Gate 5 Report

Readiness for service

Prepared for [insert SRO]

[Investment name]

[Insert date]

The Secretary

Department of Treasury and Finance

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Australia

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Authorised by the Victorian Government

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# Introduction

## The Gateway Review Process

The Gateway Review Process (GRP) was endorsed by the Victorian Government in March 2003 and aims 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 Gateway Review 5

|  |
| --- |
| The primary purpose of the Gateway Review 5 is to confirm that contractual arrangements are up to date, that necessary testing has been done to the client’s satisfaction and that the client is ready to approve implementation.Appendix A gives the full purposes statement for Gateway Review 5. |

* + - 1. Conduct of the Gateway Review

|  |
| --- |
| This Gateway Review 5 was carried out from [Insert: Date 1] to [Insert: Date 2] at [Insert: location of review].The stakeholders interviewed are listed in Appendix C.Delete where not applicable: Appendix D 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 departures from the recommended scope of the review as prescribed within the Gateway Review Process Guidance has occurred, or where it has, detail the departure and the reasoning behind the action, e.g. the modified review scope was at the request of DTF’s Infrastructure Division]. |

* + 1. Assurance assessment summary as at [insert date]
			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. Overall delivery confidence assessment

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| --- | --- | --- |
| R | A | G |

* + - 1. Recommendations from the previous Gateway review (Gate 4) and the Recommendation Action Plan

|  |  |
| --- | --- |
|  | Yes/No/NA |
| The previous Gateway review report (Gate 4) was provided to the review team. |  |
| The review team considered the previous report during the conduct of the review. |  |
| The recommendations from the last review were appropriately actioned. |  |
| A Recommendation Action Plan (RAP) was prepared as a result of the previous review. |  |
| The RAP was provided to the review team for consideration. |  |
| The RAP has been implemented (where applicable). |  |
| The agency provided a copy of the previous Gateway review report and any associated RAP to the Steering Committee (or equivalent) and the relevant portfolio Minister. |  |

The Review Team finds that [Insert a brief statement commenting on the adequacy of the actions taken in regard to all of the individual recommendations (Red and Amber) from the previous review, and specifically the mitigation responses as identified within a RAP].

* + 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. 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 recommended action (RAG) assessment]

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

* + - 1. Risk management

[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 |
|  |  |  |
|  |  |  |

* + - 1. Review of current phase

[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 |
|  |  |  |
|  |  |  |

* + - 1. Readiness for next phase (Benefits evaluation)

[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 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 reviewshould occur [Insert appropriate month and year and rationale].

The Department should confirm the requirement and timing for the next review approximately eight to 10 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 Gateway Review 5: Readiness for Service

At a high level, Gate 5 is aimed at assisting the SRO by:

* checking that the current phase of the contract is properly completed, and documentation completed
* if project ends at implementation, confirming that Social Procurement commitments made in the head agreements associated with the project delivery phase have been delivered
* confirming any contracts awarded for operational phase align with the client agencies Social Procurement Plan or Social Procurement Strategy
* ensuring that the contractual arrangements are up-to-date
* checking that the business case is still valid and unaffected by internal and external events or that a change control register has been maintained which logs all changes made to the project outlining authorisations, the impact to the budget, timescale and outcomes
* checking that the original projected business benefit is likely to be achieved
* ensuring that there are processes and procedures to ensure long-term success of the project
* confirming that all necessary testing is done (e.g. commissioning of buildings, business integration and user acceptance testing) to the client’s satisfaction and that the client is ready to approve implementation
* checking that there are feasible and tested business contingency, continuity and/or reversion arrangements
* ensuring ongoing risks and issues are managed effectively and don’t threaten implementation
* evaluating the risk of proceeding with the implementation where there are any unresolved issues
* confirming the business has the necessary resources and that it is ready to implement the services and the business change
* confirming that the client and supplier implementation plans are still achievable
* confirming that there are management and organisational controls to manage the project through implementation and operation
* establishing the level of Project Development and Due Diligence (PDDD)analysis that has been undertaken and evaluate its appropriateness
* confirming arrangements are in place to manage operational phase of contract
* confirming arrangements for handover of the project from the delivery team to the operational business owner
* confirming that all parties have agreed plans for training, communication, rollout, production release and support as required
* confirming that all parties have agreed plans for managing risk
* confirming that there are client-side plans for managing the working relationship, with reporting arrangements at appropriate levels in the organisation, reciprocated on the supplier side
* confirming information assurance accreditation/certification
* confirming that defects or incomplete works are identified and recorded
* confirming that a project closure report is being prepared
* checking that lessons for future projects are identified and recorded.

# Appendix B – Summary of individual Red and Amber recommendations

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

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| --- | --- | --- | --- |
| Recommendation # | Recommendation (Suggestion / Lessons Learnt) | RAG status | Potential Benefit (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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| Name | Role |
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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**

**Delivery confidence**

F.4 Assessment of Project Development and Due Diligence (in transition)

***The concept of a PDDD assessment rating is being progressively introduced into the Gateway Review Process. It is not mandatory for all reviews. The Office of Projects Victoria (OPV) will advise which reviews it is applicable for in advance of the planning session.***

One important element to consider when assessing the readiness for service is whether an appropriate level of Project Development and Due Diligence (PDDD) has occurred. The successful execution and performance of a project depends on the quality of its PDDD, which refers to the specific technical and planning analysis that may be conducted for a project at each stage of its lifecycle.

Gateway Review teams are expected to assess the extent and adequacy of due diligence conducted by project teams by evaluating documents and evidence that describe what PDDD activities have been completed and to what degree their findings have been translated into identifiable or quantifiable project risks. This should also consider why PDDD was not conducted for any PDDD elements. For this assessment, the review team should not be concerned with the PDDD findings as much as whether it has been conducted and quantified into risks.

Gateway Review teams will form an overall view of the PDDD assessment on how well PDDD findings have been incorporated into the risk assessment and the development of the project. The level of PDDD analysis may be scaled according to the risk profile and value of the proposal in accordance with the PDDD Guidelines available on the DTF website.

The review team will rate the extent to which PDDD has appropriately been considered as below:

|  |
| --- |
| **PDDD Rating** |
| There is evidence of effective PDDD for this stage of the project. Relevant issues have been incorporated into the project risk profile and mitigation/management strategies developed. There is little more that could reasonably be done at this stage of the project to provided certainty of project scope definition, risk allocation and benefits realisation. | There is some evidence of PDDD for this stage of the project; however, some gaps in the analysis are evident or analysis has not been fully translated into the project risk profile. Mitigation/management strategies have not been fully developed, leaving some questions over certainty of project scope definition, risk allocation and benefits realisation. | There is little to no evidence of PDDD for this stage of the project. The project risk profile does not reflect potential PDDD risks or issues. |

***Please contact OPV (Robert Abboud, Executive Director*** ***Robert.Abboud@opv.vic.gov.au******) for PDDD related enquiries.***

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 associated RAPs 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 and amber rated actions and Recommendation Action Plans in support of the Treasurer’s role in approval processes under the HVHR framework.