Combined Gate 1 and 2 Report

Business case

Prepared for [insert SRO]

Project name

[Insert date]

The Secretary

Department of Treasury and Finance

1 Treasury Place

Melbourne Victoria 3002

Australia

Telephone: +61 3 9651 5111

dtf.vic.gov.au

Authorised by the Victorian Government

1 Treasury Place, Melbourne, 3002

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# Information

## The Gateway Review Process

The Gateway Review Process (GRP) was endorsed by the Victorian Government in March 2003 with the aim to assist agencies across the Victorian budget sector achieve better capital investment outcomes and to enhance their procurement processes.

The objective of a Gateway Review is for a team of experienced people, independent of the project team, to review a major asset investment project at a key decision point.

The report of a Gateway Review contains opinion, advice and recommendations about the project it has examined. It will contain information about how a specific agency undertakes and conducts major projects in a competitive environment. It may also refer to the business information of third parties. As such the report is confidential and independent of a project’s approval process.

Because a review is conducted in the course of a project, it will commonly contain sensitive commercial information relevant to that project as it proceeds. Equally, the report will form part of the continuing development and refinement of the Gateway Process and of asset investment across the Victorian public sector. Both the particular project to which the report relates, and the Gateway Process as a whole relate to the functions and commercial interests of the relevant agency and the Government of Victoria.

A Gateway report will be prepared in consultation with an agency’s project team and stakeholders and will accordingly form part of the ongoing deliberative process of government in order to assist in the continuing formulation of government investment and procurement policy.

The report of a Gateway Review Team is not intended for release beyond circulation to the members of the project steering committee (or equivalent) and the relevant portfolio Minister, members of the Department of Treasury and Finance High Value High Risk (HVHR) team, the relevant Victorian State Government department or agency, and to Cabinet or a Cabinet Committee (where sought). Wider circulation could jeopardise the agency’s competitive position in a tender process and hence participation of it and other agencies in the Gateway Review Process, thereby imperilling the quality and frankness of the information provided and therefore the core objective of the process.

**Secretary**

Department of Treasury and Finance

* + 1. Report information
			1. Review details

|  |  |
| --- | --- |
|  |  |
| Version number: | [Insert Draft 0.1,0.2,0.3 or Final 1.0] |
| SRO name:  | [Insert SRO name] |
| Date of issue to SRO:  | [Insert date] |
| Department:  | [Insert name] |
| Agency or PNFC:  | [Insert name] |
| Gateway Review dates:  | [Insert dates dd/mm/yyyy to dd/mm/yyyy] |

* + - 1. Review team

|  |
| --- |
| Gateway Review team members |
| **[Insert name of team leader]** |
| [Insert name of team member] |
| [Insert name of team member] |
| [Insert name of team member] |
| [Insert name of team member] |

* + - 1. The purpose of combined Gate 1 and 2 review

If the government elects for a one-stage budget process, Gate 1 and 2 reviews are merged into a combined Gate 1 and 2 review that focuses on both the logic of the investment and the strength of the business case.

Additionally, where a project is not identified as, or declared a HVHR project until the business case stage, a combined Gate 1 and 2 review may also be approved by the Department of Treasury and Finance.

The key purpose of a combined Gate 1 and 2 review is to confirm that the business case is robust, meets the business need, is affordable, achievable with appropriate options explored, likely to achieve value for money and aligns well with the department’s overall strategy.

Appendix A outlines the purpose statement of a combined Gate 1 and 2 review.

* + - 1. Conduct of the Gateway Review

This combined Gate 1 and 2 was carried out from [Insert: Date 1] to [Insert: Date 2] at [Insert: location of review].

The stakeholders interviewed are listed in Appendix B.

Delete where not applicable: Appendix C shows a list of documents received and reviewed by the review team.

[Insert a note of thanks to the SRO and the client team. e.g. The Review Team would like to thank the Client X Project Team for their support and openness, which contributed to the Review Team’s understanding of the Project and the outcome of this review]

[Insert a note confirming that no significant departure from the scope of the review as suggested within the Gateway Review Process Gate 1 and 2 workbooks have occurred, or where it has, detail the significant departure and reasoning behind the action. In considering departures, it should be noted, that because each program or project is unique and circumstances change, the workbooks should be used as a guide to the range of appropriate questions and evidence, not as a complete checklist of mandatory items].

* + - 1. Project background

[Insert brief paragraph on the project background]

* + - 1. Review team findings

The Review Team finds that [Insert a brief statement outlining the Review Team’s view of the status of the project].

* + - 1. Observations of good practice

[Insert instances of significant good practice found, especially those that may be transferable to other programs and projects]

|  |
| --- |
| Good practice examples |
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* + - 1. **Red and amber rated individual recommendations**

DTF considers risk management to be an inherent feature of projects, and risks identified through gateway review processes do not substitute the need for strong risk management processes within a project.

The Department or Agency are responsible for completing a Recommendation Action Plan (RAP) and submitting it to DTF. The RAP will be used by DTF in its reporting to the Treasurer, in support of the Treasurer’s role in approval processes under the HVHR framework. All individual recommendations in a Gateway report with either a red or amber rating arising from Gateway reviews 1 to 4, are to be incorporated into the RAP.

The Department or Agency is also required to provide the Gateway review report and any associated RAP to the project Steering Committee (or equivalent governance forum) to provide oversight of all ‘critical’ actionable items (this includes both red and amber recommendations). It is also recommended that the Gateway report and any associated RAP be issued to the relevant portfolio Minister.

For a consolidated table of red and amber recommendations, please refer to **Appendix B – Summary of individual Red and Amber recommendations.**

Download a [Recommendation Action Plan on our website](http://www.gatewayreview.dtf.vic.gov.au/CA256EF40083ACBF/WebObj/RAPTemplate/%24File/RAP%20Template.DOC).

* + - 1. Overall delivery confidence assessment

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| R | A | G |

* + 1. Findings and recommendations

**A summary of all the individual Red and Amber recommendations can be found in Appendix B. A summary of all the individual Green recommendations can be found in Appendix C.**

* + - 1. Well-defined problem and clear benefits

[Insert findings – brief paragraphs setting out key findings. Where appropriate, include recommendations **(in bold text)** relating to individual findings including the Recommended action (RAG) assessment]

|  |  |  |
| --- | --- | --- |
| Recommendation # | Recommendation | RAG status |
|  |  |  |
|  |  |  |

* + - 1. Strategic response and indicative solution

[Insert findings – brief paragraphs setting out key findings. Where appropriate, include recommendations **(in bold text)** relating to individual findings including the (RAG) assessment]

|  |  |  |
| --- | --- | --- |
| Recommendation # | Recommendation | RAG status |
|  |  |  |
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* + - 1. Business Case and stakeholders

[Insert findings – brief paragraphs setting out key findings. Where appropriate, include recommendations **(in bold text)** relating to individual findings including the (RAG) assessment]

|  |  |  |
| --- | --- | --- |
| Recommendation # | Recommendation | RAG status |
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* + - 1. Risk management and deliverability

[Insert findings – brief paragraphs setting out key findings. Where appropriate, include recommendations **(in bold text)** relating to individual findings including the (RAG) assessment]

|  |  |  |
| --- | --- | --- |
| Recommendation # | Recommendation | RAG status |
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* + - 1. Readiness for next phase (readiness for market)

[Insert findings – brief paragraphs setting out key findings. Where appropriate, include recommendations **(in bold text)** relating to individual findings including the (RAG) assessment]

|  |  |  |
| --- | --- | --- |
| Recommendation # | Recommendation | RAG status |
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* + 1. Planning for the next Review

As part of participation on project governance arrangements, DTF requires agencies’ Project Assurance Plans to capture the key gateway review milestones, including organising reviews in a timely way. This should take into account the readiness of the agency for the review.

According to the project’s current schedule, the next Gateway review, Gate 3 Readiness for Market should occur [Insert appropriate month and year and rationale].

The department should confirm the requirement and timing for the next Review approximately six to eight weeks prior to the above date.

Should there be any significant changes to the project schedule that would alter the date above, please notify the Gateway Unit.

# Appendix A – Purpose of combined Gate 1 – 2 review

At a high level, a combined Gate 1 – 2 review is aimed at assisting the SRO by:

* Examining the outcomes and objectives for the project and policy or program to confirm that it makes the necessary contribution to the overall strategy of the organisation and its senior management, and interfaces effectively with broader high-level government policy objectives and initiatives
* Confirming that the business case is robust, meets business need, is affordable, achievable, with appropriate options explored and likely to achieve value for money. Value for money includes social, environmental and economic outcomes
* Confirming that potential options have been identified and analysed and appropriate expert advice has been obtained as necessary
* Confirming that the underlying investment logic has been reflected in the business case and that the project is still aligned with the objectives and deliverables of the program and organisation
* Establishing that the feasibility study has been completed satisfactorily and a preferred way forward has been determined, developed in dialogue with the market where appropriate
* Confirming that the market’s likely interest has been investigated and that appropriate high-level procurement strategies including social procurement have been thoroughly explored
* Ensuring that there is internal and external authority, if required, and support for the project
* Ensuring that the major risks (investment and project level) have been identified and outline risk management plans have been developed
* Establishing that the project is likely to deliver its business goals and that it supports wider business change, where applicable
* Confirming that the scope and requirements specifications are realistic, clear and unambiguous
* Checking that provision for financial and other resources has been made for the project (initially identified at program/project initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised
* Ensuring that the full scale, intended outcomes, timescales and impact of relevant external issues have been considered
* Ensuring that there are plans for the next stage. Confirm planning assumptions and that the project team can deliver the next stage
* Confirming that overarching and internal business and technical strategies have been considered
* Establishing that quality and benefit management plans including key performance targets for the project and its outcomes are in place

# Appendix B – Summary of individual Red and Amber recommendations

For Gates 1 to 4, this table can be used by the project to inform their preparation of their Recommendation Action Plan.

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| Recommendation # | Recommendation | RA status |
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# Appendix C – Summary of individual Green recommendations

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| --- | --- | --- | --- |
| Recommendation # | Recommendation (Suggestion / Lessons Learnt) | RAG status | Potential (e.g. Time, Cost, Quality, Other including Social and Environmental) |
| 1 | Example 1: Refer to project x team who recently installed a hundred prefabricated accommodation modules. | Green | Site Impact reduction on a sensitive environmental site. |
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# Appendix D – Interviewees

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# Appendix E – Documents reviewed

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# Appendix F – Definitions and report use

## F.1 Red Amber Green definition

There are two levels of Red Amber Green (RAG) status for a project that must be given, using the colour-coded indicators Red, Amber or Green, as described below. These include:

* + - Red (Critical and Urgent) and Amber (Critical, non-urgent) and Green (Project would benefit from uptake) for individual recommendations;
		- Red, Amber or Green Delivery Confidence assessment for the overall project.

## F.2 Individual recommendations (criticality)

Recommendations should be made in relation to all risks identified during the review that have the potential to materially impact on the successful delivery of the project.

It should be noted that risk management is an inherent feature of projects, and risks identified through gateway review processes do not substitute the need for strong risk management processes within a project.

Individual recommendations are classified as either, Red Amber or Green as detailed below:

|  |  |
| --- | --- |
| Red | Critical and urgent, to achieve success the project or program should take action on recommendations immediately. |
| **Amber** | **Critical but not urgent, the project or program should proceed, with action on recommendations to be addressed before further key decisions are taken.** |
| **Green** | **The project or program is on target to succeed but may benefit from the uptake of recommendations.** |

Green recommendations are effectively ‘suggestions’ for the consideration of the project or program team. They may be based on observations from the review or ‘Identified Lessons Learnt’ from relevant projects for consideration.

## F.3 Overall Assessment (Delivery Confidence)

An Overall Assessment (Delivery Confidence) is also required for each review based on the definitions below. When determining the Overall Assessment, the Review Team should refer to their own judgement/expertise to determine the most suitable Delivery Confidence rating.

|  |  |  |
| --- | --- | --- |
| Overall report | Overall report | Overall report |
| Successful delivery of the project to time, cost and quality appears highly likely. | Successful delivery appear feasible but significant issues already exist, requiring timely management attention. | Successful delivery of the project to cost, time and/or quality does not appear achievable. |
| There are no major outstanding issues that at this stage appear to significantly threaten delivery. | These issues appear resolvable at this stage and if addressed promptly, should not impact on cost, time or quality. | The project may need re‑baselining and/or the overall viability reassessed. |

* **Delivery confidence**

## F.4

## F.5 Intended use of the Gateway Review Report

From July 2021, SROs are required to distribute Gateway review reports and associated RAPs to project steering committees or the equivalent project governance forum. It is also recommended that the SRO issue the Gateway report and any associated RAP to the relevant portfolio Minister.

The tracking of red and amber-rated recommendation actions, including the status of relevant Ministerial briefings, is to be undertaken both as part of project governance arrangements for the project, and also as performed by the Department of Treasury and Finance in accordance with its responsibilities under the High Value High Risk Framework.

The Department of Treasury and Finance will continue to report to the Treasurer on red rated actions and Recommendation Action Plans in support of the Treasurer’s role in approval processes under the HVHR framework.