GATEWAY WORKBOOK

Deep Dive

What actions can be taken by the project to resolve key project issue(s)?





INTRODUCTION TO GATEWAY REVIEWS

The NSW Gateway Policy (TPP17-01) 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 and 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 valued at or more than \$10 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 of a project's progress against objectives. The Review Report also includes a series of recommendations aimed at assisting the delivery 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. For the purposes of this workbook, the use of the term 'project' also covers the grouping of projects into a program.





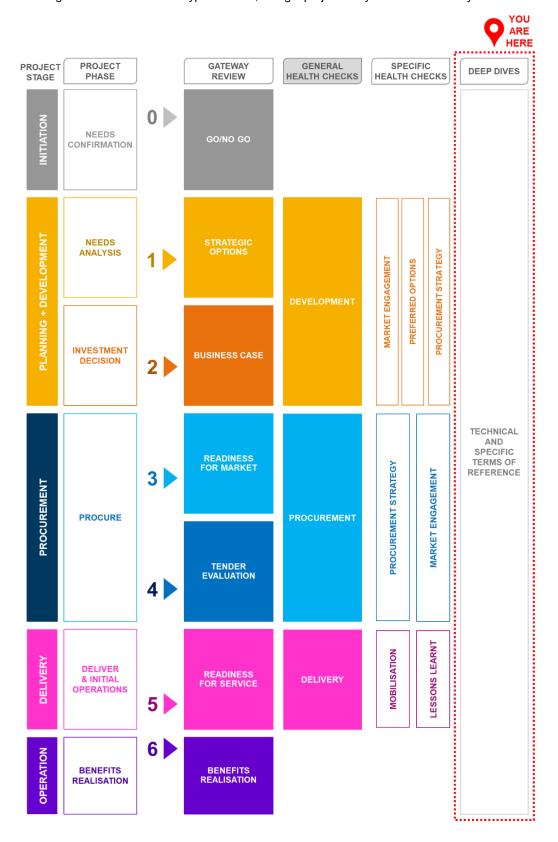


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PROJECT LIFECYCLE AND GATEWAY REVIEWS

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

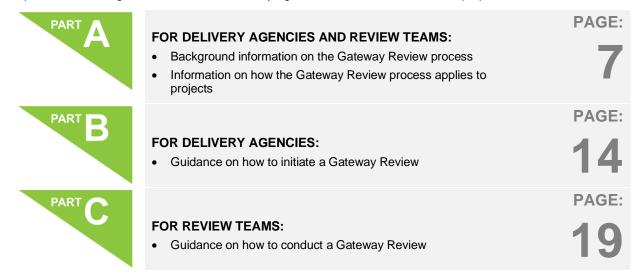




HOW TO USE THIS WORKBOOK

At a Deep Dive, delivery agencies are expected to respond to the Terms of Reference which will typically focus on a specific, technical issue.

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.



GATEWAY REVIEWS AND DELIVERY AGENCY ASSURANCE PROCESSES

The assurance process, including Gateway Review outcomes, 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, with a focus on adding value through the expertise and experience of the Review Team.

A Gateway Review provides an independent forward-looking snapshot of progress at a point in time. Gateway Reviews are **not** a **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 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 community and stakeholder outcomes.

Gateway Reviews provide the NSW Government with an appropriate level of project visibility based on each project's risk profile.



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 is followed by the Review Team in undertaking the Review.
- Reviews are collaborative and constructive with all parties focused on value-adding to the project.
- Review Report commentary and recommendations are focused on practical improvements.

CONDUCTING A GATEWAY REVIEW

Deep Dive Reviews follow the same format as Gateway Reviews and Health Checks; 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.	
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.	Planning
6	Delivery agency uploads Review documents to GCA data room.	, daming
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) Day 1 – Interviews Day 2 & 3 – Interviews / report preparation The time required should be agreed in discussion between the GCA Review Manager, delivery agency and the Review Team Leader. 	Week 3
10	Reviewer Team finalises the Review report for the GCA.	
11	Delivery agency debrief (usually attended by the GCA) to the SRO.	Week 4
12	Report and recommendations table goes to the delivery agency for fact check and responses to the recommendations.	
13	Fact checked report and responses to the recommendations sent to the GCA by the delivery agency.	•
14	Report incorporating response to recommendations finalised by the GCA.	Week 5
15	Post Review survey sent out to delivery agency, Review Team members and GCA Review Manager.	Post
16	Close-out Plan issued to delivery agency by the GCA.	Review



REVIEW RATINGS

At the completion of the Deep Dive 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	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten successful delivery.	
MEDIUM	Successful delivery is feasible but significant issues exist which require timely management and attention.	
LOW	Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent additional action is needed.	

Each of the recommendations made by the Review Team will also 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	
SUGGESTED	The recommendation is not considered critical or urgent but the project may benefit.
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."

GATEWAY WORKBOOK

Part A

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





INFRASTRUCTURE INVESTOR ASSURANCE IN NSW

The NSW Government has adopted a formal Assurance Framework for capital infrastructure projects valued at or over \$10 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. Health Checks will be carried out, when required, by an independent team of experienced practitioners.

All Gateway Reviews and Health Checks follow a dedicated workbook that provides structure and guidance for the Review.

The results of each Gateway Review and Health Check are presented in a report that provides a snapshot of the project's 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.

These project reports focus on the progress of the project against time, cost, quality, risks and impediments to project development/delivery confidence.

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, development and review of project issue mitigation plans 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.

CAPITAL PORTFOLIO

In August 2020, Infrastructure NSW initiated, and NSW Cabinet endorsed the addition of Capital Portfolio Health Check Reviews. This is one of the initiatives in response to the Infrastructure NSW Root Cause Analysis conducted in 2019, which investigated improvement opportunities across government in the delivery of the capital infrastructure portfolio. Nominated delivery agencies will be required to undertake Capital Portfolio Health Check Reviews.



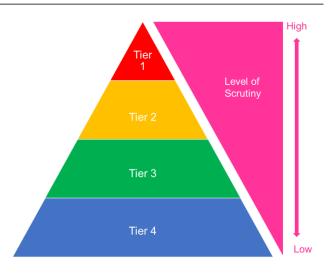
RISK BASED APPROACH TO INVESTOR ASSURANCE

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 \$10 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 GCA Reporting and 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 outlined in a Project Assurance Plan for endorsement when registering. The Project Assurance Plan 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.

APPLICABLE NSW POLICY

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

- NSW Gateway Policy (TPP17-01)
- Infrastructure Investor Assurance Framework (IIAF) (March 2021)
- Infrastructure NSW Framework for establishing effective Project Oversight (2021)
- NSW Government Sector Finance Act 2018
- NSW Government's Capability Framework
- NSW Government Timely Information on Infrastructure Projects (C-2020-22)
- NSW Government Business Case Guidelines (TPP18-06)
- NSW Government Program Evaluation Guidelines (January 2016)
- NSW Government Benefits Realisation Management Framework (2018)
- NSW Government Guide to Cost Benefit Analysis (TPP 17-03)
- NSW Public Private Partnerships Guidelines (TPP17-07)
- NSW Government Procurement Policy Framework (October 2020)
- Public Works and Procurement Amendment (Enforcement) Act 1918
- NSW Procurement Board Directions Enforceable Procurement Divisions
- Australian Government Assurance Reviews and Risk Assessment (Department of Finance)



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.

The Gateway Review process identifies the project phases within each lifecycle stage, and these project phases guide the timing of Gateway Reviews. The project phases and the relationship to the lifecycle stages can be represented as:



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	NEEDS CONFIRMATION	Proceeding to develop the options analysis
GATE 1	STRATEGIC OPTIONS	PLANNING & DEVELOPMENT	NEEDS ANALYSIS	Proceeding to develop the final 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:





GATEWAY REVIEW PROCESS

The Gateway Review process also includes 'Health Checks' and 'Deep Dives', which are Reviews conducted at any point through the project lifecycle. Health Checks follow the same format as Gate 1 to Gate 6 Reviews. Health Checks are general reviews on the progress of the project relevant to its stage of development or delivery but may have an increased focus on a particular set of issues. Deep Dives are specialist technical Reviews on a specific issue or issues.

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.

GATE 0 – PROJECT DEVELOPMENT AND DELIVERY

As project development is at an early stage in the project lifecycle, Gate 0 Gateway Reviews follow a different process to that for Gates 1 to 6, Health Checks and Deep Dive Reviews.

Gate 0 Go/No Go Gateway Reviews are guided by the Gate 0 Go/No Go Gateway Review Workbook and have a relatively narrow focus compared to later Gateway Reviews and Health Checks. The Gate 0 Review is not structured around the seven Key Focus Areas but rather focuses on the definition of the problem to be solved, the proposed project's alignment to government policy/strategy and the delivery agency's plan to take the project forward.

Delivery agencies are informed of the Gate 0 Gateway Review outcome and recommendations by the GCA Review Manager.

GATES 1 TO 6 – PROJECT DEVELOPMENT AND DELIVERY

Gateway Reviews (Gates 1 to 6) are independent expert Reviews. The structure of each of these Reviews is similar and focused on project development and delivery, and high value areas that have greatest impact on successful outcomes.

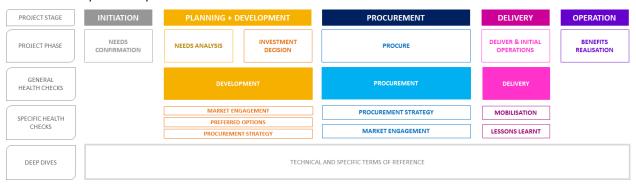
The seven Key Focus Areas support a consistent structure in undertaking Gateway Reviews and preparing Review Reports. Review Report commentary and recommendations are intended to be constructive and raise issues essential to the project's success.

HEALTH CHECKS AND DEEP DIVE REVIEWS

Health Check Reviews are similar to the Gateway Reviews (Gates 1 to 6) and follow the same format to address and rate overall delivery confidence as well as each of the seven Key Focus Areas. They may also cover additional areas of concern. 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 less common and generally only conducted upon request by Government, the GCA. NSW Treasury or the delivery agency.

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



GATEWAY WORKBOOK – Deep Dive

PART A



GATEWAY REVIEW REPORTS

The primary output of each 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 seven Key Focus Areas, Gateway Review Ratings, the Recommendations Table, and observations of good practice or areas for opportunity. The Review Report may also cover other matters identified in the Terms of Reference. Review Recommendations are grouped by Key Focus Area.

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.

The Review Report templates are specific to the Gate or Health Check and reflect the focus of the appropriate workbook. Deep Dive Review Reports are shorter given the more limited focus.

CLEARANCE OF GATE

Following the conclusion of the Gateway Review 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. 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.

The Certificate is not a Gateway Review approval or an endorsement of the project.

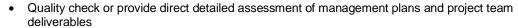
WHAT GATEWAY REVIEWS DO NOT DO

A Gateway Review is not an audit.

The Reviews are intended to be confidential and constructive, providing an expert assessment of a project's development and delivery confidence at a point in time.

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



 Provide a forum for stakeholders or other parties to inappropriately disrupt the direction or nature of a project.

Review Teams require evidence that work has been completed, but documentation should not be created solely for a Gateway Review. If a project has genuinely reached the milestone that triggers a Gateway Review, little additional work should be needed other than collating and bringing together evidence to meet the Review requirements.

The Review Team should also note Gateway Reviews are not adversarial or a detailed assessment of management plans and project team deliverables.



ROLES WITHIN A GATEWAY REVIEW

The typical roles within a Gateway Review are outlined below:

ROLE	DESCRIPTION
GATEWAY COORDINATION AGENCY (GCA)	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.
GCA REVIEW MANAGER	The 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.
DELIVERY AGENCY HEAD	The Secretary or CEO of the delivery agency responsible for the project.
SENIOR RESPONSIBLE OFFICER (SRO)	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.
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.
REVIEW TEAM LEADER (RTL)	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. 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.
REVIEW TEAM MEMBER	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.
STAKEHOLDER	Organisations, groups or individuals, either internal or external to government, that are impacted by the project.

GATEWAY WORKBOOK

Part B

FOR DELIVERY AGENCIES

Initiating and preparing for a Deep Dive



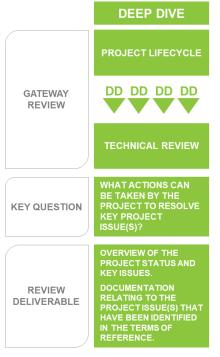
PART B



HOW TO USE PART B

PART B assists delivery agencies prepare for a Deep Dive Review, including collating documentation and preparing for the project briefing and interviews.

DEEP DIVE - FOCUSED ANALYSIS



A Deep Dive Review requires the delivery agency to provide clear evidence to support and respond to the Terms of Reference.

Deep Dive Reviews are focused on a specific technical or project issue. The Terms of Reference will detail the scope of the Deep Dive and will assist in guiding the delivery agency's preparation prior to the Deep Dive.

Deep Dive Reviews occur at the request of the responsible Minister, the delivery agency, or Infrastructure NSW. A Deep Dive Review may be considered based on a recommendation made by a Gateway Review or Health Check. The Deep Dive Review should be sponsored by the delivery agency's SRO and appropriate stakeholders (internal and external to the delivery agency) should be involved.

It should be noted that Deep Dives can occur in compressed timeframes to support Government decision making.

DEEP DIVE REVIEW AND DOCUMENTS

It is intended that delivery agencies **use existing project documentation** to respond to the scope of the Deep Dive and not create or customise documents for the Deep Dive.

It is, however, useful to include a project presentation providing and executive overview of the project tailored towards the Terms of Reference.

The delivery agency must complete a document register for the Review Team and for inclusion in the Review Report. Typically, no more than 30 documents that are most relevant to the project, should be loaded into the data room.

PART B

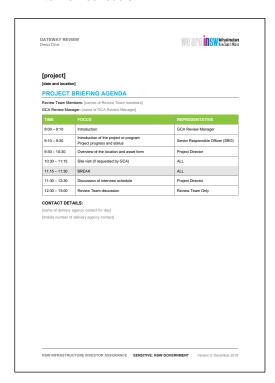


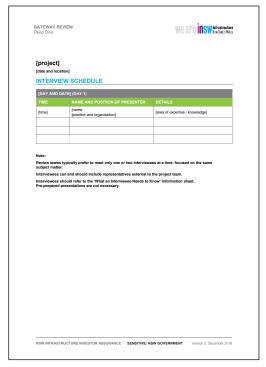
TEMPLATES TO BE COMPLETED

Prior to the commencement of the Deep Dive 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.

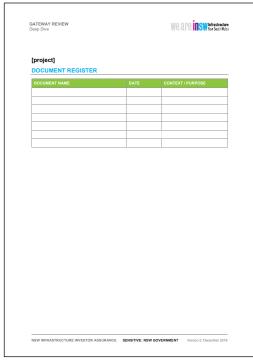
- · Project briefing agenda
- · Interview schedule





- Interviewee list
- Document register





GATEWAY WORKBOOK - Deep Dive

PART B



INITIATING THE GATEWAY REVIEW

On initiation of the Deep Dive Review, the GCA will consult with the delivery agency and then draft Terms of Reference and appoint the Review Team. The delivery agency should collate project documentation and coordinate interviewees. The Review commences with the release the project documents to the Review Team. This is followed by the project briefing, site visit (if required) and interviews.

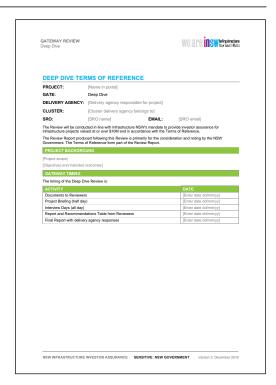
The delivery agency and GCA Review Manager will discuss and agree:

- Dates for the project briefing and interview day(s)
- · Any urgency in the completion of the Deep Dive Report
- 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 Deep Dive in consultation with the delivery agency and provide them to the Review Team prior to the commencement of the Review. The Terms of Reference define the scope of a Deep Dive Review. The Review Team use the project documents provided and interviews with the project team and stakeholders to inform a commentary on the project and response to the Terms of Reference.

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



GATEWAY WORKBOOK – Deep Dive

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, however, it is noted the timeframe for a Deep Dive may be constrained.

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 may include a site visit.

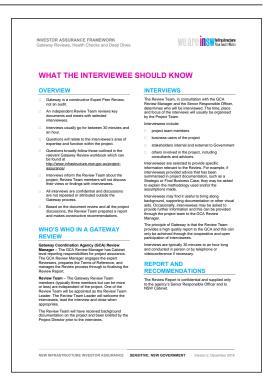
A Project Briefing Agenda template is included in the Deep Dive suite of documents. This template is only provided as guidance and the delivery agency may change the agenda as appropriate.

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 delivery agency must then arrange. The interviewees nominated should be appropriate to cover 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 schedule and list templates are included in the Deep Dive suite of documents.

An interviewee information sheet is available with the Deep Dive suite of documents and it may be useful for the delivery agency to provide this to interviewees unfamiliar with the Gateway Review process.



GATEWAY WORKBOOK

Part G

FOR REVIEW TEAMS

Conducting a Deep Dive Review



GATEWAY WORKBOOK – Deep Dive

PART C



DEEP DIVE APPROACH

A Deep Dive Review can be undertaken at any point during a project's lifecycle.

The Review Team should respond to the Terms of Reference in undertaking the Deep Dive Review.

GATEWAY REVIEW

The Deep Dive is conducted through an examination of the project documentation provided and interviews with project team members and stakeholders. The scope of the Review is wholly informed by the Terms of Reference.

Typically, a 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

The Review Team members are appointed by the GCA and must be independent of the project. All Reviewers must sign engagement letters and Confidentiality Deeds before commencing the Review. One of the Review Team members will be assigned as the Review Team Leader by the GCA.



Reviewers must immediately inform the GCA of any potential or current conflict of interest that arises prior to or during Review. The Reviewer's participation in the Review may preclude them, and their organisation, from participating in the project in any other capacity.

A Review Team is typically made up of three members although may be less due to the focused nature of a Deep Dive. Review Teams are selected based on their mix of skills and experience, as relevant to 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 from outside the Review Team
- Adhering to the 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.

Delivery agencies and Review Team members should immediately inform the GCA if they believe any member of the Review Team is in breach of these principles or displays any inappropriate or disrespectful behaviour at any time.

The Review Team should also note Gateway Reviews are not adversarial, an audit or a detailed assessment of management plans and project team deliverables.

PART C



REVIEW COMMUNICATION PROTOCOLS

TOPIC	DETAILS
REPORT CONFIDENTIALITY	 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 "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 without the permission of the CGA Review Manager.
REPORT DISTRIBUTION	 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. 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 Report must not be distributed outside of the responsible delivery agency until the report is finalised, including a delivery agency response to the Review Recommendations. Copies of final Review Reports (including delivery agency responses) 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. The Delivery Agency Head or delegate may distribute the final Review Report at their discretion, having regard to the confidential nature of the Report.
REVIEW DEBRIEF	 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 delivery agency representative at the debrief and may attend the debrief at their discretion. There is no 'informal' element to Gateway Reviews. A debrief to SROs or a delivery agency's executive must not occur without the approval of the GCA representative.
REPORT FORMAT	 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	 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.

GATEWAY WORKBOOK – Deep Dive

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 progress and issues with recommendations so appropriate action can be taken.

The Review Report should utilise the Deep Dive Review Report template, incorporating the overall rating for the Deep Dive 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, in response to the Terms of Reference
- · Relevant recommendations, listed, justified and rated (consistent with the Ratings Guide)
- · Recommendations Table including each recommendation with its rating and categorisation by theme.

APPLICATION OF REVIEW SUCCESS FACTORS

In responding to the Terms of Reference the Review Team should be guided by the success factors for projects, underpinning delivery confidence.

In considering the success factors, the Review Team should make an assessment appropriate to the lifecycle stage of the project. Certainty across each success factor should increase as the project progresses through its lifecycle.

The three success factors are:



INCREASING SCOPE CONFIDENCE



IDENTIFICATION AND
MANAGEMENT OF RISK



REALISING THE DELIVERY OF BENEFITS

The success factors provide an overarching context for <u>each Review</u>, including Deep Dive Reviews, and should assist in developing lines of enquiry. The success factors provide context to the commentary which is focused on the Terms of Reference in the Review Report.

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:

- Use independent peer reviewers to verify that cost, demand and benefit estimates are realistic
- Undertake 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.

PART C



KEY THEME ASSESSMENT

Infrastructure NSW is required to prepare the Trends and Analysis report each year to meet its performance reporting obligations. This relies on an analysis of the Review recommendations categorised according to 18 key themes.

Review Teams are requested to assign one of the 18 key themes to each recommendation made.

The Trends and Analysis report is an essential part of the Infrastructure Investor Assurance Framework and contributes to continuous improvement activities across Government.

THEME	DEFINITION
QUALITY OF THE BUSINESS CASE	 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 and/or is inadequate.
GOVERNANCE	 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	 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	 Stakeholder strategy / management plan is missing or is not up to date. Lack of adequate stakeholder consultation and/or stakeholder views / concerns have not been considered and addressed appropriately.
BENEFITS REALISATION	 Lack of a benefits realisation framework strategy/plan, or does not adequately identify, quantify or assign responsibility for benefits.
PROJECT RESOURCING	 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	 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.
PROCUREMENT	 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	 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	 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	 Planning pathway to achieve planning consent in a timely manner not identified or articulated.
CHANGE MANAGEMENT	 Lack of an effective mechanism to identify the changes necessary to achieve project outcomes. Lack of a change management plan / inadequate change management plan.

PART C



ТНЕМЕ	DEFINITION
OPERATIONAL READINESS PLANNING	 Lack of, or inadequate mechanisms to ensure effective readiness planning, prioritisation, management and operation. Operational governance and management structures not determined and/or established.
SHARING KNOWLEDGE ACROSS GOVERNMENT	 Lack of, or inadequate processes to capture and share lessons learnt (errors and successes).
INTEGRATION WITH PRECINCT AND ACROSS SERVICES	Inadequate consideration of interfacing networks, precincts, projects and services.
UNDERSTANDING GOVERNMENT PROCESSES	 Relevant NSW Government guidelines, frameworks and processes not considered, employed and/or complied with during project development and delivery.
	The project objectives do not align to Government priorities, are not clear and/or do not articulate the service need.
CLEAR PROJECT OBJECTIVES	 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	Lack of or inadequate consideration, documentation and assessment of the social, economic and environmental impacts of the project.



GLOSSARY

TERM	DEFINITION
BENEFIT OWNER	The person responsible for the realisation of the benefit.
CAPITAL PROJECT	A project primarily comprised of one or more of the following elements: Infrastructure Equipment Property developments Operational technology that forms a component of a capital project.
CEO	
CLOSE-OUT PLAN	Chief Executive Officer. Document outlining actions, responsibilities, accountabilities and timeframes that respond to recommendations identified in Gateway and Health Check Final Review Reports.
COMPLEX PROJECT	A project delivered in multiple stages and potentially across varying time periods. This could also be across a large (but connected) geography. Individual project stages may be identified during the development phase or during the procurement and delivery phases. This occurs when individual project stages are being procured and delivered under different contracts and potentially over different time periods. In some cases these individual project stages may have a different Project Tier to the overall complex project.
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 tasked with developing and / or delivering a project applicable under this Framework and the NSW Gateway Policy.
EQUIPMENT	The necessary assets used on or to support an infrastructure system and can include fleet and rolling stock.
ECI	Early Contractor Involvement.
ETC	Estimated Total Cost.
EXPERT REVIEWER PANEL	Panel comprising independent highly qualified Expert Reviewers established to cover all aspects of Gateway Review needs.
FBC	Final 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.
GCA REPORTING AND ASSURANCE PORTAL	Online portal administered by the GCA for the management of IIAF functions.
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.



TERM	DEFINITION
	A Gateway Review is a short, focused, independent expert appraisal of the project/program 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.
HEALTH CHECK	Independent Reviews carried out by a team of experienced practitioners seeking to identify issues in a project which may arise between Gateway Reviews.
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.
PROGRAM	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.
	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.
	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.
PROJECT	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.
	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.
	A particular project may or may not be part of a program. Where a project is delivered in multiple stages and potentially across varying time periods it is
	considered a 'complex project'. Refer to the definition for 'complex project'.
PROJECT TEAM	The delivery agency 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, Health Check or Deep Dive Review.
SENIOR RESPONSIBLE OFFICER (SRO)	The delivery agency executive with strategic responsibility and the single point of overall accountability for a project/program.