

MAJOR PROJECTS GUIDANCE FOR LOCAL GOVERNMENT

Overview

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1. What is Gateway?

Some Australian jurisdictions now employ a model of structured reviews during the procurement process known as the Gateway Review Process (GRP). It is modelled on the Gateway Program which was established in the United Kingdom in 2001 and was first introduced outside the United Kingdom in Victoria in 2003.

The aim of the GRP is to improve the management and delivery of significant projects and programs by providing a series of short independent assessments of a project's health at key decision points (known as gates) during the project's life cycle. The GRP has the potential to allow governments, including Councils, to track lessons learnt on projects to help improve project management. The GRP is run by the Treasury department in each jurisdiction.

A GRP has been developed in Victoria, New South Wales, Queensland and Western Australia. Tasmania occasionally runs GRPs and relies on the Victorian process to do so. South Australian and the Northern Territory do not run GRPs.

2. How does a GRP work?

The GRP involves a small team of experienced procurement practitioners, usually with different skill sets to one another that can assess the progress of a project at set stages of the procurement process. This small team is not involved in the project and is subject to strict confidentiality requirements.

The assessment by the review team is an intensive process. It involves conducting interviews with project personnel and stakeholders, and preparing a report in a period of three to four days. The report is provided to the project's Senior Responsible Officer (SRO) and provides a snapshot of the project's progress and, where appropriate, includes observations and recommendations to strengthen project outcomes.

The review team does not have any power in relation to the project and as such cannot require the project to be stopped or varied. The review team will, however, usually be required to classify the project or program as a whole and identify the key areas of the review on a Red/Amber/Green (RAG) basis with individual recommendations.

3. Gateway review and local government

In those Australian jurisdictions where there is a Gateway process, the specific requirements and processes differ between jurisdictions.

3.1 Victoria

In Victoria, the GRP is mandatory for High Value and/or High Risk (HV/HR) projects. A project is considered as 'High Value' where it has a total estimated investment of more than \$100 million. A project will be identified as 'High Risk' through the application of a 'Project Profile Model' that reflects the complexity, criticality and level of uncertainty of a project or program and its delivery.

Local government is not mandated to take part in a GRP, however, the Victorian Government recently ran a Regional Local Government Gateway Review Pilot designed to assist regional Councils undertaking risky projects.

3.2 New South Wales

In New South Wales, government agencies are required to submit to a GRP all procurement proposals for projects that meet the following criteria:

- strategic review:
 - estimated total cost over \$10 million and
 - commencing in two to four years of the upcoming forward estimates period, or
 - proposed for State Infrastructure Strategy publication or other public statement.
- business case review:
 - estimated total cost over \$1 million, if requested by Treasury
 - all projects with an estimated total cost over \$10 million.

3.3 Queensland

In Queensland, projects or programs may be nominated for a GRP in the following circumstances:

- the project owner may apply for a review by completing a 'risk profile model' and submitting it to the Gateway unit
- agency director-generals or ministers may make a nomination
- the project approval process may be conditional on the project being submitted to a GRP
- the Gateway unit in the Department of Treasury may approach the SRO to discuss the benefits of undertaking a Gateway review.¹

3.4 Western Australia

In Western Australia, a project automatically qualifies for a GRP where the total project cost is greater than \$100 million for infrastructure and capital works projects.

In other cases, the SRO can complete the 'project assessment tool' to determine if a project is suitable for a Gateway review.

3.5 Comparison between Australian jurisdictions

Victoria, New South Wales, Queensland and Western Australia all utilise five or six separate gates. Although there are subtle differences between the gates in each jurisdiction they are substantially similar.

Table 1 contains a summary of the gates in each jurisdiction.

¹ www.treasury.qld.gov.au/clients/government/gateway-review-process.shtml

Table 1: Summary of the gateway review points by jurisdiction

Jurisdiction	Gate	Gate description
Victoria	Gate 1	Concept and feasibility
	Gate 2	Business case
	Gate 3	Readiness for market
	Gate 4	Tender decision
	Gate 5	Readiness for service
	Gate 6	Benefits realisation
New South Wales	Gate 1	Strategic review
	Gate 2	Business case review
	Gate 3	Pre tender review
	Gate 4	Tender evaluation review
	Gate 5	Pre commissioning review
	Gate 6	Post implementation review
Queensland	Gate 1	Preliminary evaluation
	Gate 2	Readiness for market
	Gate 3	Investment decision
	Gate 4	Readiness for service
	Gate 5	Benefits realisation
Western Australia	Gate 1	Strategic assessment
	Gate 2	Business case
	Gate 3	Readiness for market
	Gate 4	Tender decision
	Gate 5	Readiness for service
	Gate 6	Benefits evaluation

It is important to bear in mind, however, that the gates are intended to be flexible. As such, even within the same jurisdiction, a gate may be held at a different point of time depending on the procurement method in question. For example, the differences between procurement stages in a PPP and an alliance means that a 'Tender Decision' gate can be held at quite different points in the project timeline or not at all.

4. Further information

Further information on the GRP, including detailed guidance material, can be found at the following websites:

Victoria

www.gatewayreview.dtf.vic.gov.au

New South Wales

www.nswprocurement.com.au/Government-Procurement-Frameworks/Gateway-Review.aspx

Queensland

www.treasury.qld.gov.au/office/services/financial/gateway-review-process.shtml

Western Australia

<http://www.finance.wa.gov.au>

Commonwealth

www.finance.gov.au/gateway/review-process.html