

GATE 1

GATEWAY WORKBOOK

Strategic Options

How well has the project analysed a range of options to meet the service need and maximise benefits at optimal cost?

INTRODUCTION TO GATEWAY REVIEWS

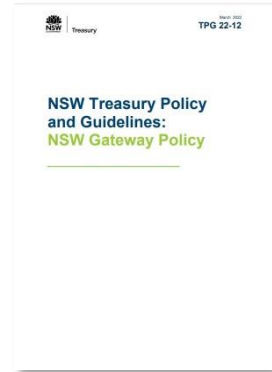
The NSW Gateway Policy (TPG22-12) sets out guidance and minimum requirements for the delivery and monitoring of Gateway Reviews in NSW. Gateway Reviews are independent Reviews conducted at key points, or Gates, along the lifecycle of a project. They are important for providing confidence to the NSW Government (through Cabinet) that projects are being delivered on time, to cost and in line with government objectives.

Infrastructure NSW is the Gateway Coordination Agency (GCA) for the government’s capital infrastructure projects and programs. As the GCA, Infrastructure NSW developed, implemented and administers the Infrastructure Investor Assurance Framework (IIAF). The roles and responsibilities of Infrastructure NSW, as well as Delivery Agencies, in relation to assurance processes are set out in the IIAF. It is the responsibility of all Delivery Agencies to meet the requirements of the IIAF.

Gateway Reviews are one of the four elements of the Infrastructure NSW risk-based assurance approach for all capital infrastructure projects and programs valued at or more than \$20 million. The risk-based approach relies on an understanding of an agency’s capability and capacity to develop and deliver capital projects and programs.

The outcome of each Gateway Review is a Review Report that includes commentary to inform the NSW Government. The Review Report also includes a series of recommendations aimed at assisting the Delivery (or Accountable) Agency to develop and deliver their projects and programs successfully.

Gateway Reviews can consider an individual project or a program consisting of a number of projects (including sector specific and place-based). For the purposes of this workbook, the use of the term ‘project’ also covers the grouping of projects into a program.



PROJECT LIFECYCLE AND GATEWAY REVIEWS

The diagram below outlines the typical Gates, along a project’s lifecycle stages where Gateway Reviews can be conducted:

PROJECT STAGE	PROJECT PHASE	GATEWAY REVIEW	KEY QUESTION	REVIEW DELIVERABLE	HEALTH CHECKS
INITIATION	NEEDS CONFIRMATION	0 GO/NO GO	HOW HAS THE PROJECT DEMONSTRATED THAT THE SERVICE NEED IS ALIGNED TO GOVERNMENT POLICY?	EVIDENCE THE PROBLEM & SERVICE NEED EXISTS REGISTRATION ON GCA REPORTING & ASSURANCE PORTAL COMPLETED GATE 0 TEMPLATE OR EQUIVALENT	CAPITAL PORTFOLIO
PLANNING + DEVELOPMENT	NEEDS ANALYSIS	1 STRATEGIC OPTIONS	HOW WELL HAS THE PROJECT ANALYSED A RANGE OF OPTIONS TO MEET THE SERVICE NEED AND MAXIMISE BENEFITS AT OPTIMAL COST?	WELL DEFINED SERVICE NEED EVIDENCE OF HOW THE PROJECT SCOPE MEETS THE SERVICE NEED OPTIONS ANALYSIS APPROPRIATE LEVEL OF COST BENEFIT ANALYSIS	DEVELOPMENT
		PROGRESSION	DOES THE PROJECT ALIGN TO GOVERNMENT PRIORITIES AND IS IT DELIVERABLE	EVIDENCE OF ALIGNMENT TO GOVERNMENT PRIORITY WELL DEFINED SERVICE NEED DOES IT REPRESENT VALUE FOR MONEY DELIVERABILITY	
PROCUREMENT	INVESTMENT DECISION	2 BUSINESS CASE	HOW WELL HAS THE PROJECT PROVEN THAT THE PREFERRED OPTION BEST MEETS THE SERVICE NEED AND MAXIMISES BENEFITS AT OPTIMAL COST?	FINAL BUSINESS CASE DETAILED RISK REGISTER DETAILED COST PLAN DETAILED COST BENEFIT ANALYSIS PROCUREMENT AND DELIVERY STRATEGY	PROCUREMENT
	PROCURE	3 READINESS FOR MARKET	HOW WELL HAS THE PROJECT DEVELOPED A PROCUREMENT AND DELIVERY APPROACH TO REALISE THE BENEFITS OUTLINED IN THE FINAL BUSINESS CASE?	CLEAR SCOPE DEFINITION PROCUREMENT DOCUMENTATION PROCUREMENT AND COMMERCIAL APPROACH EVALUATION STRATEGY PROBITY PLAN	DELIVERY
DELIVERY	DELIVER & INITIAL OPERATIONS	4 TENDER EVALUATION	IS A SCOPE BEING PROCURED THAT WILL DELIVER THE BENEFITS OUTLINED IN THE FINAL BUSINESS CASE AND IS THE PROJECT READY TO PROCEED TO DELIVERY?	EVALUATION REPORT PROBITY REPORT SUMMARY OF DEPARTURES AND VARIATIONS EVIDENCE OF DELIVERY READINESS AND HANDOVER APPROACH	
		5 READINESS FOR SERVICE	HOW WELL HAS THE PROJECT DELIVERY TEAM AND ASSET OWNER AND/OR OPERATOR PLANNED A HANDOVER THAT WILL ENSURE THE BENEFITS OUTLINED IN THE FINAL BUSINESS CASE ARE ACHIEVED?	INDEPENDENT VERIFIER REPORTS CONFIRMING SCOPE DELIVERY TESTING AND COMMISSIONING DOCUMENTATION OPERATIONAL READINESS DOCUMENTATION HANDOVER STRATEGY	
OPERATION	BENEFITS REALISATION	6 BENEFITS REALISATION	HOW WELL HAVE THE BENEFITS OUTLINED IN THE FINAL BUSINESS CASE BEEN REALISED AND WHAT LESSONS CAN BE LEARNT FROM THIS?	EVIDENCE OF OPERATIONAL PERFORMANCE BENEFITS REALISATION PLAN RECORD OF LESSONS LEARNT	

 YOU ARE HERE

HOW TO USE THIS WORKBOOK

At Gate 1, the Delivery Agency is expected to demonstrate an options analysis for the project and that a robust solution can be developed through to Full Business Case.

Fast-track projects may not require a Gate 1 Review. The Gate 0 Committee will recommend the assurance pathway for a Fast-track project, for endorsement by the Assurance Governance Committee. Treasury Policy TPG24-30 'Fast Track for Business Case and Investment Assurance for Government Capital Commitments' sets out the conditions a project must meet to become a 'fast-track project'.

Gateway Review workbooks support a consistent, structured approach to Reviews. The workbooks define roles and responsibilities during Reviews and assist Delivery Agencies and the Review Team to prepare.

PART A	FOR DELIVERY AGENCIES AND REVIEW TEAMS: <ul style="list-style-type: none"> Background information on the Gateway Review process. Information on how the Gateway Review process applies to projects. 	PAGE: 8
PART B	FOR DELIVERY AGENCIES: <ul style="list-style-type: none"> Guidance on how to initiate a Gateway Review. Documentation required. 	PAGE: 15
PART C	FOR REVIEW TEAMS: <ul style="list-style-type: none"> Guidance on how to conduct a Gateway Review. 	PAGE: 21
PART D	FOR DELIVERY AGENCIES AND REVIEW TEAMS: <ul style="list-style-type: none"> Areas for investigation across the Key Focus Areas. 	PAGE: 26
PART E	FOR DELIVERY AGENCIES AND REVIEW TEAMS: <ul style="list-style-type: none"> Conducting a Gate 1 Progression Assessment. 	PAGE: 36

GATEWAY REVIEWS AND AGENCY ASSURANCE PROCESSES

The assurance process, including Gateway Reviews, informs the NSW Government (through Cabinet) on the development and delivery progress of capital projects. Recommendations and commentary emerging from Gateway Reviews also assist Delivery Agencies to improve projects and assets, with a focus on adding value through the expertise and experience of the Review Team.

A Gateway Review provides an independent snapshot of project status at a point in time. Gateway Reviews are **not an audit or replacement for a Delivery Agency's internal governance.**

Every NSW Government agency should have its own governance structures and resources in place to undertake internal reviews and regularly track and report on its portfolio of projects.

WHY DO GATEWAY REVIEWS

The NSW Government requires visibility across the government's capital program and assurance that expected services and benefits will be delivered on time, to budget and in line with government policy. The government also expects project issues and risks to be transparent, with Delivery Agencies acting on and mitigating

problems before there is an impact on the community and stakeholder outcomes. GATEWAY REVIEW PROCESS PRINCIPLES

- The Review Team members are selected for their skillset and as far as practicable match to the project’s type, needs, stage, scale and complexity.
- The workbook structure, Terms of Reference and report template are followed by the Review Team.
- All parties focus on value-adding to the project.
- Review Report commentary and recommendations are focused on practical issues and outcomes.







CONDUCTING A GATEWAY REVIEW

Gateway reviews for Gates 1 to 5 follow the same format; the indicative steps and timeframes are shown in the following table:

STEP	ACTIVITY	
1	Project approaches milestone, Delivery Agency checks readiness for Gateway Review and contacts the GCA.	Planning
2	GCA Review Manager and the Delivery Agency confirm the Review dates.	
3	GCA Review Manager confirms and appoints Reviewers.	
4	GCA Review Manager prepares the Terms of Reference in discussion with the Delivery Agency.	
5	Delivery Agency completes the required templates (see Part B) and provides them to the GCA Review Manager.	
6	Delivery Agency uploads Review documents to GCA data room.	
7	Review documents are released to the Review Team.	Week 1
8	Project briefing (Review planning day) including site visit hosted by the Delivery Agency.	Week 2
9	Review days (hosted by the Delivery Agency – up to 3 days if required). <ul style="list-style-type: none"> • Day 1 – Interviews • Day 2 & 3 – Interviews / report preparation / debrief. The time required should be agreed in discussion between the GCA Review Manager, Delivery Agency and the Review Team Leader.	Week 3
10	Review Team finalises the Review report for the GCA.	Week 4
11	Delivery Agency debrief (usually attended by the GCA) to the Senior Responsible Officer (SRO).	
12	Report and recommendations table goes to the Delivery Agency for fact check and responses to the recommendations.	Week 5
13	Fact checked report and responses to the recommendations sent to the GCA by the Delivery Agency.	
14	Report incorporating responses to recommendations finalised by the GCA.	Post Review
15	Post Review survey sent out to Delivery Agency, Review Team members and GCA Review Manager.	
16	Close-out Plan issued to Delivery Agency by the GCA.	

KEY FOCUS AREAS

At the conclusion of the Review, the Review Team will rate the project against each of the 6 Key Focus Areas.

KEY FOCUS AREA		DESCRIPTION APPLICABLE TO GATEWAY
	SERVICE NEED	Identification of the problem or opportunity and the service need, along with the drivers for change. Demonstrated alignment to government policy or strategy and evidence of demand for the potential new services or enhancements.
	VALUE FOR MONEY AND AFFORDABILITY	Ensure value is delivered by maximising benefits at optimal cost. Evidenced by a clearly defined scope, a cost benefit analysis and a robust cost plan to an appropriate level of detail for the lifecycle stage of the project. An assessment of potential or confirmed sources of funds. The whole-of-life, capital and operational cost impacts have been considered.
	SOCIAL, ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY	Understanding the long-term impacts, opportunities and obligations created by the project. These can be social, environmental and economic. Ensuring the project delivers a positive legacy for the community. Areas explored include: socio-economic equity; impacts on First Nations people or communities; resilience to climate change; effective place making; integration with broader asset networks; asset adaptability (including technological change); interface with heritage reduction in operating and embodied carbon emissions; and the robustness of the project's planning approvals processes.
	GOVERNANCE	The project and program governance is robust. Clear accountabilities, responsibilities and reporting lines are identified and decision-making and approvals are appropriate and understood. The Senior Responsible Officer and project team have the culture, capability and capacity required.
	RISK MANAGEMENT	Ongoing identification and active management of risks and opportunities using a structured and formal methodology.
	STAKEHOLDER MANAGEMENT	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project lifecycle.

REVIEW RATINGS

The Review Team will assign the project an overall confidence rating:

OVERALL RATING CONFIDENCE LEVEL THAT THE PROJECT IS BEING EFFECTIVELY DEVELOPED AND DELIVERED IN ACCORDANCE WITH THE GOVERNMENT'S OBJECTIVES	
HIGH	For this stage of the project, the Review Team is confident that successful development/delivery of the project to a clear purpose, scope, time estimate, cost estimate and benefits appears likely and there are no unmitigated risks that threaten successful delivery.
MEDIUM	The Review Team is confident that successful development of the project is feasible but would benefit from improvements in justification of the purpose, options analysis, time estimate or cost estimate.
STRESSED	The Review Team lacks confidence in the successful development of the project. There is insufficient evidence to demonstrate a robust options analysis, time estimate or cost estimate suitable to this stage of the project. Purpose and benefits are underdeveloped or not clear. The project's development requires urgent senior executive attention.
LOW	At this stage of the project, the Review Team has no confidence that successful development/delivery of the project to a well justified purpose, clear scope, time estimate or controlled cost is achievable. There is evidence that the future viability of the project is in doubt and it requires urgent senior executive attention.

The Review Team will also rate each of the Key Focus Areas:

KEY FOCUS AREA RATING HOW THE KEY FOCUS AREA HAS BEEN ADDRESSED AND WHAT RISK DOES IT POSE TO PROJECT DEVELOPMENT AND DELIVERY CONFIDENCE	
STRONG	There are no major outstanding issues that appear to threaten benefit realisation, risk management and project scope definition.
ACCEPTABLE	There are issues that can be addressed and are manageable, however require timely management attention.
WEAK	There are significant issues that may jeopardise the successful delivery of the project.

RECOMMENDATION RATINGS

Recommendations made by the Review Team will receive a rating, indicating level of urgency for the project:

RECOMMENDATION RATING EACH RECOMMENDATION OF THE REVIEW TEAM IS RATED ACCORDING TO ITS URGENCY AND CRITICALITY	
RECOMMENDED (DO)	The recommendation should be assessed by the Project Team for its potential to enhance the project and appropriate action should be taken.
ESSENTIAL (DO BY)	The recommendation is important but not urgent. The SRO should take action before further key decisions are taken.
CRITICAL (DO NOW)	This item is critical and urgent. The SRO should take action immediately. It means "fix the key problems fast, not stop the project." 'Clearance of Gateway' will not be provided by the GCA until this recommendation has been actioned.

GATE 1

GATEWAY WORKBOOK

Part A

FOR DELIVERY AGENCIES AND REVIEW TEAMS
Background on NSW Gateway and the risk based approach to project assurance

PART A

INFRASTRUCTURE INVESTOR ASSURANCE IN NSW

The NSW Government has adopted a formal Assurance Framework for capital infrastructure projects valued at or over \$20 million. The Framework is detailed in the Infrastructure Investor Assurance Framework (IIAF), as endorsed by NSW Cabinet in June 2016.

The Assurance Framework takes a risk-based approach to investor assurance. Each project is assigned one of four risk-based Project Tiers (considering risk criteria as well as the value and profile of the project), and this determines the potential assurance pathway for the project. For projects assessed to have higher risk/profile/value, the assurance pathway prescribes progressively greater levels of scrutiny.

There are three components of the assurance pathway for every project or program. These components are complemented by a fourth 'Improving Outcomes' initiative that seeks to enhance overall delivery of capital infrastructure programs and projects across government by sharing good practice and lessons learnt.



GATEWAY REVIEWS, HEALTH CHECKS AND DEEP DIVE REVIEWS

Gateway Reviews are short, focused and independent expert Reviews held at key points in a project's lifecycle. They are appraisals of infrastructure projects that highlight risks and issues which, if not addressed, may threaten successful delivery. Gateway Reviews are supported by periodic Health Checks which assist in identifying issues which may emerge between decision points. Deep Dives are conducted at any stage of a project's lifecycle but focus on a few major issues that have been identified and are based on the Terms of Reference prepared by the GCA. Health Checks and Deep Dives, when required, are carried out by an independent expert review team.

Capital Portfolio Health Checks are periodically conducted into Delivery Agency capability and capacity to prioritise and manage the agency's entire capital infrastructure program. The focus is on portfolio management, rather than individual projects or programs of works.

The results of each Gateway Review, Health Checks and Deep Dives are presented in a report that provides a snapshot of the project or program's progress for the purposes of reporting to Cabinet and with recommendations to strengthen program and project outcomes.

REGULAR PROJECT REPORTING

Regular project reports are submitted through the NSW Assurance Portal on either a monthly or quarterly basis, depending on the Project Tier, and focus on progress against time, cost and other risks.

PROJECT AND PROGRAM MONITORING

The GCA monitors projects and programs through regular reporting (including mitigation plans for projects at risk), close-out of the Gateway Review Report Recommendations and general day-to-day interactions with Delivery Agencies.

IMPROVING OUTCOMES

Infrastructure NSW seeks to share lessons learnt and good practice across Delivery Agencies. A number of forums have been established to bring together practitioners to share their insight of the development, procurement and delivery of capital infrastructure projects and programs.

PART A

RISK-BASED APPROACH TO INVESTOR ASSURANCE

The IIAF, in taking a risk-based approach, means that Gateway Reviews are not applied as a ‘one-size fits all’ requirement to all projects.

Registration is mandatory for all capital infrastructure projects including programs, with an Estimated Total Cost (capital cost) of \$20 million or greater. It is the Delivery Agency’s responsibility to register projects.

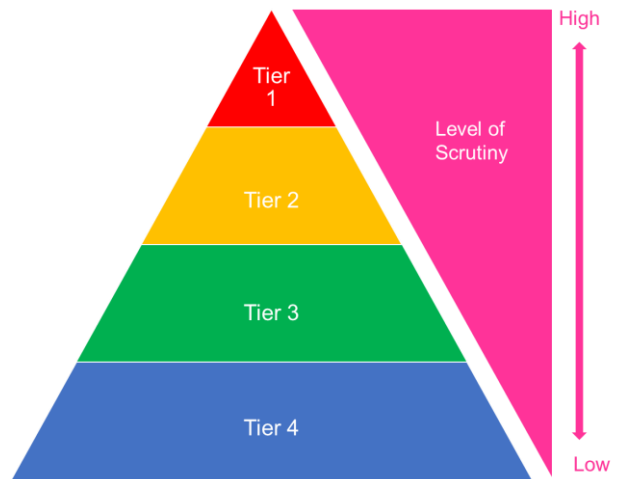
Minimum mandatory requirements on projects to undertake Gateway Reviews are primarily based on the Project Tier determined when the project is registered through the NSW Assurance Portal.

Projects are assigned one of four Project Tiers; 1 to 4, with Tier 1 being the highest profile and risk. Greater intensity/scrutiny is placed on those projects that need it most (i.e. Tier 1) through a greater frequency of Gateway Reviews, Health Checks, regular reporting and project monitoring.

The assurance pathway is determined at project registration but may change over time through discussions between the GCA and Delivery Agency. The assurance pathway must meet the minimum requirement for Gateway Reviews outlined in the IIAF, unless specific authorisation is received through the GCA.

The overarching objective of applying Gateway Reviews in this way is to ensure that the appropriate level of attention is given to projects as they are developed and delivered so that government can optimise the community benefits.

Collectively the infrastructure projects that an agency is prioritising, developing, procuring or delivering make up its capital portfolio. Agencies are expected to have robust portfolio and program management practices in place to manage issues and risks for both individual projects and across their capital portfolios.



APPLICABLE NSW POLICY

The Gateway Review process aligns with current NSW Government policy and strategies. Delivery Agencies should ensure projects meet latest NSW Government policy and guidelines. Examples of these policies and guidelines include the current versions of:

- NSW Gateway Policy (TPG22-12)
- Infrastructure Investor Assurance Framework (IIAF)
- NSW Government Sector Finance Act 2018
- NSW Government Capability Framework
- NSW Government Cost Control Framework (CCF)
- NSW Government Business Case Guidelines (TPG24-29)
- Fast Track Business Case and Assurance for Government Capital Commitments (TPG24-30)
- First Nations Investment Framework (TPG24-28)
- Asset Management Policy for the NSW Public Sector (TPP19-07)
- NSW Government Guide to Cost Benefit Analysis (TPG23-08)
- Policy and Guidelines: Evaluation (TPG22-22)
- Benefits Management Guide (TPG24-31)
- NSW Public Private Partnership Policy and Guidelines (TPG22-21)
- NSW Government Procurement Policy Framework (April 2022)
- Public Works and Procurement Amendment (Enforcement) Act 2018
- NSW Procurement Board Directions Enforceable Procurement Divisions
- Australian Government Assurance Reviews and Risk Assessment (Department of Finance).

PART A

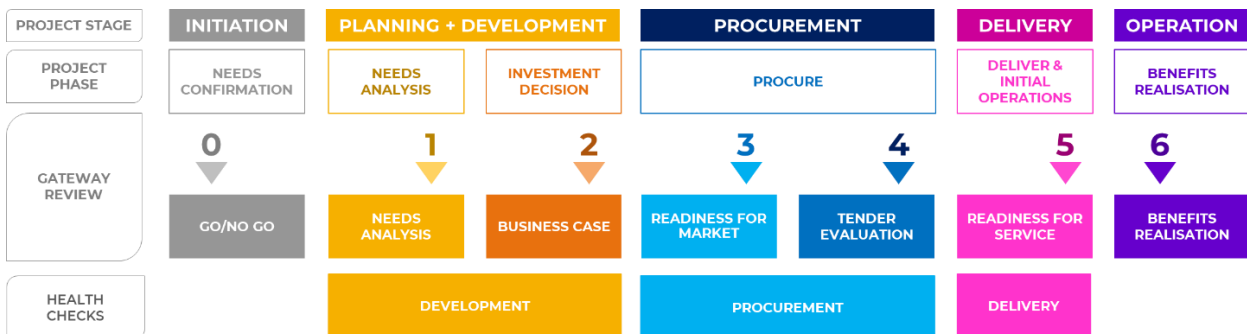
OVERVIEW OF GATEWAY REVIEW

Gateway Reviews are short, focused and independent expert Reviews into the progress and direction of a project at key points in its lifecycle.

Each of the seven Gates in the IIAF occur at a point within a project phase, timed to inform government decision-making and project progression.

GATE	NAME OF GATE	LIFECYCLE STAGE	PROJECT PHASE	INFORMS
GATE 0	GO/NO-GO	INITIATION/ FEASIBILITY	NEEDS CONFIRMATION	Proceeding to develop the options analysis
GATE 1	STRATEGIC OPTIONS	PLANNING & DEVELOPMENT	NEEDS ANALYSIS	Assessment and Evaluation of viable options
	PROGRESSION	PLANNING & DEVELOPMENT	NEEDS ANALYSIS	Proceeding to develop the Full Business Case
GATE 2	BUSINESS CASE	PLANNING & DEVELOPMENT	INVESTMENT DECISION	The Investment Decision
GATE 3	READINESS FOR MARKET	PROCUREMENT	PROCURE	Readiness to release procurement documentation
GATE 4	TENDER EVALUATION	PROCUREMENT	PROCURE	Robustness of the evaluation process and readiness to mobilise
GATE 5	READINESS FOR SERVICE	DELIVERY	DELIVERY & INITIAL OPERATIONS	Readiness of the asset to enter service/operations
GATE 6	BENEFITS REALISATION	OPERATION	BENEFITS REALISATION	Benefits promised have been delivered

Bringing it all together, the relationship of the Gates to the project lifecycle stages and phases can be represented as:



PART A

GATEWAY REVIEW PROCESS

The Gateway Review process integrates project development and delivery processes with informed decision-making. Each Gate has a clear purpose reflecting the increasing requirement for certainty as a project moves through its lifecycle.

The Gateway Review process also includes 'Health Checks' and 'Deep Dives', which are Reviews conducted at any point through the project lifecycle.

All Gates, Health Checks and Deep Dives include the involvement of an Independent Expert Reviewer, Review Team Lead and/or Review Team. These individuals are appointed by the GCA based on their independence from the project, experience and expertise.

GATE 0 – PROJECT INITIATION

As project development is at an early stage in the project lifecycle, Gate 0 Go/No-Go Gateway Reviews have a relatively narrow focus compared to later Gateway Reviews and Health Checks. The Gate 0 Review is undertaken by the GCA's Gate 0 Committee shortly following the registration of the project. The Gate 0 Review focuses on how well the project fits with government priorities, the criticality of its service need and how well it is aligned to the Delivery Agency's Asset Management Plan or equivalent.

GATES 1 TO 5 – PROJECT DEVELOPMENT AND DELIVERY

Gateway Reviews (Gates 1 to 5) are independent expert Reviews conducted over a short period. The structure of each of these Reviews is similar and focused on high value areas that have greatest impact on successful project development and delivery. For Tier 1 and 2 projects a Progression Assessment may be required at Gate 1 to ensure the project is aligned with Government commitments and priorities.

The Key Focus Areas support a consistent structure in undertaking Gateway Reviews and preparing Review Reports. Review Report commentary and recommendations are intended to address the Key Focus Areas, the Terms of Reference and be constructive in raising issues essential to the project's success.

HEALTH CHECKS AND DEEP DIVE REVIEWS

Health Check Reviews are similar to the Gateway Reviews (Gates 1 to 5) and follow the same format to address and rate overall delivery confidence as well as each of the Key Focus Areas. The customisation of the Health Check is achieved using the appropriate Health Check Workbook and Terms of Reference.

For some projects, Health Checks are conducted at regular intervals (every six to nine months) during the Delivery stage of the project lifecycle. Health Checks during other lifecycle stages are generally only conducted upon request by Government, the GCA, NSW Treasury or the Delivery Agency.

Capital Portfolio Health Checks are periodically conducted into a Delivery Agency's capability and capacity to prioritise and manage the agency's entire capital infrastructure program. The Key Focus Areas are different to the other Gateway and Health Check workbooks to reflect the assessment of the program and portfolio management requirements.

Deep Dive Reviews have a limited Terms of Reference and do not cover all Key Focus Areas, instead they examine and report on a specific or detailed technical issue(s).

GATE 6 – BENEFITS REALISATION

The purpose of the Gate 6 Benefits Realisation Report is to support the close-out of the delivery stage into operations and to assess the successful delivery of the purpose and benefits of the government's investment in the project. The Report is to be finalised four to eight months from first operations commencement date.

Instead of a Review Team, the GCA appoints an independent expert Lead Reviewer to work with the responsible agencies to complete the Gate 6 Report. The Gate 6 Report follows a structured template. The most appropriate agency leads the preparation of the initial draft and then the Lead Reviewer finalises the draft content of the Report, including the overall rating and recommendations. The Lead Reviewer then provides the Gate 6 Report to the GCA for review and finalisation.

PART A

GATEWAY REVIEW REPORTS

The primary output of the Review is a high-quality written report which follows the appropriate Gateway Review Report template and incorporates an Executive Summary, commentary on each of the Key Focus Areas, Gateway Review Ratings, the Recommendations Table, and observations of good practice or areas for opportunity. The Review Report will also cover other matters identified in the Terms of Reference.

The Review Team provides a rating of how well the project team has addressed each Key Focus Area and an overall rating of the level of confidence in the project's development and delivery. The primary purpose of the Review Report is to inform the NSW Government of project progress and key issues impacting decision-making. The Review Report, once finalised by the GCA, is provided to the NSW Cabinet. The Delivery Agency is expected to act on the recommendations documented in the Review Report.

REPORT DISTRIBUTION

- Gate 1 Reports are Cabinet documents.
- Review Team Members must not distribute copies of any versions of Review Reports directly to Delivery Agencies, project teams or any other party.
- The Review Team Leader sends the draft Review Report to the GCA for distribution.
- The Review Report must not be distributed outside of the responsible Delivery Agency until the report is finalised, including agency responses to the Review Recommendations.
- Copies of final Review Reports (including agency responses to the Review Recommendations) are only distributed by the GCA in accordance with the protocols outlined in the IIAF.
- The final Review Report must not be distributed to any other parties unless directed by the Delivery Agency Head or delegate of the GCA. No Report may be distributed outside the NSW Government by either the GCA or Delivery (or Accountable) Agency Head, unless permission is explicitly granted by the Chief Executive of Infrastructure NSW.
- The Delivery Agency Head or delegate may distribute the final Review Report at their discretion, having regard to the confidential nature of the Report – but this does not include outside the NSW Government.

CLEARANCE OF GATE

Following the conclusion of the Gateway and Progression Assessments, and the finalisation of the Review Report, the Delivery Agency can request a 'Clearance of Gate' Certificate from the GCA. 'Clearance of Gate' will be determined by the GCA.

The Certificate confirms the Gateway Review has been completed for a particular stage and that an appropriate Close-out Plan is in place to assist with project development or delivery. The Certificate is not a Gateway Review approval or an endorsement of the project.

To achieve a 'Clearance of Gate' the Delivery Agency must:



- respond appropriately to the Review Recommendations (to the satisfaction of the GCA)
- address all CRITICAL Review Recommendations (to the satisfaction of the GCA).

Delivery Agencies do not have to request a 'Clearance of Gate' Certificate but its absence does not negate the mandatory requirement on a Delivery Agency to respond to and act upon the Review recommendations.

WHAT GATEWAY REVIEWS DO NOT DO

A Gateway Review is not an audit. The Reviews are intended to be confidential and constructive, providing an expert assessment of a project's status.

Delivery Agencies should note that Gateway Reviews will not:



- represent a government decision in relation to funding, planning, approvals or policy
- make an enforceable recommendation to halt a project
- quality check or provide direct detailed assessment of management plans and project team deliverables
- provide a forum for stakeholders or other parties to inappropriately disrupt the direction or nature of a project

PART A

- provide a detailed mark-up of management plans and specific project team deliverables.

ROLES WITHIN A GATEWAY REVIEW

The typical roles within a Gateway Review are outlined below:

ROLE	DESCRIPTION
Gateway Coordination Agency (GCA)	<p>The agency identified in the NSW Gateway Policy as responsible for the Gateway Review processes, procedures, advice and reporting for either infrastructure, recurrent or ICT projects.</p> <p>The Gateway Coordination Agency (GCA) administers the Gateway Review process for the nominated asset type (capital infrastructure, ICT or recurrent). The Head of Investor Assurance within the GCA ensures systems, processes and resources are in place to facilitate successful Gateway Review processes and outcomes. The GCA is responsible for providing reports, briefings and commentary to the NSW Cabinet on the outcomes of Gateway Reviews.</p>
GCA Review Manager	<p>The senior GCA representative responsible for guiding the implementation of the Gateway Review. The GCA Review Manager has Cabinet level reporting responsibilities for project assurance. The GCA Review Manager directs and manages the process of the Review, but does not participate in the Review itself.</p>
Delivery Agency Head	<p>The Secretary or CEO of the Delivery (or Accountable) Agency responsible for the project.</p>
Senior Responsible Officer (SRO)	<p>The Delivery Agency's nominated senior executive with strategic responsibility and the single point of overall accountability for a project. The SRO receives the Review Report from the GCA for action, is debriefed by the Review Team Leader and the GCA Review Manager following the Review. The SRO may also be referred to as the Project Sponsor. SROs are not to contact the Review Team outside the protocols set by the GCA, including following the Review.</p>
Delivery Agency's Project Director	<p>The Delivery Agency's nominated Project Director arranges access to the relevant project documentation and drafts the interview schedule for the Review Team. The Project Director takes an active part in the Gateway Review interviews and assists in responding to the GCA Review Manager and Review Team requests. The Project Director must ensure they and their team do not initiate contact with the Review Team outside the protocols of the Review. There is no 'informal' communication permitted.</p>
Review Team Leader (RTL)	<p>The RTL is appointed by the GCA Review Manager and leads the independent Review Team for the Review. The RTL acts as Chair for the Project Briefing and interview days and has primary responsibility for delivering a high quality, consolidated Review Report using the appropriate template.</p> <p>The RTL acts as the point of contact between the Review Team and the GCA Review Manager. If agreed by the GCA Review Manager, the RTL may act as the liaison between the Review Team and the Delivery Agency's SRO and/or Project Director, however, this only extends to logistics to organise reviews or clarify Review Team requirements. There is no 'informal' aspect to Reviews and specifics of the Review Report commentary or recommendations are not to be discussed outside the protocols set by the GCA, including with Agency Heads or SROs. The RTL provides the debrief to the GCA and the Delivery Agency's SRO on behalf of the Review Team.</p>
Review Team Member	<p>Provides the benefit of their independent and specialist expertise and advice in the Review of the project, focusing on issues appropriate to the project's lifecycle stage and the level of development and delivery confidence. Each Review Team Member participates in the project briefing and interviews and contributes to the Review Report and recommendations.</p>
Sponsor Agency	<p>The agency which secures the funding, owns the business case, is responsible for specifying the asset requirements, ensures the project remains strategically aligned and viable and ensures benefits are on track.</p>
Stakeholder	<p>Organisations, groups or individuals, either internal or external to government, that are impacted by the project and may be interviewed at the discretion of the Review Team Leader.</p>

GATE 1

GATEWAY WORKBOOK

Part B

FOR DELIVERY AGENCIES

Initiating and preparing for a Gateway Review

PART B

HOW TO USE PART B

PART B assists Delivery Agencies prepare for the Gateway Review, including collating documentation and preparing for the project briefing and interviews.

GATE 1 – ROBUST OPTIONS ANALYSIS

GATEWAY REVIEW	PLANNING + DEVELOPMENT	<p>The Gate 1 Review investigates the Delivery Agency’s readiness to proceed to preparing the Full Business Case. At the Gate 1 Review there should be clear evidence to support the service need and demonstrate that a robust options analysis has been undertaken to address the service need on a value for money basis.</p> <p>Gate 1 falls within the Needs Analysis phase of a project’s Planning and Development stage. This includes detailed identification of impacts, stakeholder engagement, definition of the benefits sought and generation of possible solutions.</p> <p>Gate 1 Gateway Reviews require documentation to demonstrate an evidence-based approach, addressing project risk and consideration of best value options.</p> <p>There should be a significant knowledge base regarding project impacts and needs.</p> <p>The NSW Government Business Case Guidelines (TPG24-29) and the NSW Government Guide to Cost-Benefit Analysis (TPG23-08) should guide the options analysis to define the benefits sought, risk management, impacts and affordability assessment.</p>	<p>GUIDE TO COST-BENEFIT ANALYSIS</p> <p>The most current NSW Treasury Guide includes how to undertake a Rapid Cost-Benefit Analysis and should be followed in calculating a BCR and NPV for the options.</p>	
	NEEDS ANALYSIS			<p>FOR FURTHER DETAILS</p> <p>NSW Government Evaluation Guidelines</p> <p>NSW Government Business Case Guidelines</p> <p>NSW Government Guide to Cost-Benefit Analysis</p>
	STRATEGIC OPTIONS			
KEY QUESTION	HOW WELL HAS THE PROJECT ANALYSED A RANGE OF OPTIONS TO MEET THE SERVICE NEED AND MAXIMISE BENEFITS AT OPTIMAL COST?			
REVIEW DELIVERABLE	WELL DEFINED SERVICE NEED EVIDENCE OF HOW THE PROJECT SCOPE MEETS THE SERVICE NEED OPTIONS ANALYSIS APPROPRIATE LEVEL OF COST BENEFIT ANALYSIS			

Technical investigations can be costly and time consuming. A guiding principle when deciding how much technical investigations are needed, and at what stage of project development, is whether the information is critical to support an investment decision. Investigations should occur as late as possible in the process, so costs can be avoided if the proposal does not proceed. Detailed design, technical specifications or planning consent materials, beyond those required to develop a reasonable estimate of costs, are not required.

Options, scope or design for wider works, such as future corridor or network expansions, should not be included. Analysis of future network impacts should be limited to what’s needed to identify a need for future options or expansions. A Cost-Benefit Analysis is required for the options being considered. Cost effectiveness analysis may be used as an alternative to CBA in limited circumstances. See the Business Case Guidelines for further details.

The Review Report will provide commentary on the approach taken to develop the preferred option(s), and recommendations on any further analysis required before progressing to Full Business Case development.



PART B

GATE 1 GATEWAY REVIEW AND DOCUMENTS

The Delivery Agency is responsible for initiating a Gateway Review at the appropriate time. Agencies should seek authorisation from the agency's governance structure and the Gateway Review should be led by the Delivery Agency's SRO.

Review Teams require evidence that work has been completed, but documentation should not be created solely for a Gateway Review. It is intended that Delivery Agencies **use existing project documentation**.

MANDATORY DOCUMENTS



- Project presentation providing an executive overview of the project.
- Document outlining the completed options analysis.
- Document presenting the option(s) that are to be taken through to Full Business Case.
- Document outlining the cost to develop a Full Business Case (including cost of design, stakeholder engagement and proposed technical studies informing the Full Business Case).
- Cost-Benefit Analysis with Benefit-Cost Ratio (BCR) and Net Present Value (NPV) of the options taken to Full Business Case.

REQUIRED INFORMATION

At Gate 1, documents should exist that include information relating to strategic options development and analysis. The table below highlights the information required to assess the project against the 6 Key Focus Areas. In collating the documents, it may also be useful to refer to Part D of this workbook.

The Delivery Agency must complete a document register for the Review Team. Typically, no more than 30 documents that are most relevant to the project, should be loaded into the data room.

REQUIRED INFORMATION DOCUMENTED TO SUPPORT GATE 1

Description and analysis of the service need, problem and future demand relevant to the project.
Evidence of development and confirmation of project objectives in line with government policy.
Description of options identification, selection and assessment process supporting a clear rationale for selecting the preferred option(s).
Demonstrated understanding of project benefits and impacts (incl. cumulative) including evaluation of social, economic and environmental impacts and potential recurrent and whole-of-life costs.
Demonstration of appropriate Cost-Benefit Analysis (including Benefit-Cost Ratio (BCR) and Net Present Value (NPV) analysis).
Evidence of project development resourcing and funding plans, including to support project progression to Full Business Case.
Evidence that strategic place making requirements are supported as part of the options development and assessment.
Structure of the current and proposed project team including roles and responsibilities and a description of the outline resourcing strategy to meet future needs (governance structure).
Description of identification and engagement of stakeholders demonstrating management of issues, impacts and concerns.
Evidence risks are being identified, considered and actively managed (live risk register or matrix) including commentary on the key risks likely to influence a 'Go/No Go' decision.
Evidence that interdependencies with other projects (incl. those of other relevant agencies) and impacts on existing services and networks that may occur as a result of the project (including through delivery/construction) are being identified and investigated.
Relevant agency Asset Management Plan that highlights service need gap (mandatory).

PART B

Relevant agency Strategic Asset Management Plan that links the service need gap to a strategic asset management objective (suggested).

TEMPLATES TO BE COMPLETED

Prior to the commencement of the Review, the Delivery Agency will need to complete the following templates and supply them to the GCA Review Manager.

Each of these templates is available with other Review documentation on the Infrastructure NSW website.

- Project briefing agenda.
- Interview schedule.
- Interviewee list.
- Document register.

Infrastructure NSW

GATEWAY REVIEW
Gate 1 Strategic Options

[project]
(date and location)

PROJECT BRIEFING AGENDA

Review Team Members (names of Review Team members)
GCA Review Manager (name of GCA Review Manager)

TIME	FOCUS	REPRESENTATIVE
9:00 – 9:15	Introduction	GCA Review Manager
9:15 – 9:30	Introduction of the Project or Program Problem identification Fit with NSW Government Policy or Program	Senior Responsible Officer (SRO)
9:30 – 10:30	Overview of the facilities and assets	Project Director
10:30 – 11:15	Site Visit (if requested by GCA)	ALL
11:15 – 11:30	BREAK	ALL
11:30 – 13:00	Summary overview of how each of the 7 Key Focus Areas have been addressed: <ul style="list-style-type: none"> • Service need • Value for money and affordability • Social, environmental and economic sustainability • Governance • Risk management • Stakeholder management • Asset owner's needs and change management 	Project Team
13:00 – 13:30	WORKING LUNCH – Discussion of interview schedule	Project Director
13:30 – 14:00	Review Team discussion	Review Team Only

CONTACT DETAILS:
(name of delivery agency contact for day)
(mobile number of delivery agency contact)

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Infrastructure NSW

GATEWAY REVIEW
Gate 1 Strategic Options

[project]

INTERVIEWEE LIST

PERSON	ORGANISATION	ROLE	EMAIL / PHONE

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Infrastructure NSW

GATEWAY REVIEW
Gate 1 Strategic Options

[project]
(date and location)

INTERVIEW SCHEDULE

[DAY AND DATE] (DAY 1)

TIME	NAME AND POSITION OF PARTICIPANTS	DETAILS	KEY FOCUS AREA
9:00 – 10:00	Senior Responsible Officer (SRO) Deputy Secretary / GM Planning Deputy Secretary / GM Operations	<ul style="list-style-type: none"> • Identify need and problem being solved • Assessment of alternatives to meet the need • Delivery agency executive endorsement • Benefits of the project for the delivery agency and stakeholders 	ALL
10:00 – 10:45	Project Director Assistant Design Manager	<ul style="list-style-type: none"> • Asset design and access overview • How the asset fits in with its network / asset making • Overview of options 	Service Need
10:45 – 12:45	Project Director SRO Analyst Quarry Supervisor (Cost Planner) Treasury Representative	<ul style="list-style-type: none"> • Economic appraisal • Financial analysis of options • Cost-Benefit Analysis: qualitative and qualitative • Source of funds 	Value for Money and Affordability
12:45 – 13:15	LUNCH BREAK		
13:15 – 15:00	Planning Approvals Network manager Operative Representative	<ul style="list-style-type: none"> • Whole-of-life: cost sustainability • Planning approval progress • Environmental impacts • Place making and sustainability integration 	Social, Economic and Environmental Sustainability
15:00 – 17:00	Senior Responsible Officer (SRO) Chair of Steering Committee Program Manager Project Director	<ul style="list-style-type: none"> • Project oversight structure • Delivery agency capability and capacity • Project team structure and capability • Responsibilities and authorities • Delivery agency governance policies 	Governance

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GATEWAY REVIEW
Gate 1 Strategic Options

[project]

DOCUMENT REGISTER

DOCUMENT NAME	DATE	CONTEXT / PURPOSE

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PART B

GUIDANCE FOR THE NUMBER OF OPTIONS PRESENTED

The presentation of a robust options analysis is a critical element at Gate 1.

The methodology and process for the identification and investigation of a wide range of options and subsequent selection of a smaller number of options should be robust. Non-infrastructure solutions must form part of the options analysis.

The number of options presented at Gate 1 and proposed for investigation in the Full Business Case is at the Delivery Agency’s discretion. At Gate 1, each option presented must be accompanied by an appropriate level of Cost-Benefit Analysis (including Benefit-Cost Ratio (BCR) and Net Present Value (NPV) analysis).

All options should be compared to a base case, may be a or ‘do minimum’ scenario. Guidance on the appropriate base case can be found in the NSW Government Guide to Cost-Benefit Analysis.

INITIATING THE GATEWAY REVIEW

The Delivery Agency contacts the relevant GCA Review Manager to initiate the Review.

On initiation of the Review, the GCA will draft the Terms of Reference and appoint the Review Team. The Delivery Agency uses this time to collate project documentation and coordinate interviewees. The Review commences with the release of the project documents to the Review Team. This is followed by the project briefing and site visit, and interviews.

The Delivery Agency and GCA Review Manager will discuss and agree:

- dates for the project briefing and interview day(s)
- any urgency in the completion of the Gateway Review Report
- any issues to be covered in the Terms of Reference
- any nominations for Review Team Members (which may or may not be agreed by the GCA).

TERMS OF REFERENCE FOR THE REVIEW

The GCA will determine the Terms of Reference for the Gateway Review in consultation with the Delivery Agency and provide them to the Review Team prior to the commencement of the Review. The Terms of Reference provide the Review Team with important project-specific information and identify aspects of the project that the GCA and/or Delivery Agency see as issues. The Terms of Reference should be used in conjunction with the appropriate Gateway Review Workbook and overlap between the Terms of Reference and the Workbook should be avoided.

Delivery Agencies should collate sufficient evidence and schedule appropriate interviewees to address the Terms of Reference.

GATEWAY REVIEW
Gate 1 Strategic Options
Infrastructure NSW

GATEWAY REVIEW TERMS OF REFERENCE

PROJECT: [Name in portal]

GATE: Gate 1 Strategic Options **PHASE:** Needs Analysis

DELIVERY AGENCY: [Delivery agency responsible for project]

CLUSTER: [Cluster delivery agency belongs to]

SRO: [SRO name] **EMAIL:** [SRO email]

The Review will be conducted in line with Infrastructure NSW’s mandate to provide investor assurance for infrastructure projects valued at or over \$10M and in accordance with the Gate 1 Gateway Review Workbook. The Review Report produced following this Review is primarily for the consideration of and noting by, the NSW Cabinet. The Terms of Reference form part of the Review Report.

PROJECT BACKGROUND

[Project scope]

[Objective and intended outcomes]

GATEWAY TIMING

The timing of the Gateway Review is:

ACTIVITY	DATE
Documents to Reviewers	[Enter date: dd/mm/yy]
Project Briefing (half day)	[Enter date: dd/mm/yy]
Interview Days (all day)	[Enter date: dd/mm/yy]
Report and Recommendations Table from Reviewers	[Enter date: dd/mm/yy]
Final Report with delivery agency responses	[Enter date: dd/mm/yy]

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PART B

PROJECT BRIEFING AGENDA

The project briefing is held approximately one week after the release of the Review documentation and one week prior to the interviews.

The Delivery Agency prepares the Project Briefing Agenda and provides it to the GCA. The Delivery Agency organises the venue and the GCA Review Manager issues diary invitations. The project briefing should include a site visit if requested by the GCA or Review Team Lead.

A Project Briefing Agenda template is included in the Gate 1 suite of documents. This template is only provided as guidance and the Delivery Agency may change the agenda as appropriate.

PARTICIPATION AND INTERVIEWS

The Delivery Agency prepares an interview schedule and provides it to the GCA Review Manager and the Review Team for comment. The Review Team has discretion over the final list of interviewees and, if they deem necessary, can request additional interviewees, which the agency must then arrange. The interviewees nominated should be appropriate to cover each of the six Key Focus Areas and the Terms of Reference.

The Delivery Agency must complete an interviewee list for the Review Team and for inclusion in the Review Report. The interviewee list and schedule templates are included in the Gate 1 suite of documents. Typically, interviewees for Gate 1 will include:

- Senior Responsible Officer
- Senior Delivery Agency representatives responsible for capital planning and prioritisation
- Project Manager/Director
- Project team members (Design / Cost Planning / Scheduling / Planning Approvals / Communication)
- Representatives of the intended operator and operations team
- NSW Treasury representatives familiar with the project
- Stakeholders from other agencies or user groups.

An interviewee information sheet is available with the Gate 1 suite of documents on the Infrastructure NSW website and it may be useful for the agency to provide this to interviewees unfamiliar with the Gateway Review process.

DRAFT AND FINAL REVIEW REPORT

The GCA will issue the Delivery Agency SRO or Project Director with a copy of the Draft Review Report that has been prepared by the Review Team.

The agency then ‘fact checks’ the Report and provides marked-up corrections of any factual issues in the commentary. This does not extend to challenging or rewriting Review Team observations, professional opinions or recommendations.

The agency also provides responses to the recommendations made in the Draft Report in the table provided.

Once the fact-check and response to recommendations is complete, the Report is then sent by the Delivery Agency to the GCA for finalisation. The Report only becomes final once the GCA has reviewed and approved the Report. The GCA will send a copy of the final Report to the SRO and it will be included in Assurance Cabinet reporting.

INVESTOR ASSURANCE FRAMEWORK
Gateway Reviews, Health Checks and Deep Dives

Infrastructure NSW

WHAT THE INTERVIEWEE SHOULD KNOW

OVERVIEW

- Gateway is a constructive Expert Peer Review, not an audit.
- An independent Review Team reviews key documents and meets with selected interviewees.
- Interviews usually go for between 30 minutes and an hour.
- Questions will relate to the interviewee's area of expertise and function within the project.
- Questions broadly follow those outlined in the relevant Gateway Review workbook which can be found at: <http://www.infrastructure.nsw.gov.au/project-identification>
- Interviewees inform the Review Team about the project. Review Team members will not discuss their views or findings with interviewees.
- All interviewees are confidential and discussions are not repeated or attributed outside the Gateway process.
- Based on the document review and all the project discussions, the Review Team prepares a report and makes constructive recommendations.

WHO'S WHO IN A GATEWAY REVIEW

Gateway Coordination Agency (GCA) Review Manager – The GCA Review Manager has Cabinet level reporting responsibilities for project assurance. The GCA Review Manager engages the expert Reviewers, prepares the Terms of Reference, and manages the Review process through to finalising the Review Report.

Review Team – The Gateway Review Team members typically three members but can be more or less, are independent of the project. One of the Review Team will be appointed as the Review Team Leader. The Review Team Leader will welcome the interviewees, lead the interview and close when appropriate.

The Review Team will have received background documentation on the project and been briefed by the Project Director prior to the interviews.

INTERVIEWS

The Review Team, in consultation with the GCA, Review Manager and the Senior Responsible Officer, determines who will be interviewed. The time, place and focus of the interviews will usually be organised by the Project Team.

Interviewees include:

- project team members
- business users of the project
- stakeholders internal and external to Government
- officials involved in the project, including consultants and advisors.

Interviewees are selected to provide specific information relevant to the Review. For example, if interviewees provide advice that has been summarised in project documentation, such as a Strategy or Final Business Case, they may be asked to explain the methodology used and/or the assumptions made.

Interviewees may find it useful to bring along background supporting documentation or other useful aids. Occasionally interviewees may be asked to provide further information and this can be provided through the project team to the GCA Review Manager.

The principles of Gateway is that the Review Team provides a high quality report to the GCA and this can only be achieved through the cooperative and open participation of interviewees.

Interviewees are typically 30 minutes to an hour long and conducted in person or by telephone or videoconference if necessary.

REPORT AND RECOMMENDATIONS

The Review Report is confidential and supplied only to the agency's Senior Responsible Officer and to NSW Cabinet.

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GATE 1

GATEWAY WORKBOOK

Part C

FOR REVIEW TEAMS
Conducting a Gate 1 Review

PART C

GATE 1 APPROACH

The Gate 1 Review is conducted **prior to commencing** the development of the Full Business Case for a project.

The Review Team should use this workbook to guide an assessment of the options analysis undertaken and provide a robust commentary against each of the Key Focus Areas. The Review Team should be persuaded the options analysis supports the selection of the preferred project option(s) to be taken through to Full Business Case.

The outcome of the Gate 1 Review will inform government's decision as to whether the project option(s) identified should be progressed to Full Business Case.

GATEWAY REVIEW

The Gateway Review is conducted through an examination of the project documentation provided and interviews with project team members and stakeholders. The Gateway Review is structured around the six Key Focus Areas and is informed by the Terms of Reference.

Typically, a Gateway Review includes:

- project documentation released to the Review Team
- a project briefing and site visit hosted by the Delivery Agency and attended by the SRO and the GCA Review Manager
- interview day(s) hosted by the Delivery Agency
- Review Report drafted by the Review Team for the GCA
- Review debrief with the SRO organised by the Delivery Agency and attended by the Review Team Leader and the GCA Review Manager
- finalisation of the Review Report by the GCA and issue to the Delivery Agency.

GATEWAY REVIEW TEAM

For each Gateway Review the GCA Review Manager selects the Gateway Review Team members (typically three members but can be more or less depending on the Review requirements), from the GCA's established Expert Reviewer Panel. One of the Review Team members will be assigned by the GCA as the Review Team Leader.



Each member of a Review Team must be independent of the project. Reviewers must immediately inform the GCA of any potential or current conflict of interest that arises prior to or during the Review. The Reviewer's participation in the Review may preclude them, and their organisation, from participating in the project in any other capacity. For all Tier 1 projects, members must be industry experts and independent of the NSW Government (i.e. not currently employed by the NSW Government).

The GCA seeks to appoint a Review Team with the mix of skills and expertise to allow the Team to expertly address each of the 6 Key Focus Areas, as relevant to the project stage and the nature of the project. Each member is expected to contribute within their area of expertise, work collaboratively with their Review Team colleagues and take responsibility for producing a high-quality, well written Review Report using the appropriate template.

REVIEW TEAM PRINCIPLES AND BEHAVIOURS

Throughout the Review, the Review Team is expected to add real value to the development and delivery of the project by:



- being helpful and constructive in conducting the Review and developing the Review Report
- being independent, with the Review Report's recommendations not directed or influenced by external parties
- adhering to any Terms of Reference provided by the GCA
- providing a Review Report that clearly highlights substantive issues, their causes and consequences
- providing specific and actionable recommendations.

Gateway Reviews are not adversarial or a detailed assessment of management plans and project team deliverables. Poor or disrespectful behaviour will not be tolerated by the GCA.

PART C

REVIEW COMMUNICATION PROTOCOLS

TOPIC	DETAILS
Report Confidentiality	<ul style="list-style-type: none"> Review Reports are primarily for the consideration and noting of the NSW Cabinet to assist them in making key decisions about the project or to take action as required. All Review Reports are marked “OFFICIAL: Sensitive - NSW Cabinet” and are submitted to Cabinet. All participants must keep all information, including documentation, confidential at all times. Review Team Members must not directly contact the Delivery Agency or stakeholders without the permission of the GCA Review Manager.
Report Distribution	<ul style="list-style-type: none"> Review Team Members must not distribute copies of any versions of Review Reports directly to Delivery Agencies, project teams or any other party. The Review Team Leader sends the final draft of the Review Report to the GCA for review and distribution. There is no ‘informal’ element to a Gateway Review or the Review Report, and action will be taken if a Review Report is distributed without permission of the GCA. The Review Team may not keep any copies of any version of the Review Report, or supporting documents, following submission to the GCA.
Review Debrief	<ul style="list-style-type: none"> The GCA Review Manager and the Review Team Leader will agree on the process and timing to conduct a Review debrief with the Delivery Agency following the development of the Review Report. The GCA Review Manager will approve the agency representatives that attend the debrief and may attend the debrief. There is no ‘informal’ element to Gateway Reviews. A debrief to the SRO or any agency executive must not occur without the approval of the GCA representative.
Report Format	<ul style="list-style-type: none"> All Review Reports must include a document control table. All Review Reports must include a list of people interviewed by the Review Team. All versions of reports issued by the Review Team to the GCA are to be in MS WORD format. The final Review Report issued to the Delivery Agency SRO is to be watermarked as ‘FINAL’ and issued in PDF.
Report Transmittal	<ul style="list-style-type: none"> The GCA is required to keep a record of all parties, noting the Review Report version, to whom reports are issued. All participants should minimise the use of hard copies of Delivery Agency documents and must not keep documents in any form following the Review.

PART C

GATEWAY REVIEW REPORT

The primary output of a Gateway Review is a high-quality written report that is candid and clear, absent of errors and without contradiction and inconsistencies.

The primary purpose of the Review Report is to inform the NSW Cabinet of project status and issues, with recommendations so appropriate action can be taken.

The Review Team should utilise the appropriate Review Report template incorporating the Gateway Review Ratings and the Review Recommendations Table. The Terms of Reference form part of the Review Report.

Review Reports must include:

- Executive Summary that addresses the Review Team’s key findings and includes the recommendations rated as critical and the overall Review Rating with a succinct justification.
- Commentary, including a Rating, on the project’s response to each of the Key Focus Areas.
- Relevant recommendations under each Key Focus Area, listed, justified and rated (consistent with the Ratings Guide).
- Commentary under ‘Other Matters’ for issues that do not fit within the Key Focus Areas (including issues identified in the Terms of Reference).
- Recommendations Table in the format provided by the GCA and including each recommendation with its rating and categorisation by theme (see below).

KEY THEME ASSESSMENT

Infrastructure NSW is required to prepare a report each year on key themes emerging across all reviews. This relies on an analysis of the Review recommendations categorised according to 18 key themes.

At Gate 1, Review Teams are requested to assign one of the 17 key themes to each recommendation made.

THEME	DEFINITION
Quality of the Business Case	<ul style="list-style-type: none"> • Case for change is not clearly articulated or sufficiently succinct and the justification for the investment is not substantiated. • Analysis, assumptions and/or documentation lack rigour, clear articulation is inadequate.
Governance	<ul style="list-style-type: none"> • Governance frameworks are not fit for purpose or understood by team members and/or there is a lack of definition around roles, understanding of responsibilities, decision-making frameworks and single-point accountability. • There is a lack of active senior level support.
Discipline in Risk Management	<ul style="list-style-type: none"> • Key project risks overlooked, missed or not adequately considered, risk management strategy / plan requires strengthening, mitigation measures and contingency management has not been developed or is not up to date.
Stakeholder Engagement	Lack of adequate stakeholder consultation and/or stakeholder views / concerns have not been considered and addressed appropriately.
Benefits Realisation	<ul style="list-style-type: none"> • Benefits are clearly identified, aligned with government priorities and supported by a logic model.
Project Resourcing	<ul style="list-style-type: none"> • The resource plan, including for the next stage in the project lifecycle, has not been developed or resources identified are not adequate, key roles lack appropriate capability and expertise.
Project Management and Reporting	<ul style="list-style-type: none"> • Lack of, or inadequate, project management, scheduling discipline or project controls. • The schedule (program) has not been appropriately developed and is not reflective of the project risks and timing.

PART C

THEME	DEFINITION
Procurement	<ul style="list-style-type: none"> Inadequate procurement strategy, inadequate procurement planning, documentation does not ensure transparency in the decision-making process. Delivery strategy not appropriately detailed and project staging not addressed.
Options Analysis	<ul style="list-style-type: none"> Identification and/or assessment of options to meet service need is inadequate / incomplete. Alternative options, including a realistic base case, are poorly explained / justified. Lack of a clear justification for the preferred option.
Commercial Capability	<ul style="list-style-type: none"> Insufficient rigour, process and accuracy around cost estimates and contingency estimating, planning and management. Funding for the next phase not confirmed or allocated, gaps in project funding, lack of suitable funding strategy.
Approach to Planning and Approvals	<ul style="list-style-type: none"> Planning pathway to achieve planning consent in a timely manner not identified or articulated.
Change Management	<p>Lack of an effective mechanism to identify the changes necessary to achieve project outcomes.</p> <p>Lack of a change management plan / inadequate change management plan.</p>
Sharing knowledge across government	<ul style="list-style-type: none"> Lack of, or inadequate processes to capture and share lessons learnt (errors and successes).
Integration with Precinct and across services	<ul style="list-style-type: none"> Inadequate consideration of interfacing networks, precincts, projects and services.
Understanding Government Processes	<ul style="list-style-type: none"> Relevant NSW Government guidelines, frameworks and processes not considered, employed and/or complied with during project development and delivery.
Clear Project Objectives	<ul style="list-style-type: none"> The project objectives do not align to Government priorities, are not clear and/or do not articulate the service need. The scope, scale and requirements of the project have not been appropriately articulated. The project scope does not align with the project objectives and KPIs have not been developed.
Sustainability	<ul style="list-style-type: none"> Lack of or inadequate consideration, documentation and assessment of the social, economic and environmental impacts of the project.

GATE 1

GATEWAY WORKBOOK

Part D

FOR DELIVERY AGENCIES AND REVIEW TEAMS
Areas for investigation in a Gate 1 Review

WHAT TO LOOK FOR AT GATE 1

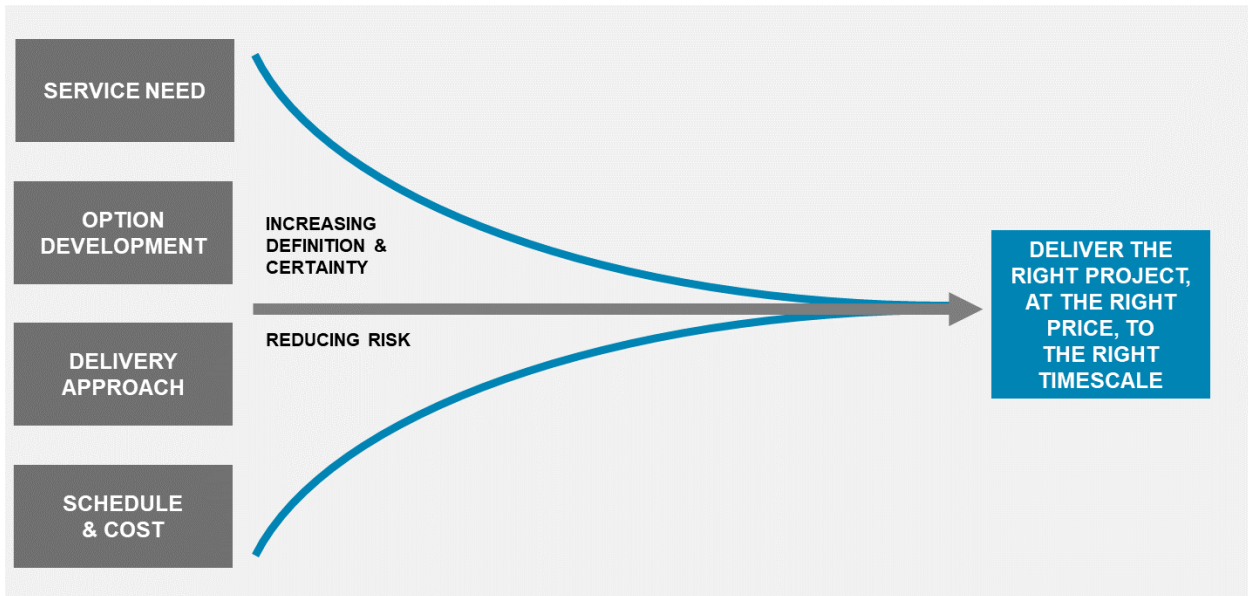
The Gate 1 Review seeks to answer the question: **How well has the project analysed a range of options to meet the service need and maximise benefits at optimal cost?**

KEY FOCUS AREA	GENERAL DESCRIPTION APPLICABLE TO GATEWAY	HOW KEY FOCUS AREA IS APPLIED AT GATE 1
SERVICE NEED 	Identification of the problem or opportunity and the service need, along with the drivers for change. Demonstrated alignment to government policy or strategy and evidence of demand for the potential new services or enhancements.	Service need defined based on evidence and supported by clearly articulated problem definition and project objectives. A rigorous process of option identification and evaluation has determined a preferred option(s).
VALUE FOR MONEY AND AFFORDABILITY 	Ensure value is delivered by maximising benefits at optimal cost. Evidenced by a clearly defined scope, a cost benefit analysis and a robust cost plan to an appropriate level of detail for the lifecycle stage of the project. An assessment of potential or confirmed sources of funds. The whole-of-life, capital and operational cost impacts have been considered.	Options developed and selected to maximise benefits at optimal cost in meeting the service need. Cost-Benefit Analysis of options developed with evidence to support progression of the preferred option(s) to Full Business Case.
SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY 	Understanding the long-term impacts, opportunities and obligations created by the project. These can be social, environmental and economic. Ensuring the project delivers a positive legacy for the community. Areas explored include: socio-economic equity; impacts on First Nations people or communities; resilience to climate change; effective placemaking; integration with broader asset networks; asset adaptability (including technological change); interface with heritage; enabled, operating and embodied carbon emissions; and the robustness of the project's planning approvals processes.	Assessment of how each option fits within its context, location and the compatibility within the broader service network and place-based plans. Planning pathways for each option considered in the analysis.
GOVERNANCE 	The project and program governance is robust. Clear accountabilities, responsibilities and reporting lines are identified and decision-making and approvals are appropriate and understood. The Senior Responsible Officer and project team have the culture, capability and capacity required.	Robust project development governance structure with clearly articulated responsibilities and reporting lines and appropriate delegations in place with an emphasis on Full Business Case and project development.
RISK MANAGEMENT 	Ongoing identification and active management of risks and opportunities using a structured and formal methodology.	Risks and opportunities identified, appropriately considered and documented within a structured methodology to enable the development of preferred option(s).
STAKEHOLDER MANAGEMENT 	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project lifecycle.	Identification of stakeholders, both internal and external to government. Stakeholders appropriately engaged to inform the Needs Analysis phase and strategic option identification

DEFINITION OF SCOPE

As projects progress through their lifecycle stages, there should be a strong convergence in the definition of scope, cost and time to deliver the desired outcome and objectives. Gateway Reviews support a project through this process, using the Key Focus Areas to ensure that economic and social impacts have been considered and stakeholder groups have been engaged in developing the optimum solution to address the service need or problem.

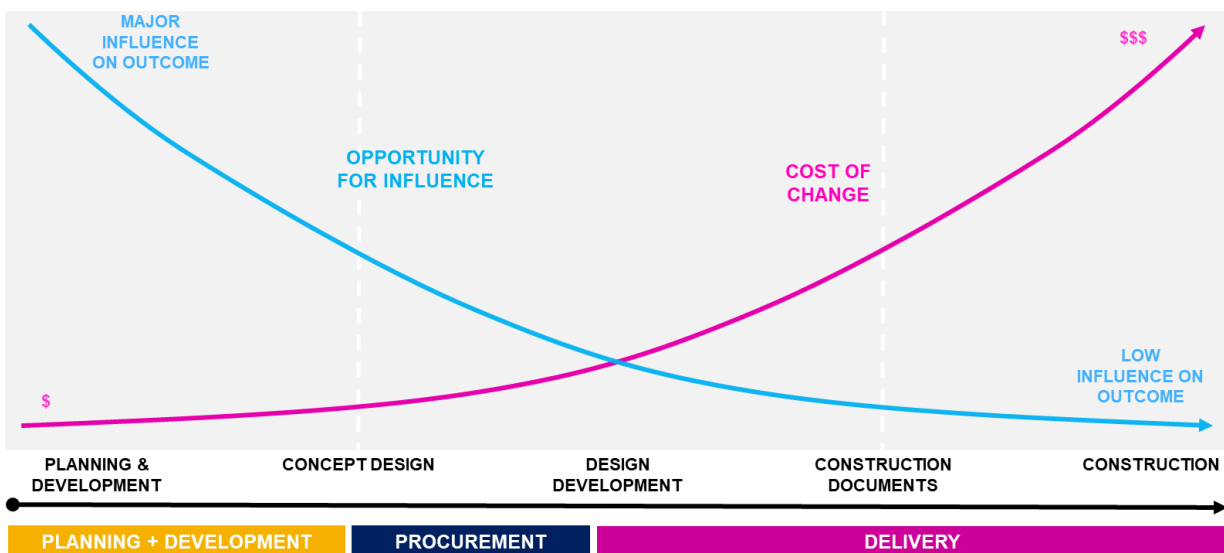
This can be illustrated as a funnel representing increasing development and delivery certainty in the project:



PROJECT DECISIONS

Gateway Reviews also recognise that scope changes have a greater impact on cost as the project progresses through its lifecycle. Robust decision-making and clarity of direction early in project development is important to successful project delivery. A lack of clarity and late decision-making will result in higher costs and greater uncertainty of outcomes.

PROJECT AND SCOPE DECISIONS








APPLICATION OF REVIEW SUCCESS FACTORS

In examining each of the Key Focus Areas the Review Team should be guided by project development and delivery fundamentals. These fundamentals are the Success Factors for projects underpinning delivery confidence.

The Success Factors provide an overarching context for each Key Focus Area and should assist in developing lines of enquiry. The Success Factors provide context to the commentary in the Review Report and are incorporated into the Review Report.

As a project progresses through its lifecycle there is an expectation that the detail and evidence will increase, providing confidence that the requirements of the Key Focus Areas are being met. This can be seen through the lens of 3 success factors within each Key Focus Area:

	INCREASING SCOPE CONFIDENCE	<ul style="list-style-type: none"> Well defined service need. Value-for-money approach in developing an evidence-based solution. Increasing clarity and detail in defining the solution. Increasing understanding and clarity within the Delivery Agency of how to deliver the solution.
	MANAGING RISK	<ul style="list-style-type: none"> Increasingly granular and effective identification of risk. Assessment, prioritisation and planned mitigation of uncertain events that could adversely affect the achievement of the project objectives.
	REALISING BENEFITS	<ul style="list-style-type: none"> Increasing definition of the project objectives and benefits. Linking of those benefits to the service need. Embedding an end-to-end process to ensure that the benefits and objectives of the investment are realised.





OPTIMISM BIAS

Optimism bias refers to the tendency to overestimate the likelihood of good events occurring and underestimating the likelihood of experiencing adverse events. Optimistic errors are considered to be an integral part of human nature, requiring conscious effort to manage and promote accuracy in project estimates and analysis. Practical steps for project teams to avoid optimism bias in project analysis include:

- using independent peer reviewers to verify that cost, demand and benefit estimates are realistic
- undertaking risk workshops, with key stakeholders, and people with knowledge of the project and/or the potential risks, the operator and asset owner involved to review the assumptions made and the risks identified – including the likelihood of the risk occurring, and impact if the risk were to occur.



KEY FOCUS AREA 1 – SERVICE NEED

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1		
 SERVICE NEED	Service need defined based on evidence and supported by clearly articulated problem definition and project objectives. A rigorous process of option identification and evaluation has determined a preferred option(s).		
		Evidence-based articulation of service need and rigorous process of option identification and evaluation against objectives.	
		Identified options assessed to maximise community and non-monetary benefits across agency portfolios.	

1. How has the service need, problem definition and project objectives been evidenced, articulated and linked to the relevant agency Asset Management Plan?
2. How clearly have the benefits and beneficiaries of resolving the service need been articulated?
3. How has it been demonstrated that the existing means of delivering the service does not realise the desired benefits, nor meet future requirements (economic, environment and social)?
4. How have options been identified and analysed (including non-infrastructure/asset; behavioural change), is this appropriate to the scale of the project and how do the options allow for future scalability?
5. How well does each option outlined align with government policies and strategies (including commentary on the key service needs and government policies likely to influence a 'Go/No Go' decision)?
6. How does the scope of each option clearly link to the resolution of the service need and realisation of the benefits?
7. How have the options been identified, assessed against objectives and then explored to maximise broader community and non-monetary benefits (including how options may impact outcomes for First Nations people and communities)?
8. What are the potential negative impacts of resolving the service need or in pursuing the options identified?
9. How has the project or program identified interdependencies and evaluated the potential impacts in the options analysis?
10. How has the options analysis and the selection of the preferred option(s) considered the broader network/system change resulting from the project?
11. How has the options analysis and evaluation considered the asset owner and operational impacts across affected organisations (inc. whole-of-lifecycle costs or impact on initiatives being undertaken by other agencies in the vicinity of this project)?





OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

FOR PROGRAMS
How are the program’s service need and benefits articulated (incl. considering the place as a whole) and are there clear business rules for qualifying projects?
How have the program delivery options been sequenced and prioritised, including appropriate tranches and dependencies between projects, and in consideration of long-term requirements?
FOR CIVIL INFRASTRUCTURE AND ASSETS
How have the service needs of the network and potential intersecting networks been considered within the development of the options?
FOR BUILDINGS AND PLACES
How does the site master plan or strategic place plan, that each option sits within, demonstrate alignment to the current and future uses and requirements on the site or within the place as a whole?



KEY FOCUS AREA 2 – VALUE FOR MONEY AND AFFORDABILITY

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1		
 <p>VALUE FOR MONEY AND AFFORDABILITY</p>	<p>Options developed and selected to maximise benefits at optimal cost in meeting the service need. Cost-Benefit Analysis of options developed with evidence to support progression of the preferred option(s) to Full Business Case.</p>		
	 <p>Justification of scope against a robust Cost-Benefit Analysis of the options developed to meet the service need.</p>	 <p>High level costing to inform cost benefit analysis, assess any funding risk and establish overall affordability of each option.</p>	 <p>Interdependencies and the whole-of-life benefits are understood for each option.</p>

1. How has the Delivery Agency developed the CAPEX and OPEX funding envelope for the project and is it affordable?
2. How has the Delivery Agency considered and explored alternative sources of funding to Consolidated Revenue?
3. Has the project been included in the Delivery Agency’s capital and recurrent investment plan or equivalent submitted to NSW Treasury?
4. What is the evidence that the cost planning against the scope (including risk allowances and whole of lifecycle costs) of each of the options is sufficiently robust and assumptions have been consistently applied?
5. How have the benefits of each option been maximised, assessed and compared?
6. What Cost-Benefit Analysis has been completed for each option and is it an appropriate level of detail with appropriate, realistic assumptions, including commentary on distributional analysis and sensitivity analysis likely to influence a ‘Go/No Go’ decision?
7. What are the key areas within each option’s scope (including during operations) that could significantly impact funding requirements?
8. Have operational and whole-of-life costs been integrated into the option evaluation and assessment, inclusive of Asset owner/operator input?
9. Are the resourcing, funding plans and broader Delivery Agency support to develop the Full Business Case in place and are they appropriate to the scale of the project?





OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

<p>FOR PROGRAMS</p>
<p>How has an overall program affordability been established and in collaboration with relevant Delivery Agencies, and is it robust?</p>
<p>FOR CIVIL INFRASTRUCTURE AND ASSETS</p>
<p>How have the broader network upgrades and costs, resulting from each option, been identified and considered?</p>
<p>FOR BUILDINGS AND PLACES</p>
<p>How does the master plan or strategic place plan drive maximum benefits while minimising costs and how has this impacted the options analysis?</p>
<p>How may the preliminary approach to concept architecture/design potentially drive cost?</p>



KEY FOCUS AREA 3 – SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1		
 <p>SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY</p>	<p>Assessment of how each option fits within its context, location and the compatibility within the broader service network. Planning pathways for each option considered in the analysis.</p>		
	 <p>Scope of each option considers social and economic equity, environmental impacts, technological change and climate resilience in the context of its location and integration with its wider asset network.</p>	 <p>Planning pathways assessed for each option. Environmental network and place integration are understood.</p>	 <p>Clear consideration of the non-economic benefits of each option.</p>

1. How has the options analysis and evaluation process assessed planning pathways for each option and is the assessment sufficiently robust?
2. How have the potential heritage impacts been confirmed (through a local, state or federal instrument or heritage listing) and then assessed for each option?
3. How has the integration of the asset within the built environment and place making been demonstrated in the development and assessment of each option?
4. What are the long-term broader asset network and service integration requirements, and have they been articulated and then appropriately captured through the option assessment process?
5. How has the options analysis considered the distribution and realisation of socio-economic impacts and benefits (including outcomes for First Nations people and communities)?
6. How has the options analysis and evaluation considered the sustainability impacts and criteria in particular, reductions in operating and embodied carbon emissions (e.g. non-build options, reuse of existing assets or low emissions building approaches)?
7. How has options identification considered the impacts of shocks and stressors on service delivery, for improved resilience?

OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

<p>FOR PROGRAMS</p>
<p>How has the program or place-based approach demonstrated evidence of cost savings and do the proposed options align with strategic place plans?</p>
<p>FOR CIVIL INFRASTRUCTURE AND ASSETS</p>
<p>What consideration has been given to the enhancement of green space and the creation of recreational opportunities within the options analysis?</p>
<p>In developing the options, what consideration has been given to the achievement of a relevant sustainability/environmental rating (e.g. IS Rating) and is this appropriate for the project?</p>
<p>FOR BUILDINGS AND PLACES</p>
<p>In developing the options, what consideration has been given to the achievement of a relevant sustainability/environmental rating (e.g. GREENSTAR) and is this appropriate for the project?</p>
<p>How have community use sharing arrangements been considered within the options analysis?</p>
<p>How has the options analysis considered the integration with other community services that may be required to support the end-users of the project?</p>

KEY FOCUS AREA 4 – GOVERNANCE

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1
 <p>GOVERNANCE</p>	<p>Robust project development governance structure with clearly articulated responsibilities and reporting lines and appropriate delegations in place with an emphasis on Full Business Case and project development.</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="400 595 735 736">  <p>Governance framework developed and key roles are in place. The SRO is identified.</p> </div> <div data-bbox="762 595 1098 674">  <p>Risks around network and place integration are considered.</p> </div> <div data-bbox="1125 595 1428 707">  <p>Baseline data is captured to support benefit / impact evaluation.</p> </div> </div>

1. What has been the formal project and Delivery Agency governance structure to support the options development and how will this change for the development of the Full Business Case?
2. Are there appropriate intra- and inter-agency governance arrangements in place?
3. How has the proposed Delivery (or Accountable) Agency been agreed?
4. What evidence demonstrates the SRO has sufficient engagement, expertise, capacity and financial delegation at a level appropriate to the scale of the project?
5. What are the plans to establish the necessary skilled resourcing, project controls (program, milestones, information management, change control), monitoring and reporting to support the development of the Full Business Case?
6. How does the governance framework include representation of the end user?
7. How have the preferred option(s) to take through to Full Business Case, been agreed within the established governance framework?
8. How are the governance and project team responsibilities, accountabilities and decision-making delegations documented, are they appropriate to the scale of the project and will they support the development of the Full Business Case?





OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

FOR PROGRAMS
What assurance framework has been developed and is it consistent with the Strategic Options assessment outcomes and program plan?
How has the governance planned to ensure that each of the component projects within the program will combine to deliver the required outcomes and benefits?
What is the governance hierarchy established to ensure project reporting can be rolled up to the program level, and does this include asset owners?
FOR CIVIL INFRASTRUCTURE AND ASSETS
Nil
FOR BUILDINGS AND PLACES
Nil



KEY FOCUS AREA 5 – RISK MANAGEMENT

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1
 <p>RISK MANAGEMENT</p>	<p>Risks and opportunities identified, appropriately considered and documented within a structured methodology to enable the development of preferred option(s).</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="403 566 726 651">  <p>Scope of each option considers the project’s key risks.</p> </div> <div data-bbox="746 566 1034 703">  <p>Robust and consistent risk assessment approach for each option.</p> </div> <div data-bbox="1086 566 1409 651">  <p>Identification of risks to achieving benefits for each option.</p> </div> </div>

1. What has been the formal risk management approach in-place for the development of the options?
2. What formal risk management approach will be adopted for the development of the Full Business Case?
3. What evidence demonstrates the list of the project’s key risks is appropriate to the stage of the project, complete and robust?
4. How have the key project risks influenced the options development, analysis and evaluation?
5. How have the specific risks for each option been developed and assessed within the context of selecting the preferred option(s) and realising the benefits of the project, including commentary on the key risks likely to influence a ‘Go/No Go’ decision?
6. Could you share examples of when project staff promptly escalated specific project risks and critical issues to senior management and how does the organisation measure and encourage transparency and courage in these situations?
7. How has any potential network disruption, during delivery or in operations, been considered in the selection of the preferred option(s)?





OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

FOR PROGRAMS
What is the risk escalation process to facilitate program level consideration of project risks?
FOR CIVIL INFRASTRUCTURE AND ASSETS
Nil
FOR BUILDINGS AND PLACES
Nil



KEY FOCUS AREA 6 – STAKEHOLDER MANAGEMENT

KEY FOCUS AREA	HOW KEY FOCUS AREA IS APPLIED AT GATE 1		
 STAKEHOLDER MANAGEMENT	Identification of stakeholders, both internal and external to government. Stakeholders appropriately engaged to inform the Needs Analysis phase and strategic option identification.		
	 Stakeholder input to option identification, development and evaluation.	 Potential risks resulting from the acceptability of options to key stakeholders and the engagement process with those stakeholders.	 Stakeholder engagement informing project objectives and leading to enhanced benefits.

1. How have stakeholders (including end users and the community) been identified and their likely areas of interest captured and addressed?
2. What engagement has been undertaken with key stakeholders in the development of the options and is this appropriate?
3. How has intra- and inter-agency consultation resulted in the identification of opportunities to enhance the outcomes of the options considered?
4. How have the views of stakeholders been incorporated into, and informed of, the selection of the preferred option(s) to take through to Full Business Case?
5. How will engagement with stakeholders be undertaken in the development of the Full Business Case?

OPTIONAL AREAS TO EXPLORE

The Review Team may choose to explore the following questions based on the type of project being undertaken.

FOR PROGRAMS
What is the planned stakeholder engagement approach, especially with stakeholders external to government, and does it have the necessary level of sophistication for the scale of the program?
FOR CIVIL INFRASTRUCTURE AND ASSETS
Nil
FOR BUILDINGS AND PLACES
Nil

GATE 1

GATEWAY WORKBOOK

Part E

GATE 1 PROGRESSION ASSESSMENT

Conducting a Gate 1 Progression Assessment

GATE 1 PROGRESSION – SUPPORTING THE NEED FOR FURTHER DEVELOPMENT



The purpose of the Gate 1 Progression Assessment (Progression Assessment) is to provide additional oversight for projects where there is no clear government commitment. It also assesses whether the problem or service need has been appropriately defined, if the project offers indicative value for money and affordability, and if it can be delivered.

The Progression Assessment informs the GCA’s recommendation to the NSW Government as to whether to allocate resources to progress the project through further stages of development. This allows an additional vetting process after Gate 1 to ensure that only projects which align to a NSW Government priority advance to an investment decision.

When conducting a Gate 1 Review, Delivery Agencies will be notified by their GCA Manager that the project will be assessed through the Project Evaluation Committee.

The Progression Assessment examines the Gate 1 Review Report’s commentary on the approach taken to develop the preferred option(s), and recommendations on any further analysis required before progressing to Full Business Case development.

A Progression Assessment draws on the Gate 1 Review to make a clear recommendation to Cabinet on further development of the project.

APPLICATION OF A PROGRESSION ASSESSMENT

A Gate 1 Progression Assessment is required for all capital Tier 1 and 2 projects that have completed a Gate 1 Review, or as recommended by Infrastructure NSW or Cabinet (unless the project is an election commitment) A Progression Assessment is to occur before the Gate 1 Review Report is submitted to Cabinet.

The purpose of a Progression Assessment is to provide additional oversight for projects where there is not a clear government commitment. The Delivery Agency must demonstrate the project’s merit, alignment to government priorities, and affordability to move forward with development. The assessment criteria are outlined on page 40.

CONDUCTING A GATE 1 PROGRESSION ASSESSMENT

The Progression Assessment is conducted by the Project Evaluation Committee. The Committee meets monthly, comprises senior NSW Government representatives, and is chaired by Infrastructure NSW. An Independent Expert Reviewer and a senior representative from the Department of Planning, Housing and Infrastructure advise the Committee.

The Project Evaluation Committee will examine the outcome of the Gate 1 Review, as detailed in the Gate 1 Review Report, and any other relevant information provided by the GCA Manager, to make a clear recommendation on the further progress of the project for consideration by Cabinet. The GCA Manager will share Gate 1 Review Reports with the Project Evaluation Committee in line with the powers for the Head of Assurance set out in the IIAF.

Before commencing a Progression Assessment, the Delivery Agency should have a final Gate 1 Review Report and addressed any time critical recommendations in the close out plan required to inform the determination of the Project Evaluation Committee.

The Committee will complete a short, structured report, using the Progression Review Report template. The GCA Manager will then provide the Progression Assessment Report to the Delivery Agency for fact check prior to being finalised.

Where the Project Evaluation Committee recommends the Delivery Agency postpone further development of the project, the Delivery Agency may request a second Progression Assessment, provided there evidence of a substantive error of fact that may indicate that the project is now a government priority.

Until the GCA Review Manager informs the Delivery Agency of the decision of Cabinet, the Delivery Agency may proceed with the development of the project.

Gate 1 Progression Assessments follow the steps and timeframes shown in the table below:

STEP	ACTIVITY	
1	When GCA Manager confirms timing for the Gate 1 Review, they will also provide indicative timing for the prospective Gate 1 Progression Assessment conducted by the Project Evaluation Committee.	
2	Once the Gate 1 Review Report is finalised and issued to the Delivery Agency, the GCA Review Manager schedules the project for consideration at the next Project Evaluation Committee meeting for determination.	Weeks 1-4
3	The Project Evaluation Committee meets and undertakes the Progression Assessment of the project using the Gate 1 Review Report as the evidence. The Committee prepares a Progression Assessment Report, including the recommendation on how the agency should proceed.	
4	The GCA provides a copy of the draft Progression Assessment Report to the Delivery Agency for fact checking and right to appeal the recommendation made by the Project Evaluation Committee.	Weeks 4-6
5	The GCA Review Manager issues the final Progression Assessment Report to the Delivery Agency and includes the Progression Assessment Report and Gate 1 Review Report in the next monthly Investor Assurance Cabinet Submission for review by the Assurance Governance Committee.	Post-Review
6	The GCA Review Manager informs the Delivery Agency of the decision of Cabinet.	

PROGRESSION ASSESSMENT RECOMMENDATIONS

The outcome of the Progression Assessment is a clear recommendation on how the agency should proceed with the project, for consideration by Cabinet.

The Project Evaluation Committee will assign one of the following recommendations in the Progression Assessment Report:

RECOMMENDATION RECOMMENDATION FROM THE COMMITTEE AS TO WHETHER THE PROJECT HAS DEMONSTRATED SUFFICIENT ALIGNMENT WITH GOVERNMENT PRIORITIES, NEED AND AFFORDABILITY TO PROCEED	
PROCEED TO NEXT PHASE	The project is to continue to be developed in accordance with the appropriate processes including the preparation of a Full Business Case.
RETURN TO ERC AFTER UNDERTAKING AN INITIAL FBC	Delivery Agency to return to ERC with an initial Full Business Case that is not supported by costly design, stakeholder engagement or technical investigations
RETURN TO PROJECT EVALUATION COMMITTEE AFTER DOING FURTHER WORK ON PBC	Delivery Agency to do further work on the Preliminary Business Case, following the recommendations of the Committee and the Gate 1 Review and return to Committee.
POSTPONE FURTHER DEVELOPMENT OF THE PROJECT	The urgency of the project has not been demonstrated and further investment of resources is not required at this time. Delivery Agency to cease all work, and de-mobilise the project.
CANCEL THE PROJECT	The need for the project has not been demonstrated and resources should not be invested in a Full Business Case. Delivery Agency to cease all work and stop development of project.

As part of the Gate 1 Progression Assessment, the Committee may recommend that the project may proceed but with a different preferred option to that identified in the Preliminary Business Case (such as non-capital, non-build solutions).

INITIATING A PROGRESSION ASSESSMENT

The GCA Manager is responsible for notifying the Delivery Agency that a Progression Assessment will occur. The Progression Assessment occurs once the final Gate 1 Review Report has been issued. Delivery Agencies should notify their teams and governance structures when the Review will occur.

PROGRESSION ASSESSMENT DOCUMENTS

The review document for a Gate 1 Progression Assessment is the Gate 1 Review Report. Following the Gate 1 Review, Agencies may be requested to supply specific documents to support the Progression Assessment.

The GCA Manager supplies the Gate 1 Review Report to the Project Evaluation Committee.

PROGRESSION ASSESSMENT REPORTS

All Gate 1 Progression Assessments are to be conducted in line with the Gate 1 Progression Assessment Report template. The Gate 1 Progression Assessment Report provides rationale for Project Evaluation Committee recommendations.

When the Progression Assessment has completed, the Progression Assessment Report, alongside the Gate 1 Review Report, will be considered by the Assurance Governance Committee before being submitted to Cabinet as part of Infrastructure NSW's monthly Investor Assurance Cabinet Submission.

ASSESSMENT CRITERIA

The Project Evaluation Committee is to assess the project against 4 criteria. The committee will also consider the cost to produce a full business case in arriving at an overall recommendation.

The 4 criteria are:

CRITERIA	SCORE
ALIGNMENT WITH GOVERNMENT PRIORITIES	<p>High</p> <p>The Project directly aligns with an NSW Government priority or is required to deliver on a Cabinet endorsed strategy, policy, (election) commitment or decision. The Gate 1 review report notes that the project is a key government commitment.</p>
	<p>Medium</p> <p>Project is not listed as a government or (election) commitment directly, however it supports the delivery of an NSW Government priority or is aligned with Cabinet-endorsed strategy, policy (election) commitment or decision.</p>
	<p>Low</p> <p>Project has no, or limited alignment with NSW Government Cabinet endorsed strategy, policy, (election) commitment or decision.</p>
SERVICE NEED	<p>High</p> <p>The Gate 1 Review finds the project presents clear evidence to support the service need, including a clearly articulated problem definition and project objectives. The review report highlights that there has been a rigorous process of option identification, and evaluation has determined a preferred option(s). The Gate 1 review ratings for the Service Need key focus area is expected to be 'strong' or 'acceptable'.</p>
	<p>Medium</p> <p>The Gate 1 Review finds the project presents some evidence to support the service need, however there is a lack of detail to support the problem definition and/or project objectives. Limited project options have been considered with a preferred option(s) identified without adequate evaluation or analysis. The Gate 1 review rating for the Service Need key focus area is expected to be 'acceptable'.</p>
	<p>Low</p> <p>The Gate 1 Review finds the project presents little to no evidence to support a service need with no clearly articulated problem definition or project objectives. There is no evidence of a process of option identification and/or evaluation to select a preferred option(s). The Gate 1 review rating for the Service Need Key focus area is expected to be 'weak'.</p>
VALUE FOR MONEY & AFFORDABILITY	<p>High</p> <p>The Gate 1 Review finds the project presents options that are developed and selected to maximise benefits at optimal cost in meeting the service need. The review report indicates that a high-level costing is provided which has informed the robust cost benefit analysis. The Gate 1 Review finds there is low funding risk for each option and concluded the project is likely to be affordable. The Gate 1 Review ratings for the Value for Money and Affordability key focus area are 'strong' or 'acceptable'.</p>

	<p>Medium</p> <p>The Gate 1 Review finds the project presents some evidence that the options are developed to maximise benefits at optimal cost. High level costings have been used to inform a cost benefit analysis. More detail on costings and funding sources are required to establish overall affordability of each option or the Gate 1 review finds there is medium funding risk for each option. The Gate 1 Review ratings for the Value for Money and Affordability key focus area is ‘acceptable’.</p>
	<p>Low</p> <p>The Gate 1 Review finds the project presents limited evidence to indicate the options are developed and selected to maximise benefits at optimal cost in meeting the service need. The review report indicates that there is limited costing data to inform the cost benefit analysis to establish overall affordability of each option and/ or the projects appears to be unaffordable. The Gate 1 Review ratings for the Value for Money and Affordability key focus area is ‘weak’.</p>
<p>DELIVERABILITY</p>	<p>High</p> <p>Risks to delivering the project within cost estimates are identified, assessed, quantified and mitigation measures are proposed. The Gate 1 Review finds there is detailed consideration of how stakeholder management, risk management, change management and delivery complexity impact the project, with mitigations for key risks documented. The Gate 1 Review rating for the Risk Management key focus area is ‘strong’ or ‘acceptable’.</p>
	<p>Medium</p> <p>Some risks to delivering the project within cost estimates are identified, assessed, quantified and mitigation measures are proposed, however more evaluation and analysis is required. There is some consideration of how stakeholder management, risk management, change management and delivery complexity impact the project but more work is required on mitigations. The Gate 1 Review rating for the Risk Management key focus area is ‘acceptable’.</p>
	<p>Low</p> <p>Significant risks to delivering the project within cost estimates and few or no mitigation measures are proposed. There is limited consideration of how stakeholder management, risk management, change management and delivery complexity impact the project. The Gate 1 Review rating for the Risk Management key focus area is ‘weak’.</p>

REVIEW COMMUNICATION PROTOCOLS

The same protocols apply as outlined in Part C of this Workbook. The Progression Assessment Report will be issued to the Delivery Agency once finalised.

Any appeal of a Project Evaluation Committee decision is to be raised by the Delivery Agency to the GCA prior to a recommendation proceeding to Cabinet for decision.

GLOSSARY

TERM	DEFINITION
Benefit Owner	The agency or role responsible for the realisation of the benefit.
Capital Project	A project primarily comprised of one or more of the following elements: <ul style="list-style-type: none"> • Infrastructure • Equipment • Property developments • Operational technology that forms a component of a capital project.
CEO	Chief Executive Officer.
Close-Out Plan	Document outlining actions, responsibilities, accountabilities and timeframes that respond to recommendations identified in Gateway, Health Check and Deep Dive Final Review Reports.
Decision-Making	The Gateway, Health Check and Deep Dive Reviews inform decision-making by government. Government in this context refers to all parts of government including Delivery Agencies.
Deep Dive Reviews	Deep Dives Reviews are similar to a Health Check but focus on a particular technical issue informed by the Terms of Reference rather than the seven Key Focus Areas considered at a Health Check. These Reviews are generally undertaken in response to issues being raised by key stakeholders to the project or at the direction of the relevant Government Minister.
Delivery Agency	The Government agency (also the Accountable Agency) tasked with developing and/or delivering a project at its stage in its lifecycle applicable under the Infrastructure Investor Assurance Framework (IIAF) and the NSW Gateway Policy.
Delivery Agency's Project Director	The Delivery Agency's nominated Project Director arranges access to the relevant project documentation and drafts the interview schedule for the Review Team. The Project Director takes an active part in the Gateway Review interviews and assists in responding to the GCA Review Manager and Review Team requests.
ECI	Early Contractor Involvement.
Equipment	The necessary assets used on or to support an infrastructure system and can include fleet and rolling stock.
ETC	Estimated Total Cost.
Expert Reviewer Panel	Panel comprising independent highly qualified Expert Reviewers established to cover all aspects of Gateway Review needs.
FBC	Full Business Case.
Gate	Particular decision point(s) in a project/program's lifecycle when a Gateway Review may be undertaken.
Gateway Coordination Agency (GCA)	The agency responsible for the design and administration of an approved, risk-based model for the assessment of projects/programs, the coordination of the Gateway Reviews and the reporting of performance of the Gateway Review Process.
Gateway Policy	The NSW Gateway Policy sets out the key points along the project lifecycle important for providing confidence to the NSW Government that projects are being delivered to time, cost and in-line with government objectives.
Gateway Review	A Review of a project/program by an independent team of experienced practitioners at a specific key decision point (Gate) in the project's lifecycle. A Gateway Review is a short, focused, independent expert appraisal of the project that highlights risks and issues, which if not addressed may threaten successful delivery. It provides a view of the current progress of a project and assurance that it can proceed successfully to the next stage if any critical recommendations are addressed.
Gate 1 Progression Assessment	Occurs after the Strategic Options Gate 1 Review for all Tier 1 and 2 projects to determine whether the agency should progress to developing a Full Business Case to support an investment decision.
Health Check	Independent Reviews carried out by a team of experienced practitioners seeking to identify issues in a project/program which may arise between Gateway Reviews.

TERM	DEFINITION
Infrastructure	The basic services, facilities and installations to support society and can include water, wastewater, transport, sport and culture, power, policy, justice, health, education and family and community services.
Infrastructure Investor	The NSW Government, representing the State of NSW.
IIAF	Infrastructure Investor Assurance Framework.
Key Focus Area	A specific area of investigation that factors in Gateway Review deliberations.
NSW Assurance Portal	Online portal administered by the GCA for the management of IIAF functions.
Program	<p>A temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives. A program is likely to be longer term and have a life that spans several years. Programs typically deal with outcomes, whereas projects deal with outputs.</p> <p>Projects that form part of a program may be grouped together for a variety of reasons including spatial co-location (e.g. Western Sydney Infrastructure Program), the similar nature of the projects (e.g. Bridges for the Bush) or projects collectively achieving an outcome (e.g. 2018 Rail Timetable). Programs provide an umbrella under which these projects can be coordinated.</p> <p>The component parts of a program are usually individual projects or smaller groups of projects (sub-programs). In some cases, these individual projects or sub-programs may have a different Project Tier to the overall program.</p>
Project	<p>A temporary organisation, usually existing for a much shorter duration than a program, which will deliver one or more outputs in accordance with an agreed business case. Under the IIAF a capital project is defined as infrastructure, equipment, property developments or operational technology that forms a component of a capital project.</p> <p>Projects are typically delivered in a defined time period on a defined site. Projects have a clear start and finish. Projects may be restricted to one geographic site or cover a large geographical area, however, will be linked and not be geographically diverse.</p> <p>A particular project may or may not be part of a program.</p>
Project Evaluation Committee	Committee which meets periodically to make recommendations for consideration by Cabinet on taking Tier 1 and 2 projects from options analysis and Preliminary Business Case (PBC) to Full Business Case (FBC) and investment decision.
Project Team	The Delivery Agency's assigned group with responsibility for managing the project through the Gateway Review.
Project Tier	Tier-based classification of project profile and risk potential based on the project's estimated total cost and qualitative risk profile criteria (level of government priority, interface complexity, procurement complexity, agency capability and whether it is deemed as an essential service). The Project Tier classification is comprised of four Project Tiers, where Tier 1 encompasses projects deemed as being the highest risk and profile (Tier 1 – High Profile/High Risk projects), and Tier 4 with the lowest risk profile.
Review Team	A team of expert independent practitioners, sourced from the Expert Reviewer Panel engaged by the GCA to undertake a Gateway Review 1 to 5, Health Check or Deep Dive Review.
Review Team Leader (RTL)	<p>For Gates 1 to 5, Health Checks and Deep Dives the RTL is appointed by the GCA Review Manager and leads the independent Review Team for the Review. The RTL acts as Chair for the project briefing and interview days and has primary responsibility for delivering a high quality, consolidated Review Report using the appropriate template. For Gate 6 the RTL is the Lead Reviewer.</p> <p>The RTL acts as the point of contact between the Review Team and the GCA Review Manager. If agreed by the GCA Review Manager, the RTL may act as the liaison between the Review Team and the delivery agency's SRO and/or Project Director. The RTL provides the Review debrief to the GCA and the delivery agency's SRO on behalf of the Review Team.</p>
Review Team Member	For Gates 1 to 5, Health Checks and Deep Dives provides the benefit of their independent and specialist expertise and advice in the Review of the project, focusing on issues appropriate to the project's lifecycle stage and the level of development and delivery confidence. Each Review Team member participates in the project briefing and interviews and contributes to the Review Report and recommendations.

TERM	DEFINITION
Risk Review Advisory Group (RRAG)	A committee of the Gateway Coordination Agency (GCA) that reviews project registrations made by agencies in the NSW Assurance Portal and recommends a risk tier (being tier 1, 2, 3 or 4) to the GCA. RRAG is a multi-agency committee, and its recommendation is based on a risk review conducted across four criteria, along with the Estimated Total Cost of the project.
Senior Responsible Officer (SRO)	The Delivery Agency executive with strategic responsibility and the single point of overall accountability for a project.