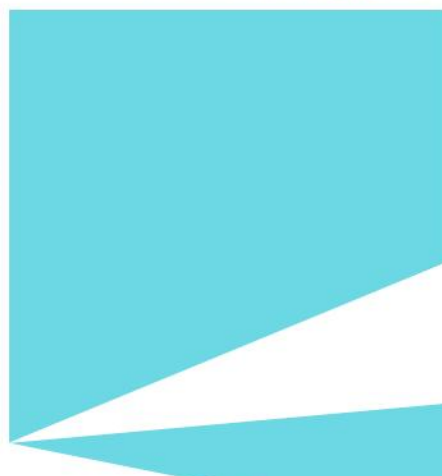
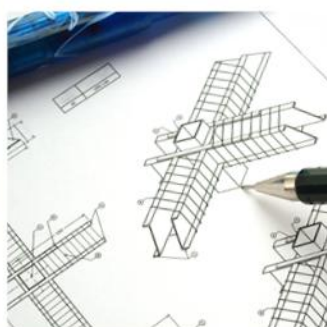
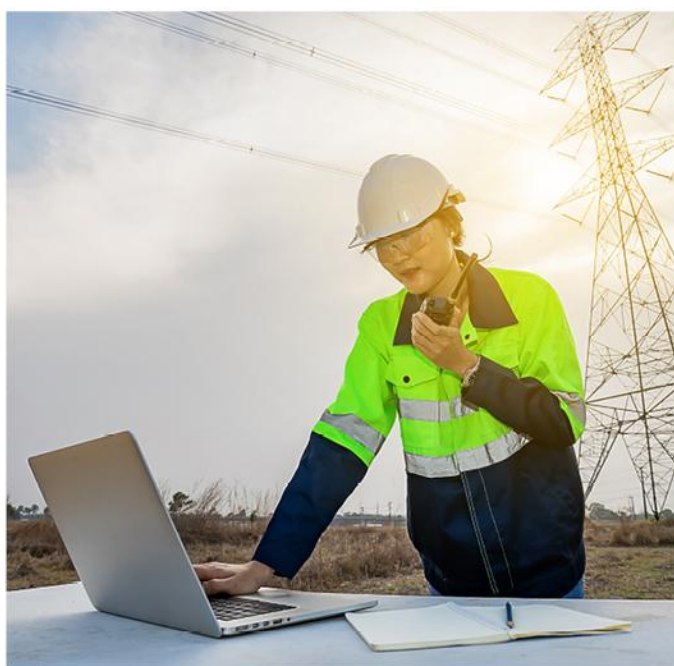


Project Assurance Workbook

Gate 2: Business case

How well does the preferred option meet the service need and does it provide value for money?



Document history

Date of issue	Version	Prepared by	Description of changes	Approved by
29 May 2025	1.0	Infrastructure Tasmania	Final – Issued for use	Ben Goodsir, General Manager

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Introduction to project assurance

Project assurance provides independent reviews at key points, or gates, along the lifecycle of a project. These reviews are important for providing confidence to the Tasmanian Government that projects are being delivered on time, to cost and in line with government objectives.

The project assurance framework sets out guidance and minimum requirements for project assurance in Tasmania. Infrastructure Tasmania (ITas) is responsible for administering the framework, which sets out roles and responsibilities for ITas and delivery agencies in the process. It is the responsibility of the delivery agency to meet the framework's requirements.

Project assurances can consider an individual project, or a program consisting of a number of projects (including sector-specific or place-based programs). For the purposes of this workbook, the use of the term 'project' also covers the grouping of projects into a program.

The outcome of each project assurance is a review report. This document will include commentary and recommendations to assist the Senior Responsible Officer (SRO) within the delivery agency to develop and deliver their projects successfully.

How to use this workbook

At Gate 2, the SRO and the delivery agency are expected to demonstrate that:

- a preferred solution has been developed in accordance with government policy/strategy
- it achieves the established service need
- it demonstrates value for money over the life of the project.


The review report can be used by the delivery agency to inform the investment decision.

Project assurance workbooks support a consistent, structured approach to reviews, define roles and responsibilities, and assist delivery agencies and the review team to prepare.

Part A	For delivery agencies and review teams: <ul style="list-style-type: none">• background information on the review process• information on how the review process applies to projects.	Page 12
Part B	For delivery agencies: <ul style="list-style-type: none">• guidance on how to initiate a review• documentation required.	Page 20
Part C	For review teams: <ul style="list-style-type: none">• guidance on how to conduct a review.	Page 25
Part D	For delivery agencies and review teams: <ul style="list-style-type: none">• areas for investigation across the seven key focus areas.	Page 31

Project lifecycle

The diagram shows the typical gates of a project's lifecycle where project assurance can be conducted.

	Activities		Gate
Initiate	Establish mandate	→	0 – Project registration
	<ul style="list-style-type: none"> Decision to initiate project. 		<ul style="list-style-type: none"> Registration with ITas. Completion of Gate 0 report template including risk profile assessment and preliminary project assurance plan.
Plan and development	Strategic analysis	→	1 – Project justification
	<ul style="list-style-type: none"> Develop strategic case. Consider options. Conduct investment logic mapping. 		<ul style="list-style-type: none"> Well defined service need. Evidence of how the project scope meets the service need. Appropriate level of options and cost-benefit analysis.
	Investment decision	→	2 – Business case
	<ul style="list-style-type: none"> Identify and appraise options. Establish affordability, deliverability and value for money. Develop project brief. Develop procurement strategy. 		<ul style="list-style-type: none"> Completed business case, including detailed risk plan, cost plan and cost-benefit analysis.
Procurement	Prepare for market	→	3 – Readiness for market
	<ul style="list-style-type: none"> Specify requirements and finalise procurement documentation. 		<ul style="list-style-type: none"> Scope definition. Procurement documentation and commercial approach. Evaluation strategy/plan. Probity plan.
	Competitive procurement	→	4 – Tender evaluation
	<ul style="list-style-type: none"> Release tender. Evaluate bids and select supplier. Confirm final costings (including contingencies) and update business case. 		<ul style="list-style-type: none"> Evaluation report. Probity report. Summary of variations. Evidence of delivery readiness and handover approach.
Execute	Award contract and delivery	→	5 – Readiness for service
	<ul style="list-style-type: none"> Award contract and commence contract management. Construct or deliver asset. Establish handover plans. Obtain independent verifier report to confirm scope delivery. 		<ul style="list-style-type: none"> Independent verifier reports confirming scope delivery. Testing and commissioning documentation. Operational readiness documentation. Handover strategy.
Close	Completion	→	6 – Benefits realisation
	<ul style="list-style-type: none"> Confirm purpose and functionality. Identify if project on track to meet benefits. Report against benefits realisation plan. 		<ul style="list-style-type: none"> Evidence of operational performance. Records of lessons learnt. Benefits realisation plan.

Project assurance and agency assurance processes

The project assurance process provides recommendations and commentary to assist SROs and delivery agencies to improve projects and assets, with a focus on adding value through the expertise and experience of the review team.

A project assurance provides an independent snapshot of project status at a point in time. It is **not an audit or replacement for a delivery agency's internal governance**. Every Tasmanian Government agency should have its own governance structures and resources in place, to regularly track, report and undertake internal reviews on its portfolio of projects.

Within the project assurance framework, there are 10 different reviews that can be undertaken across the project lifecycle, including specific gate reviews as well as health checks and deep dive processes. Agencies are not expected to undertake every review during the planning and delivery of a project. As part of the project registration process with Infrastructure Tasmania, an appropriate approach to project assurance will be considered in collaboration with agencies.

Why do project assurance reviews?

The Tasmanian Government requires assurance across its capital programs that expected services and benefits will be delivered on time, on budget and in line with government policy. Project issues and risk management should be transparent, with delivery agencies identifying and mitigating problems before there is an impact on the project, or community and stakeholder outcomes.

Process principles







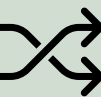
- Review team members are selected for their skillset and as far as practicable to match to the project's type, needs, stage, scale and complexity.
- The workbook structure, terms of reference and review report template are followed by the review team.
- All parties focus on value-adding to the project and making themselves available to this critical process.
- Review report commentary and recommendations are focused on practical issues and outcomes.
- All review reports are considered confidential and Senior Responsible Officers are considered the owner of the final report at the finalisation of the review process.

Conducting a review

Project assurances for gates 1 to 5 follow the same format, indicative steps and timeframes shown in the following table.

Step	Activity	Timing
1	Project approaches milestone, delivery agency checks readiness for a review and contacts ITas.	Planning
2	ITas and the delivery agency confirm the review dates.	
3	ITas confirms and appoints reviewers.	
4	ITas prepares the terms of reference in discussion with the SRO and delivery agency.	
5	Delivery agency completes the required templates (see Part B) and provides them to ITas.	
6	Project planning meeting organised by ITas to formally commence the review process.	Week 1
7	Review documents are released to the review team.	
8	Review days (hosted by the delivery agency – up to three days if required): <ul style="list-style-type: none"> Day 1 – Interviews Day 2 and 3 – Interviews/report preparation. The time required should be agreed between the delivery agency, review team leader and ITas, and include debrief sessions at the end of each day of interviews.	Week 2
9	Review team presents and discusses draft review report with the SRO and provides feedback through ITas.	Week 3
10	Review team provides a draft review report to the SRO through ITas.	
11	Delivery agency fact checks final draft review report and provides responses to the recommendations to ITas, which will liaise with the review team for finalisation.	Week 4
12	Final review report incorporating response to recommendations finalised by the review team, which is provided to the SRO through ITas.	
13	Post-review survey sent out to delivery agency and review team by ITas.	Week 5
		Post-review

Key focus areas

Key focus areas		Description applicable to the gate
	Service need	Identification of the problem or opportunity and the service need, along with the drivers for change. Demonstrated alignment to government policy or strategy, and evidence of demand for the potential new services or enhancements.
	Value for money and affordability	Ensure value is delivered by maximising benefits at optimal cost. Evidenced by a clearly defined scope, a cost-benefit analysis and a robust cost plan to an appropriate level of detail for the lifecycle stage of the project. An assessment of potential or confirmed sources of funding. The whole-of-life, capital and operational cost impacts have been considered.
	Social, economic and environmental sustainability	<p>Understanding the project's long-term impacts, opportunities and obligations. These can be social, environmental or economic. Ensuring the project delivers a positive legacy for the community. Areas explored include:</p> <ul style="list-style-type: none"> • socio-economic equity • resilience to climate change and potential sustainability initiatives • effective place making • integration with broader asset networks • asset adaptability (including technological change) • interface with heritage • the robustness of the project's planning approvals processes.
	Governance	The project governance is robust. Clear accountabilities, responsibilities and reporting lines are identified, and decision making and approvals are appropriate and understood. The SRO and project team have the culture, capability and capacity required.
	Risk management	Ongoing identification and active management of risks and opportunities, using a structured and formal methodology.
	Stakeholder management	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project's lifecycle.
	Asset owner's needs and change management	Demonstration of how change will be managed in the areas of people, organisation, network and systems as the asset enters operations. Proactive management of the handover impacts through the lifecycle of the project. Demonstrated consideration of issues and risks pertaining to the asset manager, operator and end users.

Review ratings

Overall confidence rating (confidence in successful delivery)

The review team will assign the project an overall confidence rating.

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

Individual recommendations (criticality)

Individual recommendations are classified as either critical (red) or essential (amber) as per the diagram below. Green is used for recommendations strengthening good practice.

Critical	Action required. This item is critical and urgent. The project team should take action immediately.
Essential	The recommendation is important but not urgent. The project team should take action before further key decisions are taken.
Good practice	The recommendation is not considered critical or urgent, but the project may benefit from implementing this recommendation.

This ensures recommendations are focused on criticality for project success, while still capturing opportunities to embed good practice across project delivery and leadership.

Key focus areas

Each report will provide an assessment of the following key focus areas:

- service need
- value for money and affordability
- governance
- risk management
- stakeholder management
- asset owner's needs and change management
- social, economic and environmental sustainability.

The key focus areas are rated using the following definitions:

Strong	There are no major outstanding issues that at this stage appear to threaten delivery.
Satisfactory	There are issues that require timely management attention.
Weak	There are significant issues in this key focus area that may jeopardise the successful delivery of the project.

GATE 2

Project Assurance Workbook

PART A:

Background on project assurance and the risk based approach

For delivery agencies and review teams

Project assurance in Tasmania

The Tasmanian Government has adopted a formal project assurance framework for infrastructure projects valued at \$50 million and above, being developed and/or delivered by Tasmanian Government agencies.

Infrastructure projects valued over \$10 million can be referred for review at the discretion of Budget Committee, portfolio ministers or heads of agencies.

The framework takes a risk based approach to investor assurance. Each project is assigned one of three 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.

Gate reviews, health checks and deep dives

Gate 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. Gate reviews may be supported by periodic health checks which assist in identifying issues which may emerge between decision points. Deep dives are conducted at any stage of a project's lifecycle, but focus on a few major issues that have been identified and are based on the terms of reference. Health checks and deep dives, when required, are also carried out by independent expert review teams.

The results of each gate review, health check and deep dive are presented in a review report that provides a snapshot of the project's progress to strengthen outcomes.

Improving outcomes

Infrastructure Tasmania (ITas) seeks to share aggregated lessons learnt and good practice across delivery agencies, through the interdepartmental Infrastructure Delivery Committee. This has been established to bring together practitioners to share their insight of the development, procurement and delivery of capital infrastructure projects.

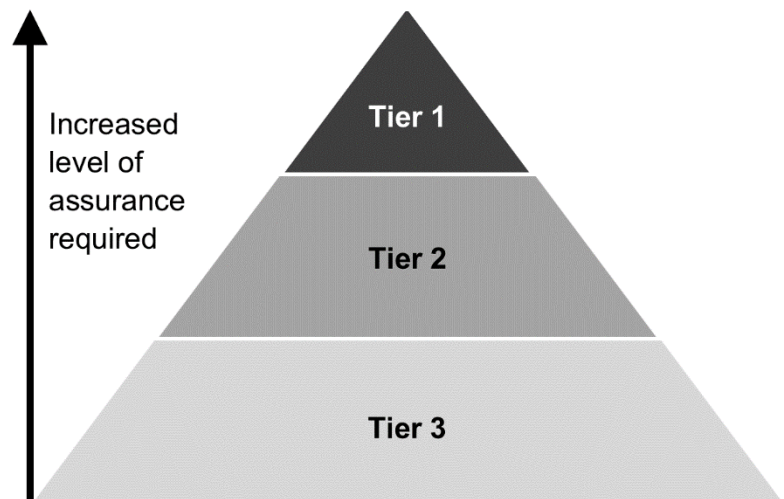
Risk based approach to project assurance

In taking a risk based approach, reviews can be adapted to fit the requirements of all projects.

Registration is mandatory for all capital infrastructure projects with a total estimated cost of \$50 million or greater. It is the delivery agency's responsibility to register projects. The risk tier of a project is determined when it is registered with ITas.

Projects are assigned a project tier from 1 to 3. Tier 1 is the highest level of risk and therefore greater scrutiny is placed on those projects, with greater frequency of gate reviews, health checks, regular reporting and project monitoring. The assurance pathway is determined at project registration but may change over time through discussions between ITas and the delivery agency.

The objective is to ensure that the appropriate level of attention is given to projects as they are developed and delivered, so that government can optimise community benefits. Agencies are expected to have robust portfolio and program management practices in place, to manage issues and risks for both individual projects and across all capital portfolios.



Overview of gate reviews

Gate reviews are short, focused and independent expert reviews into the progress and direction of a project at key points in its lifecycle. Each of the gates occur at a point within a project phase, timed to inform government decision making and project progression.

Project phase	Lifecycle phase	Gate	Informs
Initiate	Establish mandate	0 - Project registration	Assess risk and sequence appropriate reviews.
Plan and development	Strategic analysis	1 - Project justification	Proceeding to develop the business case.
	Investment decision	2 - Business case	The investment decision.
Procurement	Prepare for market	3 - Readiness for market	Readiness to release procurement documentation.
	Competitive procurement	4 - Tender evaluation	Robustness of the evaluation process and readiness to mobilise.
Execute	Award contract and delivery	5 - Readiness for service	Readiness of the asset to enter service/operations.
Close	Completion	6 - Benefits realisation	Benefits promised have been delivered.

Project assurance review process

Each gate review has a clear purpose, reflecting the increasing requirement for certainty as a project moves through its lifecycle. Health checks and deep dives are reviews conducted at any point through the project lifecycle. All gate reviews, health checks and deep dives include the involvement of an independent expert reviewer, review team lead and/or review team. These individuals are appointed by the ITas based on their independence from the project, experience and expertise.

Gate 0 – Project registration

As project development is at an early stage in the project lifecycle, Gate 0 is the registration process for a project, undertaken by ITas. The Gate 0 report provides an opportunity to consider the project assurance pathway for an individual project.

Gates 1 to 5 – Project development and delivery

Gate reviews are independent expert reviews conducted over a short period. The structure of each of these reviews is similar and focused on high value areas that have greatest impact on successful project development and delivery.

Seven key focus areas support a consistent structure in undertaking reviews and preparing review reports. Review report commentary and recommendations are intended to address the key focus areas, the terms of reference and be constructive in raising issues essential to the project's success.

Health checks and deep dives

Health checks are similar to gate reviews. They follow the same format to address and rate overall delivery confidence, as well as the seven key focus areas.

Health checks may be conducted at any stage of the project lifecycle but are most likely to be of value when there are long durations between gates. Health checks are useful to identify any emerging issues between key decision points.

Deep dives have 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).

Gate 6 – Benefits realisation

The purpose of the Gate 6 benefits realisation report is firstly to support the close out of the delivery stage, and secondly to assess delivery against the government's purpose and benefits in choosing to invest in the project. The report is to be finalised 4–8 months from the date of first operations.

Instead of a review team, ITas appoints an independent expert lead reviewer to work with the responsible agencies to complete the Gate 6 report, following a structured template. The most appropriate agency leads the preparation of the initial draft and then the lead reviewer completes the draft content of the report, including the overall rating and recommendations. The lead reviewer then provides the Gate 6 report for review and finalisation.

Review reports

The primary output of any project assurance review is a high-quality written report, which follows the appropriate review report template. It includes an executive summary, commentary on each of the seven key focus areas, review ratings, the recommendations table, and observations of good practice or areas of opportunity. The review report will also cover other matters identified in the terms of reference.

The primary purpose of the review report is to inform project progress and key issues impacting decision making. 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. Once finalised, the review report is provided to the Senior Responsible Officer (SRO) and ITas. The delivery agency is expected to act on the recommendations documented in the review report.

Report distribution

- Gate 2 reports are considered the property of the delivery agency and are provided directly to the SRO.
- 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 ITas for distribution.
- The review report must not be distributed outside of the responsible delivery agency until the report is finalised, including agency responses to the review recommendations.
- Copies of final review report (including agency responses to the review recommendations) are only distributed by ITas in accordance with the protocols outlined in the project assurance framework.
- The final review report must not be distributed to any other parties unless directed by the delivery agency.
- The SRO or delivery agency head may distribute the final review report at their discretion, having regard to the confidential nature of the report.

SIIRP

The Department of Treasury and Finance administers its own review and assessment process for government sector infrastructure investment proposals, called the 'Structured Infrastructure Investment Review Process' (SIIRP). Under SIIRP, infrastructure investment proposals are subject to a series of decision points before being considered for funding through the Budget process and must meet reporting requirements throughout the life of the project.

Given the processes involved with the project assurance framework, the departments of State Growth, and Treasury and Finance maintain regular liaison and collaboration efforts to ensure appropriate alignment between SIIRP and the framework to reduce unnecessary duplication where appropriate.

What does project assurance not do?

A project assurance review is not an audit. The reviews are intended to be confidential and constructive, providing an expert assessment of a project's status and recommendations to support the successful delivery of the project.

Delivery agencies should note that reviews will not:

- make an enforceable recommendation to halt a project
- quality check or provide direct detailed assessment of management plans and project team deliverables
- provide a forum for stakeholders or other parties to inappropriately disrupt the direction or nature of a project
- provide a detailed mark-up of management plans and specific project team deliverables
- represent a government decision in relation to funding, planning, approvals or policy.

Roles and responsibilities within a review

The typical roles and responsibilities within a project assurance review are outlined below.

	Role	Responsibility
Senior Responsible Officer (SRO)	The delivery agency executive (usually the Secretary or Deputy Secretary) with strategic responsibility, who is the single point of overall accountability for project, including responsibility for governance and of benefits.	<ul style="list-style-type: none"> • Delegate (in writing) appropriate work activities to the project team. • Endorse the project risk profiling assessment, and agree to the terms of reference, names of interviewees and documents shared with ITas. • Actively engage with ITas and the assurance review team, including fact checking queries. • Provide responses to the draft report recommendations. • Owns and is responsible for addressing or remedying any recommendations in the final report.
Assurance Review Team	To undertake a gate review, health check or deep dive in line with the agreed terms of reference.	<ul style="list-style-type: none"> • Undertake a confidential, independent assurance review in line with the terms of reference. • Write a draft and final report setting out the findings and reasoning for the assurance review and share with ITas and the SRO.
Delivery agency	To develop and/or deliver a project that will undergo a gate review, health check or deep dive.	<ul style="list-style-type: none"> • Nominate an SRO. • Make resources available to support successful delivery of the project and assurance reviews.
Infrastructure Tasmania (ITas)	To administer and review the framework.	<ul style="list-style-type: none"> • Work with delivery agencies to ensure that a project is risk profiled and assigned a risk-based tier rating. • Establish and administer project assurance panel comprising experts with skills, experience and capability across relevant infrastructure sectors and project delivery. • Appoint Assurance Review Teams with expertise specific to each project. • Guide and coordinate the gate review, health check or deep dive. • Monitor quality, scope and consistency of assurance reviews. <p>(continued over)</p>

	Role	Responsibility
		<ul style="list-style-type: none"> • Provide regular high-level performance reports to agencies and government, including commentary on recommendations, as/if required. • Collect and analyse data and insights to identify common issues, common themes, data trends and analytics to be included in an annual report. • Work with agencies, industry and assurance review teams on how to best address challenges at a whole of government level. • Explore opportunities to share lessons and insights across government agencies and project management communities. • Maintain and continuously review policy, process and provide advice to government.

Gate 2

Project Assurance Workbook

PART B:

Initiating and preparing for a project assurance review

For delivery agencies

How to use part B

Part B assists delivery agencies to prepare for the project assurance review, including collating documentation and preparing for the project briefing and interviews.

Gate 2 - Informing the investment decision

The Gate 2 Review investigates the delivery agency's readiness to submit the business case for an investment decision (funding approval) and then move to the procurement stage. The business case justifies the project scope and investment as an appropriate and deliverable response to the established service need, which will maximise benefits at optimal cost.

The [Structured Infrastructure Investment Review Process \(SIIRP\)](#) should be used to guide the business case requirements.

Gate 2 falls within the investment decision phase of a project's planning and development stage.

Gate 2 Reviews require documentation to demonstrate the business case is robust and supports the preferred option as the optimal solution to deliver the intended benefits. The business case must include a delivery strategy that clearly maps out the project's preferred procurement packaging and contracting methodology.

A cost-benefit analysis with a calculated cost-benefit ratio and net present value, compliant with current guidance, is required.

The Gate 2 review report should confirm that the proposed scope will meet the identified service need and is the best value option to emerge from the range explored.

The Gate 2 Review will confirm that the business case has:

- clearly defined scope to respond to evidence-based service need
- a cost plan, schedule and risk register
- a robust procurement strategy
- a delivery strategy
- clearly articulated the benefits to be delivered
- confirmed resources to manage -
 - governance
 - procurement activity
 - stakeholder engagement.

Gate 2

Project phase	Plan and development
Lifecycle phase	Investment decision
Gate review	Business case
Key question	How well has the project proven that the preferred option best meets the service need and maximises benefits at optimal cost?
Review deliverables	<ul style="list-style-type: none">• Business case• Detailed risk register• Detailed cost plan• Detailed cost benefit analysis• Procurement and delivery strategy

IMPORTANT The business case should have agency approval prior to initiating the Gate 2 Review.

Gate 2 project assurance review and documents

The delivery agency is responsible for initiating a project assurance review at the appropriate time. Agencies should seek authorisation as required and the review should be led by the Senior Responsible Officer (SRO) within the delivery agency.

Review teams require evidence that work has been completed, but documentation should not be created solely for a review. It is intended that delivery agencies **use existing project documentation**.

At Gate 2, documents should exist that include information relating to the development of the business case. The table below highlights the information required to assess the project against the seven key focus areas. In collating the documents, it may also be useful to refer to Part D of this workbook.

The delivery agency must complete a document register for the review team. Typically, no more than 30 documents that are most relevant to the project should be provided.

Required information to support Gate 2 (if needed, determined by review team)

Presentation providing an executive overview of the project.

Business case (approved by the delivery agency) including a cost-benefit analysis with cost-benefit ratio and net present value.

Comprehensive assessment and analysis of all reasonable and/or feasible alternative options of meeting the service need.

Documentation confirming the project budget and funding sources for ongoing project development and project delivery.

Documentation confirming how the project will achieve all social, environmental and economic sustainability requirements, legislative considerations and planning approvals.

Evidence of project design development demonstrating consideration of community outcomes, integration within the built environment (place making) and potential for future adaptations.

Evidence of a well developed and robust project schedule with all milestones identified.

Preferred procurement, packaging and contracting approach with demonstrated input from market engagement and previous project experience.

Documentation of project benefits and impacts including evaluation of social, economic and environmental impacts and recurrent and whole-of-life costs.

Structure of the current and proposed project team including roles and responsibilities and a description of the outline sourcing strategy to meet future needs (governance structure).

Description of identification and engagement of stakeholders, demonstrating management of issues, impacts and concerns.

Evidence risks are being identified, considered and actively managed (live risk register or matrix).

Initiating the project assurance review

The delivery agency contacts Infrastructure Tasmania (ITas) to initiate the review.

On initiation of the review, ITas will initially prepare a project assurance plan in collaboration with the delivery agency, help draft the terms of reference and when appropriate appoint the review team. The delivery agency uses this time to collate project documentation and coordinate interviewees.

The review commences with the release of the project supporting documents to the review team. This is followed by the planning meeting and interviews.

ITas will assist the delivery agency to agree:

- dates for the planning meeting and interview day(s)
- any urgency in the completion of the review report
- any issues to be covered in the terms of reference.

Terms of reference for the review

In consultation with the SRO and delivery agency, ITas will help draft the terms of reference for the review and provide them to the review team prior to the commencement of the review. The terms of reference provide the review team with important project-specific information and identify aspects of the project that ITas and/or the delivery agency see as issues. The terms of reference should be used in conjunction with the appropriate project assurance review workbook.

Delivery agencies should collate sufficient evidence and schedule appropriate interviewees to address the terms of reference.

Planning meeting

The planning meeting is an opportunity for the review team, SRO and ITas to discuss and agree the terms of reference, supporting documentation, interviewee list and interview schedule. Supporting documentation is usually provided either prior to or after the planning meeting, with interviews scheduled to take place approximately two weeks later.

Participation and interviews

The delivery agency must provide an interviewee list and interview schedule for the review team for inclusion in the review report. The interviewee list and schedule templates are included in the Gate 2 suite of documents.

The delivery agency prepares an interview schedule and provides it to the review team and ITas for comment. The review team has discretion over the final list of interviewees and, if deemed necessary, can request additional interviewees, which the delivery agency must then arrange. The interviewees nominated should be appropriate to cover each of the seven key focus areas and the terms of reference.

Typically, interviewees for Gate 2 will include the:

- SRO
- senior delivery agency representatives responsible for capital planning and prioritisation
- Project Manager/Director
- manager responsible for risk
- cost planning/estimating team members
- project team members, including those responsible for design, scheduling, planning approvals and communication
- network planning team and/or a representative of the intended operator
- Treasury representative familiar with the project
- stakeholders from other agencies or user groups.

An interviewee information sheet is available on the ITas website and it may be useful for the agency to provide this to interviewees unfamiliar with the review process.

Draft and final review report

The review team will prepare a draft review report and provide it to ITas in the first instance and then to the SRO.

The SRO then:

- checks the report for factual accuracy and provides marked-up corrections of any factual issues in the commentary (this does not extend to challenging or rewriting review team observations, professional opinions, or recommendations)
- provides responses to the recommendations made in the draft report in the table provided
- returns report to ITas which will liaise with the review team for finalisation.

The report only becomes final once the review team has reviewed and approved the updated report and the agency's responses.

ITas will send a copy of the final review report to the SRO.

Gate 2

Project Assurance Workbook

PART C:

Conducting a Gate 2 Review

For review teams

Conducting a Gate 2 Review

Gate 2 approach

The Gate 2 Review is conducted **prior to the investment decision and a formal approach to market** by the delivery agency.

The review team should use this workbook to guide the **assessment of the business case**, and check that the project scope and investment is appropriate and deliverable to maximise benefits at optimal cost. This should be in line with a well defined service need and procurement strategy.

Project assurance review

The project assurance review is conducted through an examination of the project documentation provided, and interviews with project team members and stakeholders. The review is structured around the seven key focus areas and is informed by the terms of reference.

Typically, a project assurance review includes:

- project documentation released to the review team
- a planning meeting attended by the delivery agency Senior Responsible Officer (SRO) and Infrastructure Tasmania (ITas)
- interview day(s) organised by the delivery agency with daily debrief sessions between the review team and SRO
- a review report drafted by the review team
- a review debrief with the SRO organised by the delivery agency, and attended by the review team leader and ITas
- finalisation of the review report and issue to the delivery agency.

Project assurance review team

For each review, ITas selects the review team from the review panel. Typically there are three members, but this can vary depending on the review requirements. One of the review team members will be assigned as the review team leader.

Each member of a review team must be independent of the project. Reviewers must immediately inform ITas of any potential or current conflict of interest that arises prior to or during the review. This may preclude them and/or their organisation from participating in the review in any capacity.

ITas seeks to appoint a review team with the mix of skills and expertise to allow the team to expertly address each of the seven key focus areas, as relevant to the project stage and the nature of 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 written review report using the appropriate template.

Review team principles and behaviour

The review team is expected to add 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 by external parties
- adhering to the terms of reference for the review
- providing a review report that clearly highlights substantive issues, their causes and consequences
- providing specific and actionable recommendations.

Project assurance reviews are not adversarial or a detailed assessment of management plans and project team deliverables. ITas requires professional and respectful behaviour during the review.

Review communication protocols

Topic	Details
Report confidentiality	<ul style="list-style-type: none">• Review reports are primarily for the consideration and noting of the SRO and delivery agency to support delivery of a successful project, to assist in making decisions about the project or to take action as required.• All review reports are ultimately owned by the SRO and delivery agency.• All participants must keep all information, including documentation, confidential at all times.• Review team members must not directly contact the delivery agency or stakeholders without the permission of ITas.
Report distribution	<ul style="list-style-type: none">• 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 final draft of the review report to ITas for review and distribution.• There is no informal element to a review or the review report. A review report is not to distributed without permission of ITas.• The review team may not keep any copies of any version of the review report, or supporting documents, following submission to ITas.
Review debrief	<ul style="list-style-type: none">• ITas 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. ITas will liaise with the SRO to approve the agency representatives that attend the debrief.• There is no informal element to reviews. A debrief to the SRO or any agency executive must not occur without the approval of ITas.
Report format	<ul style="list-style-type: none">• 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 ITas are to be in Microsoft Word format.

Topic	Details
Report transmittal	<ul style="list-style-type: none"> The delivery agency SRO is the ultimate owner of the final review report and is responsible for document circulation. ITas will keep a record of the final review report for metrics and trend reporting use only. All participants should minimise the use of hard copies of delivery agency documents and must not keep documents in any form following the review.

Project assurance review report

The **primary output** of a project assurance review is a high-quality written report that is candid and clear, absent of errors, and without contradiction or inconsistencies.

The **primary purpose** of the review report is to provide commentary and recommendations to the delivery agency SRO to support successful project delivery.

The review team should utilise the appropriate review report template, incorporating the review ratings and the review recommendations table. The terms of reference form part of the review report.

Review reports must include:

- an 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, including a rating, on the project's response to each of the seven key focus areas
- relevant recommendations under each key focus area, listed, justified and rated (consistent with the ratings guide)
- commentary under 'other matters' for issues that do not fit within the seven key focus areas (including issues identified in the terms of reference)
- a recommendations table in the format provided by ITas, including each recommendation with its rating and categorisation by theme (see next page).

Key theme assessment

Each year, ITas is required to prepare a report on key themes emerging across all reviews. This relies on an analysis of the review recommendations that is categorised according to 18 key themes. Review teams are requested to assign one of the 18 key themes to each recommendation made.

Key themes	Key matters for consideration
Quality of the business case	<ul style="list-style-type: none"> • Case for change is not clearly or sufficiently articulated and justification for the investment is not substantiated. • Analysis, assumptions or documentation lack rigour and clear articulation.
Governance	<ul style="list-style-type: none"> • Governance frameworks are not fit-for-purpose or understood. • Lack of definition around roles, poor understanding of responsibilities and decision making frameworks, and single-point accountability. • Lack of active senior level support.
Discipline in risk management	<ul style="list-style-type: none"> • Key project risks overlooked, missed or not adequately considered. • Risk management strategy/plan requires strengthening, mitigation measures and contingency management have not been developed or are not up to date.
Stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder strategy/management plan is missing or not up to date. • Lack of adequate stakeholder consultation, and/or stakeholder views have not been considered and addressed appropriately.
Benefits realisation	<ul style="list-style-type: none"> • Lack of a benefits realisation framework strategy/plan, or does not adequately identify, quantify or assign responsibility for benefits.
Project resourcing	<ul style="list-style-type: none"> • The resource plan for current and next stages in the project lifecycle have not been developed, the resources identified are not adequate, or key roles lack appropriate capability and expertise.
Project management and reporting	<ul style="list-style-type: none"> • Inadequate project management, scheduling discipline or project controls. • The schedule has not been appropriately developed and is not reflective of the project's risks and timing.
Procurement	<ul style="list-style-type: none"> • Inadequate procurement strategy or planning, or documentation does not ensure transparency in the decision making process. • Delivery strategy not appropriately detailed and project staging not addressed.
Options analysis	<ul style="list-style-type: none"> • Identification or assessment of options to meet service need is inadequate. • Alternative options, including a realistic base case, are poorly justified. • Lack of a clear justification for the preferred option.

Key themes	Key matters for consideration
Commercial capability	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Pathway to planning consent in a timely manner not identified or articulated.
Change management	<ul style="list-style-type: none"> • Lack of an effective mechanism to identify the changes necessary to achieve project outcomes. • Inadequate change management plan.
Operational readiness planning	<ul style="list-style-type: none"> • Inadequate mechanisms to ensure readiness planning, prioritisation, management and operation. • Operational governance and management structures not determined or established.
Sharing knowledge across government	<ul style="list-style-type: none"> • Inadequate processes to capture and share lessons learnt (errors and successes).
Integration with precinct across services	<ul style="list-style-type: none"> • Inadequate consideration of interfacing networks, precincts, projects and services.
Understanding government processes	<ul style="list-style-type: none"> • Relevant Tasmanian Government guidelines, frameworks and processes not considered, employed or complied with during project development and delivery.
Clear project objectives	<ul style="list-style-type: none"> • The project objectives do not align to government priorities, are not clear or do not articulate the service need. • The project scope, scale and requirements have not been appropriately articulated. • The project scope does not align with the objectives and KPIs have not been developed.
Sustainability	<ul style="list-style-type: none"> • Inadequate consideration, documentation and assessment of the social, economic and environmental impacts of the project.

Gate 2

Project Assurance Workbook






PART D:


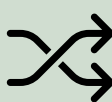
Areas for investigation in a Gate 2 Review

For delivery agencies and review teams

What to look for at Gate 2

The Gate 2 Review seeks to answer the question: **How well does the preferred option meet the service need and does it provide value for money?**

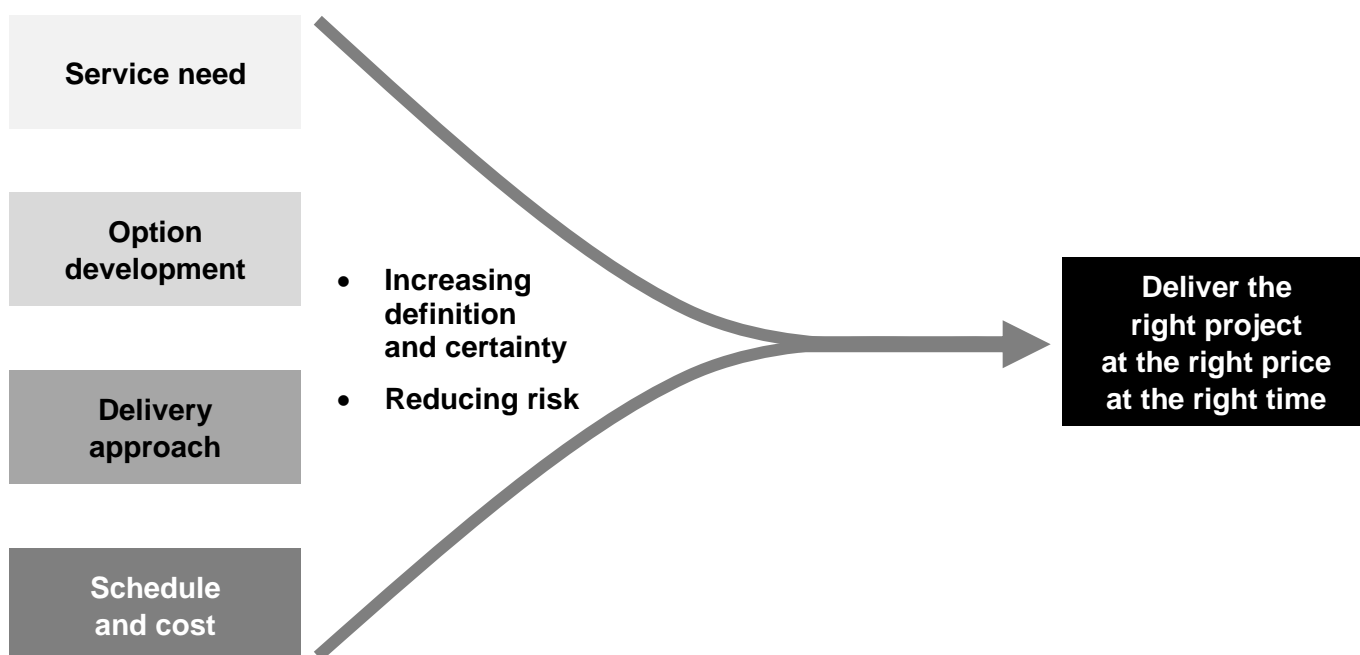
Key focus area	General description applicable to gate	How key focus area is applied at Gate 2
 Service need	<p>Identification of the problem or opportunity and the service need, along with the drivers for change.</p> <p>Demonstrated alignment to government policy or strategy and evidence of demand for the potential new services or enhancements.</p>	<p>Service need refined to inform the project scope, key risks to service need addressed, and opportunities for broader benefits examined and maximised.</p>
 Value for money and affordability	<p>Ensure value is delivered by maximising benefits at optimal cost. This should be evidenced by a clearly defined scope, a cost-benefit analysis and a robust cost plan, to an appropriate level of detail for the lifecycle stage of the project.</p> <p>An assessment of potential or confirmed sources of funds. The whole-of-life, capital and operational cost impacts have been considered.</p>	<p>Preferred option(s) refined and developed through the production of a business case to demonstrate maximum benefits at optimal cost.</p> <p>Clear pathway to access funding required for delivery and ongoing operations.</p>
 Social, environmental and economic sustainability	<p>Understanding the long-term impacts, opportunities and obligations created by the project. Ensuring the project delivers a positive legacy for the community. Areas explored include: socio-economic equity, resilience to climate change, effective place making, integration with broader asset networks, asset adaptability (including technological change), interface with heritage and the robustness of the project's planning approvals processes.</p>	<p>Assessment of how the project fits within its context and location, and its compatibility within the broader service network and place-based plans.</p> <p>Robust planning pathway and approach identified.</p>
 Governance	<p>The project governance is robust. Clear accountabilities, responsibilities and reporting lines are identified, and decision making and approvals are appropriate and understood.</p> <p>The Senior Responsible Officer (SRO) and project team have the culture, capability and capacity required.</p>	<p>Robust project development governance structure, with clearly articulated responsibilities and reporting lines, and appropriate delegations in place, with an emphasis on project procurement and delivery.</p>
 Risk management	<p>Ongoing identification and active management of risks and opportunities, using a structured and formal methodology.</p>	<p>Risks and opportunities identified, considered and controlled within a structured methodology, to enable the procurement and delivery of the project.</p>

Key focus area	General description applicable to gate	How key focus area is applied at Gate 2
 Stakeholder management	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project lifecycle.	<p>Stakeholders formally engaged and evidence that this has influenced the project development.</p> <p>Stakeholder management plan in place for procurement and a clear approach to take the project through delivery.</p>
 Asset owner's needs and change management	<p>Demonstration of how change will be managed in the areas of people, organisation, network and systems as the asset enters operations.</p> <p>Proactive management of the handover impacts through the lifecycle of the project.</p> <p>Demonstrated consideration of issues and risks pertaining to the asset manager, operator and end users.</p>	<p>Involvement of the asset owner/operator, and consideration and documentation of operational issues for the project.</p> <p>Proactive identification of handover points and required change-management processes to move effectively through to procurement.</p>

Definition of scope

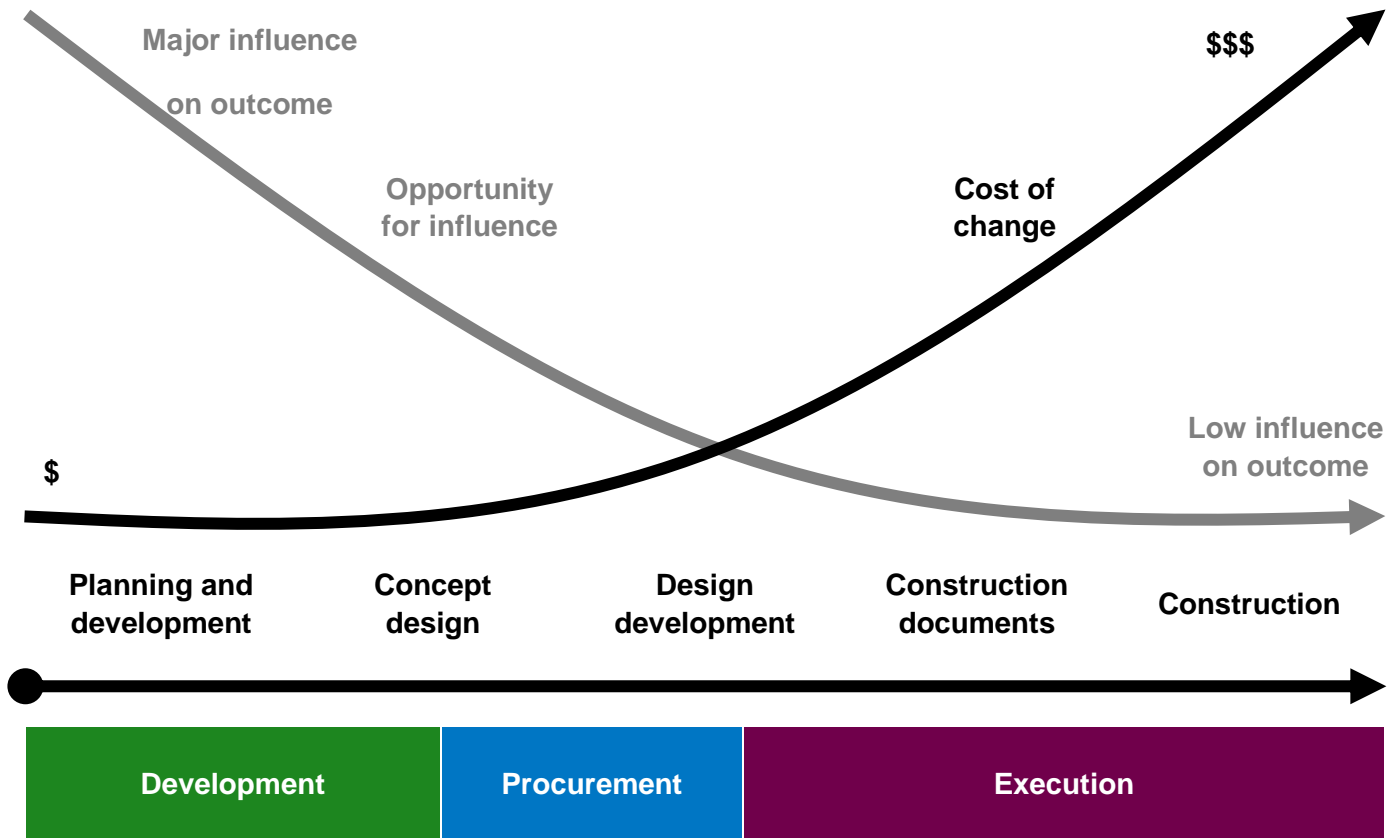
As projects progress through their stages, there should be a strong convergence in the definition of scope, cost and time, to deliver the desired outcome and objectives. Project assurance reviews support a project through this process. Reviews use the key focus areas to ensure that economic and social impacts have been considered and stakeholder groups have been engaged in developing the optimum solution to address the service need or problem.

This can be illustrated as a funnel representing increasing certainty on development and delivery.



Project decisions




Reviews also recognise that scope changes have a greater impact on cost as the project progresses through its lifecycle. Robust decision making and clarity of direction early in project development is important to successful project delivery. A lack of clarity and late decision making will result in higher costs and greater uncertainty of outcomes.



Application of review success factors

In examining each of the key focus areas, the review team should be guided by the three success factors below which underpin delivery confidence. The success factors provide an overarching context for each key focus area and should assist in developing lines of enquiry, as they can provide context and be incorporated into the review report.

As a project progresses through its lifecycle, there is an expectation that detail and evidence will increase, providing increased confidence that the requirements of the key focus areas are being met.

 Increasing scope confidence	<ul style="list-style-type: none">• Well defined service need.• Value for money approach in developing an evidence-based solution.• Increasing clarity and detail in defining the solution.• Increasing understanding and clarity within the delivery agency of how to deliver the solution.
 Managing risk	<ul style="list-style-type: none">• Increasingly granular and effective identification of risk.• Assessment, prioritisation and planned mitigation of uncertain events that could adversely affect the achievement of the project objectives.
 Realising benefits	<ul style="list-style-type: none">• Increasing definition of the project objectives and benefits.• Linking of those benefits to the service need.• Embedding an end-to-end process to ensure that the benefits and objectives of the investment are realised.

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 an integral part of human nature, requiring conscious effort to manage and improve 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 the potential risks.
- involve the operator and asset owner to review the assumptions made and the risks identified, including the likelihood of the risk occurring and impact if the risk were to occur.

Key focus area 1: Service need

Gate 2 application



Service need

Service need refined to inform the project scope. Key risks to service need addressed and opportunities for broader benefits examined and maximised.

Project scope clearly articulated in the context of the problem definition and evaluated against service need and project objectives.



Detailed assessment of the risks of meeting and not meeting service need. Procurement strategy will meet the service need.



Project outcomes clearly identified and maximised for community and non-monetary benefits across agency portfolios.



- Has a compelling case for change been presented?
- How has the project presented a robust and evidence-based evaluation against: the problem definition, service need, project objectives, government policies and the agency's asset management plan?
- How has the project comprehensively assessed and analysed all reasonable alternative means of meeting the need (including use of the existing asset base, non-asset and behavioural changes)?
- How unambiguous and detailed is the project scope, in terms of outcomes, scale and requirements?
- Have the demand forecasts been developed through an appropriate modelling approach, with valid data and a robust modelling process, incorporating validated assumptions?
- How has the delivery of the service need, scope, ongoing asset management and benefits influenced the procurement strategy?
- How does the project identify and incorporate broader community outcomes, which may accrue to deliver whole-of-government benefits?
- How well has the approach to benefits realisation been documented, including embedding ongoing monitoring and reporting capability into day-to-day operations?

Optional areas to explore

For programs

- How are the program's service need and benefits articulated? Are there clear business rules for qualifying projects?
- How has the program delivery been prioritised, including appropriate tranches and dependencies between projects, and any minimum service level requirements?
- How have the program procurement options been optimised to deliver maximum benefit?

For civil infrastructure and assets

- How have the service needs of the network and potential intersecting networks been considered within the development of the project?

For buildings and places

- How does the site masterplan that the project sits within demonstrate alignment to current and future uses and requirements on the site?

Key focus area 2: Value for money and affordability

Gate 2 application



Value for money and affordability

Preferred option(s) refined and developed through the production of a business case to demonstrate maximum benefits at optimal cost. Clear pathway to access funding required for delivery and ongoing operation.

Cost-benefit analysis of the project is consistent with Treasury guidelines.



Demonstrated linkage between the risk analysis and the cost plan, and clear approach to contingency management.



Demonstration that benefits identified are achievable.



- What is the evidence that the project will maximise benefits at optimal cost, and that the intended funding pathway, including whole-of-lifecycle costs, is supported?
- To what extent does the project's funding include other funding sources outside of consolidated revenue?
- What is the evidence that the expected benefits are realistic and achievable. Have they been identified and quantified?
- What is the evidence that a high quality and comprehensive cost-benefit analysis (CBA) has been completed and presented, including assumptions, discount factors and sensitivity analysis?
- How does the CBA support the preferred option being presented? Is there a significant risk or opportunity that justifies an alternative?
- What is the evidence of a clear link between the scope, schedule, cost plan, risk matrix and CBA?
- How has the project accounted for non-monetary benefits, costs and impacts to the community?
- Are the resourcing, funding plans and broader agency support to procure the project in place? Are they appropriate to the project's scale?
- How will the procurement, packaging and contracting strategy drive maximum value from the market?
- What is the approach to managing the impact of the works on utilities? Has liaison taken place with the utility companies to assess cost and time impact?
- What is the approach to managing site conditions, including details of available data, investigations completed and any contamination issues?

Optional areas to explore

For programs

- Nil





For civil infrastructure and assets

- What is the approach to value engineering and innovation within the design development, to maximise benefits while minimising cost?

For buildings and places





- How does the masterplan drive maximum benefits while minimising costs? How has this impacted the analysis of the project?
- Is the approach to architecture driving cost? What is the approach to value engineering for the design development?

Key focus area 3: Social, environmental and economic sustainability

Gate 2 application				
 Social, environmental, and economic sustainability	Assessment of how the project fits within its context and location, and its compatibility within the broader service network. Robust planning pathway and approach identified.			
	 Scope of the project considers social and economic equity, environmental impacts, technological change and climate resilience, within its location and wider asset network.	 Demonstrated linkage between the risk analysis and the cost plan, and a clear approach to contingency.	 Demonstration that the benefits identified are achievable.	
<ul style="list-style-type: none"> How has the planning pathway for the project been assessed? Is it realistic to achieve the project schedule and cost outcomes required? What progress has been made in the development of approvals documentation, in line with the overall delivery expectations on the project, and is it appropriate? How have heritage impacts been robustly addressed in the design and/or procurement approach? How will the project integrate with the precinct? How will it ensure value through place making? How has the long term integration with broader asset networks and services been articulated, with impacts identified and change management embedded? How does the project address socio-economic inequality and the community's access to services? How has the project considered long term social and economic needs and impacts, and balanced these against the relatively short term project benefits and impacts? How does the project design address sustainability, particularly reductions in operating and embodied emissions (such as, reuse of existing assets or low emissions building approaches)? How does the project capture future adaptability needs, including event shock, stress resilience, asset reconfiguration or potential technological change? Have these needs been verified by the asset owner/operator? 				
Optional areas to explore				
For programs <ul style="list-style-type: none"> Nil 				
For civil infrastructure and assets <ul style="list-style-type: none"> What consideration has been given to the enhancement of green space and the creation of recreational opportunities? How will the project manage the competing demands for places, people, transport modes and changing end-user priorities? What consideration has been given to achieving a relevant sustainability/environmental rating (for example, an Infrastructure Sustainability Council rating) and is this appropriate for the project? 				
For buildings and places <ul style="list-style-type: none"> How have community use sharing arrangements been considered? How has the project considered integration with other community services that may be required to support the end-users of the project? 				

Key focus area 4: Governance

Gate 2 application

 Governance	Robust project development governance structure, with clearly articulated responsibilities and reporting lines, and appropriate delegations in place, with an emphasis on project procurement and delivery.		
	 Clear governance framework in place. Project team structure, capability and capacity is appropriate for procurement and planning for delivery.	 Strong SRO governance structure supports the assessment and control of risk.	 Clear approach to benefits measurement and realisation.

- What has been the formal project and delivery agency governance structure to support the business case? How will this change for the procurement stage of the project?
- What is the evidence of endorsement from the delivery agency head or equivalent?
- What is the capability and experience of the delivery agency nominated to procure and deliver the project? Are any necessary interagency governance agreements in place?
- What evidence demonstrates the SRO has sufficient engagement, expertise, capacity and financial delegation at a level appropriate to the scale of the project?
- What are the plans to establish the necessary skilled resourcing, project controls (including program, milestones, information management, change control and contingency), monitoring of key risks and reporting, to support the procurement stage of the project?
- How is appropriate visibility and transparency through the project team and governance being demonstrated and maintained?
- How has the governance framework across the business case ensured a balance between the technical and engineering outcomes, and end-user needs?
- Has the project considered governance requirements for the delivery stage?
- How has the adopted procurement, packaging and contracting strategy been agreed within the established governance framework?
- How does the project demonstrate that the governance and project team for the procurement stage have clear responsibilities, accountabilities and decision-making delegations?
- How will the governance for the project and delivery agency ensure the right culture is developed and maintained within the project team, through the procurement stage of the project?
- How does the organisation handle failure or setbacks within projects? Can you provide examples of how these situations were managed and what was learned from them?

Optional areas to explore

For programs

- How is the assurance framework consistent with the desired outcomes of the program?
- How does the governance plan ensure each of the component projects within the program combine to deliver the required outcomes and benefits? How has a clear governance hierarchy been established to ensure project reporting can be rolled up to the program level?

For civil infrastructure and assets

- Nil

For buildings and places

- Nil

Key focus area 5: Risk management

Gate 2 application



Risk management

Risks and opportunities identified, appropriately considered and controlled within a structured methodology to enable the procurement and delivery of the project.

Full assessment of risks against a clearly defined scope, documented and captured.



Development of robust risk management plan to take the project through procurement and delivery.



Risk assessment extends to future benefit realisation.



- What has been the formal risk management approach? Does it remain appropriate for the procurement stage of the project?
- Is there an active risk matrix that is comprehensive and robust? How is this kept current?
- Has the development of the risk matrix, identification and quantification of risks involved all relevant stakeholders (including the industry), and verification and sign-off by the asset owner/operator?
- How do the major risks to project procurement and delivery affect the business case?
- How have the risks to the on time completion of the project been addressed through a sufficiently documented and robust delivery program?
- How are risks outside the project team's control (for example, regulatory, legislative, market and supply chain risks) identified, assessed and addressed?
- Could you share examples of when project staff promptly escalated specific project risks and critical issues to senior management? How does the organisation measure and encourage transparency and courage in these situations?
- What is the commercial risk allocation for the project? Is it realistic for the scale and complexity of the project?
- How are the key risks to the realisation of benefits identified? How are they going to be mitigated?
- How has the procurement and delivery strategy considered the risks that emerge from contractors, when the government has a high commercial exposure?

Optional areas to explore

For programs

- What is the escalation process to allow project risks to be considered at the program level and is it appropriate?

For civil infrastructure and assets

- Nil

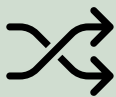



For buildings and places

- Nil

Key focus area 6: Stakeholder management

Gate 2 application				
 Stakeholder management	Identification and engagement of stakeholders, both internal and external to government. Stakeholders formally engaged and evidence that this has influenced the project development. Stakeholder management plan in place for procurement and a clear approach to take the project through delivery.			
	Stakeholder input to the project scope. 	Assessment of risks resulting from the acceptability of the project to key stakeholders. 	Identified benefits are clearly linked to key stakeholders. 	
<ul style="list-style-type: none"> • What level of engagement has been undertaken with stakeholders (including end users and the community) in the development of the preferred option? How have issues been addressed? • What is the stakeholder management and engagement strategy for the procurement stage of the project? Is it comprehensive? • How has intra- and interagency consultation resulted in the identification of opportunities to enhance outcomes of the preferred option? • How have the views and concerns of stakeholders been incorporated into the development of the preferred option and procurement strategy? • How has the project benefited from early market engagement in the development of the preferred option or procurement strategy? • What is the market engagement and tenderer engagement approach for the procurement stage? Is it robust and how will it enhance benefits and deliver innovation? • How has the market engagement and community stakeholder activity been coordinated with other relevant projects, to mitigate communications/stakeholder fatigue as the project progresses? • How is the stakeholder engagement plan for the procurement and delivery resourced, coordinated across the delivery agency and reflected in the project's current or future governance structure? 				
Optional areas to explore				
For programs <ul style="list-style-type: none"> • How does the planned stakeholder engagement approach, especially with stakeholders external to government, demonstrate a level of sophistication appropriate to the scale of the program? • Can the program demonstrate stakeholder engagement approaches at both project and program levels? • How is stakeholder influence being mapped and managed at both program and project levels? 				
For civil infrastructure and assets <ul style="list-style-type: none"> • How granular is the stakeholder management plan? Is this sufficient to address issues across communities impacted by the length/scale of the project? 				
For buildings and places <ul style="list-style-type: none"> • Nil 				

Key focus area 7: Asset owner's needs and change management

Gate 2 application				
 Asset owner's needs and change management	Involvement of the asset owner/operator, and consideration and documentation of operational issues for the project. Proactive identification of handover points and change-management process needed to move effectively to procurement.			
	Operational impacts and changes are understood. 	Understanding of affected organisations and likely response to change documented. 	Benefit owners identified and a clear methodology to capture benefits is documented. 	
<ul style="list-style-type: none"> How have the consequences of any broader network/system changes resulting from the project (including disruption during project delivery) been considered, addressed and endorsed by the asset owner/operator? How have system changes (including information, technology, processes or procedures) driven by the project been explored and addressed? How has the asset owner/operator (or benefit owner) been involved in the development of the project? What is the status of the project's Asset Management Plan(s)? Has the asset owner/operator signed off on being able to realise the intended benefits? What are the consequences of the operational impacts across affected organisations (including workforce or human resources)? Are they transparent? How well are the end-user needs and impacts considered, including information requirements and demonstration of asset standards? What is the plan to facilitate the handover of the project to the team responsible for procurement? How will it involve the asset owner/operator? Who will be accountable for leading this change? What is the plan to efficiently recruit and induct new staff into the project team for the procurement stage of the project? 				
Optional areas to explore				
For programs <ul style="list-style-type: none"> Nil 				
For civil infrastructure and assets <ul style="list-style-type: none"> Nil 				
For buildings and places <ul style="list-style-type: none"> Nil 				

Cost review questions

All Gate 2 Reviews are required to address the following additional cost review questions.

The review team must complete the appropriate section within the Gate 2 review report to respond to these questions.

- Is the methodology applied to determine the capital cost estimate appropriate?
- Have the costs been independently verified?
- What is the confidence level of the capital cost estimate?
- Has the cost plan been developed in line with the delivery agency or Treasury guidance?
- Is the cost plan appropriately detailed and benchmarked?
- Have the risks to completion of the project on budget been incorporated into the cost plan, at a level sufficient for the scale and complexity of the project?
- How was the project contingency estimated?
- Is the level of detail in the design used to determine the cost estimate appropriate?
- Is the methodology used to determine the whole-of-life cost estimate appropriate?
- What is the escalation rate applied?
- Is the level of escalation applied an appropriate reflection of anticipated market risk?
- Have all costs to deliver the project and its key objectives been included, such as cost of associated and peripheral works?

Glossary

Term	Definition
assurance reviews	Refers to gate review, health checks and deep dives.
Assurance Review Team	A team of expert independent reviewers, sourced from the Project Assurance Services Panel engaged by Infrastructure Tasmania to undertake a gate review, health check or deep dive.
deep dive	Deep dive reviews are similar to health checks but focus on a specific and often technical issue. These reviews are usually undertaken in response to an issue raised by project teams, SROs, Cabinet or the like.
delivery agency	The government agency tasked with developing and/or delivering a project.
gate	Key decision point(s) in a project/program's lifecycle when a gate review may be undertaken.
gate review	<p>A review of a project/program by an independent team of experienced practitioners at a specific key decision point (gate) in the project/program lifecycle.</p> <p>A gate 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/program and assurance that it can proceed successfully to the next stage if any critical recommendations are addressed.</p>
health check	A health check is an independent review carried out by a team of experienced practitioners seeking to identify issues in a project/program which may arise between gate reviews.
program	<p>Programs provide an umbrella under which related projects and activities can be coordinated. A program is likely to be longer term and have a life that spans several years.</p> <p>Projects that form part of a program may be grouped together for a variety of reasons including co-location, similar nature (for example, agency capital program or road upgrades) or shared outcome.</p> <p>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.</p>

project	<p>A project is a group of interrelated activities that are planned and then executed in a particular sequence to achieve planned and agreed outcomes, within a predetermined timeframe. A particular project may or may not be part of a program. A project has the following characteristics:</p> <ul style="list-style-type: none"> • defined scope and finite resources • has a definable start and end dates • introduces a change • creates a unique result, product or service • has its own governance structure
project assurance	<p>The governance, reporting and independent expert project review process that assesses the health and viability of a project. Project assurance can provide investors and other stakeholders with the confidence that the project can deliver to time, budget and quality.</p>
Project Assurance Services Panel	<p>Established and managed by Infrastructure Tasmania, the panel includes experts with skills, experience and capability across infrastructure sectors and project delivery. The project assurances service panel ensures quick mobilisation and coordination of review teams and the consistent application of the project assurance framework.</p>
project tier	<p>The project tier classification is comprised of three project tiers, where Tier 1 encompasses projects deemed as being the highest risk profile (Tier 1 – high value, high risk projects), and Tier 3 with the lowest risk profile. Tier classification considers a project's overall risk profile and the project's estimated total budget.</p>
regular infrastructure project reporting	<p>Routine reporting of projects prepared by the Department of Treasury and Finance and provided to government.</p>
Senior Responsible Officer (SRO)	<p>The delivery agency secretary or deputy secretary with strategic responsibility and the single point of overall accountability for a project/program. The Senior Responsible Officer (SRO) is the owner of the business case, accountable for all aspects of governance and delivery of benefits. Some project management methodologies refer to this role as the Project Executive, Sponsor or Client.</p>



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