Business Case  
Template

[Insert name of proposal]

[Insert name of sponsoring agency]

**[Insert document date]**

Purpose of the Business Case Template

**NOTE: THIS PAGE TO BE DELETED PRIOR TO SUBMISSION**

This template includes guidance on how to complete a Business Case document for an initiative that is to be progressed through the Infrastructure SA Assurance Framework (“ISAAF”) for the purposes of seeking investment from the South Australian Government.

The Business Case provides decision makers with sufficient detail to decide whether the recommended solution option that responds to the investment need is a viable, value-providing proposition that should be approved for further development and implementation.

The Business Case involves conducting a detailed assessment of the potential solution options progressed from the Options Analysis and recommending one option for implementation. It does so by analysing the available options in detail against a set of factors to then arrive at the option deemed to best service the identified need while offering a worthwhile investment, as well as representing a technically feasible proposition. In addition, the Business Case suggests how to deliver and manage the initiative.

The Business Case document forms the basis for any decision to accept the proposal to progress through Gate 2 of the ISAAF and to progress to the Procurement stage, leading up to Gate 3.

The following figure provides an overview of key characteristics of the Business Case template. Features of the two companion documents[[1]](#footnote-1) are provided for reference.

| Strategic Assessment | Options Analysis | Business Case |
| --- | --- | --- |
| To establish the case for change and investment need underlying the initiative, and identify proposal benefits, objectives and outcomes. | To identify a long list of options, select a shortlist and undertake a preliminary assessment on the shortlisted options. | To conduct a detailed assessment on the solution options and recommend one option for implementation and approval. |
| The Strategic Assessment will:   * set the scene for the initiative * build the case for change and establish the investment need * identify proposal benefits, objectives and outcomes * establish critical success factors for the initiative * define the base case.   The Strategic Assessment will not be used for an investment decision by the State Government. | Building on the Strategic Assessment,  the Options Analysis will:   * confirm the case for change and the investment need * fine-tune the identified benefits, objectives, outcomes and solution requirements * strategically assess the longlist of options and narrow it to a shortlist * assess at a high level the shortlist of options against a range of criteria * identify the options to progress to Business Case stage for detailed analysis * provide preliminary considerations regarding solution delivery and management.   The Options Analysis will not be used for an investment decision by the State Government. | Building on the Options Analysis, the Business Case will:   * assess in detail the options progressed to Business Case stage through rigorous application of social, environmental, sustainability, financial and economic analysis criteria * demonstrate the viability and value of the options assessed * recommend an option for implementation * propose an integrated approach to funding * suggest a preferred delivery and procurement approach * detail how the project will be managed. |

Notes on the template

**NOTE: THIS PAGE TO BE DELETED PRIOR TO SUBMISSION**

General comments

Infrastructure SA provides this template to assist stakeholders in developing the required documentation for infrastructure initiative proposals.

This Business Case document is an important document for going through a Gate 2 Assurance Review Full Business Case. The Gate 2 Assurance Review Workbook can be used for reference and to check on content and progress in the development of this document and the project overall.

The structure and content of this template are important to ensure the development and communication of a robust investment proposal. However, this template is offered as a guide only.

It is important that you tailor documentation requirements to your particular initiative to meet its specific needs. The document size and the level of detail need to correspond to the size, priority, complexity and risk level of the initiative proposed.

**Please contact Infrastructure SA to discuss the unique circumstances of your proposed initiative and confirm resulting assurance and documentation requirements.**

Structure of template

The template suggests the document outline to provide the necessary data, information and analysis to support a decision to progress the initiative to the next stage and to release matching funding, as applicable.

The document outline provides clear section headings that should be followed when developing the document.   
A short commentary is offered under each major heading detailing the:

* section’s purpose, and
* relative effort of developing the section, when compared across the three companion documents.

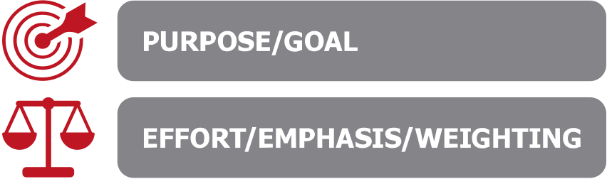
This is repeated across the three documents to facilitate understanding of how they relate to each other and integrate. The section introductory comment is followed by specific guidance for drafting purposes, under each heading and subheading. Where considered beneficial, additional clarifying or background commentary has been provided in italics.

Note that the table for the Options Assessment has example data and should be replaced as part iof the drafting with real and updated data.

Delete all template commentary and guidance notes when you no longer require them.

Content indicators

The following content indicators have been used to help you work with the template.



Document information

Document identification

|  |  |
| --- | --- |
| Document name |  |
| Document location |  |
| Document owner |  |
| Document author |  |
| Document ID |  |
| Proposal description |  |
| Delivery agency |  |
| Primary proposal contact |  |
| Program name |  |
| Program description |  |

Document history

| Version no. | Amendment nature | Amendment date | Amended by |
| --- | --- | --- | --- |
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Executive Summary

|  |  |
| --- | --- |
| This section should provide a succinct, stand-alone summary of the proposal and any associated recommendations and decisions sought. | |
| There will be a similar amount of effort involved in developing this section when preparing the Strategic Assessment, the Options Analysis and the Business Case. |

This section is intended to facilitate executive decision-making. It should be clear and concise, emphasising the most important aspects of the proposal and its development, with a particular focus on results, findings and options to progress to the next stage of the initiative. The length of this section may be variable based on the specific proposal being considered. However, all relevant topics would typically be addressed in a few paragraphs.

Review, refine and expand (as appropriate) on the information provided in this section in the Options Analysis, ensuring all content is up to date. Aid reading by choosing headers that offer structure and logic. Address all pertinent matters, particularly:

* proposal background
* the investment need
* benefits and outcomes sought
* strategic alignment
* critical success factors
* base case definition
* options development process
* solution options assessed in detail at Business Case stage
* results of detailed options assessment
* solution option recommended for implementation
* key stakeholder engagement outcomes
* key risks
* concept-level cost estimates
* proposed funding strategy
* high-level timeline
* proposed delivery strategy
* key actions required to progress the initiative to Gate 3
* decisions/endorsements/approvals sought, and
* location map(s) indicating project context.

Maximum length of Executive Summary: 2–3 Pages

Proposal Context

|  |  |
| --- | --- |
| This section should provide a high-level introduction to the proposal, explaining its origin and strategic position, as well as the way its progression is managed. | |
| The main effort of developing this section should be incurred when preparing the Strategic Assessment. The Options Analysis should revisit what was prepared during the Strategic Assessment and provide updates and additional information only as required. The Business Case should do the same, based on the Options Analysis. |

Nature of proposal

Revisit this subsection’s information provided by the Options Analysis. It should have described the essence of the proposal. Further, it should have answered what need or opportunity the proposal is trying to address, when and where. Ensure that all of this is still valid. Update it and provide additional information only as required.

Strategic position

Revisit this subsection’s information provided by the Options Analysis. It should have explained the proposal’s overall position in relation to the leading/sponsoring organisation, sector strategies and government policies.   
In doing so, it should have addressed the proposal’s relation to any overarching program, strategic asset management framework, the 20-Year State Infrastructure Strategy and any government strategy and policy. Ensure that all of this is still valid. Update it and provide additional information only as required.

Government involvement

Revisit this subsection’s information provided by the Options Analysis. It should have explained why government involvement is deemed necessary to progress the proposal. Ensure the information is still valid. Update it and provide additional information only as required.

Proposal governance

Revisit this subsection’s information provided by the Options Analysis. It should have detailed how progression of the proposal – from the Strategic Assessment stage to delivery, including approvals – will be managed, providing clarity about relevant accountabilities and responsibilities, governance bodies and meeting and reporting regimes. Ensure the information is still valid. Update it and provide additional information only as required.

Stakeholder engagement and input

The Options Analysis should have detailed any key stakeholder engagement developments up to that point.

As part of the development of the Business Case, more stakeholder engagement will have occurred. Building on what was said in the Options Analysis, describe any new respective developments. Discuss the key interactions that have taken place, who has been involved and what the outcomes were. Focus on engagement that is critical for sponsorship, approval and funding of the proposal, as well as such relating to understanding, considering, and addressing community views, input and feedback.

Case for Change  
(Problem identification/opportunity)

|  |  |
| --- | --- |
| This section should paint a clear picture as to the need for investment, based on a proven gap between the levels of existing service provision and related strategic demand. It should also highlight the risks associated with respective inaction. | |
| The Strategic Assessment should provide a preliminary, high-level assessment of the situation, which should be strong enough to demonstrate that there is a need to act. **The main effort of developing this section and building the case for change will be incurred when preparing the Options Analysis.** The Business Case will reiterate what was shown in the Options Analysis and provide updates and additional information only as required. |

Current state

Revisit this subsection’s information provided by the Options Analysis. It should have painted an integrated picture of what the current service provision looks like. This should have been done in a succinct, logically sound and easy-to-follow way, referencing relevant data and information from separate supporting analyses as evidence.  
Ensure the content is still valid. Update it and provide additional information only as required.

Demand situation

Revisit this subsection’s information provided by the Options Analysis. It should have illustrated the service demand situation – both current as well as forecast – in detail. This should have been presented in a succinct, logically sound and easy-to-follow way, referencing relevant data and information from supporting analyses.  
Ensure the content is still valid. Update it and provide additional information as required.

Investment need

Revisit this subsection’s information provided by the Options Analysis. It should identified in detail any existing or forecast gap between current and forecast future demand for service provision and its current state. Following from this, the case for change should have been phrased by summarising the overall situation with a clear problem statement that identifies the business need and establishes the resultant need for investment. Ensure these findings and statements are still valid. Update and provide additional information as required.

Inaction consequences

Revisit this subsection’s information provided by the Options Analysis. It should have provided a detailed description of the consequences of not acting on the case for change. This should have included a consideration of associated risks likely to materialise and the consequences of that. Ensure these statements and findings are still valid. Update and provide additional information as required.

Outcomes Sought

|  |  |
| --- | --- |
| Building on the case for change, this section should determine the benefits and outcomes sought as a result of the identified service shortcoming. This will be followed by definition of any requirements resulting from consideration of a number of aspects and, finally, identification of critical success factors for the proposal. | |
| Important groundwork for this section should be completed in the Strategic Assessment, with  the preliminary identification of benefits, proposal objectives and outcomes sought. The Options Analysis should revisit, confirm and refine these before focusing on solution requirements.  The Business Case should restate what was presented in the Options Analysis, with the provision of updates to technical details to be the exception. |

Benefits and outcomes

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Strategic alignment

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Integration

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Other initiatives

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Critical success factors

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Options Development

|  |  |
| --- | --- |
| This section should define the base case, identify past and potential solution options, explain the options development process, develop and narrow down the longlist of solution options and describe and refine the shortlist. This section should not assess any possible solutions, which is to happen in the following section. | |
| The main effort of preparing this section will be incurred when laying out the previous options development process and the longlist of possible solutions as part of the Options Analysis. The Business Case will reiterate and summarise what was shown in the Options Analysis and provide updates and additional information only as required. |

Base case definition

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. In general, this   
section should not require any changes at this point in time. Provide updates and additional information only   
as an exception.

Previous options

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. Highlight that   
these are options which have been considered up to the current proposal i.e. preceding the present options development. Where reasonable and appropriate, consider shortening or summarising some of the information provided, referring to the Options Analysis for more detail.

Options development process

Revisit this subsection’s information provided in the Options Analysis. It should have described the options development process, listing and explaining all steps involved and detailing how the identified solution requirements were considered, particularly with respect to proposal benefits, objectives and outcomes.

Restate this information, ensuring it is still valid. In the Business Case, this subsection should not need any changes. Provide updates and additional information only if required.

Shortlist refinement

List the solution options making up the shortlist identified in the Options Analysis. Highlight any preferred option/s, if applicable. Mention if a decision has been taken to progress fewer options to the Business Case stage than contained in the shortlist. Explain the rationale and basis for any such process.

Provide a detailed description of each solution option to be analysed in the Business Case, giving details with respect to the following:

* Key solution features, grouped by organisational and asset changes
* Outputs the solution is expected to deliver
* Outcomes/service impacts expected to result from the outputs delivered
* The expected benefits
* The disruption the solution is likely to cause, with respect to its immediate environment, the wider system that it may be a part of and the local community and other key stakeholders
* Any possible impact to existing government assets and services and activities of other government agencies
* Key solution strengths, weaknesses, opportunities and threats, including the solution’s ability to effectively address risks associated with its implementation.

For input on the above, draw on the Options Analysis which should have compiled this information.

Next, describe any possible refinements made to the options to be analysed in the Business Case. Do so for each option separately and in detail. Refinements could include modifications and changes of any parameters affecting the list of factors considered above e.g. addition of a new solution feature or elimination of a particular weakness. Typically, such changes would be the result of ongoing options development, including responses addressing gaps and opportunities identified in the high-level options assessment of the Options Analysis.

Ensure that the presentation of all options to be analysed in the Business Case is well structured and consistent and that it precisely describes what changes a particular option might have undergone since the Options Analysis.

Options Assessment

|  |  |
| --- | --- |
| This section should analyse, assess and narrow down solution options using a wide range of factors and tools. | |
| The Strategic Assessment does not involve any options assessment activities as it focuses on identifying the case for change and not on providing solutions. However, it should provide an early indication of the likely proposal value. The main effort of preparing this section will be spread across the Options Analysis and the Business Case. The focus of the Options Analysis will be on narrowing down the longlist of options to a shortlist, then assessing this list at a high level, before suggesting which options to explore in more detail in the Business Case.  The detailed assessment will follow a triple bottom line approach, analysing the expected social, environmental and financial impacts and performance of the options considered. |

Financial assessment

This subsection should assess in detail the financial viability of each solution option analysed in the Business Case. It should evaluate the cash flow impacts of each shortlisted options and forecast costs – both capital and operational – and any revenue.

To do so, it will be necessary to update the respective information provided in the Options Analysis, progressing the assessment of each option’s financial viability from the high level applied in the Options Analysis to a detailed level, as appropriate for the Business Case.

Previous stand-alone studies and cost estimate reports prepared for the Options Analysis will likely be substantially revised, updated or redone entirely, replacing strategic with concept-level estimates. This subsection should draw on the latest such documents and present relevant information in a concise, consistent and easily comprehensible form. All relevant financial modelling and analysis should be reported in full in an accompanying report.

Approach

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have outlined the approach the team has taken to conduct the financial assessment, including any assumptions and limitations. Further, it should have identified any relevant Infrastructure SA procedures/guides used as well as any feasibility studies and cost estimate reports prepared.

In general, this section might require a few changes at this point in time. However, these should be only minor   
and mostly relating to refinement in the estimation methodologies to account for the transition from a strategic to   
a concept-level perspective. Provide any such updates and additional information as required, maintaining focus on critical items. However, always address the rationale underlying each assumption clearly and in sufficient detail. Ensure you keep up a presentation structure where you discuss revenue estimation first, then expenditure estimation. Be concise, providing details only where critical. Make use of dot-points. Refer to supporting documentation as appropriate.

Revenue

Present a summary of updated or newly generated revenue estimates for each analysed option. Structure your presentation to systematically communicate revenue by type/source e.g. from private sector investment and or   
co-payment, fares, user-charging, leases, asset sales, infrastructure agreements, value capture and advertising, and by timing e.g. one-off at project completion (for a long-term lease, for instance), ad hoc (e.g. for occasional hire of a particular space) or ongoing (for daily provision of a standard service, for example).

Consider that an option’s revenue potential might have changed as a result of modifications and changes made to that option as part of shortlist refinement and ongoing options development. Among other, these processes are likely to have sought to address gaps and opportunities identified in the high-level options assessment of the Options Analysis.

Provide a sensitivity analysis in line with any respective separate guidance.

Expenditure

Drawing on the updated or newly prepared cost estimate report, present a summary of the cost estimates for each analysed option. Lay out capital expenditure (“CapEx”) first, then operating expenditure (“OpEx”). Structure your presentation to address major expenditure elements as appropriate for each option. This could include, for instance, materials, construction, rehabilitation and significant property acquisition costs as part of CapEx or considerable operating and maintenance costs as part of OpEx.

If applicable, present any residual costs such as for disposal of obsolete assets or for any restoration measures.

As might have been the case with revenue, consider that an option’s cost profile might have changed as a result of modifications and changes made to that option as part of shortlist refinement and ongoing options development.

Present cost estimates separately for the P50 and the P90 level[[2]](#footnote-2), as per respective separate guidance.

Provide a sensitivity analysis in line with respective separate guidance.

Ensure you separately identify contingency and escalation. For the former, explain how it was determined, including the underlying identification and estimation of risk.

At the current stage, you will need to discuss the process of risk analysis and contingency determination in more detail than was done in the Options Analysis, including the methodologies applied and tools used. At this stage,   
it is expected that risks are quantified and appropriately provided for via specific contingency allocations.

Overall, strive to apply as much of a whole-of-life/total expenditure (“TotEx”) perspective as possible (including maintenance and operating expenditures).

Cash Flow (Real)

For each solution analysed in the Business Case, establish the cash flow pattern over the life of the option by comparing the concept-level estimates for revenue and expenditure with each other. Determine any resulting funding gaps and associated potential net impacts on government expenditure.

Present all information in table form as suggested below.

**Table [number]: Option [number] – Summary whole-of-life cash flow pattern**

| Indicator | Year 0 | Year 1 | Year 2 | Year n |
| --- | --- | --- | --- | --- |
| Revenue ($) |  |  |  |  |
| Expenditure ($) |  |  |  |  |
| Net cash flow ($) |  |  |  |  |

Provide graphs to illustrate and reinforce the key capital and operating budget implications that affect the financial viability of the proposal options.

For each solution analysed in the Business Case, determine the (financial) net present value. Specify the discount rate applied. Present all information in table form as suggested below.

**Table [number]: Net present value – options comparison**

| Indicator | Best case | Option 1 | Option 2 | Option n |
| --- | --- | --- | --- | --- |
| NPV[[3]](#footnote-3) ($) |  |  |  |  |

Assess each option’s financial viability and affordability, providing a respective summary statement.

Cash Flow (Nominal)

For each shortlisted option, establish the cash flow pattern over the life of the option in nominal terms. Specify the approach to escalating the expenditure and revenue.

**Table [number]: Option [number] – Summary whole-of-life cash flow pattern (nominal and undiscounted)**

| Indicator | Year 0 | Year 1 | Year 2 | Year n |
| --- | --- | --- | --- | --- |
| Revenue ($) |  |  |  |  |
| Expenditure ($) |  |  |  |  |
| Net cash flow ($) |  |  |  |  |

**Insert Budget Impact Table.**

It is important that, by the current stage, you have extensively engaged with the Government of South Australia’s Department of Treasury and Finance to discuss your initiative’s likely funding structure and potential impact on government spend, as well as to understand relevant budgeting processes and timelines.

Options comparison (optional section)

With respect to their financial viability, compare all options with each other based on the updated estimates and calculations and in terms of relative merit.

Present your findings in table form as suggested below.

**Table [number]: Financial assessment – options comparison**

| Option | Relative merit, with respect to financial viability |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

If not already done in response to other applicable requirements, strongly consider an independent/peer/expert review of the financial assessment.

Economic assessment

This subsection should assess in detail the potential economic impacts that are expected to arise for each of the solution options analysed in the Business Case.

To do so, it will be necessary to revisit the respective information provided in the Options Analysis, ensure it is still valid, provide updates as required and progress the assessment of each option’s potential social impacts from the high level applied in the Options Analysis to a detailed level, as appropriate for the Business Case.

Approach

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid.

It should have outlined the approach the team has taken to conduct the assessment, including any assumptions and limitations. In general, this section should not require any major changes at this point in time. Provide updates and additional information as required.

Economic impacts

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have identified and documented the economic baseline for each analysed option as well as any economic impacts attributable to that option, differentiating between impact of the completed proposal and impact during implementation. This should have happened from a high-level perspective. Progress the analysis to a detailed level, providing further insights and more granularity. This may involve undertaking further economic impact analysis or engaging specialist economic impact expertise to provide the necessary evidence.

Consider that an option’s economic impacts might have changed as a result of modifications and changes made to that option as part of shortlist refinement and ongoing options development. Among other, these processes are likely to have sought to address gaps and opportunities identified in the high-level options assessment of the Options Analysis.

**Ensure there is no crossover or double counting with socio-economic impacts calculated in the social assessment.**

Quantify and monetise identified impacts as far as possible. Refine any such estimates already available from the Options Analysis.

Capture your findings in table form as suggested below. Use a separate table for each option.

**Table [number]: Option [number] – Identification of economic considerations and impacts**

| Aspect | Consideration of impact |
| --- | --- |
| e.g. Economic growth |  |
| e.g. Employment and job creation |  |
| e.g. Improving access to export markets |  |
| e.g. Productivity |  |
| e.g. Other positive economic externalities (value uplift) |  |

Assessment

Any economic impacts that cannot be avoided, mitigated or offset should be assessed and captured in the economic and financial analysis, as applicable. These remaining economic impacts can be divided into three assessment categories and managed accordingly, as shown in the following table.

**Table [number]: Approach to assessment of residual social impacts, by category**

|  | Category | | | Assessment approach | Note |
| --- | --- | --- | --- | --- | --- |
| Qualitative | Quantified | Monetised |
| **Economic impacts** | ✔ | ✔ | ✔ | Include in cost-benefit analysis (“CBA”) | Do no repeat a monetised value in the economic assessment if it has been included in the CBA |
| ✔ | ✔ |  | Include in quantitative economic assessment | Include unit of measure |
| ✔ |  |  | Include in qualitative economic assessment | Describe impacts in detail |

In the Options Analysis, the remaining economic impacts should have been summarised in table form as suggested below. They should have been grouped in line with the guidance provided in the table above. A separate table should have been used for each option.

Using any additional detail and information captured in this section so far (when compared to the Options Analysis), as well as the detailed analysis undertaken in support of the Business Case, update and upgrade all table entries as required.

**Table [number]: Option [number] – Summary of economic impacts, by assessment approach**

| Assessment approach | Residual impacts |
| --- | --- |
| Inclusion in CBA | * [number/title] * [number/title] * [number/title] |
| Inclusion in quantitative economic assessment | * [number/title] * [number/title] * [number/title] |
| Inclusion in qualitative economic assessment | * [number/title] * [number/title] * [number/title] |

Where applicable, make note of any effects on benefits and any potential issues that will require consideration in due course e.g. as part of ongoing design or property acquisition planning.

Update potentially impacted related documentation such as the stakeholder management plan or the risk register.

Options comparison (optional section)

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. For each option, it should have provided an assessment summary of the high-level economic impacts and any opportunities to create economic value. Progress this to a detailed level, providing further insights and granularity in alignment with the additional information you have provided in the previous subsections of the present document.

Compare all options with each other with respect to their economic value, based on relative merit. Revisit this subsection’s information provided in the Options Analysis as a reference point. However, try to apply a fresh perspective to the current comparison, taking into consideration all additional detail identified in the previous subsections of the present document.

Present your findings in table form as suggested below.

**Table [number]: Economic assessment – options comparison**

| Option | Relative merit, with respect to social value |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

Social assessment

This subsection should assess in detail the potential economic impacts that are expected to arise for each of the solution options analysed in the Business Case.

To do so, it will be necessary to revisit the respective information provided in the Options Analysis, ensure it is still valid, provide updates as required and progress the assessment of each option’s potential social impacts from the high level applied in the Options Analysis to a detailed level, as appropriate for the Business Case.

The proposal team should have completed as part of the Options Analysis the social impact evaluation (“SIE”), which provides valuable input for the environmental, sustainability, financial and economic analyses.

Approach

Refer to Infrastructure SA’s Social Assessment Information Sheet.

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have outlined the approach the team has taken to conduct the SIE, including any assumptions and limitations. In general, this section should not require any major changes at this point in time. Provide updates and additional information as required.

Social impacts

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have identified and documented the social baseline for each analysed option as well as any social impacts attributable   
to that option, differentiating between impact of the completed proposal and impact during implementation.   
This should have happened from a high-level perspective. Progress the analysis to a detailed level, providing further insights and more granularity. This may involve undertaking further social impact analysis or engaging specialist social impact expertise to provide the necessary evidence.

Consider that an option’s social impacts might have changed as a result of modifications and changes made to that option as part of shortlist refinement and ongoing options development. Among others, these processes are likely to have sought to address gaps and opportunities identified in the high-level options assessment of the Options Analysis.

Consider socio-economic impacts, in particular. Where possible, try to quantify and monetise the identified impacts. Refine any such estimates already available from the Options Analysis.

Capture your findings in table form as suggested below. Use a separate table for each option.

**Table [number]: Social assessment – baseline and impacts**

| Stakeholder | Baseline | Impact of proposal | Impact during implementation | Can the impact be avoided, mitigated or offset? |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Assessment

Any social impacts that cannot be avoided, mitigated or offset should be assessed and captured in the economic and financial analysis, as applicable. These residual social impacts can be divided into three assessment categories and managed accordingly, as shown in the following table.

**Table [number]: Approach to assessment of residual social impacts, by category**

|  | Category | | | Assessment approach | Note |
| --- | --- | --- | --- | --- | --- |
| Qualitative | Quantified | Monetised |
| **Social impacts** | ✔ | ✔ | ✔ | Include in cost-benefit analysis (“CBA”) | Do no repeat a monetised value in the social assessment if it has been included in the CBA |
| ✔ | ✔ |  | Include in quantitative social assessment | Include unit of measure |
| ✔ |  |  | Include in qualitative social assessment | Describe impacts in detail |

In the Options Analysis, the residual social impacts should have been summarised in table form, as suggested below. They should have been grouped in line with the guidance provided in the table above. A separate table should have been used for each option.

Using any additional detail and information captured in this section so far (when compared to the Options Analysis), as well as the detailed analysis undertaken in support of the Business Case, update and upgrade all table entries as required.

**Table [number]: Option [number] – Summary of residual social impacts, by assessment approach**

| Assessment approach | Residual impacts |
| --- | --- |
| Inclusion in CBA | * [number/title] * [number/title] * [number/title] |
| Inclusion in quantitative social assessment | * [number/title] * [number/title] * [number/title] |
| Inclusion in qualitative social assessment | * [number/title] * [number/title] * [number/title] |

Where applicable, make note of any effects on benefits and any potential issues that will require consideration in due course e.g. as part of ongoing design or property acquisition planning.

Update potentially impacted related documentation such as the stakeholder management plan or the risk register.

Options comparison (optional section)

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. For each option, it should have provided an assessment summary of the high-level social impacts and any opportunities to create social value. Progress this to a detailed level, providing further insights and granularity in alignment with the additional information you have provided in the previous subsections of the present document.

Compare all options with each other with respect to their social value, based on relative merit. Revisit this subsection’s information provided in the Options Analysis as a reference point. However, try to apply a fresh perspective to the current comparison, taking into consideration all additional detail identified in the previous subsections of the present document.

Present your findings in table form as suggested below.

**Table [number]: Social assessment – options comparison**

| Option | Relative merit, with respect to social value |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

Environmental assessment

This subsection should assess in detail the potential environmental impacts that are expected to arise for each of the solution options analysed in the Business Case. To do so, it will be necessary to revisit the respective information provided in the Options Analysis to ensure it is still valid. Provide updates as required and progress the assessment of each option’s potential environmental impacts from the high level applied in the Options Analysis to a detailed level, as appropriate for the Business Case.

In addition, this subsection should identify any resulting actions required to meet all relevant legislative, regulatory and policy requirements and any likely community concerns.

A stand-alone environmental investigation may/should been prepared at this stage. The subsection should draw on it and present relevant information in a concise, consistent and easily comprehensible form.

Approach

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have outlined the approach the team has taken to conduct the environmental assessment, including any assumptions and limitations. Further, it should have identified any relevant studies considered.

In general, this section should not require any major changes at this point in time. Provide updates and additional information as required.

Environmental impacts

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have identified and categorised relevant environmental considerations and impacts for each shortlisted option. [Refer to Infrastructure SA’s Environmental Assessment Information Sheet.]

Any findings and observations should have been entered in a table as per the *Environmental Assessment Information Sheet*. For each option, a separate table should have been completed.

Update and upgrade all table entries, moving from the high-level perspective of the Options Analysis to a level of more detail and additional information, as required.

**Table [number]: Option [number] – Identification of environmental considerations and impacts**

| Aspect | Consideration or impact | Can the impact be avoided, mitigated or offset? |
| --- | --- | --- |
| e.g. Legislation and permit requirements |  |  |
| e.g. Planning and land use |  |  |
| e.g. Property impacts |  |  |

An option’s environmental impacts might have changed as a result of modifications and changes made to it as part of shortlist refinement and ongoing options development. Among others, these processes are likely to have sought to address gaps and opportunities identified in the high-level options assessment of the Options Analysis.

Assessment

Any environmental impacts that cannot be avoided, mitigated or offset should be assessed and captured in the economic and financial analysis. These residual environmental impacts can be divided into three assessment categories and managed accordingly, as shown in the following table.

**Table [number]: Approach to assessment of residual environmental impacts, by category**

|  | Category | | | Assessment approach | Note |
| --- | --- | --- | --- | --- | --- |
| Qualitative | Quantified | Monetised |
| **Environmental impacts** | ✔ | ✔ | ✔ | Include in cost-benefit analysis (“CBA”) | Do no repeat a monetised value in the environmental assessment if it has been included in the CBA |
| ✔ | ✔ |  | Include in quantitative environmental assessment | Include unit of measure |
| ✔ |  |  | Include in qualitative environmental assessment | Describe impacts in detail |

In the Options Analysis, the residual environmental impacts should have been summarised in table form, as suggested below, and grouped as per the table above. A separate table should have been used for each option.

Using any additional detail and information captured in this section so far (when compared to the Options Analysis), update and upgrade all table entries as required.

**Table [number]: Option [number] – Summary of residual environmental impacts, by assessment approach**

| Assessment approach | Residual impacts |
| --- | --- |
| Inclusion in CBA | * [number/title] * [number/title] * [number/title] |
| Inclusion in quantitative environmental assessment | * [number/title] * [number/title] * [number/title] |
| Inclusion in qualitative environmental assessment | * [number/title] * [number/title] * [number/title] |

Where applicable, make note of any effects on benefits and any potential issues that will require consideration in due course e.g. as part of ongoing design or property acquisition planning.

Update potentially impacted related documentation such as the stakeholder management plan or the risk register.

Options comparison (optional section)

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. For each option, it should have provided an assessment summary of the high-level environmental impacts. Progress this to a detailed level, providing further insights and granularity in alignment with the additional information you have provided in the previous subsections of the present document.

Compare all options with each other, with respect to their environmental impact. Revisit this subsection’s information provided in the Options Analysis as a reference point. However, try to apply a fresh perspective to the current comparison, taking into consideration any critical additional or new aspects identified in the previous subsections of the present document.

Present your findings in table form as suggested below.

**Table [number]: Environmental assessment – options comparison**

| Option | Relative merit, with respect to environmental impact |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

Sustainability assessment

This subsection should identify and assess in detail the degree to which each solution option analysed in the Business Case is considered sustainable. This is to ensure that the optimisation of long-term governance, social, environmental and economic outcomes has been taken into account.

The Capital Intentions Statement process requires agencies to identify how the proposal will adapt to and mitigate against global warming/climate change to support the prioritisation of infrastructure projects. This evidence may be presented in this section.

**A full sustainability assessment is optional, however it is highly encouraged by Infrastructure SA. Refer to Infrastructure SA’s Sustainability Assessment Information Sheet for further information.**

If an assessment was completed at the Options Analysis stage, it will be necessary to revisit the respective information provided, ensure it is still valid, provide updates as required and progress the assessment of each option’s sustainability performance from the high level applied in the Options Analysis to a detailed level,   
as appropriate for the Business Case.

Approach

The sustainability assessment will be completed through an independent process, provided by a third party.   
You should have liaised with Infrastructure SA at the Options Analysis stage to determine the applicable process.

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid and outlines the approach taken to conduct the sustainability assessment, including any assumptions and limitations. In general, this section should not require any major changes at this time. Expand and update as required.

Assessment

Revisit this subsection’s information provided in the Options Analysis. Ensure it is still valid. For each shortlisted option, it should have provided an overview of key findings from the sustainability assessment, focusing on any significant points and highlighting improvement opportunities. For each of the solution options analysed in the Business Case, progress the assessment to a detailed level, providing further insights and more granularity.

Consider that an option’s sustainability performance might have changed as a result of modifications and changes made to that option as part of shortlist refinement and ongoing options development. Among other, these processes are likely to have sought to address gaps and opportunities identified in the high-level options assessment of the Options Analysis.

Highlight any still existing shortcomings and points requiring further analysis or development work.

Options comparison (optional section)

For each option, provide an assessment summary indicating the overall sustainability performance as per the assessment. Compare the sustainability performance of all options against each other, based on relative merit.

Consider presenting your findings in table form as suggested below.

**Table [number]: Sustainability assessment – options comparison**

| Option | Relative merit, with respect to sustainability performance |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

Cost-benefit analysis

This subsection should assess the economic value of each solution option analysed in the Business Case by evaluating in detail the economic impacts it is expected to generate.

To do so, it is necessary to reassess the high-level economic appraisal undertaken as part of the Options Analysis at a detailed level, as appropriate for the Business Case.

It is typical for a Business Case to require new and significantly more detailed economic analysis to be undertaken to support the options assessment process. This subsection should draw on the latest economic appraisal report and present relevant information in a concise, consistent and easily comprehensible form. The economic appraisal report should accompany the Business Case.

Approach

The economic assessment should be undertaken in accordance with Treasurer’s Instructions 17 and associated Guidelines A and B and any additional guidance from Infrastructure SA.

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid. It should have outlined the approach taken to conduct the economic assessment, including any assumptions and limitations. Further, it should have identified any relevant Infrastructure SA procedures/guides used as well as any economic appraisal reports prepared.

In general, this section might require a few changes at this point in time. However, these should only be minor and mostly relating to refinement in the estimation methodologies to account for the transition from a strategic to a concept-level perspective. Provide any such updates and additional information as required, maintaining focus on critical items. However, always address the rationale underlying each assumption clearly and in sufficient detail. Ensure you keep up a presentation structure where you discuss benefits and costs separately. Be concise, providing details only where critical. Make use of dot-points. Refer to supporting documentation, as appropriate.

Benefits and costs

Document the benefits for each solution option. All benefits should be monetised unless it is not practical to do so, based on the most recent detailed economic appraisal. Highlight differences in quantitative and qualitative economic benefits between options.

Benefits should be grouped in key streams to the extent possible, such as avoided costs and increased productivity.

Discuss noteworthy benefits, highlighting those that are particularly significant or display a negative value   
(i.e. so-called disbenefits). Provide further background information on individual benefits where warranted.

Provide a summary of the incremental present value (“PV”) of economic costs for each solution option relative to the base case, by major cost component, based on the most recent detailed economic appraisal. Ensure you include both, direct and indirect costs e.g. road construction costs as well as costs resulting from road trauma.

Provide a summary of the incremental present value (“PV”) of benefits for each shortlisted option relative to the base case by benefit type.

Specify the discount rate applied. Present the information in table form as suggested below.

**Table [number]: Summary of benefits and costs**

| Type of benefit | Value of benefits ($) | | | |
| --- | --- | --- | --- | --- |
| Base case | Option 1 | Option 2 | Option n |
| Benefit type 1 |  |  |  |  |
| Benefit type 2 |  |  |  |  |
| Benefit type n |  |  |  |  |
| **Total** |  |  |  |  |

| Cost component | Economic costs ($) | | | |
| --- | --- | --- | --- | --- |
| Base case | Option 1 | Option 2 | Option n |
| Cost component 1 |  |  |  |  |
| Cost component 2 |  |  |  |  |
| Cost component n |  |  |  |  |
| **Total** |  |  |  |  |

Cost-benefit analysis summary

Present the results of the detailed cost-benefit analysis for each solution. As a minimum, include a comparison of the present value of benefits with the present value of costs (net costs) with the resulting (economic) net present value (“NPV”) and benefit-cost ratio (“BCR”). Provide further indicators e.g. incremental net benefits, in accordance with Treasurer’s Instructions 17 and associated Guidelines A and B] and any additional guidance from Infrastructure SA.

Specify the discount rate applied. Present the information in table form as suggested below.

**Table [number]: Economic appraisal results**

| Indicator | Base case | Option 1 | Option 2 | Option n |
| --- | --- | --- | --- | --- |
| PV benefits ($) |  |  |  |  |
| PV costs ($) |  |  |  |  |
| NPV[[4]](#footnote-4) ($) |  |  |  |  |
| BCR |  |  |  |  |
| Indicator 5, e.g. IRR (%)[[5]](#footnote-5) |  |  |  |  |
| Indicator 6 |  |  |  |  |
| Indicator n |  |  |  |  |

Present results separately for the P50 and the P90 level, if required.

Provide further background information on individual indicators where warranted. If of value, explain drivers behind noteworthy indicators. Briefly discuss the results, highlighting which options can be considered economically viable.

Sensitivity analysis

To address risk and uncertainty in the observed cost-benefit analysis results and to demonstrate their robustness, options should be subjected to a sensitivity analysis.

Describe the sensitivity analysis undertaken. Present and briefly discuss its results, highlighting any critical deviations when compared with the results before parameter variation. Refer the reader to the economic appraisal report for further detail.

Scenario analysis

For higher-value initiatives, it is worthwhile considering a scenario analysis to demonstrate the resilience of the observed cost-benefit analysis results in more detail.

Describe the scenario analysis undertaken. Present and briefly discuss its results, highlighting any critical deviations when compared with the results before scenario variation. Refer the reader to the economic appraisal report for further detail.

Options comparison

Compare all options with each other with respect to their CBA performance, based on relative merit.

Consider presenting your findings in table form. Keep this short, as quantitative results were already provided above. Focus on a concise summarising narration.

**Table [number]: Economic performance – options comparison**

| Option | Relative merit, with respect to CBA performance |
| --- | --- |
| Base case |  |
| Option 1 |  |
| Option 2 |  |
| Option n |  |

If not already done in response to other applicable requirements, strongly consider an independent/peer/expert review of the economic assessment.

Options analysis and recommendation

This subsection should provide the concluding options analysis and recommend the preferred solution option to be implemented.

To conduct the final assessment, the proposal team will have to apply qualitative and quantitative filters, using key strategic and feasibility criteria as well as the results of the series of individual technical assessments conducted earlier in this section.

The team should consider using the integrated summary comparison of the shortlist of solution options, completed in the Options Analysis, as a basis. It can then update all information to reflect changes resulting from work done in the Business Case. These are likely to stem from modifications and changes made to the solution options as part of their refinement and ongoing development as well as from the fine-tuned individual technical assessments, reflecting their progression from the high level applied in the Options Analysis to a detailed level, as appropriate for the Business Case.

Approach

Describe the process of evaluating the list of solution options analysed in the Business Case and recommending the preferred option to be implemented.

The evaluation process should be simple, bringing together the already available results from the various individual technical assessments. There is no need to conduct any further analyses at this stage. It is recommended to follow the guidance provided in the introduction to this subsection.

Options comparison

Present an integrated summary comparison of the list of solution options by key assessment factor. Consider the most suitable form of presentation for your circumstances, building on the respective approach chosen in the Options Analysis. The following table is an example only that displays qualitative as well as quantitative information, overlayed with a ‘heat map’ approach to help visualise results. It can be adapted as needed.

**Table [number]: Options assessment – concluding options analysis and ranking**

| Concluding options analysis | Base case | Option 1 | Option 2 | Option n |
| --- | --- | --- | --- | --- |
| **Strategic assessment[[6]](#footnote-6)** |  |  |  |  |
| Degree of response to the service need identified | Low | High | Medium | High |
| Contribution to the benefits sought | Low | High | Low | High |
| Ability to deliver on the objectives pursued and the outcomes targeted | Low | High | Medium | Medium |
| Strategic alignment | Medium | High | Medium | Medium |
| Alignment with requirements relating to integration considerations | High | Low | High | Low |
| Alignment with requirements relating to other initiatives | Medium | Medium | High | High |
| Alignment with requirements relating to legal and regulatory aspects | High | High | High | Medium |
| Alignment with requirements relating to technical considerations | N/A | Medium | High | High |
| Degree of disruption the solution is likely to cause | N/A | Medium | Low (i.e. Positive) | High (i.e. Negative) |
| Degree of impact to existing government assets and services, and other government agencies’ activities | N/A | Low (i.e. Positive) | Low (i.e. Positive) | Medium |
| Impact on other matters of public interest, such as public access and equity, consumer rights, safety and security and privacy | N/A | Low (i.e. Positive) | Low (i.e. Positive) | Medium |
| Key strengths | Cost effective | Benefits match | Scalable | Simple design |
| Key weaknesses | Not future proof | Expensive | Technically complex | Physical footprint |
| Key opportunities | Use as backup | Staged delivery | Modular design | Rail connection |
| Key threats | Service breakdown | Obsolescence | Cost overrun | Enviro risks |
| Ability to effectively address risks associated with implementation | N/A | High | Low | High |
| Achievability, in terms of supplier capability and capacity, and degree of delivery complexity | N/A | Medium | Low | High |
| Alignment with critical success factors identified | Low | High | Medium | High |
| **Economic assessment** |  |  |  |  |
| Relative merit, with respect to economic impact | Medium | High | High | Low |
| **Environmental assessment[[7]](#footnote-7)** |  |  |  |  |
| Relative merit, with respect to environmental impact | Medium | Medium | Medium | Low |
| **Sustainability assessment[[8]](#footnote-8)** |  |  |  |  |
| Relative merit, with respect to sustainability performance | Low | Medium | High | Low |
| Relative merit, with respect to resilience | Low | High | Medium | High |
| **Financial assessment[[9]](#footnote-9)** |  |  |  |  |
| NPV[[10]](#footnote-10) ($) | -15 million | 38 million | 21 million | 43 million |
| Relative merit, with respect to financial viability | Low | High | Medium | High |
| **CBA assessment[[11]](#footnote-11)** |  |  |  |  |
| NPV[[12]](#footnote-12) ($) | -23 million | 46 million | 29 million | 52 million |
| BCR | -0.85 | 1.95 | 0.40 | 2.20 |
| IRR (%) | 0.2 | 7.9 | 4.6 | 8.7 |
| Relative merit, with respect to economic performance | Low | High | Medium | High |
| **Outcome** |  |  |  |  |
| Ranking[[13]](#footnote-13) | 4 | 1 | 3 | 2 |

Provide additional narration where necessary or of value. This could include a summary description of the incremental benefits/advantages of the various options relative to the base case. However, strive to maintain a systematic and structured approach to results presentation.

Conduct an overall assessment of all options to determine the ranking of options, as suggested in the last row of the table above.

Summarise the outcome of the concluding options analysis verbally. Ensure results are defendable.

Identify the solution option recommended to be implemented. Comment further, if required.

Solution Funding

|  |  |
| --- | --- |
| This section should suggest the funding strategy for the proposal and indicate any public investment sought by the sponsoring agency. | |
| The Strategic Assessment should provide an indication of any early ideas regarding approach to funding. The Options Analysis will provide a much clearer picture in this respect, suggesting a specific funding strategy and providing a strategic-level estimate for any possible request for government funding. The Business Case will confirm and refine the information provided in the Options Analysis. |

Funding strategy

It is important to engage with the Government of South Australia’s Department of Treasury and Finance to discuss the likely funding structure for your initiative and any potential impact on government spend, as well as to understand relevant budgeting processes and timelines.

Describe the funding strategy for the proposal. At this stage, this should have progressed from the high level indicated in the Options Analysis to a level providing full detail. Build on the information presented in the *Financial assessment* section.

List all proposed funding sources to meet the initiative’s whole-of-life costs.[[14]](#footnote-14) Ensure you have explored in detail opportunities for revenue generation and private (co-)funding. Indicate estimated amounts expected to come from each particular source. Describe any considerations with respect to the timing of funding, where relevant.

Reiterate any identified funding gaps and associated potential public funding requirements and net impacts on government expenditure. Describe the current state of discussion of all aspects of funding with government.

If applicable, indicate if, how much and where funding has been assigned to the initiative already, in any of the sponsoring agency’s or other government budgets.

Budget request

Provide a statement requesting the approval and release of funds to allow progressing the recommended solution towards delivery i.e. beyond Gate 2 of the Infrastructure SA investment assurance framework. Specify the amount requested.

If this is not applicable, provide an alternative statement indicating that no budget is requested at this point in time. In that case, provide detailed information as to how progression of the recommended solution beyond Gate 2 is finance.

Delivery Strategy

|  |  |
| --- | --- |
| This section should suggest the delivery strategy for the recommended solution option and propose the procurement model. | |
| The Strategic Assessment does not involve any activities with respect to the delivery strategy as it focuses on identifying the case for change and not on providing solutions and ways to implement them. The Options Analysis will provide a high-level discussion of possible approaches to delivery, considering no solution option has been recommended at that stage yet. Based on a narrowed field of analysed options and with a recommended solution at hand, the Business Case will suggest a specific delivery strategy and procurement model. |

Delivery strategy

At this stage, solution options have been narrowed down to a limited number, their detailed analysis has been completed and one option has been recommended for implementation. On this basis, a specific delivery strategy can be developed and a suitable procurement model recommended.

The proposed delivery strategy should be the most feasible, cost-effective and success-promising implementation approach for the recommended solution option. It should carefully consider the applicability of models featuring private involvement, as well as how the initiative will be managed throughout all stages of its lifecycle.

For high-value initiatives, market sounding might have been conducted, assisting the proposal team to develop an understanding of current market conditions, assess deliverability of the solutions being considered and know how to suitably present the initiative to the market.

Describe the delivery strategy for the recommended solution option. In your narration, explain the approach the proposal team took to develop the strategy and how it has considered:

* Key solution aspects of relevance to delivery,[[15]](#footnote-15) such as:
* solution scope and costs
* solution constraints, such as available funding, existing commitments on timelines or interface challenges
* solution risks and how they can be best addressed in terms of delivery model
* opportunities or requirements for staging, including such for early works
* opportunities or requirements for procurement packaging, and
* timeframes and processes for various procurement models, as applied by the sponsoring agency, based on experience.
* The applicability of commonly used delivery strategies, such as:
* Construct Only
* Design & Construct (“D&C”)
* Early Tender Involvement (“ETI”)/Early Contractor Involvement (“ECI”)
* Development Agreement
* Master Develop
* Alliance
* Joint Venture (“JV”), and
* Public-Private Partnership (“PPP”) or other private sector-led initiative.
* the distribution of risk and reward
* findings from the market sounding process, if applicable, and
* relevant lessons learnt from the delivery of comparable initiatives.

Provide a concluding statement, summarising in a few points the rationale for the team’s choice of delivery strategy. List its advantages and disadvantages, highlighting any unique risks or opportunities associated with it.

Procurement model

Identify the preferred procurement model for the recommended solution option. Explain how it responds to the delivery strategy and how it addresses respective requirements.

Discuss the extent to which the preferred procurement model is based on the sponsoring agency’s experience with application of that model and the degree to which it responds to the agency’s established procurement processes. Highlight any involvement of the agency’s procurement professionals in the selection of the model and the outcome of this engagement.

Describe how industry participation, workforce training and Aboriginal participation has been considered in the preferred procurement model.

Highlight any unique risks or opportunities associated with the model.

Project Management

|  |  |
| --- | --- |
| This section should describe how key project management aspects will be addressed as part of the implementation of the recommended solution option. | |
| The Strategic Assessment will discuss a few select project management aspects – those that are of particular importance for effective and efficient initiative progression and that can be meaningfully addressed at that early stage. The Options Analysis will further elaborate on these points and consider several more aspects relevant at that point in time. The Business Case will add yet another few aspects and provide full detail on all elements. |

Approach

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid.

It should have described the approach to project management of the development and delivery of the initiative, specifying project management frameworks, systems, processes and tools to be used by the proposal/project team. Further, it should have listed any stand-alone plans and registers relevant to project management that are to be used for management of the initiative.

Provide updates to this subsection and additional information as required. This should include new entries to the table presenting supporting plans and registers (see Options Analysis). Ensure to briefly describe each such document’s purpose, objectives and key content.

At the current stage, it is also important to prepare and reference a high-level project management plan.

Change control

At a high level only, describe the process to be used to control change relating to project scope, timeline, budget and benefits. Briefly mention main activities involved. Highlight key roles with respect to change control.

For detailed information on change control, refer the reader to the stand-alone Change Control Plan, in the attachments to the Business Case.

Schedule and milestones

Develop a schedule. Consider timeline information provided in the Options Analysis as a basis. Provide significant updates and additional information, considering that a particular solution option is being recommended at the current stage.

The schedule should include start and finish dates for all key project activities, such as:

* business case development, submission and approval
* investment assurance and funding approval
* commencement, completion and approval of concept design and detailed design, respectively
* determination of environmental assessments
* commencement and completion of property acquisition processes
* various procurement process steps – commencement, documentation preparation, tendering, contract award
* commencement and completion of groups of construction activities e.g. utilities relocation, early work,   
  main works
* commissioning
* commencement of operation and maintenance
* benefits realisation, and
* project completion.

In developing a schedule, consider the following:

* Highlight any staging
* Identify key milestones
* Present all timing information visually e.g. through use of a Gantt chart and a milestone table
* Ensure any existing timing commitments, including such made through public announcements, are reflected correctly
* Provide a list of the assumptions underlying the schedule and milestones
* Identify the critical path for the initiative
* Where key timelines are not available, work proactively to identify them, even if it is only at a high level.

Governance and assurance

Restate this subsection’s information provided in the Options Analysis. Ensure it is still valid.

It should have included detailed information on a variety of governance and assurance aspects.

Provide updates to this subsection and additional information as available. This should include changes to governance and team structures and meeting and reporting regimes, as a result of ongoing initiative progression and development.

Ensure information provided complements the *Proposal management* subsection of the *Proposal context* section.

At a high level, discuss resource planning and requirements for the procurement and delivery phases of the initiative. Indicate key roles required and propose an outline team structure.

Expand this subsection to give an overview of asset ownership. List owner, operator and maintainer of all assets to be delivered through the initiative. Identify any assets to be retired.

Benefits management and realisation

Restate this subsection’s information provided in the Options Analysis, briefly describing the approach to benefits management and realisation, highlighting key aspects of it and listing respective roles and responsibilities. Provide updates as required.

For detailed information on benefits management and realisation, refer the reader to the stand-alone *Benefits Management Plan* and the *Benefits Register*.

Risk management

Restate this subsection’s information provided in the Options Analysis, briefly describing the approach to risk management,[[16]](#footnote-16) highlighting any applicable frameworks and procedures to be followed and emphasising respective roles and responsibilities. Provide updates as required.

For detailed information on risks and risk management, refer the reader to the stand-alone *Risk Management Plan* and the *Risk Register* in the attachments to the Business Case.

Stakeholder management

Restate this subsection’s information provided in the Options Analysis, briefly describing the approach to stakeholder management, highlighting any established practices and procedures to be followed and emphasising respective roles and responsibilities. Provide updates as required.

For detailed information on stakeholder management, including communication and engagement, refer the reader to the stand-alone *Stakeholder Management Plan* in the attachments to the Business Case.

Change management

Restate this subsection’s information provided in the Options Analysis, briefly describing the approach to change management, highlighting respective key roles and responsibilities. Provide updates as required.

For detailed information on change management, refer the reader to the stand-alone *Change Management Plan* in the attachments to the Business Case.

Disruption management

Revisit this subsection’s information provided in the Options Analysis. It should have described the approach and measures for business continuity and those envisaged to mitigate the disruption the initiative is likely to cause to the immediate environment, the local community and other key stakeholders, as well as the wider system that it may be a part of.

Expand on this information and upgrade it, providing more detail on planned mitigation measures in specific alignment with the recommended solution option.

Highlight associated key risks and how they will be managed.

Detail specific stakeholder management strategies that are planned to reduce the impact of disruption or compensate for it, such as particular property access regimes, provision of alternative accommodation or compensation. Align this with the outcomes of any related stakeholder consultation undertaken, referencing these.

Provide information on construction management approaches that are being considered to reduce the magnitude of disruption, such as phasing/staging of construction, timing and duration of construction activities, or mitigation works. Mention that in the project delivery phase a construction management plan will be developed to address these aspects in detail.

Ensure that the cost estimates do make provision for any expenditure, including contingencies, relating to disruption mitigation measures.

Environment and sustainability

Revisit this subsection’s information provided in the Options Analysis. It should have described the approach to environmental and sustainability management of the initiative, specifying respective frameworks and processes to be applied and highlighting key roles and responsibilities. Further, it should have provided a short summary of key elements of any preliminary environmental investigation completed at that stage. In addition, reference should have been made to the *Environmental assessment* subsection of the Options assessment section for details on environmental impacts identified.

Expand on this information and upgrade it, providing more detail on planned mitigation measures in specific alignment with the recommended solution option. This should be based on the stand-alone Environmental Assessment Report which would typically be prepared at this stage.

If applicable, mention that suggested safeguards and mitigation measures will be incorporated into the detailed design and applied during the construction and operation of the chosen solution, with application during construction being via a Construction Environmental Management Plan (“CEMP”).

For any further relevant details, refer the reader to the Environmental Assessment Report.

Interfaces, dependencies, constraints

Revisit this subsection’s information provided in the Options Analysis. It should have described the approach to management of interfaces, dependencies and constraints, highlighting any established practices and procedures   
to be followed and emphasising key roles and responsibilities. In addition, key interfaces, dependencies and constraints known at that stage should have been listed. Provide updates as required, particularly in specific alignment with the recommended solution option.

Discuss to which extent dedicated interface management forums and/or roles will have to be considered for the delivery phase of the initiative, accounting for the number, size and vicinity of interfacing projects.

For detailed information on interfaces, dependencies and constraints identified as part of the ongoing solution development and assessment process, refer the reader to the stand-alone respective register.

Contract management

The *Delivery strategy* section discussed the proposed delivery strategy and preferred procurement model for the recommended solution. Based on the identified approaches and models, explain how contract management will be approached. Detail any respective strategies and plans to be developed and frameworks to be used as part of the procurement process and leading into delivery. Consider related established approaches and practices, as applied by the sponsoring agency. Highlight any involvement of the agency’s procurement and/or contract management professionals in the identification of the contract management approach. Highlight any unique risks or opportunities associated with the approach.

Project Progression

|  |  |
| --- | --- |
| This section should:   * detail the key actions required to progress the initiative to the next investment assurance gate * indicate stakeholders’ support for progression to the next gate, and * indicate the respective entity’s decision to proceed to the next gate. | |
| Each of the three points listed above should be addressed briefly in the Strategic Assessment, Options Analysis and Business Case. |

Progress to next gate

Detail the key actions required to progress the initiative to Gate 3 i.e. to establish readiness to procure. This could include, among others:

* approvals by Cabinet and public works committees
* ongoing development and refinement of chosen/approved solution option
* preparation of detailed designs
* development of detailed project schedule and milestones, and
* preparation of tender documentation.

Stakeholder endorsement

Identify outcome owners and indicate their support for the initiative to proceed to Procurement stage.   
Consider presenting this information in a table with an endorsement sheet.

Decision to proceed

Identify the entity/governance body/position responsible for making the decision to proceed to Procurement stage and indicate its/his/her respective approval.

Attachments

Project Management Plan

The Project Management Plan is required at Business Case stage only.

The purpose of the plan is to inform all relevant stakeholders about the way the project is managed and to serve as a tool for managing and controlling the delivery of the project.

It is recommended that the plan considers addressing the following aspects:

* Approach to project management
* Asset acceptance management
* Benefits realisation management
* Change management
* Constructability assessment
* Construction management
* Contract management
* Cost management
* Design management
* Document management
* Environmental and sustainability management
* Issues management
* Procurement management
* Project meetings
* Project reporting
* Project reviews
* Property management
* Quality management
* Resource management
* Risk management
* Safety management
* Scope management
* Stakeholder management
* Time management
* Transition, handover and finalisation management
* Utilities adjustment management
* Value management.

Benefits Management Plan

The Benefits Management Plan is required at the Options Analysis and Business Case stages.

The purpose of the plan is to lay out the approach to the management of benefits, including their measurement,   
in order to ensure that they are realised as planned.

It is recommended that the plan considers addressing the following aspects:

* Approach to benefits management
  + Benefits identification methodology
  + Benefits monitoring
  + Benefits measurement
* Overview of benefits
  + Project benefits
  + Project disbenefits
  + Investment logic map
  + Benefits register
* Benefits realisation risks and constraints
* Benefits management roles and responsibilities.

Stakeholder Management Plan

The Stakeholder Management Plan is required at the Options Analysis and Business Case stages.

The purpose of the plan is to identify the approach to the management of stakeholders in order to facilitate effective and efficient engagement and communication with them, thus increasing the chances of successful delivery of the project.

It is recommended that the plan considers addressing the following aspects:

* Approach to stakeholder management
* Stakeholder identification and analysis
* Previous engagement
* Engagement strategy
* Communication plan and protocols
* Stakeholder risk management
* Measures of engagement and communication success.

Change Management Plan

The Change Management Plan is required at the Options Analysis and Business Case stages.

The purpose of the plan is to define how major change triggered by the project and change that the project is subject to will be managed at a high level in order to facilitate the effective and efficient delivery of the project. This excludes project scope, timeline, budget and benefit changes, which are managed through the separate change control process outlined in the Change Control Plan.

It is recommended that the Change Management Plan considers addressing the following aspects:

* Approach to change management
* Types of change affecting key user groups
* Management of change, incl. management controls applied
* Change management roles and responsibilities.

Risk Management Plan

The purpose of the plan is to ensure that risks pertaining to the project are identified and managed rigorously,   
to ensure that any impacts on the project are mitigated in an appropriate and consistent manner.

It is recommended that the plan considers addressing the following aspects:

* Approach to risk management
* Risk management process
* Risk management tools
* Risk register
* Risk management forums
* Risk management roles and responsibilities
* Contingency management and risk reporting.

Change Control Plan

The purpose of the plan is to ensure that material changes affecting project scope, timeline, budget and benefits are identified and managed so that any impacts on the project are mitigated in an appropriate and consistent manner. This excludes major change triggered by the project and change that the project is subject to, which are managed through the separate change management process outlined in the Change Management Plan.

It is recommended that the Change Control Plan considers addressing the following aspects:

* Approach to change control
* Change control process
* Change control tools
* Change request form
* Change control register
* Change communication and consultation
* Change reporting
* Change control roles and responsibilities.

Industry Participation Plan

The Industry Participation Plan is required at the Business Case stage and only at a high level. It will be developed in more detail at the Procurement stage.

The purpose of the plan is to ensure that the Government of South Australia’s industry participation policies and strategies are considered and applied in the development and delivery of the project in order to promote the state’s economic development and maximise the public expenditure benefits for South Australia.

It is recommended that the plan considers addressing the following aspects:

* Approach to industry participation
* Applicable framework
* Relevant procurement considerations
* Applicable processes and tools.

Post-Implementation Review Plan

The Post-Implementation Review Plan is required at Business Case stage only.

The purpose of the plan is to identify the approach to project monitoring and project evaluation in order to ensure that project outcomes and project delivery effectiveness and efficiency are assessed and lessons learnt are captured and communicated for the benefit of future projects.

It is recommended that the plan considers addressing the following aspects:

* Approach to post-implementation review
* Post-implementation review process and tools
* Post-implementation review scope
* Communication of post-implementation review findings
* Post-implementation review roles and responsibilities.

Benefits Register

The Benefits Register is required at the Strategic Assessment, Options Analysis and Business Case stages.

The purpose of the register is to capture and present all project benefits and their key features in order to facilitate benefits management in line with the respective plan.

It is recommended that the register captures data and information on the following aspects:

* Benefit title
* Benefit description
* Project outcome benefit relates to
* Project objective benefit relates to
* Benefit owner
* Benefit realisation timeline
* Benefit category/type/classification
* Benefit measure/KPI title
* Benefit measure/KPI description
* Benefit measure/KPI data source
* Benefit measure/KPI baseline
* Benefit measure/KPI target value
* Benefit measure/KPI actual value.

Risk Register

The Risk Register is required at the Options Analysis and Business Case stages.

The purpose of the register is to capture and present all pertinent project risks (including opportunities) and their key features in order to facilitate risk management in line with the respective plan.

It is recommended that the register captures data and information on the following aspects:

* Risk category/type/classification
* Risk title
* Risk description
* Risk owner
* Risk review date
* Risk causes
* Risk consequences
* Pre-existing control risk rating
* Existing control, including control owner, control due date and control review date
* Existing control risk rating.

This can be expanded to include the following:

* Quantification of risk cost impact
* Quantification of risk schedule impact.

The risk analysis process should consider risks relating to all project areas, including, but not limited to,   
the following:

* Benefits management
* Scope
* Social, environmental and economic impacts
* Sustainability
* Design
* Planning and approvals
* Funding
* Property acquisition
* Procurement
* Market receptiveness
* Utility relocation and adjustments
* Construction
* Stakeholder management
* Change management
* Project management.

Interfaces and Dependencies Register

The Interfaces and Dependencies Register is required at the Options Analysis and Business Case stages.

The purpose of the register is to capture and present all pertinent project interfaces and dependencies and their key features in order to effectively and efficiently manage all related aspects affecting project delivery.

It is recommended that the register captures data and information on the following aspects:

* Interface/dependency title
* Interface/dependency description
* Possible impact of interface/dependency on project
* Current status of interface/dependency
* Actions to manage interface/dependency and its possible impact on project
* Interface/dependency point of contact.

The Interfaces and Dependencies Register can be modified to also include assumptions and risks. This approach would remove the need for a separate risk register. It might be suitable for smaller projects.

1. Strategic Assessment; Options Analysis [↑](#footnote-ref-1)
2. P50 and P90 represent confidence levels that indicate the probability (i.e. 50% and 90%, respectively) that the total initiative costs will not exceed a given estimate. [↑](#footnote-ref-2)
3. financial (not economic) NPV [↑](#footnote-ref-3)
4. economic (not financial) NPV [↑](#footnote-ref-4)
5. internal rate of return [↑](#footnote-ref-5)
6. For the strategic assessment, draw on select findings and outcomes from the longlist-to-shortlist assessment. [↑](#footnote-ref-6)
7. For the environmental assessment, draw on the *Options comparison* subsection of the *Environmental assessment* section. [↑](#footnote-ref-7)
8. For the sustainability assessment, draw on the *Options comparison* subsection of *the Sustainability assessment* section. [↑](#footnote-ref-8)
9. For the financial assessment, draw on the *Viability* and the *Options comparison* subsections of the *Financial assessment* section. [↑](#footnote-ref-9)
10. Financial (not economic) NPV. [↑](#footnote-ref-10)
11. For the economic assessment, draw on the *Cost-benefit analysis* and the *Options comparison* subsections of the *Economic assessment* section. [↑](#footnote-ref-11)
12. Economic (not financial) NPV. [↑](#footnote-ref-12)
13. With “1” being the highest rank. [↑](#footnote-ref-13)
14. Seek confirmation whether this should be based on a P50 or a P90 outturn cost estimate. [↑](#footnote-ref-14)
15. Revisit the subsection Delivery considerations, under Delivery strategy, in the Options Analysis, for reference and as a starting point. [↑](#footnote-ref-15)
16. to include threats and opportunities [↑](#footnote-ref-16)