|  |
| --- |
| **Regional Tourism Activation Fund Round 2**  **[PROPOSAL NAME]**  **BUSINESS CASE**  [APPLICANT]  [INSERT VERSION] [INSERT DATE] |

KEY PROPOSAL DETAILS

|  |  |
| --- | --- |
| PROPOSAL INFORMATION | |
| Proposal name |  |
| Lead proponent (e.g. council) |  |
| Lead proponent ABN |  |
| Proposal partners |  |
| LEAD CONTACT | |
| Name |  |
| Position |  |
| Phone |  |
| Email |  |
| Fax |  |
| Address |  |
| PROPOSAL SCOPE | |
| Proposal summary for publication *Please provide 150 words or less* |  |
| PROPOSAL LOCATION | |
| Proposal address |  |
| Local government area |  |
| NSW electorate |  |
| Federal electorate |  |
| SUPPORTING INFORMATION | |
| Attachments *Please list out all supporting information provided* |  |

DOCUMENT INFORMATION

|  |  |
| --- | --- |
| **Document Summary Information** | |
| Version | 1.0 |
| Version Release Date | May 2021 |
| Document Security | N/A |

|  |  |  |  |
| --- | --- | --- | --- |
| **Document History** | | | |
| Version | Amendment | Amendment Date | Amended by |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

CONTENTS

[1 EXECUTIVE SUMMARY 6](#_Toc71274148)

[2 CASE FOR CHANGE 7](#_Toc71274149)

[2.1 BACKGROUND 7](#_Toc71274150)

[2.2 RATIONALE FOR INVESTMENT 7](#_Toc71274151)

[2.3 STRATEGIC ALIGNMENT 7](#_Toc71274152)

[2.4 EXPECTED OUTCOMES 7](#_Toc71274153)

[2.5 STAKEHOLDER & COMMUNITY SUPPORT 8](#_Toc71274154)

[3 ANALYSIS OF THE PROPOSAL 9](#_Toc71274155)

[3.1 OBJECTIVES & INDICATORS 9](#_Toc71274156)

[3.2 THE BASE CASE 9](#_Toc71274157)

[3.3 OTHER OPTIONS CONSIDERED 9](#_Toc71274158)

[3.4 INFORMATION ABOUT THE PROPOSAL 10](#_Toc71274159)

[3.5 PROJECTED COSTS 11](#_Toc71274160)

[3.6 FINANCIAL APPRAISAL 12](#_Toc71274161)

[3.7 PROPOSED FUNDING ARRANGEMENTS 13](#_Toc71274162)

[3.8 FINANCIAL HEALTH & SUPPORT 13](#_Toc71274163)

[4 IMPLEMENTATION CASE 14](#_Toc71274164)

[4.1 PROGRAM & MILESTONES 14](#_Toc71274165)

[4.2 GOVERNANCE 15](#_Toc71274166)

[4.3 KEY RISKS 15](#_Toc71274167)

[4.4 LEGISLATIVE, REGULATORY ISSUES & APPROVALS 16](#_Toc71274168)

[4.5 PROPOSED MANAGEMENT ACTIVITIES 16](#_Toc71274169)

HOW TO USE THIS SIMPLIFIED 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.

Please delete all instructions prior to submission.

# EXECUTIVE SUMMARY

# CASE FOR CHANGE

## BACKGROUND

This section provides the applicant an opportunity to provide information to improve the reviewers’ understanding of the proposal. Types of information that are relevant to this section include:

* The objectives of a proposal
* The planned outcomes from the proposal
* Proposal description
* Please ensure that the information provided is consistent with your application form.

## RATIONALE FOR INVESTMENT

Please outline the key problems that the proposal will overcome.

The problems should be quantifiable and verifiable.

The problems may relate to current as well as emerging problems.

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

## STRATEGIC ALIGNMENT

Please outline how the proposal’s outcomes align with NSW Government, regional and council strategies, plans and priorities. This information should be consistent with the information in your application form.

Applications must demonstrate the project aligns with one or more outcomes in one of the following plans:

• NSW Visitor Economy Strategy 2030

• Destination Management Plans relevant to the region

• the LGA’s Community Strategic Plan or Delivery Program; and / or

• the broader Regional Plan of which the LGA or JOC is a part; and / or

• the broader Regional Economic Development Strategy (REDS) for the region or relevant NSW Government Strategy (e.g. State Infrastructure Strategy 2018-2038, Future Transport 2056, Regional Growth Plans).

It may also be the case that the proposal has been the subject of a Ministerial announcement, an announcement by the local Member of Parliament or a press campaign. If so, details should be provided within this section.

## EXPECTED OUTCOMES

Please outline the expected outcomes arising from the proposal.

Beneficiaries of the outcomes may be council, users/recipients, the community, businesses and other organisations.

Outcomes should be outlined in quantitative terms where possible. Outcomes may be described in qualitative terms if quantification is difficult.

## STAKEHOLDER & COMMUNITY SUPPORT

Please outline what level of stakeholder and community support there is for the proposal. This information should be consistent with the information in your application form (see application form section “**Local Need**”). Please note that you can provide additional information.

What issues and concerns have stakeholders/the community raised? How has the proposal responded to these concerns?

For proposals that are complex and/or involve multiple stakeholders, the development of a Stakeholder and Communications Plan is recommended. This plan should outline:

* Key stakeholders
* Key issues/concerns
* How the proposal has adapted to these issues/concerns
* Consultation activities undertaken
* Future communications activities proposed.

# ANALYSIS OF THE PROPOSAL

## OBJECTIVES & INDICATORS

Please outline what the proposal is seeking to achieve and how each desired outcome will be measured. This information should be consistent with the information in your application form (see application form section “Project Outcomes and Benefits”). Please note that you can provide additional information.

Table 2.1: Proposal objectives

|  |  |  |
| --- | --- | --- |
| **Key problem/issue** | **Key proposal objective** | **Key success indictor** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## THE BASE CASE

Please summarise what is the ‘base case’ to be used to assess the merits of the preferred solution? The base case is the ‘state of the world’ without the proposal, the case with no change and business as usual.

## OTHER OPTIONS CONSIDERED

Please summarise how the preferred solution was selected.

What alternative options were considered that would also solve the abovementioned problems?

Alternative options that proponents may need to consider include:

* A do-nothing option
* A do-minimum option
* A do-later option

## INFORMATION ABOUT THE PROPOSAL

### SCOPE OF WORKS

Please provide a brief description of the works proposed.

This description may include:

* Location of the proposal
* Quantifiable details including area/length, capacity etc.
* Relevant design standards
* Utility adjustments or property acquisitions
* Concept diagrams and sketches
* Photos

The scope of works should include what the key elements are and why each element is needed.

The scope of works should also include allowances for planning and management including project management (including allowances for cost, benefit, risk, asset, stakeholder, change management), consultation, design, preliminaries and procurement activities.

### PROPOSAL EXCLUSIONS

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

### RELATED PROJECTS

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

## PROJECTED COSTS

### PROJECTED CAPITAL COSTS

Please outline the projected capital cost of the proposal.

Cost estimates should include:

* Base costs
* Contractor margins
* Project management margins
* Contingency.

All cost estimates should be exclusive of GST.

Applicants should explain how they arrived at their cost estimates.

Applicants need to ensure that their costings in this business case match the information provided in the “**Budget**” section of the application form.

Table 3.1: Projected capital costs inclusive of contingency ($000s)\*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Stage** | **2022-23** | **2023-24** | **2024-25** | **Future Years** | **Total** |
| Base cost estimate |  |  |  |  |  |
| Administration – *Project Management Fees* |  |  |  |  |  |
| Administration – *Consultant Fees* |  |  |  |  |  |
| Administration – *Costs for Measurement and Evidence of Outcomes* |  |  |  |  |  |
| Administration – *Tendering* |  |  |  |  |  |
| Administration – *Other Fees (Please specify)* |  |  |  |  |  |
| Contingency |  |  |  |  |  |
| Construction – *Approvals* |  |  |  |  |  |
| Construction – *Management Plans* |  |  |  |  |  |
| Construction – *Site Works* |  |  |  |  |  |
| Other – *In-kind Support* |  |  |  |  |  |
| Escalation |  |  |  |  |  |
| **Nominal cost** |  |  |  |  |  |

***\*Please add additional lines as needed***

### PROJECTED ONGOING COSTS

Please outline the ongoing costs that would arise with the proposal. These costs may include operating, maintenance, repair, renewal and replacement costs.

These costs should be estimates for all financial years until the proposal reaches a steady state.

Note: Grant funding may not be used to fund ongoing costs. Applications need to demonstrate how the project will operate or be maintained once completed.

In some instances, cost savings and revenues may be realised. These cashflows should be identified separately.

Table 3.2: Projected ongoing costs ($000s)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **2022-23** | **2023-24** | **2024-25** | **Future Years** | **Steady State/ Last Year** | **Total** |
| Item 1 |  |  |  |  |  |  |
| Item 2 |  |  |  |  |  |  |
| Item 3 |  |  |  |  |  |  |
| Item 4 |  |  |  |  |  |  |
| Item 5 |  |  |  |  |  |  |
| Item 6 |  |  |  |  |  |  |
| Item 7 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

## FINANCIAL APPRAISAL

Please outline the budget impact of the proposal from the applicant’s perspective.

The applicant should provide cashflow projections of the following:

* Capital expenditure
* Ongoing operating and maintenance expenditure
* Renewals or major repairs.

Applicants should provide costs from the start of the proposal (planning) through to the steady state.

In some instances, cost savings and revenues may be realised. These cashflows should be identified separately.

## PROPOSED FUNDING ARRANGEMENTS

Please outline how the proposal’s capital costs are to be funded.

Applicants will be expected to be able to provision for the funding of ongoing costs, unless the funding program has specific provisions to fund these costs.

Provide a breakdown by financial year if these costs will span multiple financial years.

Ensure that total funding covers total capital costs outlined in Section 3.5.1 and aligns with the information provided in the application form.

Table 3.3: Proposed capital funding contributions ($000s)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Stage** | **2022-23** | **2023-24** | **2024-25** | **Remaining Years** | **Total** |
| Proposal capital costs |  |  |  |  |  |
| NSW Government (subject of this request) |  |  |  |  |  |
| Council contributions |  |  |  |  |  |
| Industry contributions |  |  |  |  |  |
| Community contributions |  |  |  |  |  |
| Other government contributions |  |  |  |  |  |
| Other funding sources (please detail) |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |

## FINANCIAL HEALTH & SUPPORT

For proposals involving funding from non-government parties, applicants should summarise the principle proponent’s:

* Financial performance i.e. profitability
* Financial position i.e. level of assets and liabilities
* Cash flow position i.e. level of cash inflows and outflows.

Where non-government funding sources are identified, applicants are recommended to demonstrate how secure these funding sources are (e.g. letters of support, MoUs) or how they have been calculated.

Where this information is commercial in confidence, applicants may elect to present this information as an attachment to the business case. In these instances, applicants should contact the department to discuss appropriate confidentiality and probity arrangements.

# IMPLEMENTATION CASE

## PROGRAM & MILESTONES

Please outline the key events and decision points associated with the proposal.

Key events to consider for incorporation into the program:

* Review period
* Planning and detailed design
* Approvals
* Procurement
* Development/construction
* Commissioning.

Table 4.1: Key events and milestones

|  |  |  |
| --- | --- | --- |
| **Event** | **Start** | **Finish** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## GOVERNANCE

Please outline the project team that will oversee the management (during delivery and operations) of the proposal. Outline the way the proposal will be organised, including:

* Key decision makers (e.g. proposal sponsor, Councillors)
* Governance bodies (e.g. steering committees, advisory groups)
* Proposal personnel
* Key stakeholders (e.g. stakeholder groups, liaison/communications officers)
* Interfaces with Government agencies (e.g. DRNSW, DPIE, DPC, Treasury, INSW, etc.)
* 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.

## KEY RISKS

Please outline the key risks that the proposal will face, proposed mitigations and how serious each risk is. This information should be consistent with the information in your application form (see application form section “Risk management plan”). Please note that you can provide additional information.

Key risk areas to consider include:

* Scope
* Construction
* Financing
* Planning and approvals
* Legal
* Property acquisitions
* Utility relocation
* Procurement
* Change
* Sustainability.

Table 4.2: Key proposal risks

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk** | **Proposed mitigation** | **Risk rating after mitigation** | | |
| **Consequence** | **Likelihood** | **Rating** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

## LEGISLATIVE, REGULATORY ISSUES & APPROVALS

Please outline any legislative/regulatory issues that the proposal needs to adhere to/manage/resolve as well as the approvals that are expected to be required.

## PROPOSED MANAGEMENT ACTIVITIES

### RISK MANAGEMENT

Please outline how the proposal’s risks will be monitored, managed, mitigated and avoided.

What activities have been undertaken during the planning stage to identify and reduce the proposal’s risks?

What activities are proposed during the delivery stage to identify, monitor and mitigate the proposal’s risks?

### ASSET MANAGEMENT & OPERATIONS

Who will be responsible for the maintenance, operation and ownership of any new assets created by the proposal?