

## **Capital Intentions Statement**

Initiative submission template

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## Glossary

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BCR	Benefit cost ratio – monetised benefits divided by monetised costs, used as an indicator of value for money
CIS	Capital Intention Statement
ISA	Infrastructure SA
ISAAF	Infrastructure SA Assurance Framework
NPV	Net present value – the present value (typically expressed as monetised benefits or revenues, adjusted for costs) of a project, adjusted for a discount rate
WEB	<p>Wider Economic Benefits – certain types of economic welfare improvements that are recognised, but not effectively captured in traditional BCRs due to prices differing from values to society as a whole.</p> <p>Currently recognised WEBs include:</p> <ul style="list-style-type: none"><li>• agglomeration economies</li><li>• output change in imperfectly competitive markets</li><li>• tax revenues from labour markets.</li></ul>

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## Overview of the Capital Intention Statement

The Capital Intentions Statement (the CIS) represents ISA's opportunity to provide a well-informed, contemporary view on which infrastructure initiatives should be prioritised to deliver improved outcomes for South Australia. This document draws on a diverse range of projects, initiatives, strategies and plans to provide a consolidated view of the initiatives which should be advanced as a priority over the subsequent five-year period.

In compiling this prioritised list, ISA must adopt an objective and considered approach to its analysis to ensure the CIS is an effective and robust document that is backed by evidence and useful to all agencies in undertaking their infrastructure planning.

This Initiative Template provides agencies with the opportunity to put their initiatives forward for consideration as part of the CIS process and to contribute to the evidence required to inform ISA's assessment process.

## Overview of the template

This template is intended to provide a summary of an initiative being submitted for consideration as part of the annual review of the CIS, including the information to be considered by ISA in undertaking its assessment of initiatives.

It is intended that ISA should obtain a solid understanding of the proposed initiative by reviewing this template and all any relevant evidence that agencies may wish to provide in support of their initiative.

It is not anticipated that any initiative will necessarily contribute to every single sub-criteria defined; agencies should provide responses and evidence where they believe an initiative will make a genuine contribution towards a particular criteria, and not feel compelled to respond every single sub-criteria.

Descriptions of how an initiative is expected to support change (i.e. how an initiative will contribute towards a particular sub-criteria) should consider the level of change anticipated relative to a base case where the initiative does not proceed. This may involve a 'do nothing' scenario, but may also involve a scenario whereby some other existing set of activities continue in the absence of change.

The amount of information provided should be commensurate with the complexity and scope of the initiative, and its progression through ISA's Assurance Framework (ISAAF).

For those initiatives which have not been registered with ISA previously or have not progressed beyond Gate 0, agencies should provide what information they have, but otherwise focus on the strategic aspects of the template.

Initiatives that have progressed through subsequent Gates (1 or 2) should provide more detailed information, drawing on existing analysis included in previous documents (including any *Strategic Assessment*, *Options Analysis* or *Business Case* documents provided to Infrastructure SA previously).



This template is designed to reflect the same structure of these other documents to assist agencies in making use of the same analysis where possible. Alignment between relevant sections of these documents and the initiative template is denoted by the symbol to the left



Examples of the type of information and potential indicators that can be included to demonstrate how the initiative contributes to the sub-criteria are provided under each sub-criteria. These are examples only; ISA is open to considering any other type of information or indicator provided they can be supported by suitable evidence

The examples included in this template should be deleted and replaced with agencies' own information and indicators.

Responses using this template should be succinct and supported by suitable evidence, with analysis prepared in accordance with all relevant standards including:

- PC049 – Infrastructure SA Major Project Assurance Framework
- Treasurer's Instruction 17 – Evaluation of and Approval to Proceed with Public Sector Initiatives

These documents provide detailed explanations on how various pieces of analysis should be performed, including the calculation of net present value (NPV) and benefit cost ratios (BCRs), and should be referred to as required in preparing agencies' analysis when completing this template.

## Help, support and guidance

ISA will assess initiatives and score them against impact on each sub criteria to provide a weighted final (aggregate) score that inform the prioritisation. Not every initiative will be able to positively score against every sub-criteria; however, agencies should consider how their initiative may or may not impact the stated sub criteria. The sub-criteria will be weighted but ISA may provide Cabinet with different scenarios of different weightings to provide alternatives for how to prioritise the portfolio. The greater the evidence provided the more confidence ISA will have regarding the stated impacts of initiatives. ISA may request supporting evidence to justified the stated impacts.

Further information on how initiatives are assessed and prioritised as part of the CIS is available in ISA's Capital Intentions Statement Framework (the Framework).

Agencies are encouraged to contact their ISA contact person if they have any further questions on the Initiative Template, the assessment and prioritisation process and CIS Framework more broadly.

General queries, including who agencies' ISA contact person is, can be directed to:

David Lovell  
Deputy Chief Executive Officer  
Ph: 61 (8) 8226 5915  
Email: [david.lovell@sa.gov.au](mailto:david.lovell@sa.gov.au)

## Initiative details



### Summary information

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Initiative name:

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Initiative location:

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Lead / Sponsor  
Agency:

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Lead / Sponsor  
Minister:

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Contact person:

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Type of  
Infrastructure:

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Current Phase: *Identify current phase of project (strategic assessment / options analysis / business case).*

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ISAAF Project Level: *Identify and attach ISAAF Project level Calculator*

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Brief description of initiative: *Case for change (problem / opportunity) and expected benefits and outcomes.*

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Brief description of the base case: *Outline the situation whereby the initiative does not occur – i.e. what is likely to happen if no change is made given the most likely forecasted demand scenario.*

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### Quantitative information

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Initiative costs: *Outline the estimated outturn (capital) costs of the initiative (estimated on P50 basis).*

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Project economic NPV: *Outline the monetised economic impacts of the project over a 20-year period, expressed in net present value terms.*

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Project financial NPV: *Outline the monetised financial impacts of the project over a 20-year period, expressed in net present value terms.*

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Construction employment: *Where the initiative involves a construction phase, outline the estimated number of employment positions supported during the construction phase.*

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### Risk assessment

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Project Complexity: *Describe the key complex elements of the initiative including whether it is service heavy or complex or includes use of new, innovative, unproven or tailored technology. Outline the level of skills and experience the agency has in delivering similar projects. Outline key skills and expertise that may need to be recruited or procured for the development/ delivery of the initiative.*

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Stakeholder Engagement: *List the key stakeholders engaged to date and key outcomes of engagement.*

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Other Risks: *Describe any other key risks which may impact upon delivery.*

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Risk Mitigation: *Outline any risk mitigation strategies and the degree to which the risks highlighted can be effectively mitigated.*

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## Project readiness

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<b>Approvals:</b>	<i>Outline approvals required to complete the project. Outline any progress that has been made in obtaining approvals.</i>
<b>Assurance:</b>	<i>Outline current Status of ISA Assurance and indicative dates for required reviews.</i>
<b>Governance:</b>	<i>Outline governance arrangements proposed for the initiative. Outline project ownership and delivery arrangements, allocation of risk accountability and so forth.</i>
<b>Procurement Strategy:</b>	<i>Outline proposed procurement strategy including the degree to which a project requires deviation from traditional procurement methods. Outline the extent to which the agency has the expertise and experience in applying the selected procurement model.</i>
<b>Industry Engagement and Readiness:</b>	<i>Outline any engagement with industry that has occurred and any skills, capability, equipment or other shortages that have been identified that may impact the ability of the agency to deliver the project.</i>
<b>Support for initiative development:</b>	<i>Outline any further support required (funding or otherwise) to develop the initiative proposal or complete a final business case.</i>
<b>Project funding secured:</b>	<i>Outline whether any funding has been allocated to the initiative through existing budget allocations.</i>

## Strategic Criteria

### 1. Addressing a specific need, problem or opportunity

**Provide evidence of the specific need, problem or opportunity that supports a case for change.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Proposal context - Nature of proposal  
Case for change (Problem Identification / Opportunity)*



*Example measurement indicators:*

- *Addresses a measurable gap in the level of services demanded*
- *Facilitates investment in a new set of activities*
- *Enables further economic activity*

### 2. Alignment of strategic position

**Describe whether, and if so how, the initiative aligns with the broader government policy, or contributes to outcomes sought by other strategies, policies, plans and legislation**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Proposal context - Strategic position*



*Example measurement indicator: The initiative aligns with a specific need, problem or opportunity which has been identified in other policy documents (e.g. the 20 Year State Infrastructure Strategy, Growth State Plan or other relevant sector and departmental strategy and policy document, including Federal initiatives, strategies or policies)*

### 3. Supporting other initiatives and activities

**Describe whether, and if so how, the initiative impacts other initiatives or activities.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Proposal context - Strategic position  
Outcomes Sought - Strategic alignment  
Outcomes sought - Other initiatives*



*Example measurement indicators:*

- *Initiative connects to another piece of infrastructure that has been proposed or is being planned*
- *Initiative enables other activities that rely on related or connected infrastructure*

#### 4. Providing certainty regarding project timing

**Provide evidence to substantiate when the initiative would be ready to start construction and reach completion.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Delivery strategy*



*Example measurement indicator: Specify project timing*

#### 5 Addressing a critical or urgent need to prevent asset or service failure

**Provide evidence to justify whether the initiative addresses a critical or urgent need that would otherwise result in the failure of the asset, a significant increase in lifecycle cost of the asset, or a significant decline in service performance.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Case for change (Problem Identification / Opportunity)*



*Example measurement indicators:*

- *Reduced risk of asset failure or service underperformance*
- *Achieving -compliance with statutory safety or other requirement*

## Economic criteria

### 6. Supporting economic growth

**Provide evidence to demonstrate whether the initiative will impact economic activity, or whether it will contribute to accelerated (or delay in) economic activity.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*



*Example measurement indicator: Change in the level of output by activities supported by the initiative.*

### 7. Supporting employment and job creation

**Provide evidence to demonstrate whether the initiative will impact ongoing employment levels (ie post completion), including accelerated or additional job creation.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*



*Example measurement indicator: Change in the number of jobs supported by the activities being impacted.*

### 8. Improving access to export markets

**Provide evidence to justify whether the initiative will impact access (either physically or digitally) to export markets for those activities affected by the initiative.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*



*Example measurement indicators:*

- *Time savings achieved in accessing an export facility*
- *Development of (or connection to) a new or existing export facility*

## 9. Improving productivity

**Provide evidence to justify whether the initiative will support productivity improvements, measured in terms of an increase in output for the same level of inputs, or the same level of outputs for a reduced level of inputs.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:



*Options assessment - Economic assessment*  
*Options assessment - Financial assessment*

*Example measurements indicator:*

- *Increased cost efficiencies for activities impacted*
- *Increased/improved service outcomes among impacted activities*

## 10. Supporting other positive economic externalities

**Provide evidence to justify whether the initiative will create broader economic externalities not described elsewhere.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*



*Example measurement indicators:*

- *Improved profitability for users and surrounding activities*
- *Creates new supply chain opportunities for domestic firms*
- *Supports value uplift for surrounding property holders*

## Environmental criteria

### 11. Addressing climate change by reducing greenhouse gas (CO<sub>2</sub>e) emissions

**Provide evidence to justify whether the initiative will result in a net change in the level of greenhouse gases produced by the activities impacted.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Environmental assessment*

*Options assessment - Sustainability assessment*



*Example measurement indicators:*

- *Net change in energy consumption*
- *Net change in CO<sub>2</sub>e emissions*

### 12. Adapting to climate change by improving resilience to climate change

**Provide evidence to justify whether the initiative will affect activities' or assets' resilience to the effects of climate change (e.g. more severe or extreme weather events, increased operating costs to manage or respond to climate variability).**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Environmental assessment*

*Options assessment - Sustainability assessment*



*Example measurement indicators:*

- *Increased green canopy reducing heat island effects*
- *Greater resilience to storm events, sea levels rising etc*
- *Greater thermal efficiency*

### 13. Contributing to improved environmental outcomes

**Provide evidence to justify whether the initiative impacts environmental outcomes (e.g. impact on native vegetation, water quality etc).**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Environmental assessment*

*Options assessment - Sustainability assessment*



*Example measurement indicators:*

- *Impact on native vegetation, flora and fauna species*
- *Net change in water consumption*

## 14. Supporting amenity values

**Provide evidence to justify whether the initiative will impact public amenity.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Environmental assessment*

*Options assessment - Sustainability assessment*



*Example measurement indicators:*

- *Space contributed to public realm*
- *Noise emissions*

## Financial criteria

### 15. Impact on State Government Budget

**Provide evidence of the initiative's impact on the net debt position of the State Government, reflecting the impact of net appropriations (investing and recurrent costs) over time.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Financial assessment*  
*Solution funding*



*Example measurement indicator: State Government net debt impact*

### 16. Unlocking co-investment

**Provide evidence to substantiate whether the initiative will leverage investment by third parties.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Financial assessment*  
*Solution funding*



*Example measurement indicators:*

- *Co-contributions made to project cost*
- *Third party investment in related activities leveraged*

### 17. Improving affordability over time

**Provide evidence to justify whether the initiative improves affordability over time, either by making better use of existing assets, avoiding costs or reducing/constricting expenditure growth.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Financial assessment*



*Example measurement indicator: Recurrent operating budget impact*

## Social criteria

### 18. Achieving equitable outcomes

**Provide evidence to justify whether the initiative contributes towards equitable outcomes in terms of access to services (i.e. consistent access to services), and alignment of costs and benefits**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*

*Options assessment - Cost benefit analysis*



*Example measurement indicators:*

- *Improving level of access (measured in terms of time to access) against relevant service standards*
- *Extent to which benefits and costs accrue to the users (or beneficiaries)*

### 19. Creating opportunities for disadvantaged groups

**Provide evidence to justify whether the initiative will improve outcomes for disadvantages groups (for example, CALD, migrant, Aboriginal and Torres Strait Islander, LGBTI people).**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Social assessment*

*Project management - Stakeholder management*



*Example measurement indicators:*

- *Service outcomes improved for people from disadvantaged backgrounds*
- *Increase in opportunities created for people from disadvantaged backgrounds*

### 20. Improving health outcomes

**Provide evidence to justify whether the initiative will improve health outcomes.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Economic assessment*

*Options assessment – Social assessment*



*Example measurement indicators:*

- *Change in prevalence of health risk factors*
- *Change in prevalence of disease*
- *Improvements in quality outcomes (e.g. re-admission rates, infection rates)*

## 21. Improving community safety

**Provide evidence to justify whether the initiative will improve community safety outcomes.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Social assessment*



*Example measurement indicators:*

- *Change in rates of road crashes*
- *Change in rates of crime*
- *Improvements in community perceptions of safety*

## 22. Improving liveability

**Provide evidence to justify whether the initiative will improve liveability.**



This information may be available in the following sections of any *Strategic Assessment/Options Analysis/Business Case* prepared previously:

*Options assessment - Social assessment*



*Example measurement indicators:*

- *Improvements to mobility*
- *Improved access to cultural offerings*
- *Improved access to civic services*
- *Improved access to housing*