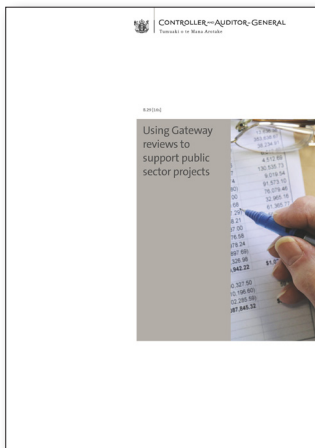




Summary of our report

Using Gateway reviews to support public sector projects



Government agencies manage significant assets that are critical for providing public services. Every year, those agencies invest millions of dollars in projects and programmes to acquire or develop new assets, so that they can continue to provide the public services New Zealanders need. The public needs to have confidence that these projects and programmes are using money in the right way and on the right things, and that the benefits that the agencies have undertaken to deliver will be realised.

Gateway reviews are a peer review process designed to provide independent and timely advice to the people responsible for major projects and programmes. The reviews take place at key stages in the project or programme's life cycle. Gateway reviews make recommendations to help projects and programmes succeed. They do not pass or fail a project and, despite their name, are not designed to stop a project or programme that is not going well. There are 25-30 reviews carried out each year with a total annual cost of about \$2 million.

Since their introduction in 2008, there have been over 180 reviews of more than 80 projects and programmes involving about 40 agencies and with a total value of about \$45 billion. We looked at whether Gateway reviews have been designed and implemented to deliver benefits to major projects and programmes in the public sector.

In our view, Gateway reviews have delivered benefits to individual projects and programmes. Project sponsors have reported that they find Gateway reviews beneficial. We saw specific examples where a Gateway review had provided advice that helped a project reach an important milestone. For example, a Gateway review was able to help a project reach agreement between stakeholders who were in conflict. Without this agreement, the project would not have been able to progress.

For many projects and programmes, specific benefits, including cost savings, are harder to identify. There are many other influences on the success of projects and programmes, and the impact of Gateway reviews can be difficult to isolate. A cost benefit analysis of Gateway reviews in the United Kingdom found that projects that had reviews experienced cost savings of 2-4% of the total project costs. This type of analysis is very complex and has not been replicated in New Zealand.

Vital statistics:

- 36 pages
- Presented to Parliament on Thursday 20 September 2016
- Contact: reports@oag.govt.nz

