# Short form business case guidance

**Note: All business cases must be accompanied by a *Business case cover sheet* (refer to Attachment C)**

**Guidance notes**

Text in the shaded boxes is for guidance only. When the business case is complete, remove the guidance notes.

To delete guidance notes, click the *Guidance* heading at the top and press the Delete key.

 

**Use of this template**

* This template can be used for both asset and output proposals with modification as appropriate.
* The long form business case template should be used for:
  1. – asset initiatives over $10 million; and
  2. – asset initiatives classified as high-value high-risk (HVHR).
* The level of detail should be scaled to the complexity of the proposal and some sections may not be relevant for all proposals.

**Revisions to this template since the 2020-21 budget template circulation**

* The following template updates should be considered when developing new submissions are the required revisions for re-submitting business cases.

| Details | Why | Business case location(s) |
| --- | --- | --- |
| COVID-19 | Removal of COVID-19 information requests. | Overview  Section 5.4 (Scalability of the recommended position)  Section 7 (Staffing requirements) |
| Financials | Figures contained in tables in the short form business case are to be provided in Excel format. Attachment A template now includes each of the short form business case tables in Excel format. It is not necessary to duplicate data entry as these tables can be copied into Word versions of business case using the paste option: keep source formatting. | Attachment A |

**List of guidance and where to find them**

|  |  |
| --- | --- |
| **1. DTF Information Requests**  <https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/dtf-information-requests> | This secure website provides government departments, PNFC and PFC information on the budget submission and deliberations process and reporting requirements, including copies of this template and other budget guidance attachments.  Victorian Government users can request a login by contacting your Departmental Relationship Manager or the site administrator at [dtfweb@dtf.vic.gov.au](mailto:dtfweb@dtf.vic.gov.au). |
| **2. Resource Management Framework (RMF)**  <https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/resource-management-framework>  Note: From 1 July 2020 an updated version of the RMF applies | Replaces the Budget Operations Framework and Performance Management Framework and provides guidance on:   * the application of the financial and legislative framework that underpins budgeting and funding processes. * calculation of depreciation and capital assets charge; * mandatory requirements for performance management and contains further guidance on outputs, and performance measures; and * requirements for evaluation of lapsing programs. Note that for lapsing programs over $20 million, the scope and terms of reference for evaluations must be endorsed by DTF prior to commencing the evaluation. For programs with total program funding less than $20 million, departments may submit evaluation reports or provide other evidence of efficient and effective achievement of program objectives. * For programs with total program funding over  $20 million and where funding is for two years or more, the evaluation report is required to be submitted to DTF by the last Friday in October of any given year, before a submission requesting continued funding is lodged. * For programs with total program funding over $20 million and where funding is for less than two years, the evaluation report is to be submitted to DTF as part of the submission requesting continued funding. |

[Business case / Initiative title]

**[Subtitle** (i.e. the publication title for the initiative if it were to be funded in the budget process)**]**

**[Department title]**

* + 1. Overview

The overview should highlight the overall story and key points of the business case, including the proposed outcomes and a high-level overview of the key dimensions of the request. It should specify:

* the problem or issue that the initiative will address;
* the merit of the proposal and how it delivers a critical need;
* what the Government will be buying, over what timeframe and the benefits/outcomes of investment for particular cohorts or areas;
* why this is the most effective and efficient way to deliver the proposed benefits/outcomes;
* if the proposal is a new focus for Government investment, or builds on an existing base;
* if the proposal seeks funding to operationalise or capitalise on past capital investment;
* any additional context (such as interface with other current or previously funded initiatives, or scalability); and
* the financial implications of the submission that have been agreed with DTF.

**Tips**

* The overview text should be no longer than 1 page.
* Corresponding information in SRIMS is limited to 3900 characters.
* Government needs to clearly understand what is being delivered for the requested investment. For example:

*“Funding of $\_\_\_\_ million over \_\_ years is sought for \_\_\_\_. This seeks to address \_\_\_\_\_\_\_\_\_. This comprises of:*

* *$xx million for \_\_\_\_\_ to deliver/improve \_\_\_\_*
* *$xx million for \_\_\_\_\_ to deliver/improve \_\_\_\_*

*This funding request is offset by:*

* *$xx million from \_\_\_\_\_.”*

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | |  |  | |  | | $ million | | |
| *Description* | *2020-21* | *2021-22* | | *2022-23* | | | *2023-24* | | *2024-25* | | *5-year total* | *Ongoing* |
| Output funding sought |  |  | |  | | |  | |  | |  |  |
| Gross | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | | **0.000** | 0.000 |
| *Offsets* | *0.000* | *0.000* | | *0.000* | | | *0.000* | | *0.000* | | ***0.000*** | *0.000* |
| Net | **0.000** | **0.000** | | **0.000** | | | **0.000** | | **0.000** | | **0.000** | **0.000** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  |  | |  | |  | |  | |  | | $ million | | |
| *Description* | *2020-21* | *2021-22* | | | *2022-23* | | *2023-24* | | *2024-25* | | *5-year total* | | *2025-26* | | *2026-27* | *TEI* |
| Asset funding sought |  |  | | |  | |  | |  | |  | |  | |  |  |
| Gross | 0.000 | 0.000 | | | 0.000 | | 0.000 | | 0.000 | | **0.000** | | 0.000 | | 0.000 | **0.000** |
| *Offsets* | *0.000* | *0.000* | | | *0.000* | | *0.000* | | *0.000* | | ***0.000*** | | *0.000* | | *0.000* | ***0.000*** |
| Net | **0.000** | **0.000** | | | **0.000** | | **0.000** | | **0.000** | | **0.000** | | **0.000** | | 0.000 | **0.000** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Description | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Ongoing |
| Deliverables(a) - specify |  |  |  |  |  |  |
| Performance measure impact(b) – specify |  |  |  |  |  | n/a |
| New VPS staff(c) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| New non-VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Existing VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Existing non-VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Deliverables reflect the key output(s) to be delivered (e.g. 100 scholarships for program y in 20xx-xx to 20xx-xx or 1,000 additional enhanced maternal and child health services visits in 20xx-xx to 20xx-xx).

Performance measure impact can include measures not used in BP3 where appropriate.

Detailed information on VPS staff:

The State of the Public Sector in Victoria 2018-19 report (pages 155 to 156):

<https://vpsc.vic.gov.au/wp-content/uploads/2020/04/Report-State-of-the-Public-Sector-in-Victoria-2018-to-2019.pdf>

* + 1. Problem
       1. Background, definition and evidence of the problem
* Describe the context and background to introduce the problem and benefits from addressing the problem. Clearly identify the current state, the problem(s)/service need(s) in terms of cause and effect, and scale of the problem (i.e. impacted groups).
* Outline the existing service-related outputs, previous/current/future funding allocations, existing asset base and resource commitments (including lapsing status). This might include a discussion of current service funding, service distribution and levels, and underlying drivers of those services.
* Provide details of how this service need is currently addressed:
  1. – Who currently delivers similar or related services at the location where they are required (consider both government and non-government providers)?
  2. – How are these services currently provided?
* The focus should be on identifying the existing gap that is to be addressed by this proposal and include evidence of the cause (e.g. market failure, social need) and effect of the problem(s)/service need(s), including the extent and nature of demand and the need for investment.

**Tips**

* In plain English, explain the problem(s) needing to be solved.
* Present the cohort impacted (e.g. who is affected, and how they are affected). Where the initiative significantly involves Aboriginal communities, clearly state if and how the community or communities have been consulted on the definition of the problem. Frame the problem as it is defined by the community or the barriers to exercising community strength and self‑determination.
* Describe the nature of the problem (e.g. whether it is immediate, transitory, ongoing or escalating).
* Provide the evidence of both the cause and effect of the problem. Evidence might include:
  1. – demand forecasts with assumptions;
  2. – key performance indicators (KPIs) on current performance levels; and/or
  3. – facts/examples of the problem.
* If case studies are available, these should be included as an attachment to the business case.
  + - 1. Timing considerations
* Describe why the problem needs to be addressed this budget.
* Explain the implications of delaying a response such as:
  1. – reductions in the level of service (quality/quantity/timeliness) or rationing will be experienced; failure to meet government commitments or legislative requirements;
  2. – greater future cost impacts;
  3. – lead time for investment to become operational; and/or
  4. – any dependencies with related service requirements or pending completion of approved infrastructure projects.
* Explore whether the problem is suited to a staged response, and interface with other programs underway.
  + 1. Recommended solution
       1. Details of recommended solution
* Present the recommended solution, summarising: the solution, alternatives considered and the rationale behind its selection.
* Include a clear statement of what will be purchased / delivered and who will provide the service including:
  1. – what will be delivered;
  2. – how many;
  3. – to whom;
  4. – by whom;
  5. – where; and
  6. – over what timeframe.
* How does the solution align to departmental objectives and other Government/Departmental outcomes frameworks, key strategic documents or policies?
* If the submission comprises multiple components, provide information for each component separately and ensure that each component is labelled along with commentary about interrelationship to deliver the desired outcome.
* If the submission is a lapsing program, please indicate whether the proposal is just an extension of the existing program or whether it includes an expansion component. Where this is an extension or expansion of an existing program, the solution should demonstrate improved efficiency and/or effectiveness
* Clearly state your assumptions, costing inputs and supporting evidence (e.g. demand forecasts are based on ‘x’ sourced from ‘y’, this initiative seeks 10.5 FTE at level ‘x’ carrying an average caseload of ‘y’).
* Where the initiative significantly involves Aboriginal communities, provide information on if and how they were involved in the development of the recommended and alternative solutions, and their views on each of these.
* Include information on how the initiative interacts with existing programs.
  + - 1. Why should Government be involved?

Outline the reasons why Government should be involved in addressing this problem/service need. You may include:

* why does this problem/service need to be addressed by a Government intervention;
* is this a new area of investment;
* how does the proposed initiative align to the published objectives of the department;
* what benefits will flow to the Victorian community that warrant Government investment;
* current/previous mechanisms in place to address the problem/service need either partially or fully; and/or
* how the problem/service would be addressed through a market-based solution.
  + - 1. Benefits of recommended solution

This section should clearly outline the benefits Government is receiving for the requested investment. This may include information on:

* the impact this proposal will have on the existing service level or quality;
* specific cohorts or areas impacted;
* improved outcomes;
* improved effectiveness or efficiency; and/or
* key high-level economic and social and benefits.

**Tips**

* Use the ‘SMART’ test to confirm benefits (specific, measurable, attainable, relevant and time‑bound).
* Quantify any benefits to program effectiveness or efficiency.
* Qualitative benefits can include (but are not limited to) links to Government policy commitments.
* Where the initiative significantly involves Aboriginal communities, provide information on if and how the benefits reflect the outcomes the community or communities prioritise.
  + - 1. Alternatives considered

Outline alternative options that would address the service need. This could include:

* demand management options;
* different combinations of services;
* scalability;
* alternative service providers or procurement options; and/or
* alternatives to Victorian government intervention (private sector involvement, local and federal government or other).

Outline the criteria used to compare these options, and the reason(s) why the preferred option was selected.

* + - 1. Evaluation strategy

Outline the proposed evaluation strategy for this initiative. A strategy should include the following:

* how the initiative will be evaluated to ensure it meets its objectives, including specific quantitative metrics to track the progress of the initiative;
* at what stage of implementation the evaluation will be conducted;
* what information, data collection and evaluation methodology will be used;
* what mechanisms are/will be in place to collect the relevant data;
* how will the evaluation findings be reported to Government and used to inform the success of the initiative; and
* any potential issues with the evaluation that may skew results.
  + - 1. Historical output performance

Identify the historical performance of BP3 output performance measures that this initiative will contribute to in the future. Include all measures, regardless of whether the target will change as a result of this initiative.

If there have been historic internal measures which do not fit into the current BP3 output structure you may wish to include these.

Add table rows if there are multiple measures.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Performance measure | Unit of measure | 20xx-yy | 20xx-yy | 20xx-yy | 20xx-yy | 20xx-yy |
| Output: [insert output name] | | | | | | |
| Performance measure name - result |  |  |  |  |  |  |
| Performance measure name - target |  |  |  |  |  |  |

List any other output(s) which contributes to this initiative in the below table:

|  |
| --- |
| *Output name:* |
|  |
|  |

* + - 1. Estimated impact on output performance measures
* For both asset and output investments, it is a requirement to outline the expected impact on performance and services provided to Victorians.
* Please specify:
  1. – the existing BP3 output(s) or new output each components of the bid relate to; the impact on **existing** BP3 performance measures indicating both the changes relative to current levels and the timing of that impact; and/or

– **new** BP3 measures indicating the measures and the timing of that impact

* As advised in section 1, authors can use non-BP3 performance measures. However, please ensure that measures not used in BP3 or proposed for inclusion should be clearly outlined in the table below, alongside a proposed reporting mechanism to Government.
* Specify the source of performance data for all measures and whether data can be collected in a timely manner to enable the reporting of benefit delivery.

**Tips**

* The table should reflect targets across the budget and forward estimates rather than the changes to target from the base year.
* Refer to Attachment E for examples of populating the template below.
* Refer section 1.2 of the Resource Management Framework for mandatory requirements and guidance for developing performance measures, including impacts of any major policy decisions (see RMF 1.2.1 (c)). This highlights criteria that indicates a better practice standard in public sector output performance measurement information.
* Define the measures and key performance indicators that will show whether the benefits have been delivered. Where a measure does not currently exist to adequately reflect the benefit of the requested investment, a new measure should be proposed.
* If the submission is comprised of multiple components provide performance information for each component separately and ensure that each component is clearly labelled.
* It is assumed that performance measures can be scaled on a pro-rata basis unless otherwise advised.

*Target if proposal is endorsed*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Performance measures* | |  | | *Baseline* | | *Target if proposal is endorsed* | | | | | |
| *Existing / New / not in BP3* | *Unit of measure* | *2020-21 published target* | *2020-21 actual (if known)* | *2021-22* | *2022-23* | *2023-24* | *2024-25* | |
|  | **Output: [Insert output name]** | | | | | | | | |  | |
|  | |  |  |  |  |  |  |  |  | |

* + 1. Current Program Funding
       1. Funding history
* Provide details of the funding history for this or similar/related initiatives (e.g. if this is an existing program include the program’s base budget).
* This table should include all funding for an earlier stage in a multi-stage project, funding for a lapsing program, or funding for a related program that has broadly the same policy objective as this initiative.
* New budget funding items should contain the name of the initiative as published and source of funding (e.g. Initiative x, 20xx-xx Budget).

|  | ($ million) | | | | |
| --- | --- | --- | --- | --- | --- |
| Description of historical funding provided | 20xx-yy | 20xx-yy | 20xx-yy | 20xx-yy | 20xx-yy |
|  | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
|  | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
|  |  |  |  |  |  |

|  |  |
| --- | --- |
| Previous Cabinet Committee consideration | Submission reference number |
| If similar or related submissions have been considered by this Government previously, please specify the submission reference number |  |

* + - 1. Expenditure history
* Provide details of how much was actually spent on this or similar/related initiatives.

|  | ($ million) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Description of expenditure | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 year totals |
|  | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |  |
|  | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |  |
| Total | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |  |

* + - 1. Existing funding base over forward estimates

Provide details of the existing funding base that has been provided for this or similar/related programs, including funding that is in the department’s base and for any related lapsing programs. Most submissions would be expected to have base funding over the forward estimates, unless it is a completely new program.

Include where this funding was approved (e.g. *20xx-xx Budget*) and initiative title.

| Description of funding |  | |
| --- | --- | --- |
| over forward estimates | 2020-21 | 2021-22 | | 2022-23 | 2023-24 | 2024-25 | 5-year total | Ongoing |
|  | 0.000 | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
|  | 0.000 | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

* + 1. Funding sought
       1. Proposed funding sources and alternatives

Describe proposed funding sources and possible alternatives including:

* potential contributions from others (e.g. other levels of government, private sector);
* full or partial cost recovery options, revenue offsets and/or new revenue sources;
* internal reprioritisation; and/or
* offsets from other funds across Government (e.g. Growth Areas Infrastructure Charge (GAIC), Victorian Property Fund, Community Support Fund, Sustainability Fund).

If you are nominating a funding source outside your department, it is expected that you have consulted with the relevant entity to ensure that the initiative meets eligibility criteria and that there is available capacity.

If the initiative is proposed to be funded through some offsets/internal reprioritisation, provide details of the nature of the reprioritisation option nominated.

* + - 1. Budget impact – output funding sought
* A detailed costings spreadsheet, including all cost assumptions for each component of the initiative, is required to be provided with this submission.See Attachment B for an example costings spreadsheet.
* Funding relates to operating activities of a department. For example: employee expenses, maintenance of assets, grants and other operating activities, etc.
* **Departments should consult DTF and seek agreement on the financial implications of the initiative prior to submitting the business case for budget funding consideration.**
* Indexed and non-indexed expense items are required to be separately listed.
* Indexation is not to be applied to VPS staffing costs (including on-costs).
* Standard costings for VPS staff are outlined in Attachment E and are required to be used to estimate the cost of any additional VPS staff. If existing VPS staff will be transferred to this initiative, the cost of these staff should only be included in the costings where it is not already in the department’s forward estimates (e.g. where the staff are currently funded through a lapsing program ceasing before this initiative commences).
* Where an initiative relates to grants payments, the funding table must separately identify the value of grants to be provided and administration costs sought (if any) to manage the grants program.
* If the submission comprises multiple components, please provide costs for each component separately and ensure that each component is clearly labelled.
* Aligning with the CAM approach for the 2020-21 Budget, an operating component per new FTE in department costings. The standardised costs for can be found in Attachment E.

|  |  | |  |  | |  | |  | | $ million | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Financial impact outputs | 2020-21 | 2021-22 | | 2022-23 | 2023-24 | | 2024-25 | | 5-year total | | Ongoing |
| Component a | 0.000 | 0.000 | | 0.000 | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Component b | 0.000 | 0.000 | | 0.000 | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| **Subtotal gross output** | **0.000** | **0.000** | | **0.000** | **0.000** | | **0.000** | | **0.000** | | **0.000** |
| Offset from internal reprioritisation | 0.000 | 0.000 | | 0.000 | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Offset from other sources (e.g. revenue, trust fund, Commonwealth) – specify each separately by component if available | 0.000 | 0.000 | | 0.000 | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| **Subtotal offsets** | **0.000** | **0.000** | | **0.000** | **0.000** | | **0.000** | | **0.000** | | **0.000** |
| Net impact output | 0.000 | 0.000 | | 0.000 | 0.000 | | 0.000 | | 0.000 | | 0.000 |

* + - * 1. Demand driven output funding
* All initiatives classified as ‘demand’ require each component to be disaggregated into key demand drivers in the table below. Departments should outline all assumptions made in determining these figures.
* Departments should provide a description of any component of demand growth that cannot be attributed to population growth, service access expansion or price.
* For further information please refer to guidance on demand drivers’ definitions contained in Attachment E.
* This section is not required for initiatives that have not been classified as ‘demand’.

|  |  | |  | |  |  | |  | | | $ million | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Demand driver | 2020-21 | 2021-22 | | 2022-23 | | | 2023-24 | | 2024-25 | 5-year total | | Ongoing |
| Population (population growth) |  |  | |  | | |  | |  |  | |  |
| Component a | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| Component b | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| **Population total** | **0.000** | **0.000** | | **0.000** | | | **0.000** | | **0.000** | **0.000** | | **0.000** |
| Service expansion |  |  | |  | | |  | |  |  | |  |
| Component a | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| Component b | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| **Service expansion total** | **0.000** | **0.000** | | **0.000** | | | **0.000** | | **0.000** | **0.000** | | **0.000** |
| Price |  |  | |  | | |  | |  |  | |  |
| Component a | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| Component b | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| **Price total** | **0.000** | **0.000** | | **0.000** | | | **0.000** | | **0.000** | **0.000** | | **0.000** |
| Other |  |  | |  | | |  | |  |  | |  |
| Component a | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| Component b | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| **Other total** | **0.000** | **0.000** | | **0.000** | | | **0.000** | | **0.000** | **0.000** | | **0.000** |
| Total impact | 0.000 | 0.000 | | 0.000 | | | 0.000 | | 0.000 | 0.000 | | 0.000 |

* + - 1. Budget impact – capital funding
* This section covers investment in assets. For example, cost associated with a suburban park upgrade. Accounting advice from a department’s relevant area should be sought on whether any operating outlays relating to a project can be capitalised.
* A detailed costings spreadsheet, including all cost assumptions, is required to be attached to this submission.
* If the submission comprises multiple components, please provide information for each component separately and ensure that each component is clearly labelled.
* **Departments must consult DTF and seek agreement on the financial implications of the initiative prior to submitting the business case for budget funding consideration.**

|  |  | |  | |  | |  |  | |  | |  | |  | $ million | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Financial impact (capital) | 2020-21 | 2021-22 | | 2022-23 | | 2023-24 | | | 2024-25 | 5-year total | 2025-26 | | 2026-27 | | | 2027-28 | TEI |
| Component a | 0.000 | 0.000 | | 0.000 | | 0.000 | | | 0.000 | **0.000** | 0.000 | | 0.000 | | | 0.000 | **0.000** |
| Component b | 0.000 | 0.000 | | 0.000 | | 0.000 | | | 0.000 | **0.000** | 0.000 | | 0.000 | | | 0.000 | **0.000** |
| Project risk allocation | 0.000 | 0.000 | | 0.000 | | 0.000 | | | 0.000 | **0.000** | 0.000 | | 0.000 | | | 0.000 | **0.000** |
| Project contingency allocation | 0.000 | 0.000 | | 0.000 | | 0.000 | | | 0.000 | **0.000** | 0.000 | | 0.000 | | | 0.000 | **0.000** |
| **Subtotal gross capital** | **0.000** | **0.000** | | **0.000** | | **0.000** | | | **0.000** | **0.000** | **0.000** | | **0.000** | | | **0.000** | **0.000** |
| Offsets from other sources (e.g. proceeds from asset sales, trust accounts, Commonwealth funding) ~ | (0.000) | (0.000) | | (0.000) | | (0.000) | | | (0.000) | **(0.000)** | (0.000) | | (0.000) | | | (0.000) | **(0.000)** |
| Net impact capital | 0.000 | 0.000 | | 0.000 | | 0.000 | | | 0.000 | 0.000 | 0.000 | | 0.000 | | | 0.000 | 0.000 |

~specify each separately by component if available.

* + - * 1. Lease and service concession liability recognition
* If your business case includes any new leases or external service providers (service concession) it may require additional disclosure under new accounting standards.
* Your department’s finance area will have the tools to assist you with providing a costing breakdown, and brief summary of the assets required, and further assumptions associated with your preferred position.
* See Attachment E for further guidance on the leases and service concessions.
* There is no need to include liability recognition associated with CAM leases.
* If this section is not applicable, the following standard statement should be used:

*“This business case does not expect to increase any lease or service concession liabilities.”*

|  |  |  |  |  |  |  | ($ million) |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Financial impact | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5-year total | Ongoing |
| New lease liability | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| New service concession liability | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| **Total recognition of lease liability** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |

* + - * 1. Budget impact – CAC and depreciation equivalent revenue

Guidance on Capital Asset Charge (CAC) and depreciation can be found at sections 7.1 and 4.12 respectively of the Resource Management Framework (RMF). Typically, CAC and depreciation should be calculated on the basis of it being incurred in the year following the project’s completion.

See Attachment E for guidance on the leases and the interaction with centralised accommodation management (CAM).

**Calculating CAC**

* CAC is calculated as 8% of the written-down value (Gross value *less* accumulated depreciation and impairment) of controlled non-current physical assets in the balance sheet.
* Therefore, if a department’s written-down value of its controlled non-current physical assets is $1 000 000, the CAC will be 8% of this, or $80 000.
* CAC should not be escalated over the forward estimates.

**Calculating depreciation**

* Depreciation is calculated from the year that the asset is completed over the useful life of the asset. Depreciation will accumulate over this time as the asset is written down.

*Note*: depreciation funding may not apply to all entities.

Submissions are required to outline all assumptions made in determining the figures populated in the below table (e.g. specify useful life).

|  |  |  |  |  |  |  | ($ million) |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Financial impact | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5-year total | Ongoing |
| **Capital asset charge** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| **Depreciation** |  |  |  |  |  |  |  |
| Leases | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | 0.000 |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | 0.000 |
| **Total Depreciation** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| **Total Depreciation and CAC** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |

* + - 1. Scalability of the recommended position

This section aims to provide Government with options around the proposal.

Describe how the recommended solution could be scaled, any potential risks, and outline how the financial and FTE impacts vary the from the preferred option in the overview.

This may include, but is not limited to:

* presenting modular solutions with clear priorities;
* piloting;
* targeting specific areas based on need and then expanding the service more broadly;
* adjusting frequency, quantity or level of service provision; and/or
* phasing options.

**Tips**

* Outline any performance impacts related to scaled options.
* Identify what cannot be scaled.
* Present separate tables for each scalable option as applicable.
* It is assumed that costings and performance measures can be scaled on a pro-rata basis unless otherwise advised.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | |  |  |  |  | |  | | $ million | |
| *Description* | *2020-21* | | *2021-22* | *2022-23* | *2023-24* | *2024-25* | | *5-year total* | |  | | *Ongoing* |
| Output funding sought |  | |  |  |  |  | |  | |  | |  |
| Gross | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | | **0.000** | |  | | 0.000 |
| *Offsets* | *0.000* | | *0.000* | *0.000* | *0.000* | *0.000* | | ***0.000*** | |  | | *0.000* |
| Net | **0.000** | | **0.000** | **0.000** | **0.000** | **0.000** | | **0.000** | |  | | **0.000** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | $ million |
| *Description* | *2020-21* | *2021-22* | *2022-23* | *2023-24* | *2024-25* | *5-year total* | *2025-26* | *2026-27* | *2027-28* | *TEI* |
| Asset funding sought |  |  |  |  |  |  |  |  |  |  |
| Gross | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** | 0.000 | 0.000 | 0.000 | **0.000** |
| *Offsets* | *0.000* | *0.000* | *0.000* | *0.000* | *0.000* | ***0.000*** | *0.000* | *0.000* | *0.000* | ***0.000*** |
| Net | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** | 0.000 | **0.000** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Description | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Ongoing |
| Deliverables - specify |  |  |  |  |  |  |
| Performance measure impact – specify |  |  |  |  |  | n/a |
| New FTE |  |  |  |  |  |  |
| New VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| New non-VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Existing VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Existing non-VPS staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

* + - 1. Split of funding request by location of delivery

Location data is required for all submissions, including assets and outputs linked to multiple regions. This information will be used in BP4 (for assets), Budget Information Papers, interactive online maps and/or media releases (both asset and output).

For this table, Regional is defined as the regional and rural council areas that make up Victoria’s regions, as outlined by Regional Development Victoria:

[*https://www.rdv.vic.gov.au/victorias-regions#region-listing*](https://www.rdv.vic.gov.au/victorias-regions#region-listing)

Metro is defined as the remaining Local Government Areas (LGAs) that make up metropolitan Melbourne (including interface councils). Statewide should only be used when a component is not able to be reasonably split across Regional and Metropolitan LGAs.

If the initiative or components of the initiative address a Regional or Metropolitan Partnership priority, this should be outlined below. More information on the Regional and Metropolitan Partnerships can be found on the [Regional Development Victoria](http://www.rdv.vic.gov.au/regional-partnerships/regional-assemblies) and [Suburban Development](https://www.suburbandevelopment.vic.gov.au/partnerships/metropolitan-partnerships/about-us) websites.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Funding by area of Victoria** | | | | **Metropolitan and Regional Partnerships** | |
| *Component* | Area | Gross output 4-year total | TEI | Partnership Area (if applicable) | Specific priority (name) |
| Component A | Metro | 0 | 0 |  |  |
|  | Regional | 0 | 0 |  |  |
|  | Statewide | 0 | 0 |  |  |
| **Subtotal** |  | **0** | **0** |  |  |
| Component B | Metro | 0 | 0 |  |  |
|  | Regional | 0 | 0 |  |  |
|  | Statewide | 0 | 0 |  |  |
| **Subtotal** |  | **0** | **0** |  |  |
| **Total** |  |  |  |  |  |

* + - 1. Revenue impacts
         1. Existing revenue

Indicate current revenue estimates related to this initiative.

|  |  |  |  |  |  |  | $ million |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Existing revenue financial impact | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5-year total | Ongoing |
| Existing revenue in the forward estimate | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

* + - * 1. New revenue
* New revenue should only be proposed if it is within the control of the portfolio.

| New revenue financial impact | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 5-year total | Ongoing |
| --- | --- | --- | --- | --- | --- | --- | --- |
| New revenue initiative 1 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Impact on existing revenue increase/(decrease) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Net revenue impact | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

* + 1. Deliverability
       1. Assessment and management of risks and sensitivities

Provide a detailed risk assessment of the recommended solution, outlining key risks.

Describe how the risks will be mitigated, including management strategies.

The risks may highlight the need for a flexible approach to the investment; for instance, where the uncertainties may be resolved at a point in time (e.g. success or failure of a pilot study) and flexibility can be built in to allow an informed decision at this time (e.g. whether to proceed with the full investment).

Include an overview of proposed arrangements for ongoing risk monitoring and management.

Provide an overview of the likely impact on key stakeholders and outline their position in relation to the project. This should include the relationship with other Ministerial portfolios and priorities if applicable. Describe how these stakeholders will be engaged and the proposed communication / change management strategy.

Include any implementation risks ERC should be aware of.

Where a proposal faces considerable uncertainty, the business case should convey options to flexibly deal with that uncertainty.

**Tips**

In identifying the key risks to consider, the following is a (non-exhaustive) list of risk categories: economic; demand; supply; financial; regulatory; private sector; organisational; management; commercial; workforce; contractual; change in law/policy; environmental; political; technological; implementation; and completion.

Key risks to the success of this investment

|  |  |
| --- | --- |
| Risk | Management strategy |
| [Describe risk] | [Outline strategy for management] |
|  |  |

* + - 1. Impacts

Outline the broader impacts, beyond direct benefits and financial costs of the proposal identified in section 3. This could include (but not limited to):

* social impacts;
* economic impacts (e.g. workforce participation, unemployment);
* climate change impacts;
* regulatory impacts;
* environmental impacts;
* Charter of Human Rights and Responsibilities;
* legislative changes required;
* gender impact;
* Local Government impact; and/or
* regional impacts.

**Tips**

* Responses should include both opportunities and any significant issues.
* Include detail of impacts for scaled options (section 3.5) and alternatives (3.6).
  + - 1. Readiness and implementation process

Provide an overview of the preferred solution’s readiness for implementation as planned, this may include:

* deliverability within the proposed project cost and phasings;
* the organisation’s capacity and skills to deliver this project and cope with the increased workload;
* market conditions and capacity (e.g. workforce, skills shortage), including impact on resource availability for other projects; and/or
* other factors (e.g. legislative changes required).

Describe the proposed implementation process including managing:

* organisational change;
* stakeholders;
* risks and issues (e.g. timeliness, budget, knowledge management, governance);
* procurement;
* benefits; and/or
* any other factors that may constrain achieving full implementation within the proposed timeline.
  + - 1. Timelines and milestones
* Outline the timelines for this initiative, including details of key implementation components or project milestones. This should include both the forecast start and end dates.
* List the major milestones and deliverables and their delivery timelines including:
  1. – an outline of the high-level project schedule;
  2. – if the rollout is staged, specify the details (e.g. 30 per cent of target cohort will receive the service by December 2020, 60 per cent by December 2021); and
  3. – advice on public communication of project timelines (to be consistent with communications strategy).
* If this initiative has multiple components, insert additional rows and specify the timelines for each component separately.

**Asset proposals**

Dates are required for the following six milestones. All projects published in *Budget Paper No. 4: State Capital Program* are required to report against these milestones for inclusion in the Major Projects Performance Report to ERC (refer to Major projects and capital program performance reporting guidance DTFIR for more details):

1. Business case completed – date the full business case is expected to be approved by the Minister or most senior authorising officer (this is required for business cases seeking funding for business case development).

2. Tender released – date for the request for tenders is expected to be released to market.

3. Contract signed – date the contract for both parties is expected to be signed.

4. Building commenced – date the contractor is due to commence construction.

5. Building completed – date construction is due to be completed and the site handed to the department.

6. Operations commenced – date the asset is due to commence delivery of services.

|  |  |
| --- | --- |
| Implementation component/key milestone | Timeline |
|  |  |
|  |  |
|  |  |

* + 1. Staffing requirements
       1. Staff/Contractors
* Estimate the total staff that the department will employ under this initiative, numbers entered should be full time equivalents (FTE) to one decimal place.
* If this initiative has multiple components, insert additional rows and specify the staffing for each component separately.
* Any staff that are capitalised after appropriate accounting advice has been received should be included in the table below.
* Specify where staff will be located.
* *VPS staff* – please refer to the following for detailed information:
  1. The State of the Public Sector in Victoria 2018-19 report (pages 155 to 156):
* <https://vpsc.vic.gov.au/wp-content/uploads/2020/04/Report-State-of-the-Public-Sector-in-Victoria-2018-to-2019.pdf> *Non-VPS staff* – other workforce groups (e.g. doctors, police, firefighters, teachers).

**Tips**

* As a guide, staff are classified as follows:
  1. – *Front line* – client-facing roles (e.g. child protection practitioner (VPS), teacher (non-VPS);
  2. – *Back office* – non-client-facing roles; and
  3. – *Contractor* – individuals engaged to undertake work that would or could be regarded as normally undertaken by an employee.
* If funding requested in a business case has more than one component, the staffing table below should be split to reflect this.
* Fill out the table below noting that it represents amendments to the existing base. For example, if a submission seeks 10 new staff for a fixed term period of three years, the 10 should be populated in all three years.
* Existing VPS staff relates to staff currently employed within the Victorian Public Service. The public service is defined in Part 3 of the *Public Administration Act 2004* and consists of staff employed in Departments, Administrative Offices, the Victorian Public Sector Commission, and other bodies and offices designated as public service employers by specific legislative reference (including the majority of special bodies, as described above).
* It is assumed that staff can be scaled on a pro-rata basis unless otherwise advised.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Functional category |  | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Ongoing |
| ***[For all components, or Component A]*** |  |  |  |  |  |  |  |
| Other new VPS staff | Frontline | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Back office | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractor | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Subtotal** |  | **0.0** | **0.0** | **0.0** | **0.0** | 0.0 | **0.0** |
| Other existing VPS staff | Frontline | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Back office | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractor | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Subtotal** |  | **0.0** | **0.0** | **0.0** | **0.0** | 0.0 | **0.0** |
| Other new non-VPS staff\* | Frontline | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Back office | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractor | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Subtotal** |  | **0.0** | **0.0** | **0.0** | **0.0** | 0.0 | **0.0** |
| Other existing non-VPS staff\* | Frontline | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Back office | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractor | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Subtotal** |  | **0.0** | **0.0** | **0.0** | **0.0** | 0.0 | **0.0** |
| Total staff |  | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

\*specific category (e.g. teacher, nurse)

* + - 1. Consultants
* Detail the number, type, intended purpose and timeline of consultant use.
  + 1. Exit strategy
* Detail the exit strategy and the factors that would lead to wanting to exit either early, at term or if funding is not approved.
* Investments may be time limited or may involve pilot studies. This section allows for consideration of what termination rights are desirable at key review or decision points (e.g. lapsing programs).
  + 1. Other relevant information
* Provide information on any factors not addressed elsewhere in this submission that may impact on the department’s ability to deliver the initiative as stated, or that should be considered by ERC in making a funding decision. Please note that DTF and DPC are available to assist departments and agencies in business case development.
* DTF will also provide workshops for business case authors leading up to the annual state Budget process.
  + 1. Attachments

Attach the following documents to the submission.

For all initiatives:

* Detailed costings of all components of the initiative, in Microsoft Excel (please see example costing spreadsheet provided at Attachment B); and
* Where the initiative involves or relates to Aboriginal communities, please include any accompanying reports, advice or letters of endorsement from the community or communities, supporting the submission.

For all lapsing programs, where further funding is requested:

* Evaluation of the program (must be accordance with the requirements outlined in the Government’s Resource Management Framework); and
* Benefit Management Plan (optional for outputs).

Other supporting documentation, as considered relevant to the initiative, such as   
(but not limited to):

* Investment Concept Brief;
* Investment Logic Map; and
* Strategic Assessment.

# Appendix A – Checklist

| Initiative title: | | [Business case / Initiative title] | Yes |
| --- | --- | --- | --- |
| Department: | | [Department title] |
| 1. | Is the problem clearly defined? | |  |
| 2. | Is it clear what the Government is purchasing? | |  |
| 3. | Are the links to government policy(ies) and contributions explicit? | |  |
| 4. | Are impacts on performance measures specified? | |  |
| 5. | If the submission has multiple components, have these been described separately and is the impact of each component clearly articulated in the costings, staffing and performance measures sections? | |  |
| 6. | Have all costs been included in the business case? | |  |
| 7. | Have DTF/DPC been engaged on the development of the draft business case? | |  |
| 8. | Has the business case included location data and classified sub-components by metropolitan regional and (including any links to Regional/Metropolitan Partnerships priorities)? | |  |
| 9. | Has a *Business case cover sheet* been completed to accompany this business case? | |  |
| 10. | Have costings been agreed with DTF? | |  |
| 11. | Have detailed costings been provided in Excel? | |  |