



**Project, programme and portfolio  
management—Guidance on portfolio  
management**

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Australian Standard<sup>®</sup>

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## PREFACE

This Standard was prepared by the Standards Australia Committee MB-012, Project Management.

The objective of this Standard is to provide guidance on the principles of project and programme portfolio management. This Standard is relevant to any type of organization including public or private and any size organization or sector.

This Standard is identical with, and has been reproduced from ISO 21504:2015, *Project, programme and portfolio management—Guidance on portfolio management*.

As this Standard is reproduced from an International Standard, the following applies:

- (a) In the source text ‘this International Standard’ should read ‘this Australian Standard’.
- (b) A full point substitutes for a comma when referring to a decimal marker.

The term ‘informative’ has been used in this Standard to define the application of the annex to which it applies. An ‘informative’ annex is only for information and guidance.

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## INTRODUCTION

This International Standard provides guidance on the principles of project and programme portfolio management. Typically, management of a project and programme portfolio supports the organization's strategies to deliver organizational value.

This International Standard is intended to be used by:

- a) executives and senior managers responsible for setting and implementing organizational strategy and business planning;
- b) decision makers responsible for selecting, authorizing and governing projects, programmes and portfolios;
- c) teams and individuals responsible for implementing and managing the project and programme portfolios;
- d) project and programme managers and other stakeholders.

## AUSTRALIAN STANDARD

**Project, programme and portfolio management—Guidance on portfolio management****1 Scope**

This International Standard provides guidance on the principles of project and programme portfolio management. This International Standard is relevant to any type of organization including public and private and any size organization or sector.

The guidance presented in this International Standard is intended to be adapted to suit the specific environment of the project and programme portfolio.

This International Standard does not provide guidance on project management, programme management, or general business portfolio management (e.g. financial portfolio management).

**2 Terms and definitions**

For the purposes of this document, the following terms and definitions apply. For ease of readability, the term “portfolio” is used throughout this document to mean “project and programme portfolio”.

**2.1****portfolio**

collection of portfolio components grouped together to facilitate their management to meet, in whole or in part, an organization’s strategic objectives

**2.2****portfolio component**

project, programme, portfolio, or other related work

**2.3****portfolio manager**

person or organization responsible for applying portfolio management to a portfolio who may be supported by a portfolio management team

**2.4****strategic alignment**

result of selecting and adjusting portfolio components to contribute to accomplishing an organization’s strategic objectives

**3 Principles of portfolio management****3.1 Context and need for portfolio management**

An organization’s strategic objectives, as well as other organizational considerations such as market and financial, guide the decision to implement portfolio management. When deciding whether to adopt portfolio management, each organization’s context will depend on considerations such as:

- a) an evaluation of the impact of introducing portfolio management into the organization, including the organization’s capability to absorb changes in terms of structure, responsibilities and culture;
- b) an assessment of the threats and opportunities associated with the implementation of portfolio management.