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| --- |
| **WestInvest Program**  **Community Projects Grants – Competitive Round**  **BUSINESS CASE – Category B**  **[PROPOSAL NAME]**  [APPLICANT]  [VERSION] [DATE] |

KEY PROJECT DETAILS

|  |  |
| --- | --- |
| PROJECT INFORMATION | |
| Project name |  |
| Applicant |  |
| Project partners (if applicable) |  |
| LEAD CONTACT | |
| Name |  |
| Position |  |
| Phone |  |
| Email |  |
| Address |  |
| PROJECT SCOPE | |
| Project summary for publication *Please provide 150 words or less* |  |
| PROJECT LOCATION | |
| Project site address(es) |  |
| Local Government Area(s) |  |
| Local Aboriginal Land(s) |  |
| NSW electorate(s) |  |
| Federal electorate(s) |  |
| SUPPORTING INFORMATION | |
| Attachments *Please upload your attachments in the relevant section in SmartyGrants* |  |

DOCUMENT INFORMATION

|  |  |
| --- | --- |
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HOW TO USE THIS BUSINESS CASE TEMPLATE

This template provides instructions in italics and in colour to help applicants prepare their business cases.

Instructions in red italics need to be adhered to by all applicants.

Instructions in light blue italics are recommendations to applicants. These instructions provide guidance on better practice approaches to populating a given section of the business case.

This will be the primary document for demonstrating a rigorous case for decision makers as to how your project will deliver positive liveability outcomes for Western Sydney.

It is also an opportunity to provide evidence that your organisation has the capacity to deliver the project within the requesting funding envelope and specified timeframes. You should showcase your organisation’s previous track record in delivering similar initiatives to strengthen your case.

A good business case should outline all relevant information and arguments for the need for the project, as well as demonstrate the change logic for achieving the desired outcomes.

It should be clear, succinct, logical and user-friendly. Remember - the length of the business case is not always a guarantee of the strength of your business case. However, it must be long enough to provide a compelling case that your project is well-supported by stakeholders, available evidence, and accurate analyses. It is therefore expected that the level of information provided should be commensurate to the amount of funding requested – with larger funding requests expected to be supported by more information in each of the sections of the template.

Further guidance on preparing a business case can be found in the NSW Government Business Case Guidelines (<https://www.treasury.nsw.gov.au/information-public-entities/business-cases>)

**Please delete all instructions prior to submission.**

# EXECUTIVE SUMMARY

Provide a high-level summary of your infrastructure project proposal discussed in this business case. This should include:

a) your chosen focus area(s)?

b) your chosen Local Government Area(s)

c) what are the community need/s for improving liveability that your proposal is intending to solve?

d) what things your infrastructure project would deliver

e) how those things would improve the liveability of your chosen area(s) of Western Sydney

f) what it will cost and how it will be funded

g) when the project is expected to be delivered or completed.

**NOTE:** The Executive Summary should be no longer than one page.

# SIX FOCUS AREAS AND LOCATION

Please provide details about how the project addresses one or more of the six focus areas:

* Quality green and open spaces
* Community infrastructure
* School modernisation
* Arts and cultural facilities
* High street activation
* Local traffic programs

Ensure that you discuss the most important focus area(s) for your proposal first, then others as appropriate.

You may wish to include pictures or charts

Please identify the Local Government Area(s) for your project.

You may wish to include a map or photographs

# COMMUNITY NEEDS

## 3.1 RATIONALE FOR INVESTMENT

Please outline the key community needs for improving **liveability** that the infrastructure proposal aims to address.

The community needs should be quantifiable and verifiable where possible, however they may be described in qualitative terms if quantification is difficult.

They could also be supported by available evidence and data, using both primary and secondary research sources.

The community needs may relate to current community needs as well as emerging community needs or forecast community needs.

You may wish to highlight the risks to community liveability that exist or would emerge in the future if the project does not proceed or is deferred.

If you are not able to fully complete this, or you are unsure of the value of the evidence you have relied on, please continue with the application. If you are unable to find the right evidence or data, please explain the reasons why and the efforts you have made.

## 3.2 TRANSFORMATION

*Transformational projects have a positive impact on a community at a local, LGA or regional scale.*

*Applicants must demonstrate how their project will deliver across one or more of the following criteria:*

* ***Enduring benefits****: the project will deliver benefits both immediately and for future generations*
* ***Enhancement:*** *the project will bring a significant or exceptional increase to the relevant measures of liveability referred to above*
* ***Enabling:*** *The project acts as an enabler to other projects or activities within the LGA to provide greater benefit to the community*
* ***Leverages an available opportunity:*** *The project exploits an opportunity that will otherwise be lost if the project did not proceed*
* ***Not business as usual:*** *The project is an opportunity that would not normally be a priority for government, the applicant, or another organisation, but it will enhance liveability*

## 3.3 STRATEGIC ALIGNMENT

* Please outline how the proposal is aligned to one or some of the with the following NSW Government, regional and local council strategies, plans and priorities. This may include:
* - Local Government strategies and plans, including Community Strategic Plans and plans under the Integrated Planning and Reporting arrangements
* - Local Aboriginal Land Council strategic and operational plans
* - Plans of which the LGA or is a part
* - Relevant local community organisations published plans and strategies that have been informed by community consultation
* - Parts of the Greater Sydney Commission District Plan (Western Parkland City, Central River City)
* - State Infrastructure Strategy 2018
* - Future Transport Strategy 2056
* - Cultural Infrastructure Plan 2025+
* - NSW Net Zero Plan
* - NSW Premier’s Priorities
* **Other:** strategies/plans as appropriate
* NSW Government plans can be viewed via www.nsw.gov.au.[[www.environment.nsw.gov.au](http://www.environment.nsw.gov.au)](http://www.environment.nsw.gov.au), www.nsw.gov.au.

## 3.4 EXPECTED OUTCOMES AND BENEFITS

The NSW Government uses program logic and needs assessment to design projects and programs and in evaluation. An outcome logic model will illustrate how your intended proposal will work by linking why the infrastructure project is needed to:

- what is required to build the infrastructure

- what changes (outcomes) would be achieved and for whom (which stakeholders) once the infrastructure is built

- how long the changes (outcomes) would take to eventuate ranging from short, medium to long term

More information on outcome logic mapping can be found on the DPC website.

Please provide an **outcome logic map** for your infrastructure proposal using the table below. Please refer to **Appendix A** for a list of possible outcomes and benefits that may be appropriate for your proposal. This list is by no means exhaustive but is a good starting point for you to prepare your outcome logic map.

|  |  |
| --- | --- |
| OUTCOME LOGIC MAP | |
| COMMUNITY NEED | In 3.1 above you provided a detailed explanation as to why this project should be implemented to provide a solution to a community need. Please provide a one sentence statement summary here. |
| PROPOSED INITIATIVE | Please provide a short statement summarising what your proposal will do to address the community need (or problem) above. |
| INPUTS | Resources needed to conduct the activities in your proposed project |
| ACTIVITIES | The essential actions required to produce your proposal’s key ‘outputs’ |
| OUTPUTS | The tangible products or goods your infrastructure proposal is planning to deliver |
| SHORT-TERM OUTCOMES | The impact your project will have after it has been delivered and the target community and geographic areas that will experience the positive changes. These are usually measured within the first 6 months after finishing a project, but this will vary with each project. |
| MEDIUM TO LONG TERM OUTCOMES | The changes you will start to see over time in the target community group and geographic areas that are a direct result of your proposal and its short-term outcomes. Again, the timing of these measurements will vary with each project – however, medium term outcomes are usually measured between 6 and 18 months after a project is completed, with long term outcomes measured anywhere from 2 years to multiple years later. |
| OUTCOME MEASURES | These are measurements that explicitly show the improvements in ‘liveability’ directly linked to the outcomes you identified above. Outcome indicators can be measured at varying stages across the project timeline, but make sure you have a baseline measurement when you start so that you are able to demonstrate the desired improvements over time. |

For project proposals **over $10 million**, the outcome logic map and monitoring and evaluation plan will also assist you in demonstrating cost benefit in section 4.

## 3.5 MONITORING AND EVALUATION

Relying on the **outcome logic map**, please outline the **Monitoring and Evaluation Strategy** for your project. This should include:

- **data collection plan**, including baseline measurements and timeframes between measurements for all of the outcomes you identified at 3.4, and any other indirect outcomes from the project such as short-term job creation

- the type of **methodology** you will use and the **timing** of the evaluation (from baseline data collection through to your final report). Remember evaluation does not just happen at the end of the project, it starts when your project starts. Also remember that the project will not be fully completed until the evaluation is completed

- if you are having your project **evaluated externally,** please include the costs as part of the total project budget at 4.5

If your project is successful, the Monitoring and Evaluation Strategy for your project will be reviewed with you at the point of negotiating the funding deed, including the amount of the final payment which will be payable on the submission of a **Post Implementation Report**.

# VALUE FOR MONEY

## 4.1 THE BASE CASE AND ALTERNATIVE OPTIONS

With reference to the project’s **outcome logic map** you developed throughout section 3, please summarise the ‘base case’ to be used to assess the merits of the changes that the project will make.

The base case is the ‘state of the world’ without the project, the case with no change and only ‘business as usual’ maintenance or activities.

Please summarise how the preferred project option was selected by explaining what alternative options were considered. These should include:

- A ‘do-very little’ option

- A ‘do it later’ option

- A ‘do it totally differently’ option

## 4.2 INFORMATION ABOUT THE PROJECT

### 4.2.1 SCOPE OF WORKS

Please provide a brief description of the key elements of the works proposed, and an explanation for why each element is needed. Key elements can fall into a range of categories such as project planning, project management (cost, risk, asset, stakeholder, change management), consultation, design, preliminaries, procurement activities, monitoring and evaluation activities.

Key elements may cover such things as description may include:

* Project site details
* quantifiable details including area/length, capacity etc.
* Photos of the site/surrounding locale
* Relevant design standards, concept diagrams and sketches
* Utility assumptions and adjustments
* Property acquisitions
* Procurement activities

### 4.2.2 PROGRAM OF WORKS

Please describe the activities, phases and/or stages required to undertake and complete the project.

Identify any perceived risk points and critical paths in your program of works.

### 4.2.3 PROJECT EXCLUSIONS

Please outline, if relevant, what elements are outside the scope of the project.

### 4.2.4 RELATED PROJECTS

Please outline, if relevant, if the project is related to another project or is dependent on another project proceeding.

## 4.3 PROJECT BUDGET

### 4.3.1 PROJECTED CAPITAL COSTS

The details for your capital costs and project costs should be completed in the “Project Budget” section of your SmartyGrants application form.

All proposals over $10 million MUST include allowances for a Quantity Survey in the project plan and budget

All proposals over $1 million and under $10 million are encouraged to include a Quantity Survey in the project plan and budget.

You may provide additional explanation on your project capital costs here.

### 4.3.2 PROPOSED FUNDING ARRANGEMENTS

The details for your capital costs and project costs should be completed in “Project Budget” section of your SmartyGrants application form.

Please include details of any co-contributions (if applicable)

You may provide additional explanation on the sources of funding for your project here.

## 4.4 PROJECTED ONGOING COSTS

Please detail all of the projected ongoing costs for the project’s deliverables for the next 5 years. This may include operating and maintenance costs of infrastructure, physical assets or ongoing capital works.

Please also provide sufficient evidence to support how these costs will be funded (WestInvest funds cannot be used to fund these). If cost savings and revenues may be realised, this should be identified separately.

Table 4.6: Projected ongoing costs

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Future Years** | **Total** |
| Item 1 |  |  |  |  |  |  |  |
| Item 2 |  |  |  |  |  |  |  |
| Item 3 |  |  |  |  |  |  |  |
| Item 4 |  |  |  |  |  |  |  |
| Item 5 |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

## 4.5 FINANCIAL HEALTH

Provide supporting documentation (as PDF attachments to your application form) that demonstrates your organisation's ongoing operational financial viability, including (but not limited to):

- Copy of most recent audited financial statements (where possible)

- Statement of Financial Position / Statement of Profit and Loss (where applicable)

- Further document evidence to support the budget particularly for any forecast costs (i.e. expected costs to operate or maintain the proposed project in the future).

Provide any additional information or explanation regarding your organisation's ongoing operational financial viability in this section.

## 4.6 COST BENEFIT ANALYSIS

The NSW Government will complete a Cost Benefit Analysis (CBA) of your project based on information and data provided in this business case.

If your total project cost is over $1 million and under $10 million, you are required to present information and data to support a Qualitative CBA of your project.

If your total project cost exceeds $10 million, you are required to provide the underlying assumptions and raw data to support a Quantitative CBA.

Applicants can include information and data on benefits in Sections 3.4 (Expected Outcomes and Benefits). Costs can be outlined in Sections 4.3 (Project Budget) and 4.4 (Projected Ongoing Costs). There is no need to present this information again in this section. However, any additional information can be presented in this section.

Alternatively, you may develop and present your own CBA in this section.

A Benefit Cost Ratio (BCR) of one or greater is not required.

If you provide your own Quantitative CBA, please ensure you still provide the underlying assumptions and raw data relied on to determine your BCR.

# CAPACITY TO DELIVER

## 5.1 PROJECT MANAGEMENT PLAN

The Project Management Plan should describe the methods, timeframes and responsibilities for a milestone to be achieved.

This should include:

- Key milestones and timeframes for each implementation stage

- Key dependencies (i.e. deliverables from other projects that this project requires for implementation

- Key decision points

- Independent assurance requirements

- Resourcing arrangements (including staff/workforce)

-If your organisation has with limited experience delivering infrastructure projects, please include a resourcing plan to access suitable expertise to deliver the project, including specialist project management staff

## 5.2 GOVERNANCE

Please outline the project team that will oversee the management (during delivery and ongoing operations) of the project. Outline the way the project will be organised, including Key decision makers (e.g. project sponsor, Councillors)

* Governance bodies (e.g. steering committees, project control group, advisory groups)
* Project personnel
* Key stakeholders (e.g. stakeholder groups, liaison/communications officers)
* Interfaces with other Government agencies
* Interfaces with contractors
* If the proponent is more than one entity, interactions between the lead contact and each entity.

Please outline key responsibilities and roles of key personnel.

If available, please provide one-page CVs for key personnel listed below. Combine and upload these as a single PDF attachment to your application form in SmartyGrants.

Please also provide evidence of your organisations’s experience in delivering similar projects. If your organisation has not delivered a project of this scale before, outline the project management or governance arrangements that you would put in place to ensure the project can be delivered?

You may choose to use the table below.

Please attach a copy of your organisations’ Business Continuity Plan and Risk Appetite summary.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Role | Name (of individual or group) | Phone number | Email | Responsibilities | Reports to |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## 5.3 KEY RISKS

Please provide a **Project Risk Management Plan**, outlining the key risks that the project will face, proposed mitigations and how serious each risk is.

Although this list is not exhaustive, some key risk areas to consider include:

* OHS/COVID
* Time or budget Overruns
* Scope
* Construction
* Financing
* Planning and approvals
* Legal
* Property acquisitions
* Utility capacity
* Procurement
* Change
* Sustainability
* Hazmat removal
* Foreign exchange rate
* Value engineering
* Community consultation
* Latent conditions

You must list identified risks, the person or role responsible for managing this risk, the likelihood of this risk occurring, the consequence if this risk occurs, the risk rating, and the proposed risk treatment actions in the table below and refer to the **Risk Management Framework** at the end of this document for guidance.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Identified Risk | Owner | Likelihood | Consequence | Risk Rating | Risk Management Strategy |
| What might happen? | Who is responsible? | What is the likelihood that this will happen? | What would be the impact if it came true? | Refer to risk matrix | What actions will be taken to prevent this risk from occurring or reduce its impact on the project? |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## 5.4 LEGISLATIVE, REGULATORY ISSUES & APPROVALS

Please outline any legislative/regulatory issues that the project needs to adhere to/manage/resolve as well as the approvals that are expected to be required. Please also provide evidence to support your case that it is reasonable to expect they will be approved/supported/resolved.

These may include:

* Heritage listings
* Environmental issues
* Development approvals
* Local authority planning requirements
* Hazardous materials management
* Local Aboriginal Land Council considerations

# ENGAGEMENT AND REACH

## 6.1 STAKEHOLDER SUPPORT

Please outline and explain the level of stakeholder and community support there is for the project. Upload letters of support or other evidence (including Minutes or survey results) to the SmartGrants application form. What issues and concerns have stakeholders/the community raised? How has the project responded to these concerns? Be specific about which groups/how many/how often.

## 6.2 COMMUNICATIONS PLAN

Provide the details on how you will engage with stakeholders to ensure they are informed of key information about your project before, during and after it has been delivered. List key stakeholders (internal and external) who will have an impact on the project or be affected by the project and describe how they will be engaged by providing the following:

- Name of person or group

- Why are they involved or have interest in this project?

- What information do they need? What are the key messages that need to be sent?

- How will they receive this information?

- When will this communication occur?

Summarise the overall key communication and management issues for the project, concentrating on what will contribute to the project’s success or where a lack of communication can lead to failure. Describe how they will be affected by the liveability enhancements your project will achieve.

**Appendix A: List of possible outcomes and benefits**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outcomes** | **Benefits** | | **WestInvest Focus Areas** | | | | | |
| **Name** | **Definitions\*** | **green open space** | **community infrastructure** | **school modernisation** | **arts & cultural facilities** | **high street activation** | **local traffic management** |
| Improved access and amenity of public spaces, facilities and town centres | Accessibility for different levels of mobility | Increased physical access for people with different levels of mobility (e.g. lifts, ramps) | x | x |  | x | x | x |
| Amenity benefits | Increase in customer satisfaction ratings as a result of renovating/building a community facility (seating, equipment, cleanliness, lighting) Increased 'aesthetic' amenity in town centres  Increased amenity of local neighbourhoods along road corridors | x | x | x | x | x | x |
| Improved access to a diverse range of community facilities and infrastructure that meets community needs, standards and cultural preferences | Increased range of community activities across LGAs  Increased access to recreational swimming facilities  Increased number of community activities in community centres  increased patronage of artistic and cultural facilities increased diversity of cultural activities (reflecting preferences of WS communities) | x | x |  | x |  |  |
| Safety benefits | Reduced crash and casualty rates from traffic accidents Reduced traffic accidents in town centres/high streets  Increased perception of physical/psychological safety in the local community | x | x | x | x | x | x |
| Use value (recreational benefits) | Monetary value derived from individuals directly interacting with public space. | x | x | x | x |  |  |
| Improved individual/group health and wellbeing outcomes | Use value (health benefits) | Use of public open space may be associated with improvements in general health and wellbeing associated with regular active and passive recreation | x | x |  | x |  |  |
| Improved access to nature or areas of natural scenic quality | Increased public access to places where the community can access nature Increased public access to places the community can access places of scenic beauty and wonder | x |  |  |  |  |  |
| Social inclusion and connectedness | Increased perceptions of inclusion for people from a range of ability, cultural, religious, gender, sexuality perspectives to participate fully in local and regional communities Increased level of engagement in the local community Increased sense of belonging in the community | x | x | x | x | x | x |
| Improved connection to Aboriginal and Torres Strait Islander people's culture and Country | Improved access to facilities that provide opportunities for Aboriginal and Torres Strait Islander peoples to celebrate culture and connections to Country |  | x |  | x |  |  |
| Active transport benefits (as above) | Better health outcomes for active transport users (cyclists, walkers) | x | x |  |  | x | x |
| Air quality | Increased air quality, resulting in improved health and wellbeing outcomes, resulting in reduced public health costs | x |  |  |  |  | x |
| Urban cooling benefits | Reduced ambient temperature (resulting in a reduction in the urban heat island effect), resulting in reduced demand for cooling energy (and GHG emission), reduced energy costs and improved health and wellbeing outcomes | x |  |  |  | x |  |
| Community resilience | Improved community resilience to help withstand external stresses and shocks eg to climate change effects | x | x | x | x | x | x |
| Access to goods and services | Improved access to essential goods and services |  |  |  |  | x | x |
| Standard of living | Reduced cost of living resulting in increased lifestyle happiness | x | x | x | x | x | x |
| Improved environmental protection | Environmental externalities | An externality is a consequence of an economic activity experienced by unrelated third parties - for example e.g. reduced carbon emissions and a decrease in pollution (externality) as a result of reduced use of cars due to a mode shift to cycling (because of the provision of a new cycleway) | x | x |  |  | x | x |
| Biodiversity (flora and fauna) | Increased variety of plant and animal life as a result of providing habitat, ecosystem support and planting initiatives | x |  |  |  |  |  |
| Greenhouse gas GHG) impacts | Mitigation of the impacts of climate change (contributing to greenhouse gas emission reduction) by urban planting initiatives | x |  |  |  | x |  |
| Stormwater management | Reduced volume of stormwater runoff  Reduced flood damage and improved accessibility | x | x | x | x | x | x |
| Improved blue and green networks that support biodiversity (flora and fauna) | Increased biodiversity, environmental and air quality Cleaner and more sustainable natural waterways Provides increased access to nature (also captured in wellbeing benefits above) | x |  |  |  |  |  |
| Future biodiversity (flora and fauna) security | Securing a community geographical area or infrastructure asset for future purposes (e.g. buying land for future environmental conservation) | x | x |  |  |  |  |
| Improved economic value of public spaces and community facilities | Avoided costs | Reduced ongoing operations because of an initiative | x | x | x | x | x | x |
| Residual value | Components of the investment (e.g. assets) that have significant life remaining at the end of the evaluation period, | x | x | x | x | x | x |
| Land value uplift | Increase in the value of land values as a result of an infrastructure investment | x | x | x | x | x | x |
| Aboriginal cultural & heritage value | Value of protecting and preserving sites and onsite artefacts | x | x |  | x |  |  |
| Infrastructure and service delivery savings | Reduction in the cost of providing core infrastructure to service a property (water, stormwater, sewer, gas, electricity, IT) |  |  |  |  | x | x |
| Non-use value | Occur when people value a good, such as biodiversity (flora and fauna), simply for its existence value independently of any use value | x | x |  | x | x |  |
| Improved school modernity and amenity | Improved adaptability of schools to meet changes in educational standards and the need for digital learning platforms | Increased number of digital learning platforms in classrooms increased ICT connectivity and bandwidth in classrooms |  |  | x |  |  |  |
| Improved community access to use of school facilities | Increased use of school playgrounds outside school hours by sporting groups Increased use of modernised school halls for charitable or community events |  |  | x |  |  |  |
| Improved temperature control in classrooms | reduction in heat (outdoor temperature) Improved ventilation in classrooms |  |  | x |  |  |  |
| Improved travel efficiency | Travel time savings | Reduction in travel time (after a traffic management initiative, for example a new cycleway) | x |  |  |  | x | x |
| Vehicle Operating Costs (VOC) savings | Reduction in basic vehicle operating costs as a result of improved traffic flow or operational efficiencies. |  |  |  |  |  | x |
| Reliability benefits | Reduced variation in travel time as a result of a transport improvement |  |  |  |  | x | x |
| Active transport benefits | Reduced local traffic congestion  Increased active transport options (cycleways, walkways) Increased number of children who walk or cycle to school |  |  |  |  | x | x |
| Improved economic prosperity in WS town centres | Improved employment and business opportunities in town centres | Increased number of jobs located in Western Sydney directly related to the project deliverables Increased number of local businesses  Increased visitation and usage rates of local commercial centres Increased access to community centres, education, employment opportunities Increased outdoor dining options |  |  |  |  | x | x |
| Increased vibrancy of the hospitality and night-time economy | Increased provision of safe and accessible places for dining, entertainment and retail places |  |  |  |  | x |  |
|  |  |  |  |  |  |  |  |  |
| **\*NOTE: Where multiple definitions are provided for a benefit, please select the definition which best describes the benefit that would be realised by your proposal** | | | | | | | | |
|  |  |  |  |  |  |  |  |  |

**Appendix B: Risk Management Framework**

(Please delete these last pages when you finalise your Business Case)

**Risk Likelihood** - the potential of the risk occurring and impacting upon the projects at any time during the project lifecycle.

|  |  |  |  |
| --- | --- | --- | --- |
| **Rating** | **Likelihood** | **Description** | **Probability** |
| 5 | Almost Certain | The event is expected to occur; almost inevitable. | > 95% to 100% |
| 4 | Likely | The event is highly likely to occur; not surprised if it happens. | > 70% to 94% |
| 3 | Possible | The event may occur at some time. | > 30% to 69% |
| 2 | Unlikely | The event may occur but not anticipated; surprised if it happens. | > 5% to 29% |
| 1 | Rare | The event may occur in exceptional circumstances. | < 5% |

**Risk Consequence** - the likely impact of the risk upon the projects, if it were to occur.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Insignificant (1)** | **Minor (2)** | **Moderate (3)** | **Major (4)** | **Critical (5)** |
| **Risk focus** | *Minimal or no change in project.* | *Can be accommodated with existing resources.* | *Impact can be absorbed with treatment but will require additional resources from other areas.* | *The program, will require considerable additional resource from other areas.* | *The development will not be delivered.* |
| Benefits (business case) | Minimal or no impact on business case benefits. | Benefits may be impacted however, project is still aligned to Business Case. | Benefits will be impacted, however, project is still aligned to Business Case. | Benefits will be impacted and project may no longer be aligned to Business Case. | Benefits will be impacted and project will no longer be aligned to Business Case. |
| Cost | Minimal or no impact on budget. | Impact can be managed within budget. | Impact may be managed within budget. | Impact may not be managed within budget. | Impact cannot be managed within budget. |
| Quality | Negligible quality issues with minimal or no impact on the project. | Quality issues may diminish project development quality. | Quality issues will diminish overall project quality. | Project may be delivered with significant quality issues. | Project will be delivered with significant quality issues. |
| Safety | Incident could occur, however, no injury or time lost. | Compensable injury may occur with lost time impact. | Compensable injury will occur with lost time impact. | Fatality(ies) or permanent injury may occur with lost time impact. | Fatality(ies) or permanent injury will occur with lost time impact. |
| Time | Minimal or no impact on handover date. | Delay may impact handover date but manageable. | Delay will impact handover date but manageable. | Delay will impact handover date and may not be manageable. | Delay will impact handover date and is not manageable. |
| Operational | Minimal impact on future facility operation | May impact on future facility operation but is manageable | Will impact on future facility operation but is manageable | Will impact on future facility operation and may not be manageable | Will impact on future facility operation and is not be manageable |
| Business/enterprise/ reputational | Minimal or no impact to the agency. | Impact can be managed within minor impact to agency's business operation/ reputation | Impact on the agency's business operation/ reputation can be managed | Impact on the agency's business operation/ reputation can be managed may not be manageable. | Impact on the agency's business operation/ reputation is not manageable. |

**Risk Rating** - achieved by plotting the Likelihood and Consequence ratings using the matrix below to determine the Risk Rating.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Likelihood** |  |  |  |  |  |
| **Almost certain - 5** | Medium | Medium | High | High | High |
| **Likely - 4** | Low | Medium | Medium | High | High |
| **Possible - 3** | Low | Medium | Medium | Medium | High |
| **Unlikely - 2** | Low | Low | Medium | Medium | Medium |
| **Rare - 1** | Low | Low | Low | Medium | Medium |
|  | **1 - Insignificant** | **2 - Minor** | **3 - Moderate** | **4 - Major** | **5 - Critical** |
|  | **Consequence** | | | | |

**Risk strategy** - once a risk has been assessed and a risk rating determined, then the most appropriate risk strategy should be considered. The four risk strategies:

|  |  |
| --- | --- |
| **Strategy** | **Action to be taken** |
| Mitigate | Develop actions/options to reduce the likelihood and/or consequence of the risk. |
| Transfer | Outsource the activity causing the risk or insure the risk. |
| Avoid | Remove the activity causing the risk and seek alternative. |
| Tolerate | Take no further action other than to monitor or put plans in place to reduce the consequence in case it occurs. |