadership-capability-framework> (New Zealand Infrastructure Commission, 2024)
- [Independent Review of business cases for high-risk investments prior to cabinet decisions](#) (The Treasury New Zealand, 2024)
- [Construction project governance](#) (Ministry of Business, Innovation & Employment, 2019)
- [Governance guides](#) (Local Government in New Zealand, n.d.)

Infrastructure projects - lessons learned

- [*Transmission Gully post-construction review: Executive summary and insights for the future*](#) (New Zealand Infrastructure Commission, 2022)
- [*City Rail Link Lessons Learnt*](#) (New Zealand Infrastructure Commission, 2024)
- [*Mental Health Infrastructure Review*](#) (New Zealand Infrastructure Commission, 2022)
- [*Making infrastructure investment decisions quickly*](#) (Controller and Auditor-General, 2023)
- [*Governance of the City Rail Link project*](#) (Controller and Auditor-General, 2022)

Commercial guidance

- [*Market engagement*](#) (New Zealand Infrastructure Commission, 2019)
- [*Government Procurement Rules*](#) (Ministry of Business, Innovation & Employment, 2019)

International resources

- [*The Art of Brilliance*](#) (UK Infrastructure and Projects Authority (IPA), 2019)

Performance reporting

- [*Performance Reporting*](#) (Controller and Auditor-General, 2024)

Books

- *How Big Things Get Done: The Surprising Factors that Determine the Fate of Every Project from Home Renovations to Space Exploration, and Everything in Between.* (Flyvberg & Gardner, 2023)
- *Industrial megaprojects: Concepts, strategies, and practices for success.* (Morrow, 2011)

7. Holding the SRO to account

As for any role, the balance between providing support and holding to account needs to be undertaken with thought and care. Many SROs reported that they *never* had discussions with their CE regarding their performance as an SRO, or that these discussions only occurred when things went badly wrong.

7.1. Pre-conditions

Being able to hold an SRO to account requires some pre-conditions to be in place:

- The SRO was an appropriate appointment to the role, with the necessary experience and capability, or they were provided with appropriate support if they had known gaps that required development.
- The expectations of the role have been made clear – i.e. there is a letter of appointment, and the SRO's annual performance agreement has clear expectations.
- The SRO has been provided sufficient authority and the necessary delegations to make decisions and provide approvals in a timely way.
- They have received sufficient support from the organisation, its leadership and supporting functions (e.g. HR and finance).
- They had access to appropriate resources and sufficient capacity to undertake the role.

Many experienced CEs and Boards will tell you how difficult it is to hold a poorly performing executive to account when these foundational conditions are not in place.

7.2. Monitoring performance

The performance of the SRO is directly tied to the performance of the investment, which unfolds across three broad stages:

- Development of the business case
- Delivery of the investment
- Business transition and benefit realisation

Performance monitoring will vary depending on the stage the investment is at, ensuring a tailored approach that supports the SRO's accountability and the investment's success.

Business Cases are important

A survey of Australian infrastructure projects (Terrill, Emslie, & Moran, 2020) found that 80% of the total cost overruns came from the one-third of projects that were announced before a business case was completed, while a New Zealand study (New Zealand Infrastructure Commission, 2022) found that a “pattern of ‘light touch’ business cases” led to projects being announced with unrealistic schedules and budgets.

During the development of the business case (BC), performance monitoring should focus on a mix of timeliness and quality. While approval of the business case may seem like an indicator of success, this is only meaningful if the business case is robust—i.e., attractive, achievable, and affordable. A business case that gains approval despite being overly optimistic, under-costed, or poorly thought through is not something an SRO should be rewarded for, as it risks undermining the project’s future success.

A key challenge during this stage is optimism bias—the tendency to overestimate benefits while underestimating costs, risks, and delivery timelines. This bias often stems from overconfidence in the project’s success or the desire to present a highly favourable case to secure approval. Left unchecked, optimism bias can lead to unrealistic expectations, budget overruns, delays, and ultimately, a failure to deliver the intended benefits.

To mitigate these risks, SROs should embed rigorous quality assurance processes into business case development. Tools such as Independent Quality Reviews, Quantitative Risk Assessments, and Gateway Reviews can provide objective scrutiny of assumptions, methodologies, and projections. SROs should also:

- Actively challenge key assumptions,
- Benchmark costs and timelines against similar projects, and
- Include contingency planning to address uncertainties.

Ultimately, the success of the business case should be judged not by its approval alone but by its soundness—balancing ambition with a realistic appraisal of risks and opportunities to set the project up for long-term success.

Delivery of the Investment

During the delivery phase, performance monitoring shifts to ensuring that the investment is on track to meet its goals. The business case serves as the baseline document against which the SRO should report. However, it is crucial to avoid focusing solely on progress metrics like time, cost, quality, and scope.

Equally important is performance assurance, ensuring that:

- Organisational, community, or sector impacts are well-managed,
- New organisational or service capabilities are developing as planned, and
- The investment’s intended benefits are on track to be realised.

We recommend that the original business case baseline remains visible throughout delivery, even when the project has been re-baselined. This visibility ensures continuity and allows for better evaluation of progress against the original objectives.

For very large-scale, high-risk investments, the SRO should formally and directly report on progress and performance on a quarterly basis to the appropriate investor or their representative (e.g., Minister, Council, CE, Board, or Investment Committee). For smaller-scale, lower-risk projects, biannual or annual reporting may be sufficient.

Business transition and benefit realisation

This stage ensures the investment transitions smoothly into business-as-usual and achieves its intended benefits. Performance monitoring during this stage should focus on operational readiness, stakeholder engagement, and tracking measurable outcomes to ensure long-term success.

7.3. Seeking assurance without undermining the SRO

It is appropriate, even imperative, that the Board and CE are assured that the investment is on track to deliver on time, on budget, within quality and scope, and that the investment outcomes will be met. The regular reporting we have suggested in section 7.2 will be a major contributor to this assurance.

However, we also suggest that an assurance plan is agreed with the Board/CE. Independent reviews that the Board/CE have an interest in should have a mutually agreed terms of reference. This means that the assurance process is not adversarial but is a constructive exercise for the project, the SRO *and* the Board/CE.

It is likely that the SRO will commission a range of independent assurance activities throughout the project. The SRO should be able to provide these reports with their recommendations at any time the CE or Board request them.

For additional assurance, consider:

- An independent observer on the Project Board/Steering Group.
- Agreed independent assurance reviews or processes by reputable experts (e.g. IQA, QRA) prior to major drawdowns or decision-points.
- Making the most of the Gateway Review process to ensure any concerns you have are considered by the review team.

8. Things to avoid

8.1. Parallel governance or external oversight groups

Avoid parallel governance functions or additional external oversight boards, as they can conflict with the formal governance structure, creating delays, confusion, and inefficiencies. Parallel governance often duplicates efforts, blurs accountability, and undermines the SRO's authority. Unlike assurance activities, which complement governance by providing independent validation (e.g., Gateway Reviews or IQAs), parallel governance introduces competing authority that disrupts decision-making. For additional assurance, consider incorporating independent observers into existing governance structures or aligning assurance plans with the SRO's role.

8.2. A contract for service SRO

You need the SRO to demonstrate an organisational perspective and the strong corporate citizenship of an employed senior executive – whether fixed-term or permanent. In some cases, to be competitive, this might require terms and conditions that are not normally offered by the organisation.

8.3. Insufficiently empowered or overstretched SROs

Avoid appointing an SRO who lacks authority or is positioned too low within the organisation to have a strong voice in decision-making. This can lead to ineffective leadership and limited influence in critical project discussions. Avoid assigning an SRO to too many projects simultaneously. This dilutes their focus and capacity, increasing the risk of poor decision-making, delays, and project failure.

8.4. Change of SRO within an investment phase

Changing the SRO increases the risk of project failure, as it can disrupt continuity, accountability, and decision-making. However, infrastructure projects often span many years, making it challenging to retain the same SRO throughout the entire lifecycle. In some cases—particularly when an investment transitions between phases—it may be appropriate to appoint a new SRO whose skillsets are better suited to the next phase of the project.

To manage this effectively, consider succession planning. Succession planning is ideally embedded into the project's governance from the outset. This involves identifying potential SRO successors early, ensuring they have the necessary skills and knowledge to assume the role when required. When a change of SRO becomes necessary, the transition must be carefully planned and supported to minimise risks and maintain momentum. Key steps include:

- Conducting a thorough handover process,
- Providing comprehensive documentation,

- Ensuring alignment on the project's objectives, governance framework, and key risks.

SRO changes should remain infrequent and strategic, with an emphasis on continuity and safeguarding the project's long-term success.

8.5. External Project Board/Steering Committee Chair

Avoid appointing an external Chair to the Project Board/Steering Committee. The SRO should chair this group to ensure clear accountability, effective management of risk and alignment with the project's strategic objectives. However, it is entirely appropriate to have external, independent appointments (normally up to two) to the Project Board/Steering Committee. Ideally, these should be agreed with the SRO so that a well-rounded mix of skills, perspectives and experiences are available to appropriately oversee and support project success.

8.6. An impossible task

Developing the business case (BC) is likely to be the SRO's responsibility, depending on the timing of their appointment. Ideally, the same SRO should oversee the project from BC development through to delivery to ensure continuity.

An unrealistic BC, such as reducing costs without reducing scope or fully satisfying opposing stakeholders, creates an impossible task for the SRO and sets the project up for failure. Likewise, a lack of accurate design or costing can lead to unattainable expectations. Ensure the BC is realistic, achievable, and based on robust inputs to avoid setting the SRO an impossible task.

9. Appendix One – Examples

9.1. Example SRO Job Brief

This is an example only – Boards/CEs or Senior Leaders should delete or add information as appropriate.

Job Title	Senior Responsible Owner (SRO), (project name)
Purpose	The SRO provides executive oversight and leadership to ensure (project name) is successfully designed and delivered and that the agreed investment outcomes and benefits are achieved.
Term	The role commences on (date) to initiate the project and will cease when the post project review is completed and approved, approximately (date).
Reporting lines	This role reports to (name, role)
Formal delegations	Financial (as appropriate) HR (as appropriate)
Key attributes, skills and experience	<p>Critical:</p> <ul style="list-style-type: none"> • Has a successful track record in the oversight of large-scale infrastructure projects. • Is a strategic systems thinker, able to deliver good long-term outcomes while navigating immediate pressures and uncertainties. • Deep commercial expertise across the infrastructure system, including experience in the development of innovative partnerships and solutions. • A proven leader with a strong reputation for collaboration, partnering and the development of high-performing teams in highly pressured environments. <p>Important:</p> <ul style="list-style-type: none"> • Can ensure all public sector investment, probity, transparency and governance requirements are met. • Is a skilled communicator and able to engage effectively with Ministers and other senior key stakeholders. • Able to work collaboratively with senior leaders across (organisation) to ensure transition to the new (infrastructure) is

	successfully achieved without any disruption to service delivery.
Key deliverables	<p>A sound business case for an investment that is do-able, represents value-for-money, provides the most appropriate available solution, and will deliver the required objectives, outcomes and benefits (Depending on when the SRO is appointed).</p> <p>A new/upgraded (infrastructure) that is delivered within budget, scope, quality and time and core requirements.</p> <p>Successful transition and integration of the (infrastructure) into (business/services) everyday operating environment.</p> <p>Achievement of the agreed outcomes and business benefits.</p>
Critical success factors	<p>Impacts to Service Delivery are minimised and/or appropriately managed.</p> <p>All critical user requirements and quality standards are met.</p> <p>Organisational policies and practice are complied with.</p> <p>Everyone (including staff, contractors, suppliers, visitors and the public) are kept safe and well throughout the project.</p> <p>The (organisation)'s infrastructure and asset management capabilities are enhanced.</p> <p>Whole of life costs for the (infrastructure) are accurately forecast and able to be met.</p> <p>Key stakeholders remain supportive and positive throughout the project lifecycle.</p>

9.2. Example Letter of Appointment

This is an example only – Boards/CEs or Senior Leaders should delete paragraphs or add in any other relevant information as appropriate.

(Day Month Year)

(SRO name)

(SRO Title)

(Organisation)

Via email:

Dear (SRO name)

Appointment as Senior Responsible Owner for the (Project name)

I am writing to confirm your appointment as Senior Responsible Owner (SRO) of the (project name) with immediate effect. This letter sets out your responsibilities and the support that is available to assist you.

As SRO, you are directly accountable to (name & position). You are also accountable to the Minister <title> to deliver the project in accordance with the approved objectives and policy intent and may be held personally accountable to, and could be called by, Select Committees to account for and explain the decisions and actions you take to deliver the project.

(Project name) overview

The purpose of the (Project name) is to:

- (deliver/enable/support - outline the overall intent of the project, the strategic objectives it supports, its intended outcomes)

You are personally accountable for ensuring the following investment benefits can be realised:

- (benefit description).

If there is no approved business case, the benefits will not be known. In this case...

You will be expected to ensure measurable, achievable benefits are developed and agreed during the business case process. Once these are approved, you will become accountable for their realisation.

Performance criteria

You are personally responsible for delivery of the (project) as per the approved Business Case (or Project Mandate). This includes, but is not limited to:

- Delivering the strategic vision, aims and investment objectives and benefits of the investment.
- Leading the development of the project through its various stages in a timely way.
- Managing the financial costs within the agreed and available budget.
- Ensuring you act lawfully and responsibly as an Officer of a PCBU – it is expected that everyone (including employees, contractors, suppliers, visitors and the public) are kept safe and well throughout the course of the project.
- Providing the project with consistent and effective leadership, direction and decisions.
- Ensuring the project is governed responsibly, assured and scrutinised appropriately, reported honestly and escalated as necessary.
- Ensuring any risks relating to this project are being identified in a timely way and managed appropriately.
- Chairing the Project Board and ensuring the project aligns with wider (organisation) strategy, values and programmes.
- Ensuring that the delivery of the project reflects the (organisation)'s values and commitment to Te Tiriti o Waitangi.

You are also expected to ensure compliance with relevant Treasury's investment management requirements as detailed in [Cabinet Office Circular CO \(23\) 9](#). This includes business cases, Gateway reviews and submission of quarterly investment reporting information.

I expect you to personally report on project progress and performance quarterly to the <name group or individual e.g. CE, Executive Team, Board, Investment Committee>.

Time commitment and duration

This will be a full-time (or xx%) role to allow you to commit to the successful delivery of the (project). This role is expected to continue until (MONTH 20XX OR on completion of the Post Project Review). If you leave the role of SRO before the above time, you are expected to ensure there is a smooth handover to an appropriate successor and that the risks associated with a change of SRO are successfully managed.

Delegated authority

You are authorised to:

- approve project expenditure within your financial delegation (or provide a new delegation)
- approve project roles and appointments within your HR delegations (or provide a new delegation)
- agree changes to the project plan, approach or milestones, provided that they are within the approved tolerances set out in the Business Case and can be managed within the overall annual budget.

These authority limits are subject to change and other conditions or tolerances may need to be complied with.

If issues arise that cannot be managed within these limits, you must escalate them to (name direct manager) in a timely manner.

Development and support

(Organisation) will help you obtain the necessary resources to oversee the (project), and will set clear guidance, requirements and standards, to enable good governance and effective delivery. The (organisation) Programme Office is available to provide you advice and support regarding these requirements and standards.

I am available to you for support, advice, and assurance throughout the project's delivery.

You will be provided a budget of <\$xx> to seek any training, support, expert advice and independent assurance that you require. I encourage you to attend the Infrastructure Commission's SRO community of practice to meet with your peers and develop a strong network from whom you can seek ideas and support.

There are also specialised resources that may be helpful to you in your SRO role and some further information can be found here:

- [Risk Profile Assessment and Strategic Assessment information](#) (The Treasury New Zealand, 2024)
- [Better Business Cases™](#) (The Treasury New Zealand, 2021)
- [Gateway Reviews](#) (The Treasury New Zealand, 2023)
- [Quarterly Investment Reporting](#) (The Treasury New Zealand, 2025)
- [Guide to the Budget process](#) (The Treasury New Zealand, 2024)
- [Project governance guidance](#) (New Zealand Infrastructure Commission, 2019)
- [Government Procurement Rules](#) (Ministry of Business, Innovation & Employment, 2019)
- Te Waihangā SRO Executive Intensive

Remuneration

It is recognised that oversight of this project is a significant responsibility. You will receive a temporary higher duties allowance of \$xx per annum on the condition that the performance criteria set out in this letter are being met.

I would like to take this opportunity to wish you every success in your role as SRO.

Yours sincerely,

(Appointer Name)
(Appointer Title)
(Organisation)

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