Treasury

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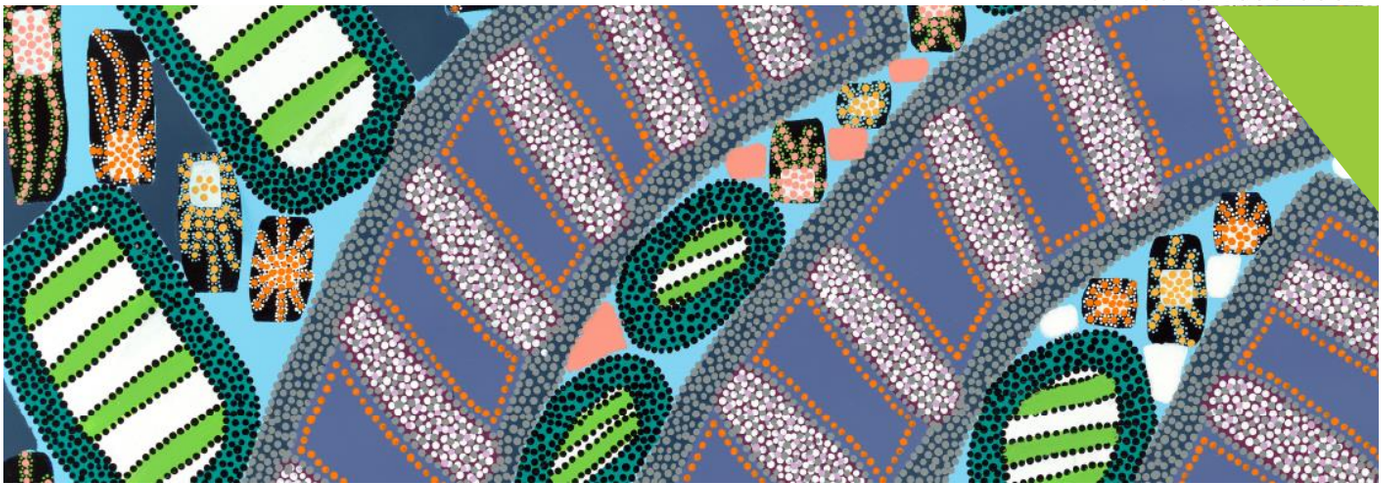
NSW Treasury Policy and Guidelines:
NSW Gateway Policy



Acknowledgement of Country

NSW Treasury acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork: ‘Regeneration’ by Josie Rose 2020

Key information	
Treasury Policy and Guidelines (TPG) is relevant to?	☒ Government Sector Finance Agencies ☒ General Government Sector ☒ Public non-financial corporation ☒ Public financial corporation ☒ State Owned Corporations ☒ Other
	☒ Executive agencies related to Departments
	☒ Subsidiaries of the NSW Government established under the ***Corporations Act 2001***
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Document contains
☒ **MANDATORY POLICY** compliance set out by NSW Treasury.
☒ **RECOMMENDED POLICY** reflecting best practice standards.
☒ **GUIDANCE/ADDITIONAL INFORMATION** to provide clarity or explain requirements in detail.

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The NSW Gateway Policy

Purpose

This policy paper provides guidance and core requirements for the delivery and monitoring of Gateway reviews in NSW. It sets out the requirements that the Gateway Co-ordination Agencies (GCAs), the Delivery Agencies and the Policy Owner must follow.

Gateway assurance supports Government investment decisions and management of risks in the development and delivery of projects and programs. It applies independent, confidential, expert reviews to projects and programs throughout their lifecycle to:

- provide assurance to the NSW Government, as the investor, that those projects and programs are effectively developed and delivered in line with Government objectives; and
- support the Delivery Agencies in the development and delivery of those projects and programs to successfully achieve the outcomes.

Gateway is an external assurance system which complements internal assurance and other forms of agency analysis. It adds value by bringing external expertise and advice. It is not an audit, approval or an endorsement process.

Overview

This Policy is a component of the NSW Government's Financial Management Framework and applies to projects and programs throughout their lifecycle concurrently with the other NSW Government policies.

Gateway is a system that provides assurance by independent experts at key decision points throughout a project or program's lifecycle. This Policy establishes the principles and structure for the provision of Gateway assurance reviews in NSW and describes the roles of the GCAs, the Delivery Agencies and the Policy Owner. The GCAs can sequence and structure the Gateway reviews to constructively fit with and be informed by the other work on projects and programs required for compliance with the other Government policies.

Application

This policy sets out the requirements that the GCAs, the Delivery Agencies and the Policy Owner must follow.

The GCAs are:

- Infrastructure NSW (INSW) which administers the Infrastructure Investor Assurance Framework (IIAF)
- the Department of Customer Service (DCS) which administers the ICT Assurance Framework (IAF)
- the NSW Treasury which administers the Recurrent Expenditure Assurance Framework (REAF).

The Delivery Agencies are the General Government agencies, the Government Businesses and the State Owned Corporations with projects and programs subject to the NSW Gateway Policy.

All projects and programs that meet the definitions in this Policy are subject to this Policy regardless of the funding source. This includes projects and programs that may be funded by grants, Consolidated Fund appropriations and self-funded projects.

The Policy Owner of the NSW Gateway Policy is the NSW Treasury.

This update to the NSW Gateway Policy applies with immediate effect.

Summary of Requirements

This policy establishes the principles, the structure and the roles in the Gateway assurance system in NSW. Each key role in the provision of Gateway is supported by the relevant requirements which are summarised below.

Mandatory

1. **Gateway Co-ordination Agency (GCA)**

   Requirements:

   - A GCA must design and implement an approved, risk-based model for the assessment of projects or programs, coordination of Gateway reviews and reporting of Gateway performance.
   - A GCA must maintain a database of all final Gateway review reports under the GCA Frameworks they administer.
   - A GCA is required to regularly review the efficiency and effectiveness of the GCA Framework it operates to ensure that the Gateway Framework is delivered in a cost-effective and timely manner.
   - A GCA must report to the Policy Owner annually on the application of the GCA Framework and the performance of the GCA Framework

2. **Delivery Agency**

   Requirements:

   - A Delivery Agency must identify the appropriate GCA Framework for a project or program. If the Delivery Agency is unable to identify the appropriate GCA to deliver Gateway, the Delivery Agency must consult the Policy Owner.
   - A Delivery Agency must notify the appropriate GCA of a project or program and agree the approach with the associated GCA.
   - A Delivery Agency must adhere to the roles, responsibilities and processes defined in the approved GCA Frameworks.

3. **Policy Owner**

   Requirements:

   - The Policy Owner must monitor the application of the Policy.
   - If the Delivery Agency is unable to identify the appropriate GCA to deliver Gateway, the Policy Owner will decide on the applicable GCA Framework and communicate the outcome to the relevant parties.
   - The Policy Owner must report on the performance of this Policy, including the performance of the GCA Frameworks.
   - The Policy Owner must review the Policy at least once in every five years.

Core Requirements

1.1 Core Requirements for the Gateway Co-ordination Agencies (GCA)

Mandatory

- A GCA must design and implement an approved, risk-based model for the assessment of projects or programs, co-ordination of Gateway reviews and reporting of Gateway performance. The model must:
  - align to the Principles of Gateway set out in *Appendix C: Gateway Principles*
  - include Gates aligned to the Gates described in *Appendix D: Gates and Related Reviews*
  - specify a financial threshold above which a project or program will be subject to the risk assessment process under the GCA Framework
  - describe how risk will be assessed and how the assurance plan for projects and programs will be determined.
- A GCA must maintain a database of all final Gateway review reports under the GCA Framework it administers.
- A GCA is required to regularly review the efficiency and effectiveness of the GCA Framework it operates to ensure that Gateway is delivered in a cost-effective and timely manner.
- A GCA must report to the Policy Owner annually on the application and performance of their GCA Framework.

Recommendation(s)

- The lead GCA will seek input and expertise from the other GCAs in providing assurance on Mixed Projects and Programs. GCAs will work collaboratively to support the achievement of outcomes for the Investor and the Delivery Agencies.

Guidance/Information

1.1.1. Development of a GCA Framework

A GCA, in consultation with the NSW Treasury, must develop a GCA Framework for the delivery and reporting of Gateway that:

- aligns to the Principles of Gateway set out in *Appendix C: Gateway Principles*
- includes Gates aligned to the Gates described in *Appendix D: Gates and Related Reviews*
- specifies a financial threshold above which a project or program will be subject to the risk assessment process under the GCA Framework
- describes how risk will be assessed and how the assurance plan for projects and programs will be determined.

1.1.2. Approval of a GCA Framework

A GCA Framework must be endorsed by the Policy Owner and then approved by the Cabinet.

The Cabinet can withdraw approval of a GCA Framework at any time if it is demonstrated that the GCA Framework is not compliant with the Policy or meeting the objectives of the Policy.

The Policy Owner can approve immaterial changes to a GCA Framework that are designed to promote the efficiency and effectiveness in the delivery of Gateway. Immaterial changes may include amendments that would not have an impact on the types of projects that are captured by Gateway or the extent to which projects are required to engage with the Gateway review processes.

Cabinet must approve any material changes to a GCA Framework. GCA Framework changes to the financial thresholds or applicability of the Gateway Reviews would be considered material.

1.1.3. Implementation of a GCA Framework

A GCA is required to implement the GCA Framework developed and approved under this Policy effectively and efficiently.

1.1.4. Database of Reports

A GCA is required to maintain a database of all final Gateway review reports and the Delivery Agency mitigation responses under the GCA Framework it administers.

1.1.5. Reporting on Performance

A GCA is required to regularly review the efficiency and effectiveness of the GCA Framework it operates to ensure that Gateway is delivered in a cost-effective and timely manner.

A GCA is required to report to the Policy Owner annually on the application of the GCA Framework and the performance of Gateway.

1.2 Core Requirements for the Delivery Agencies

Mandatory

- A Delivery Agency must identify the appropriate GCA Framework for a project or program. If the Delivery Agency is unable to identify the appropriate GCA to deliver Gateway, the Delivery Agency must consult the Policy Owner.
- The Delivery Agency must notify the appropriate GCA of a project or program and agree the approach with the associated GCA.
- A Delivery Agency must adhere to the roles, responsibilities and processes defined in the approved GCA Frameworks.

Recommendation(s)

- Delivery Agencies are encouraged to provide feedback to the Policy Owner and the GCAs on the performance of the GCA Frameworks and on the associated Gateway Reviews to assist the continuous improvement of Gateway.

Guidance/Information

1.2.1 Identification of a GCA Framework

It is the responsibility of the Delivery Agency to identify the appropriate GCA Framework for a project or program and to agree the approach with the associated GCA.

The GCA Frameworks are:

- Infrastructure Investor Assurance Framework (IIAF) for the capital projects and programs administered by the Infrastructure NSW (INSW)
- The ICT Assurance Framework (IAF) for the ICT projects and programs administered by the Department of Customer Service (DCS)
- The Recurrent Expenditure Assurance Framework (REAF) for the major recurrent expenditure projects and programs administered by the NSW Treasury.

The GCA Frameworks and the corresponding GCAs for each type of a project or program are detailed in Appendix B: *Gateway Co-ordination Agencies and Frameworks*.

The appropriate GCA Framework is determined by the type of investment in the project or program – capital, ICT or recurrent – and should be agreed between the Delivery Agency and the associated GCA. However, in cases of mixed projects, a project or program may contain elements within the scope of multiple GCA Frameworks. The Delivery Agency must consider the materiality of the elements in a mixed project and determine the primary type of investment into the project or program in identifying the appropriate GCA Framework. If a project or program is funded by capital and recurrent funding, it should be registered with a GCA on the basis of its predominant funding type.

The Policy Owner will allocate the responsibility for the Gateway review to the appropriate GCA when there is a lack of clarity regarding the appropriate GCA Framework.

1.2.1 Notification to the appropriate GCA

A project or program can only be registered with a single GCA at any one time and assured under that GCA's Framework in its entirety including all its components.

A transfer between the GCAs can happen only if:

- there has been a substantial change in the scope of the entire project or program which resulted in it being primarily of a different nature and therefore, qualifying for assurance under a different GCA Framework; and
- the transfer is agreed between the Project or Program Sponsor, the original GCA and the receiving GCA.

The Policy Owner will allocate the responsibility for the Gateway review to the appropriate GCA when there is a lack of clarity regarding the appropriate GCA Framework.

1.2.2 Compliance with requirements of a GCA Framework

The Delivery Agency must adhere to the roles, responsibilities and processes detailed in the associated approved GCA Framework.

1.3 Core requirements for the Policy Owner

Mandatory

- The Policy Owner must monitor the application of this policy.
- If the Delivery Agency is unable to identify the appropriate GCA to deliver Gateway, the Policy Owner will decide on the applicable GCA Framework and communicate the outcome to the relevant parties
- The Policy Owner must report on the performance of this policy including the performance of the GCA Frameworks.
- The Policy Owner must review this policy at least once in every five years.

Guidance/Information

1.3.1. Policy Monitoring

It is the role of the Policy Owner to monitor the application of the Policy.

1.3.2. Determination of the GCA Framework

It is the role of the Delivery Agency to identify the appropriate GCA Framework for a project or program and to agree the approach with the associated GCA.

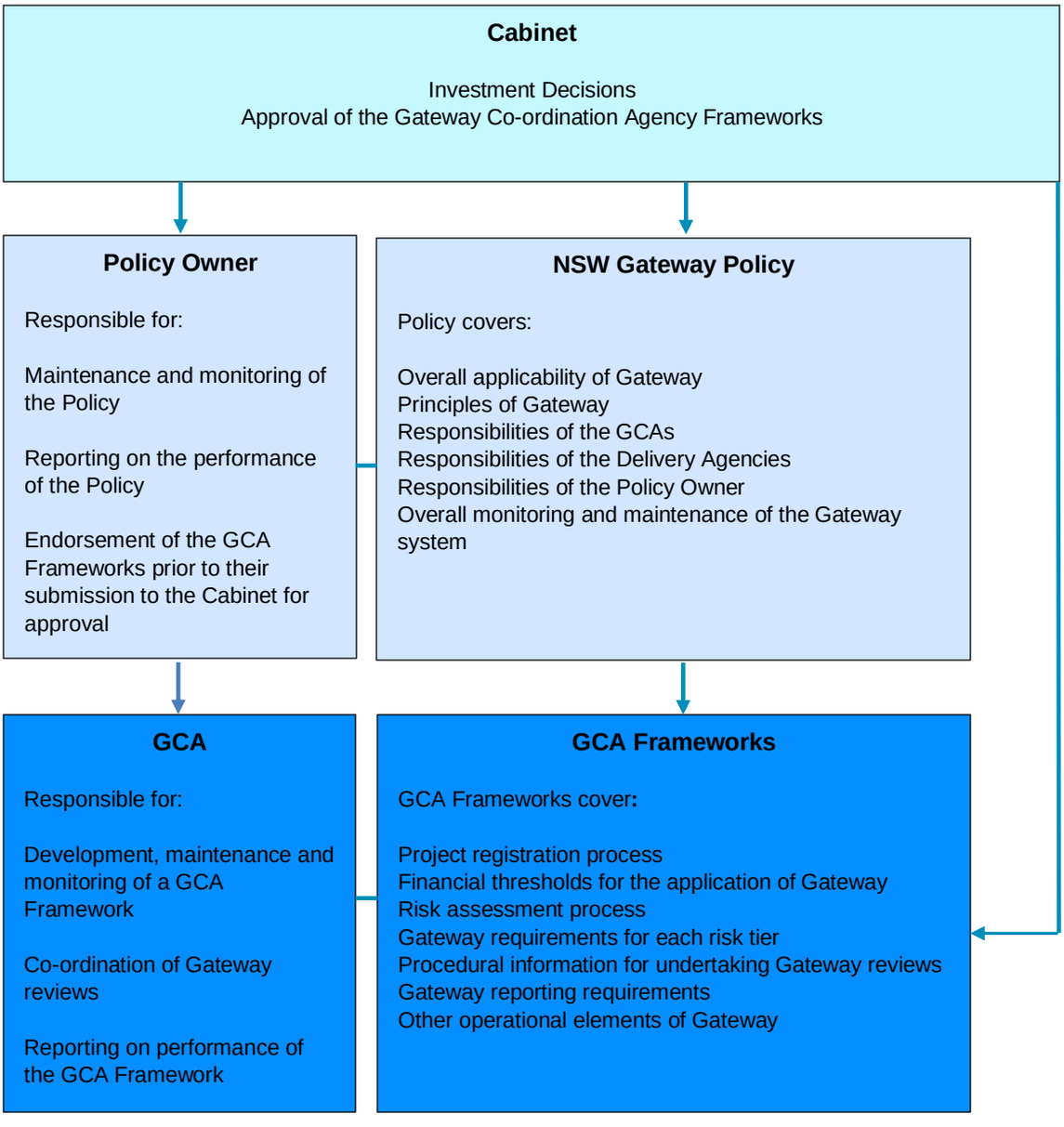
If there is a dispute or confusion regarding the appropriate GCA to deliver Gateway, the Policy Owner will decide on the applicable GCA Framework and communicate the outcome to the relevant parties.

1.3.3. Reporting

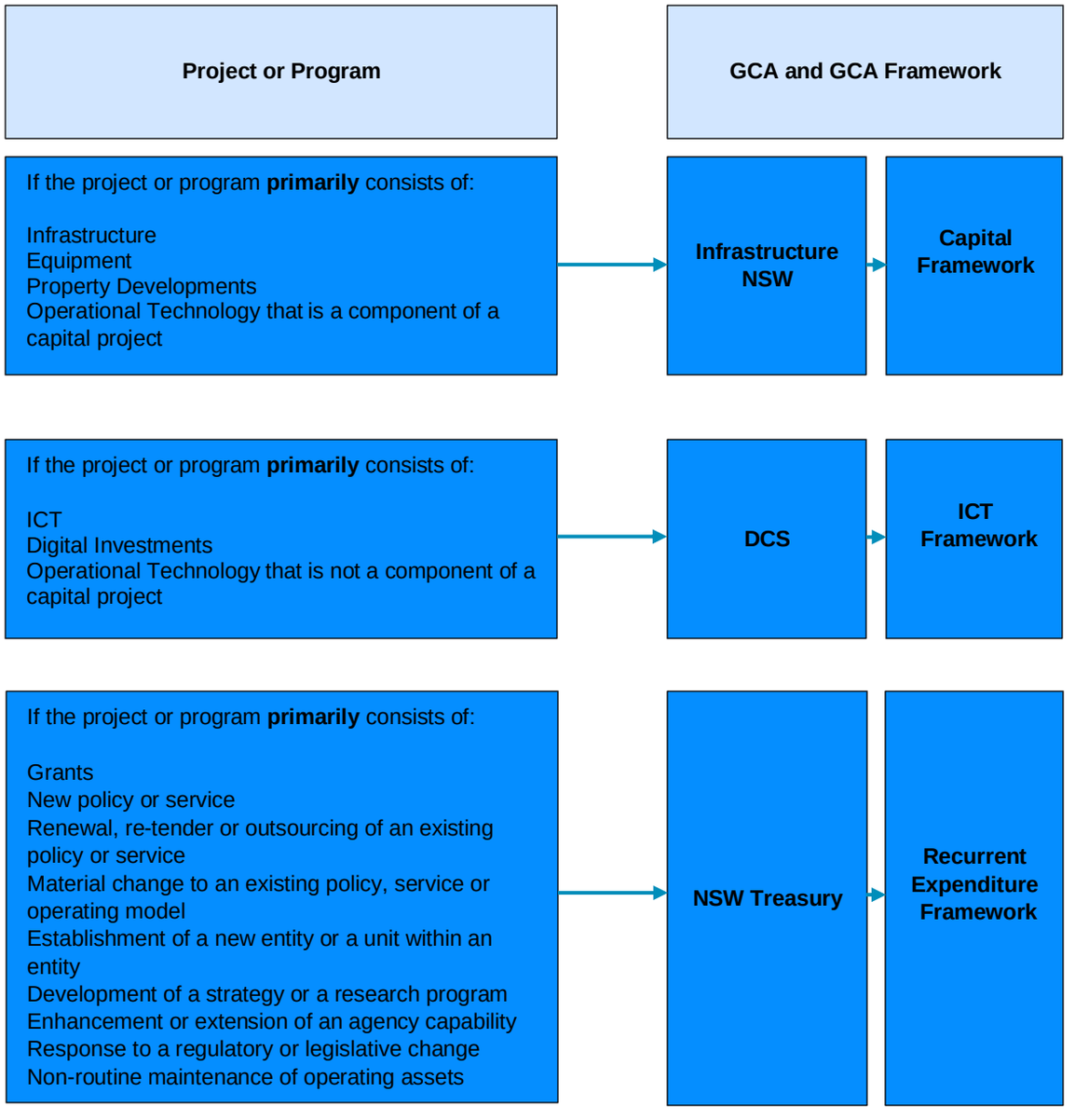
The Policy Owner will report on the performance of this Policy, including the performance of the GCA Frameworks.

The Policy Owner will review the Policy at least once in every five years.

Appendix A: Gateway Governance



Appendix B: Gateway Co-ordination Agencies and Frameworks



Appendix C: Gateway Principles

Gateway principles provide a foundation for the Gateway system in the NSW public sector. They set the requirements for the development of the GCA Frameworks and create a consistent and comparable assurance process that is beneficial to both the NSW Government, as the investor, and the Delivery Agency. These principles are not designed to set detailed requirements, financial thresholds, or other operational aspects of Gateway which are addressed in the GCA Frameworks.

The following five Gateway principles must be considered in the development of GCA Frameworks:

1. Management of Risks
2. Value for the Investor and the Delivery Agency
3. Independence and Confidentiality
4. Transparency and Accountability
5. Continuous Improvement

Management of Risks

Gateway is intended to provide the NSW Government with visibility, assessment and mitigation strategies for risk across the capital, ICT and major recurrent expenditure projects and programs.

The Gateway Co-ordination Frameworks will determine the number and application of Gateway reviews based on the level of project or program risk.

The GCA Frameworks will consider the project or program as a whole in the assessment of risk.

The GCAs will risk assess projects and programs against the four broad risk assessment areas set in this Policy. The GCAs can develop specific risk criteria under each risk assessment area and adopt the risk assessment approach to best capture the risk profile of their projects and programs.

Risk Assessment areas are:

1. **Project Cost** - estimate of the total cost of the project or program which captures the risk profile holistically and accounts for the whole of life costs with contingencies.

2. **Project Priority** - criticality of the project or program.

3. **Project Complexity** - reflection of the difficulty in the development and delivery of a project or program. The extent to which a project or program consists of many different and inter-connected parts which are not easily understood or predicted, are complicated or intricate and can affect successful development and delivery of the project or program.

4. **Agency Capability** - agency ability to successfully develop and deliver the project or program to achieve the planned outcomes.

Examples of risk and risk assessment criteria that can be used to assess projects and programs under these risk assessment areas include and are not limited to the following:

Project Cost

- Financial threshold for the determination of the risk tier
- Certainty of the project scope
- Level of detail in the design of a project, program, entity or service used to produce the estimated total cost
- Cost of resources
- Procurement methodology
- Governance mechanisms overseeing risks to cost
- Budget risk
- Financial return risk
- Stage of the project or program at which the cost estimate has been generated
- Robustness of the methodology used to produce financial estimates
- The uncertainty inherent in the cost estimate, including the reliability of the cost estimate range
- The likelihood of optimism bias in the cost estimate

Project Priority

- Government Priority
- Criticality of service
- Criticality to State finances
- Risk of failure
- Social risk associated with community's acceptance of the project
- Community security and well-being, including risks of terrorism
- Cyber Security and Data Privacy risk
- Political risk
- Regulation risk
- Legal risk
- Corruption risk

Project Complexity

- Design or solution complexity, including architectural, digital and human-centered design
- Procurement complexity
- Interface complexity
- Technological complexity
- Network complexity
- Sourcing complexity
- Risks to natural environment and climate related to the project
- Risks to clients and citizens from the project
- Risks associated with innovation, experimentation or first time use of new approaches, resources or solutions

- Feasibility of delivery

Agency Capability

- Project Management capability
- Agency capacity to successfully deliver the project or program
- Strategic leadership and organisational culture
- Inter-governmental, cross-cluster and cross-agency interdependencies
- Market capacity and capability to provide resources for the project
- Contract and contractor management
- Implementation risk
- Change Management risk
- Delivery risk
- Governance risk
- Benefits realisation management and monitoring capability

GCAs should re-assess the risk rating of a project in case of a material change in the project scope or environment.

Value for the Investor and the Delivery Agency

Gateway should provide value for the Investor and the Delivery Agency.

Gateway adds value for the Investor by providing confidence to the Government that the projects and programs are effectively managed and are on track to achieve the outcomes.

Gateway adds value for the Delivery Agency by assisting the Delivery Agency to successfully deliver projects and programs by identifying key risks and making practical recommendations to address them.

Delivery Agencies, the GCAs and the NSW Treasury will have the ability to nominate additional Gateway reviews and Health Checks beyond those mandated by the GCA Framework.

Gateway reviews should be structured not to delay development or delivery of projects and programs.

The GCAs should design and administer a Gateway review process which is fit-for-purpose to provide assurance on the infrastructure, the ICT and the recurrent projects and programs.

Gateway, when required under a GCA Framework, will be considered in project approval and allocation of funding.

Independence and Confidentiality

Gateway assurance should provide independent and experienced advice within a confidential environment, sharing outcomes between the Investor and the Delivery Agencies where beneficial.

The GCAs will assemble Gateway review teams with the relevant experience and expertise to provide assessment and advice.

The GCAs will ensure that the Gateway reviews are done by reviewers who are sufficiently independent from projects and programs to undertake an objective review from initiation to delivery and achievement of outcomes.

The GCAs will confirm that the Gateway reviewers have no conflicts of interest in reviewing projects and programs.

An agency cannot perform the roles of both the Delivery Agency and the GCA for the same project. Where the Delivery Agency is also the GCA, the Policy Owner will allocate the responsibility for assurance to an appropriate alternative GCA.

The Gateway review process is confidential between a Delivery Agency and the relevant GCA. All stakeholder interviews conducted as part of these reviews are confidential and non-attributable.

Distribution of the final review reports is restricted to the Delivery Agency, the principal Department of the Delivery Agency Cluster, the GCA, the Policy Owner and the Cabinet.

Transparency and Accountability

Gateway accountabilities must be clear to the GCAs, the Delivery Agencies and the Policy Owner.

A GCA Framework, developed by a GCA, must be endorsed by the Policy Owner and approved by the Cabinet.

The GCAs must ensure their GCA Frameworks align with this Policy and promote a consistent approach to Gateway across the sector.

The GCAs must deliver all final reports on Gateway reviews to the Delivery Agency, the Principal Department of the Delivery Agency and the Policy Owner to support investment decisions or on request.

A Delivery Agency must prepare a response to address recommendations arising from each Gateway review and communicate this response to the relevant GCA.

A project or program must only be referred to one GCA Framework for the purposes of Gateway.

It is the responsibility of the Delivery Agency in the first instance to determine the appropriate GCA Framework. Appendix B: *Gateway Co-ordination Agencies and Frameworks* provides guidance to Delivery Agencies on how to identify the appropriate GCA Framework. In case of mixed projects or programs, ambiguity or dispute about the appropriate GCA Framework, the Policy Owner will allocate the responsibility to the appropriate GCA.

Continuous Improvement

Continuous improvement ensures that the purpose of Gateway is realised through continuous monitoring and improvements.

Gateway should provide insights to improve Government project and program development and delivery processes in the future.

GCAs must regularly review the efficiency and effectiveness of their GCA Frameworks.

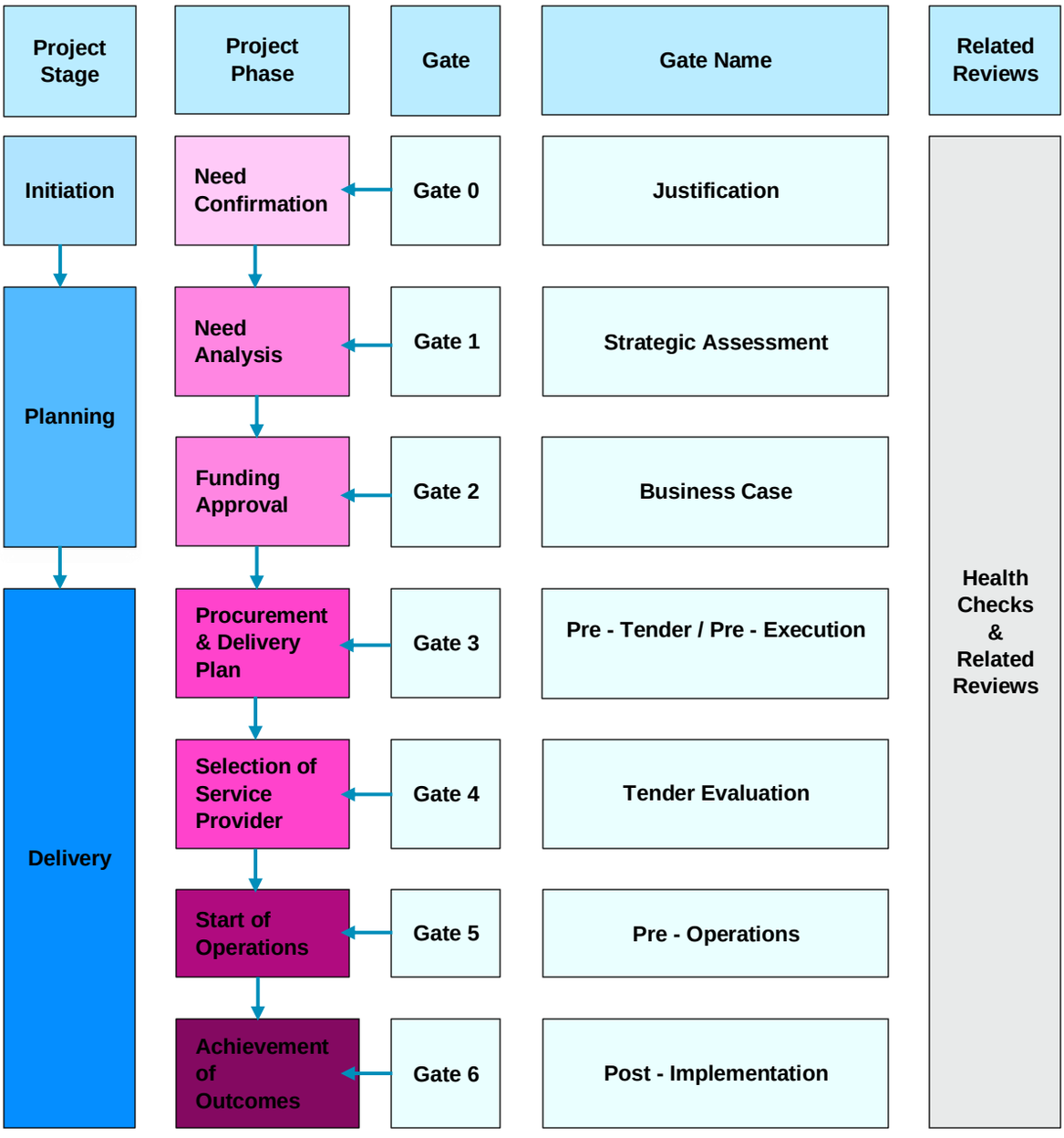
GCAs must provide the NSW Treasury with regular updates on the performance of the GCA Framework including emerging themes from the Gateway Reviews, in order to inform Policy evaluation and agency compliance monitoring.

NSW Treasury will undertake periodic reviews of this Policy and the performance of the associated GCA Frameworks to inform continuous improvement.

Appendix D: Gates and Related Reviews

Gateway system applies Gates and related reviews, such as Health Checks, to projects and programs at key milestones throughout their lifecycle as shown in Figure D.1.

Figure D.1: Gateway Reviews throughout the Project Lifecycle



Description of Gates

Gate 0 Justification

The purpose of this Gate is to consider:

- alignment of the project with the Government and agency priorities
- merit of the identified service need and whether it warrants further consideration
- governance and resources that would be available to develop a Strategic Business Case.

Timing of this Gate is after a service need has been identified and at the earliest point in the development of the proposed service or service change. Appropriate analysis must have been taken to allow the review to occur. It is based on the documentation available at the time prior to the development of a Strategic Business Case.

Gate 1 Strategic Assessment

The purpose of this Gate is to assess whether the project:

- is aligned with the Government's and the agency's strategic plans
- demonstrates that the service need should be addressed and proposes the best value means of servicing that need.

The timing of this Gate is after a service need has been identified and preliminary justification for procurement has been developed but prior to developing a detailed project proposal in a Business Case.

A Strategic Business Case is prepared at this stage to support assessment of the service need and consideration of the broad range of alternative service delivery options. The Strategic Business Case also estimates the costs and benefits of the options and their timing, governance structure for the project, high level risks, stakeholder consultation and change that may occur. For further information on preparation of the Strategic Business Cases, please refer to the NSW Government Business Case Guidelines.

Gate 2 Business Case

The purpose of this Gate is to evaluate the evidence that the proposed project is ready for a funding, policy or other type of approval.

The timing of this Gate is after a project has been defined and its benefits and costs quantified but before the Business Case is submitted for approval. This allows the Delivery Agency to incorporate any recommendations from a review into the final Business Case.

A Business Case is prepared at this stage and is a proposal for action that meets the Government's objectives and informs investment and policy decisions. A Business Case contains:

- a rationale for government action that is based on the identified service need
- evidence that the options will achieve the planned objectives and maximise social welfare and value for money (cost benefit analysis)
- evidence that the options are financially viable (financial analysis)
- evidence that there is capacity and capability required to procure, implement, maintain and monitor the proposal and realise and monitor the benefits (commercial analysis)
- evidence that the suggested solutions can be delivered (management analysis).

For further information on preparation of the Business Cases, please refer to the NSW Government Business Case Guidelines.

Gate 3 Pre - Tender / Pre - Execution

The purpose of this Gate is to confirm that a suitable procurement strategy has been selected to meet the project objectives within the budget and the time constraints. The Review also assesses whether the project is ready to proceed to the tender stage.

The timing of this Gate is after a discrete project has been defined and approved but before a commitment is made to a procurement methodology, contracting system or delivery actions.

This review uses project documentation such as the Community Consultation Report, Procurement Plan, Expression of Interest (EOI) and EOI Evaluation Plan, Request for Tender (RFT), Draft Contract, Terms of Reference for the project governance structure and relevant approvals.

Gate 4 Tender Evaluation

The purpose of this Gate is to confirm the recommended procurement solution before the Delivery Agency enters into a contract to provide assurance that a robust process has been followed to select the nominated service provider.

The timing of this Gate is after the tenders have been called and the responses have been evaluated but prior to the award of a contract.

This Gate uses project documentation such as the tenderers' submissions in response to the Request for Tender (RFT) or the Request for Proposal (RFP), Tender Evaluation Plan, Tender Evaluation Report, Probity Plan, Draft Contract or the relevant approvals to award Contract.

Gate 5 Pre - Operations

The purpose of this Gate is to assess the project's readiness to commence operations, provide service and implement any required change management. Also, to review establishment and / or implementation of the benefits realisation monitoring in line with the NSW Government's Benefits Realisation Management Framework.

The timing of this Gate is after a project, policy or service has been prepared for operations but prior to the commencement of those operations. For example, when a new government service is established or outsourced, the review would occur prior to the operator or service provider commencing the service.

This Gate uses project documents such as the operational readiness plan, testing and inspections results, handover plan, commissioning and transition plan, risk management plan, change management plan or the stakeholder management plan.

Gate 6 Post - Implementation

The purpose of this Gate is to confirm that the project has achieved the planned outcomes and benefits, provided the service and delivered the deliverables set out in the project plan, Outcomes and Business Plan, the Business Case or other relevant documents. This Gate also confirms that the lessons learned from this project have been identified and shared to help uplift capability in the public

sector and ensure a continuous improvement in the delivery of projects and services for the people of NSW.

The timing of this Gate is when the outputs, outcomes and benefits of a project, policy or service can be measured against objectives and targets set out in the project plan, the Outcomes and Business Plan, the Business Case or other relevant documents, such as the Government approvals. The timing will vary depending on the nature and duration of the projects and programs.

This Gate can use project documents such as the agency or the Cluster Outcomes and Business Plan, the Business Case, the Cabinet Committee Approval, review of the final project costs against an approved budget, the Benefits Realisation Management Plan or Register, a project or service performance report, a contractor performance report, a Lessons Learned Register or Database.

Health Check

The purpose of Health Checks is to complement the Gates in the Gateway system by reviewing the project or program in between the Gates and the project or program milestones, providing a 'point in time' insight into the areas of concern which may impact completion of the next Gate or the project outcomes.

The timing of Health Checks is between the Gates and the project or program milestones. Health Checks can be done on an interval basis when there is a long gap between the Gates or a material change in the operating environment or staffing or on a specific request of the Delivery Agency or the Policy Owner. Health Checks are not a replacement of Gates or a substitute for project governance.

Health Checks use documentation that is relevant to the project milestone and the Gates that the project is travelling through.

Related Reviews

This Policy recognises that the purpose of Gateway can be more effectively achieved through the additional types of reviews, other than Gates and original Health Checks, and use of the extensive experience and expertise accumulated by the GCAs in assurance of their projects and programs. Therefore, Related Reviews which are focussed on particular areas or milestones of projects and programs can be developed by the GCAs and undertaken under the Gateway Policy as long as these reviews:

- align with the purpose, principles and requirements of the Gateway Policy; and
- are a part of a GCA Framework which has been endorsed by the NSW Treasury, as the Gateway Policy Owner, and approved by the Cabinet.

Appendix E: Definitions and Acronyms

Definitions

Term	Definition
Assurance Reviews	Refers to Gateway Reviews, Health Checks and other reviews conducted under the Gateway policy.
Cabinet	Refers to the full Cabinet of the NSW Government and any relevant standing sub-committees of Cabinet.
Capital Project / Program	A project or program primarily comprised of one or more of the following elements: ▪ Infrastructure ▪ Equipment ▪ Property Developments ▪ Operational Technology that forms a component of a capital project.
Complex Project / Program	A project or program delivered in multiple stages and potentially across varying time periods or 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 risk tier to the overall complex project or program.
Delivery Agency	Government agency tasked with developing and / or delivering a project to which this policy applies.
Equipment	Necessary assets used on or to support an infrastructure system and can include fleet and rolling stock.
Gate	A milestone or decision point in a project or program lifecycle at which a Gateway Review may be done.
Gateway	An external assurance system that assesses projects and programs based on risk in order to mandate and conduct independent expert reviews at key decision points, or Gates, as they go through the project or program lifecycle.
Gateway Co-ordination Agency (GCA)	Agency responsible for the development and operation of an approved risk-based Framework for the assessment of projects and programs, co-ordination of Gateway Reviews and the reporting of performance.
GCA Framework	A Framework which is developed and operated by a GCA Agency in alignment with the NSW Gateway Policy, endorsed by NSW Treasury, as the Policy Owner, and approved by the relevant Cabinet Committee. It is specialised to particular types of projects and programs, describes assessment of risks which forms the basis for the application of Gateway, and defines roles and responsibilities of the deliverers of Gateway.
Gateway Review	A review of a project or program by an independent team of experienced practitioners at a specific key decision point (Gate) in the project or program lifecycle. It is a short, focused, independent expert appraisal of the project or program that highlights risks and issues, which if not addressed, may

Term	Definition
	threaten successful delivery. It provides a view of the current progress of a project or program and assurance that it can proceed successfully to the next stage if any critical recommendations are addressed.
Information and Communications Technology (ICT)	A spectrum of technologies for information processing which includes software, hardware, communications technologies and related services. In general, ICT does not include embedded technologies that do not generate data for enterprise use.
ICT Project / Program	Resources required to acquire, process, store and disseminate information. This includes stand-alone operational technology projects and programs.
Infrastructure	Basic physical and organisational structures and facilities needed for the operation of a society which include water, wastewater, transport, sport and culture, power, policy, justice, health, education and family and community services.
Investor	NSW Government
Major Recurrent Program / Project	A program or project identified as requiring a recurrent Government proposal or funding and meeting the financial threshold set in the relevant GCA Framework.
Mixed Program / Project	A program / project that contains a material combination of elements relating to multiple GCA Frameworks.
Operational Technology	Systems used to control critical infrastructure which can include systems relating to service delivery, such as tolling and rail signalling, or technology for the operation of schools and hospitals.
Policy Owner	NSW Treasury
Project	A temporary organisation, usually existing for a much shorter duration than a program, which will deliver one or more outputs in accordance with a business case or an equivalent project document. 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 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. If a project is delivered in multiple stages and potentially across varying time periods, it is considered to be a ‘complex project’. Refer to the definition of a ‘complex project’.
Program	A temporary, flexible organisation created to co-ordinate, 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 long 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, similar nature or collective achievement of an outcome. Programs provide an umbrella under which these projects can be co-ordinated.

Term	Definition
	Components 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.
Property Developments	Wholesale and / or retail urban renewal or Greenfield developments managed by the Government where a capital investment of more than $10 million has been made to facilitate those developments.
Recurrent Project / Program	A project / program which primarily uses recurrent expenditure provided by the Investor. It can include implementation of a new Government policy or service, changes to existing policy or service, renewal or re-tendering of services, expenditure to enhance agency capability or expenditure made in response to a regulatory or legislative change.
Related Reviews	Reviews which are part of the approved GCA Frameworks and are other than Gates and original Health Checks.
Risk Advisory Group	Is a group within a GCA Framework which advises on a project or program registration, risk tier and assurance plan.

Acronyms

Abbreviation	Definition
DCS	Department of Customer Service
GCA	Gateway Co-ordination Agency
ICT	Information and Communications Technology
INSW	Infrastructure NSW

Appendix F: Key Updates to the Gateway Policy

Key Policy updates in this release of the Policy are:

- Expanded scope for the risk assessment and an ability for the GCAs to customise it to their type of projects and programs in the way that best captures risk profile. Four risk assessment areas are established by this Policy for all projects and programs subject to Gateway: Project Cost, Project Priority, Project Complexity and Agency Capability. GCAs are then to develop specific risk assessment criteria under each of these four areas and customise the risk assessment approach to their projects and programs.

- Open scope for the design and implementation of the additional types of reviews, other than Gates and original Health Checks, specialising in particular areas or milestones of projects and programs. These reviews are to align with the Gateway Policy and to form part of an approved GCA Framework.

- Integration of Gateway with the other NSW Government policies that apply to projects and programs throughout their lifecycle by sequencing and structuring the Gateway reviews to constructively fit with and be informed by the other work performed on projects and programs in compliance with the other Government policies.

The NSW Treasury has collaborated with the public sector to review this policy in line with the requirement for a periodic review. The review has shown that the Gateway's purpose, principles, elements and requirements do have an ongoing validity and relevance and that adjustments can be made to help implementation across the sector. Therefore, this Policy retains the core structure of the Gateway system and opens scope to the GCA Frameworks to customise implementation in a way that best captures the risk profile of their projects and programs and achieves the purpose of the Gateway Policy.

Updates to the policy account for the following needs voiced by the sector:

- the need to examine the risks to project costs and alignment to budgets

- the need for the risk assessment to account for the risks specific to the infrastructure, ICT and various other types of projects and programs

- the need for the risk assessment to account for the broader risks of feasibility, various degrees of complexity, implementation, delivery and possible failure

- the need to recognise that the purpose of Gateway can be more effectively achieved via additional types of reviews, other than the original Gates and Health Checks

- the need to provide the GCAs with an ability to customise their assurance Frameworks to best capture the risk profile and design reviews in a way that accounts for the specifics of their projects and programs and delivers on the purpose of the Gateway Policy

- the need to recognise that the projects and programs are subject to the other NSW Government policies as they go through the project or program lifecycle and to integrate Gateway reviews with the other work on those projects or programs that is required by the other policies.

Further information and contacts

For further information or clarification on issues raised in the discussion paper, please contact:

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