|  |
| --- |
| **Regional Sport Facility Fund 2020/2021**  **BUSINESS CASE**  [APPLICANT]  **[PROJECT NAME]** |

KEY PROPOSAL DETAILS

|  |  |
| --- | --- |
| PROPOSAL INFORMATION | |
| Project name |  |
| Lead proponent (e.g. Council) |  |
| Lead proponent ABN |  |
| Project partners |  |
| LEAD CONTACT | |
| Name |  |
| Position |  |
| Phone |  |
| Email |  |
| Address |  |
| PROPOSAL SCOPE | |
| Project summary for publication *Please provide 150 words or less* |  |
| PROPOSAL LOCATION | |
| Project address |  |
| Latitude and Longitude coordinates |  |
| Local government area |  |
| NSW electorate |  |
| SUPPORTING INFORMATION | |
| Attachments *Please list all supporting information provided* | Clearly number and name the attachments |

**Application approved by** (must be by a person with the authority to approve the application)**:**

**Name:**

**Position:**

**Date:**

About this document

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

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

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

Please refer to the accompanying Simplified Business Case Guidelines for additional guidance on how to fill out this template.

Please delete all instructions prior to submission.

* The level of detail provided in this business case can vary reflective of the type of project, its complexity and the current project stage. Where detailed documents have already been developed, these can be attached. Please add relevant information to address the assessment criteria on p.7.
* The business case must be approved by the applicant’s project sponsor (or project executive), for example the General Manager, President or Chair.
* Projects valued at $500,000 and over are categorised as local infrastructure projects for which the Office of Sport will be required to report on project progress and completion to the NSW Government.
* In this business case the applicant should provide a detailed project management plan and be able to demonstrate appropriate project management resourcing, governance and transparency in financial sustainability, procurement processes and/or other processes particular to the project.
* As part of the Funding Agreement, the Office of Sport may require representation on the project control group (or project steering committee).
* Project funding will be acquitted as milestone payments against agreed criteria. This will enable the funding recipient to progress each stage of the project. The Funding Agreement template, which includes the milestone schedule is available on the web page for the Regional Sport Facility Fund. A milestone payment schedule is included in this business case and the information will be transferred to the Funding Agreement, should the application be successful.
* While variations to milestones can be mutually agreed during the term of the Funding Agreement, the total funding amount for the project cannot be changed to exceed that of the approved grant.

CONTENTS

[1 EXECUTIVE SUMMARY 5](#_Toc25217466)

[2 CASE FOR CHANGE 7](#_Toc25217467)

[2.1 BACKGROUND 7](#_Toc25217468)

[2.2 RATIONALE FOR INVESTMENT 7](#_Toc25217469)

[2.3 ASSESSMENT CRITERIA 7](#_Toc25217470)

[2.4 EXPECTED OUTCOMES 9](#_Toc25217471)

[2.5 STAKEHOLDER & COMMUNITY SUPPORT 9](#_Toc25217472)

[3 ANALYSIS OF THE PROJECT 10](#_Toc25217473)

[3.1 OBJECTIVES & INDICATORS 10](#_Toc25217474)

[3.2 THE BASE CASE 10](#_Toc25217475)

[3.3 OTHER OPTIONS CONSIDERED 10](#_Toc25217476)

[3.4 INFORMATION ABOUT THE PROJECT 11](#_Toc25217477)

[3.5 PROJECTED COSTS 12](#_Toc25217478)

[3.6 COST-BENEFIT ANALYSIS 13](#_Toc25217479)

[3.7 FINANCIAL APPRAISAL 13](#_Toc25217480)

[3.8 PROPOSED FUNDING ARRANGEMENTS 14](#_Toc25217481)

[3.9 FINANCIAL HEALTH & SUPPORT 15](#_Toc25217482)

[3.10 PROGRAM & MILESTONES 16](#_Toc25217483)

[3.11 GOVERNANCE 17](#_Toc25217484)

[3.12 KEY RISKS 17](#_Toc25217485)

[3.13 LEGISLATIVE, REGULATORY ISSUES & APPROVALS 19](#_Toc25217486)

[3.14 PROPOSED MANAGEMENT ACTIVITIES 19](#_Toc25217487)

**4 PROJECT MILESTONE PAYMENT SCHEDULE**

# EXECUTIVE SUMMARY

# CASE FOR CHANGE

## BACKGROUND

This section provides the applicant an opportunity to provide information to improve the Grant Assessment Panel’s understanding of the project. Types of information that are relevant to this section include:

* the objectives of a project
* the planned outcomes from the project
* project description
* project’s stage of readiness (e.g. Development Application approved or evidence that a Development Application is not required; tender documentation has been prepared etc).

## RATIONALE FOR INVESTMENT

Please outline the key problems that the proposal will overcome.

The problems should be quantifiable and verifiable.

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

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

* Why this project and why now?

## ASSESSMENT CRITERIA

Applications under the Regional Sport Facility Fund will be assessed against the fund’s objectives, aim and focus, and four assessment criteria. The Grant Assessment Panel will consider the extent to which the applicant has addressed the assessment criteria and provided evidence.

Highlight how the project meets the fund’s objectives, aim and focus.

*Criteria 1: Strategic justification*

* Explain how the project aligns with a range of strategic priorities for sport and active recreation, including Premier’s Priorities, State Outcomes, NSW Government agency priorities, Office of Sport strategies, State/National sporting organisation participation and facility plans, and local council plans.
* Provide detail of community profile, demonstrated need, key user groups, project beneficiaries and the project urgency.
* Describe community and stakeholder consultation, management and project support (provide relevant attachments).
* Explain how the project will lead to increased participation in sport and increased facility capacity and usage (attach a Facility Usage Schedule).
* Explain how the project will lead to additional participation and program content/scheduling for women and girls and/or improved inclusiveness.

*Criteria 2: Project scope and inclusive design*

* Provide a clear scope of works proposed for the project.
* Provide documentation such as schematic and detailed design plans.
* Outline how the project has incorporated the design principles identified in the program guidelines such as universal design principles, environmentally sustainable design and operational efficiencies in design.
* Outline any best practice approaches in the design, development and delivery of the project that address the fund’s aim and focus.
* Explain any placed-based planning showing the location of the project, if it is accessible, convenient and connected for priority user groups.

*Criteria 3: Project Affordability*

* Demonstrate affordability of the project relative to the available funding, considering net lifecycle costs, and allowing for ongoing operating and maintenance requirements.
* Provide details of the applicant’s capacity to fund and manage ongoing operations.
* Provide a detailed budget including project costs and funding sources. The budget should clearly explain the project components that will be funded by the grant and the components to be funded by the applicant.
* Provide evidence of approval for committed funding contribution. For projects costing more than $1 million, a 25 per cent financial co-contribution of the grant amount requested will be required. For all other projects, a financial co-contribution will be considered favourably.
* Provide evidence of robust itemised cost planning.

*Criteria 4: Project Deliverability*

* Demonstrate the capacity to deliver the project through robust strategies for procurement, project management and risk management.
* Demonstrate how any partnership model (including asset management) that would be administered to deliver the project including joint use agreements.
* Provide evidence of the ability to commence construction within six (6) months of executing a funding agreement through the provision of mandatory documentation such as schematic plans and current cost plans.
* Completion of a project stages plan and project milestone template.
* Provided evidence of Development Application approval (if required).
* Demonstrated proven experience in delivering projects.
* Applicant meets key obligations for other Office of Sport funded projects where there is/has been a Funding Agreement with the applicant.
* List any assumptions, constraints and dependencies in delivering the project.
* Provide details of the project management and delivery team skills, experience and resources.
* Provide details on how the project will contribute to economic employment opportunities (estimated # direct and # indirect FTE and PTE)
* job creation during design and construction (e.g. design team, project managers, contractors and supply chain opportunities including materials and maintenance), and
* job creation during operation (e.g. facility managers and other economic benefits such as hosting future events that provide a visitor economy benefit).

## EXPECTED OUTCOMES

Please outline the expected outcomes arising from the project.

Outcomes may include increased participation in sport, increase in club membership, increased usage of the facility, increase in the operating hours of the facility, attraction of new events, a facility that is inclusive for women and girls and people with disability.

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

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

## STAKEHOLDER & COMMUNITY SUPPORT

Please outline what level of stakeholder and community support there is for the project.

What issues and concerns have stakeholders/the community raised? How does the project respond to these concerns?

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

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

# ANALYSIS OF THE PROJECT

## OBJECTIVES & INDICATORS

Please outline what the project is seeking to achieve and how each desired outcome will be measured

Table 3.1: Proposal objectives

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

## THE BASE CASE

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

## OTHER OPTIONS CONSIDERED

Please summarise how the preferred solution was selected.

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

Alternative options that proponents may need to consider include:

A do-nothing option

* A do-minimum option
* A do-later option.

## INFORMATION ABOUT THE PROJECT

### SCOPE OF WORKS

Please provide a brief description of the works proposed.

This description may include:

* Location of the project
* Quantifiable details including area/length, capacity etc.
* Relevant design standards e.g. Universal Design principles; dignified access, Green Star rating/LEED
* Utility adjustments or property acquisitions
* Concept diagrams and sketches
* Photos.

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

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

**Mandatory attachment: Please enclose a proposal scope (or similar) document. Upload any detailed designs.**

### PROPOSAL EXCLUSIONS

Provide a high level overview of what is in scope for the project. If necessary, you may also list particular things that are not in scope (exclusions) or in scope but not funded by the Regional Sport Facility Fund.

The Program Guidelines state that the following is an ineligible project cost: “the maintenance or construction of local roads, car parks (public or provate) or other core service infrastructure works that are the ordinary responsibility of council or other level of government”.

Whilst these components may be part of the project, the grant requested should not fund the components. The application will need to clearly identify the project components that the Regional Sport Facility Fund grant will support and what the applicant will fund.

### RELATED PROJECTS

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

## PROJECTED COSTS

### PROJECTED CAPITAL COSTS

Please outline the projected capital cost of the project.

Cost estimates should include:

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

Applicants should report capital costs:

* On an unescalated basis to inform the cost benefit assessment
* With escalation (i.e. with inflation) to inform funding and affordability assessment.

The assumed inflation rate and its basis should be reported.

All cost estimates should be exclusive of GST.

Applicants should explain how they arrived at their cost estimates.

**Mandatory attachment: Please enclose a QS/Cost Plan**

Table 3.5.1: Projected capital costs inclusive of contingency ($000s)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Stage** | **2020-2021** | **2021-2022** | **2022-2023** |  |  | **Total** |
| Base cost estimate |  |  |  |  |  |  |
| Contingency |  |  |  |  |  |  |
| Escalation |  |  |  |  |  |  |
| **Nominal cost** |  |  |  |  |  |  |

### PROJECTED ONGOING COSTS

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

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

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

Table 3.5.2: Projected ongoing costs ($000s)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **2020-2021** | **2021-2022** | **2022-2023** | **….** | **….** | **Steady State/ Last Year** | **Total** |
| Item 1 |  |  |  |  |  |  |  |
| Item 2 |  |  |  |  |  |  |  |
| Item 3 |  |  |  |  |  |  |  |
| Item 4 |  |  |  |  |  |  |  |
| Item 5 |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |
| Item n |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

## COST-BENEFIT ANALYSIS

Please identify all material benefits and costs that are expected to arise and who the beneficiaries are from each option.

Please prepare annual forecasts of how many beneficiaries would benefit from each option.

The NSW Government approach to Cost-Benefit Analysis is available at:

<https://arp.nsw.gov.au/tpp17-03-nsw-government-guide-cost-benefit-analysis>

## FINANCIAL APPRAISAL

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

The applicant should provide cashflow projections of the following:

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

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

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

## PROPOSED FUNDING ARRANGEMENTS

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

Applicants will be expected to be able to provision for the funding of ongoing costs.

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

Ensure that total funding covers total capital costs outlined in Section 3.5.1.

Table 3.8.3: Proposed capital funding contributions ($000s)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Stage** | **2020-2021** | **2021-2022** | **2022-2023** | **….** | **….** | **….** | **Total** |
| Proposal capital costs |  |  |  |  |  |  |  |
| **Funding sources** | | | | | | | |
| NSW Government (subject of this request) |  |  |  |  |  |  |  |
| Council contributions |  |  |  |  |  |  |  |
| Industry contributions |  |  |  |  |  |  |  |
| Community contributions |  |  |  |  |  |  |  |
| Other government contributions |  |  |  |  |  |  |  |
| Other funding sources (please detail) |  |  |  |  |  |  |  |
| **Sub-total** |  |  |  |  |  |  |  |

## FINANCIAL HEALTH & SUPPORT

For projects involving funding to non-government entities, applicants should summarise the principle proponent’s:

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

**Mandatory attachment: Please attach financial statements for the principle proponent’s past three financial years.**

Where funding sources are identified, applicants **must** demonstrate how secure these funding sources are (e.g. letters of support, MoUs, signed contract/funding agreement) or how they have been calculated.

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

IMPLEMENTATION CASE

## PROGRAM & MILESTONES

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

Key events to consider for incorporation into the program:

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

Recommended attachment: a program timeline/GANNT

Table 3.10.1: Key events

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

## GOVERNANCE

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

* Key decision makers (e.g. project sponsor, Councillors)
* Governance bodies (e.g. steering committees, advisory groups)
* Proposal personnel
* Key stakeholders (e.g. stakeholder groups, liaison/communications officers)
* Interfaces with Government agencies (e.g. Planning, DPC, Treasury, INSW, etc.)
* Interfaces with contractors
* If the proponent is more than one entity, interactions between the lead contact and each entity.

Please outline key responsibilities and roles of key personnel.

## KEY RISKS

Table 3.12: Key proposal risks (example)

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Risk Category** | **Risk Description** | **Risk Mitigation** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  | **How to describe a risk:** *A [risk cause/driver] may result in a [risk event] which may affect [an objective i.e. what is the risk impact?]* | ***Risk mitigation*** *includes options and actions to be taken to reduce or prevent the risk from happening, or to reduce its impact on the project if it happens* |

Risk Categories:

|  |  |
| --- | --- |
| **Category** | **Description** |
| Financial | Risks relating to, for example, dependencies on other funding sources or revenue – if total project costs exceed the funding commitment from NSW Government.  Risks generally relating to an escalation of project costs due to cost estimating accuracy, changes to scope or necessary changes in building design or construction. |
| Schedule | Risks relating to completion of activities against planned milestone dates. |
| Performance | Risks relating to the extent to which the results of the project are consistent with project objectives/outcomes. |
| Governance | risks relating to board and management performance with regard to ethics, stewardship, and reputation of your organisation and how they impact on project delivery. |
| Operational | Risks relating to implementation activities and process relating to project delivery, such as procurement, supplier management, internal approval processes. |
| Supplier | Risks that include competition or unavailability of suppliers or products or requirements/obligations to only approach a particular supplier |
| Legal/Regulatory | Risks arising from legal or regulatory obligations, including contract risks, litigation brought against the organisation, planning permits and approvals etc. |
| Environmental | Risks associated with external hazards, including storms, floods, droughts, fires, vandalism |

## LEGISLATIVE, REGULATORY ISSUES & APPROVALS

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

## PROPOSED MANAGEMENT ACTIVITIES

### RISK MANAGEMENT

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

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

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

### ASSET MANAGEMENT & OPERATIONS

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

4. PROJECT MILESTONE PAYMENT SCHEDULE – Example Only

DA approval or a letter confirming why a DA is not required is a requirement of the Regional Sport Facility Fund.

*Note: Should the application be successful, the Office of Sport will negotiate a Funding Agreement. The below table is part of the standard Funding Agreement template and will be used to populate the final version of the Funding Agreement.*

*The Key Milestone Performance Measures are the standard milestones that will be used across all funding agreements. However, should a particular circumstance require additional milestones, amendments to the current milestones or a milestone payment on execution of the Funding Agreement then these will need to be included in the table below, with relevant justification, for consideration by the Office.*

*Applicants are requested to complete the below table, as best they can.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Mile-stone No.** | **Key Milestone Performance Measure (output)** | **Milestone Payment Amount** | **% of Funding** | **Evidence required** | **Anticipated date** | **Comments** |
| 1 | Execution of Funding Agreement and Pre-Project Evaluation Report |  | 10 | 1. Funding Agreement signed by all parties 2. Completed Pre-Project Evaluation Report | May 2021 |  |
| 2 | Project site, lease and concept endorsement by Us |  |  | 1. Written confirmation of landowner’s consent 2. Copy of executed lease agreement with landowner 3. Copy of Project concept plans 4. Copy of Project budget including Quantity Surveyor report |  |  |
| 3 | Appointment of design team |  |  | 1. Performance Report to date 2. Copy of signed contract with design company 3. Tax invoice |  |  |
| 4 | Approval of development application |  |  | 1. Performance report to date 2. DA approval document 3. Tax invoice |  |  |
| 5 | 20% completion of Project construction |  |  | 1. Performance report to date 2. Written evidence from construction company confirming Project construction is 20% compete 3. Tax invoice |  |  |
| 6 | 50% completion of Project construction |  |  | 1. Performance report to date 2. Written evidence from construction company confirming Project construction is 50% compete 3. Tax invoice |  |  |
| 7 | 70% of completion of Project construction |  |  | 1. Performance report to date 2. Written evidence from construction company confirming Project construction is 70% complete 3. Tax invoice |  |  |
| 8 | 100% completion of Project construction |  |  | 1. Performance report to date 2. Written evidence from construction company confirming Project construction is 100% complete 3. Tax invoice |  |  |
| 9 | Practical completion of the Project |  |  | 1. Final report 2. Practical completion certificate 3. Tax invoice 4. Audited Financial Report |  |  |