



HERBERT
SMITH
FREEHILLS

Attachment 4

Business Case Proposal



Government of Western Australia
Department of Regional Development



ROYALTIES
FOR REGIONS

BUSINESS CASE PROPOSAL

FOR

[PROJECT TITLE]

[ORGANISATION NAME]

[PROJECT SPECIFIC ROYALTIES FOR REGIONS
AMOUNT REQUESTED]

[This template has been developed to assist the preparation of a business case proposal to support requests for Royalties for Regions funding.]

R01078-11 / A3129302



Note to Applicant:

Essentially, the business case should answer three questions:

1. Current Status
2. Where do you want to get to?
3. How will you get there?

The "background" section of the business case should answer the first question. The second question is essentially answered by "project outcome". The "how" question relates to the rest of the business case and should explain the mechanisms and resources that will be employed to achieve the project outcome.

Capital Works Initiatives

State Government capital works initiatives require evidence of consultation with the Department of Finance, Building Management and Works.

Building Management and Works provides a range of services to deliver the State Government's non-residential building program, using extensive in-house expertise in asset planning, project delivery and maintenance planning. Building Management and Works is committed to ensuring probity, value for money and effective risk management in all aspects of its operations.

Building Management and Works' activities include construction of Government buildings such as hospitals, schools and police stations, management of major State construction projects, management of maintenance contractors for Government buildings, management of the Government's office portfolio, setting capital works and construction policy, and administration of a range of heritage and built environment concerns.

The Strategic Asset Management Framework (SAMF) provides policies and guidelines to improve asset investment planning and management across the State public sector. It is designed to help facilitate quality advice and decision-making with State Agencies, including the development and review of investment proposals to Government. State Agencies should ensure that business cases for infrastructure projects are consistent with SAMF. For information please click on [Strategic Asset Management Framework \(http://www.treasury.wa.gov.au/cms/content.aspx?id=1269\)](http://www.treasury.wa.gov.au/cms/content.aspx?id=1269).

Approvals

The business case will need to demonstrate that relevant approvals, including (but not restricted to) project approvals, planning approvals, land title, native title, heritage approval, incorporation, legal requirements or licenses have been obtained and that there are no barriers to the progression of the project should Royalties for Regions funding be provided.

If the Project is being undertaken on land (whether freehold or Crown land) that is not owned, leased or managed by the applicant, the applicant must obtain and have in place for the duration of the Project an agreement or suitable authority to undertake the Project on that land.

Please note that all finalised business cases must be endorsed by the Director General or Chief Executive Officer of the submitting organisation. This will ensure that the content of the business case adequately reflects the scope of each project proposal and the capacity for the agency to deliver the project.

Business Case Template - Current Template 2013-14 - DO NOT MOVE FROM FILE R01078-11

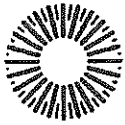


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Glossary of terms

In the context of this document:

Agency means a Western Australian State Government agency.

Applicant means the organisation or Agency preparing a Business Case Proposal requesting Royalties for Regions funding for a priority project.

Business Case Proposal means the information prepared by the Applicant in support of the project.

Deliverables means the expected productivity benefits, outputs and outcomes from the project.

Department means the Department of Regional Development.

Innovation is the implementation of a new or significantly improved product (good or service) process, new marketing method or a new organisational method in business practices, or external relations¹.

Leveraged Funding is the additional cash funding obtained for the Project from other sources.

Option means a feasible, alternative delivery mechanism to the Project which was considered by the applicant when preparing the Business Case Proposal.

Organisation means an incorporated entity that is not an Agency. An organisation may be a not-for-profit entity or government trading enterprise.

Project means the works or services proposed in the Business Case Proposal.

Project Outcome means the intended impact that is expected as a result of undertaking the Project.

Project Output means the tangible end product(s) of the Project. For example, an infrastructure asset or the services delivered.

Royalties for Regions means the Western Australian State Government's Royalties for Regions program.

Stakeholder means a party with an interest in or who is affected by the Project.

¹ Organisation for Economic Cooperation and Development and Development Statistical Office of the European Communities (2005 Third Edition) Oslo Manual Guidelines for collecting and interpreting innovation data, 3rd edition, OECD and European Commission, Paris



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1. EXECUTIVE SUMMARY

[Summarise the Project providing an overview of the business case, options and recommendation and outcomes anticipated. Please advise the priority of the Project and how this has been identified.]

The Executive Summary should also include:

- the total cost of the Project or program
- total Royalties for Regions funding requested under this Business Case Proposal
- total Leveraged Funding required from other sources.
- advise how the viability and sustainability of the Project has been established;
- the status of appropriate approvals required for the Project to proceed
- demonstrate tangible benefits (economic, social and/or community)
- provide a clear statement identifying opportunities for local industry to participate in the Project



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2. PROJECT SCOPE AND EVALUATION

2.1. *Project Outcome*

[Clearly outline the outcome of the Project including a statement of purpose and need for the Project, including the imperative for undertaking the Project. The Project Outcome should provide a clear statement that identifies what the Project aims to achieve.]

2.2. *Project Description*

[Describe the Project in laymen's terms. Explain what the Project hopes to achieve. What innovation will be involved in delivering the Project Outcome. Provide sufficient detail to adequately support the amount of funding being requested.]

2.3. *Background*

[The background should provide a brief history of the Project including a summary of the current status. The background should explain what has been done to get to this point. It should also identify other documents such as strategic plans, approvals, including (but not restricted to) project approvals, planning approvals, land title, native title, heritage approval, incorporation, legal requirements or licenses, and any other funding sources.]

2.4. *Policy and Strategic Framework*

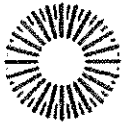
[Articulate the policy and strategic imperative for developing and implementing the Project. This section should articulate information on any related local, regional or Statewide policies, strategies, plans or projects that may be affected by this Project. The Project should align with the organisation's strategic asset plan.

Describe in detail how the Project may have a positive impact on one or more of the following Royalties for Regions objectives:

- Building capacity in regional communities
- Retaining benefits in regional communities
- Improving services to regional communities
- Attaining sustainability
- Expanding opportunity
- Growing prosperity

Describe in detail how the Project may have a positive impact on one or more of the Western Australian Regional Development Trust themes (WARDT) and/or the Regional Development Council/Commissions planning 'Blue Prints'. The WARDT themes are listed below:

- Water: regional wastewater, reuse and urban water opportunities
- Regional and rural human capacity building: further investment in job-creating activities, particularly investment targeted at Aboriginal workforce participation
- Regional land and food strategy and planning
- Investment in regional strategic corridors
- Retaining aged populations in the country



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- Regional business and industry innovation and support
- Energy supplementation

2.5. Key Deliverables

[List the key outputs, outcomes and benefits to be achieved by the Applicant in undertaking the Project. Indicate the measures to be used to ensure that the Deliverables are achieved. The use of S.M.A.R.T philosophy (ie. Specific, Measurable, Attainable, Realistic and Timely/Tangible) is suggested as a way of defining the measures. The table below is provided as a guide. Describe the performance measures that will be used to assess the success of the Project. Explain how the Project Outcome(s) and Deliverables will be achieved.]

Outcomes	Performance Measures
1	
2	
3	
4	

Outputs	Performance Measures
1	
2	
3	
4	

2.6. Stakeholder Identification

[Identify both the internal and external stakeholders that will be affected by the Project, including Aboriginal stakeholders. Describe the extent of consultation with stakeholders including issues identified and how the business case has addressed any concerns or issues. Provide signed letters of support where applicable and other evidence of support such as minutes from working groups or executive meetings.]



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2.7. Critical Assumptions

[Explain each of the underlying assumptions for the Project. This may include identifying the "givens", the issues that have brought the project to its current stage or the imperatives that underlie the Project]

2.8. Economic and Financial Analyses

[Identify the broader economic and financial implications and outcomes of the Project from the perspective of the Applicant and the Government. The analysis may involve any direct or indirect benefits to the region, State and/or that may result from undertaking the Project, including productivity benefits and/or capability and capacity building of local businesses. This section may include cost-benefit analysis using discounted cash flows or other financial or economic analysis if appropriate.]

Further, the Applicant will need to identify the operational and maintenance costs and source of income for the first five (5) years of operation of the Project that demonstrates the sustainability of the Project.

2.9. Assessment of Options

[Identify and summarise the options faced by the Project, including the 'do nothing option' and possible staging options and/or alternate solutions. This should generally include a description of each option and an analysis of its cost, benefit, financial implications and risk profiles. This assessment may include a sensitivity analysis that may involve analytical tools such as present value, net present value, internal rate of return and cost benefit analysis. This section should also identify the approvals needed to make each option viable and explain whether these are in place, have been sought or are being sought.]

2.10. Preferred Option

[Identify the preferred option including the reasoning for selecting this option based on the analysis in section 2.9]

2.11. Funding Strategy

[State the estimated costs of the project including leveraged funds and the timing of cash flows.]

2.11.1. Project Budget

[Specify the total Project Budget and indicate the source of funds including the planned Royalties for Regions funding. The budget should include project management costs and costs associated with project evaluation and audit. Where other sources of funding are identified, indicate whether this funding has been secured and attach supporting evidence. The table below is provided as a guide. Items of expenditure should be supported by quotes or estimates from suitably qualified sources.]



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Item of Expenditure	Budget (\$)	Source of Funds	Has the Funding been Secured?
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Total Budget

2.11.2. Royalties for Regions Funding Amount

[Specify the timing for the use of the funding. It should enable the development of a disbursement or drawdown schedule for the proposed funding.]

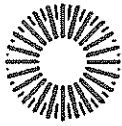
Main Activity	20xx/20xx \$	20xx/20xx \$	20xx/20xx \$	Total 20xx to 20xx \$
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Total

2.12. Project Timeframe and Key Milestones

[Describe the main activities, milestones and timeframe within which the Project will be undertaken. This section may include a Gantt chart identifying the activities needed to be undertaken to ensure that the Project objective(s) and Deliverables are achieved. The table below is provided as a guide.]

Main Activities / Milestone	Milestone Date	Responsibility
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2.13. Risk Analysis

[Identify the risks associated with the Project and include issues that may prevent the Project progressing (such as other funding sources not being secured), or that may hinder the achievement of the stated Project outcome(s) and Deliverables. Consider and explain the risk mitigation strategies which will minimise the effects of each stated risk. The focus of this section should cover the full lifecycle of the project and "post" funding risks such as operation and maintenance. Please address if the Project will result in unfair competition to existing industry and/or business? Attach supporting documentation such as other risk assessment documents]

Risk	Level (low, medium, high)	Mitigation
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3. IMPLEMENTATION STRATEGY

3.1. Communication Plan

[Explain the communication strategy (target market, mechanisms, advertising) and how the Project will be rolled out. The Communication Plan should be consistent with the Department's Communication Policy.]

3.2. Project Management and Governance

[Detail the nominated project manager, reporting arrangements with a project board or working group, Explain the approvals process and the mechanisms in place to ensure the project progresses according to plan. This section could also identify the licenses needed to ensure the successful implementation of the project.]

3.3. Procurement Strategy

[Where relevant explain the procurement strategy including the mechanism for procurement and liaison with the Department of Finance. Where possible the procurement strategy should be consistent with the intent of the WA Government's Buy Local Policy (<http://www.ssc.wa.gov.au/policies02.asp?id=19>) and Building Local Industry.]

3.4. Supporting Documents

[List any supporting documents that are attached such as feasibility studies, market analysis, Gantt Charts, design documents, research and evaluation reports, approvals to date, financial reports, policies, procedures, media releases and articles.]



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4. RECOMMENDATION OF PREFERRED OPTION

[Clearly state the recommended option and the reasoning for selecting this option]

4.1. Sign-off

Signed	Signed
Completed by	Approved by
Position	Position
Date	Date