



Building the business case

DEECA bespoke version 2024



Treasury
and Finance





Acknowledgement of Country

Ideas Advisory acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present.

We extend that respect to all Aboriginal and Torres Strait Islander people today.

Chatham House Rule

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.



Today's training

Morning

- Fundamentals of developing a business case
 - Government decision-making processes
 - Context setting
- Where to find guidance
 - Business case guidance and types
 - Early Intervention Investment Framework
 - Gender Impact Assessment
 - Lapsing programs

Afternoon

- Problem definition (develop a compelling 'Why now')
- Recommended solution and expected benefits
- Alternatives considered, Gender impacts, Broader impacts
- Current funding
- Funding sought
- Deliverability
- Staffing requirements
- Exit strategy
- Other relevant information

Tips and traps
Useful tools



Fundamentals of developing a business case

First steps

Prepare

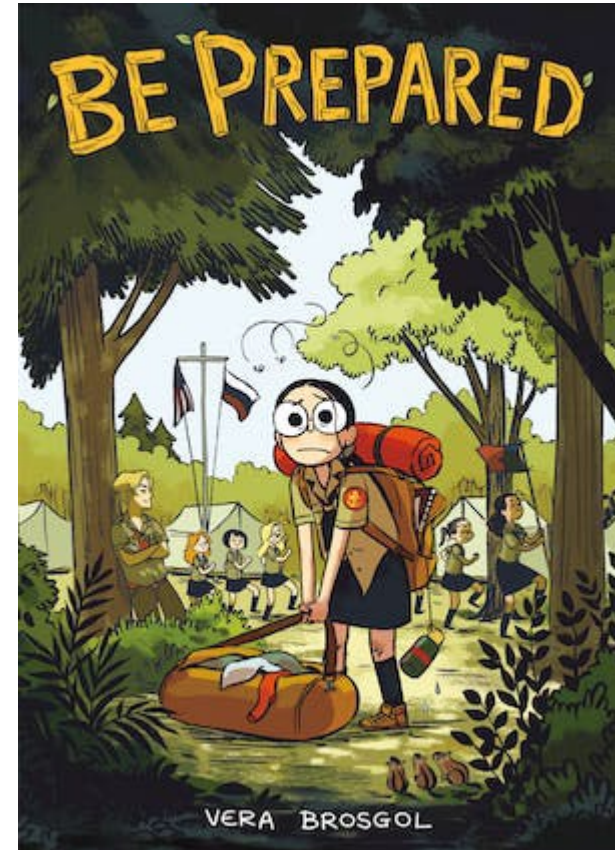
Understand evaluation criteria

Understand the audience of the business case

Understand the audience's objectives

Build the case for investment

- Don't even think about constructing a logical argument or wrestling with the numbers yet - it's much too soon for that level of detail. Instead, imagine you're telling a story.
- The story starts with a problem to be solved.



Be Prepared
Author: Vera Brosgol
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Why this investment, and why now?



Budget priorities

COVID Debt Repayment Plan

Gender equality

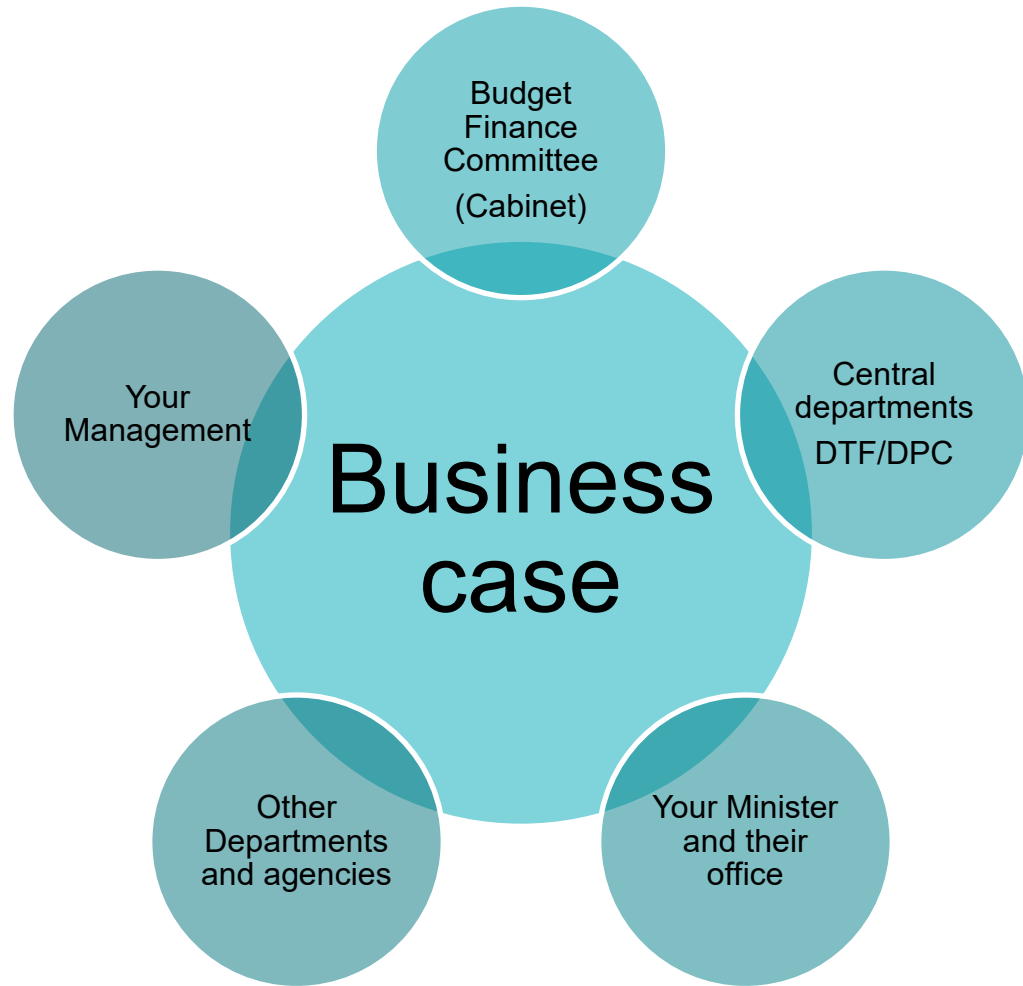
Budget priorities

Budget 2024/25 priorities

- Helping families with the cost of living
- Investing in our children and young people
- Record investment in frontline care
- Our Big Build
- Skilling the workers we need for tomorrow
- Towards Treaty and Truth
- Rural and regional Victoria
- Keeping communities safe
- Protecting our great outdoors
- A fairer, stronger, more connected Victoria

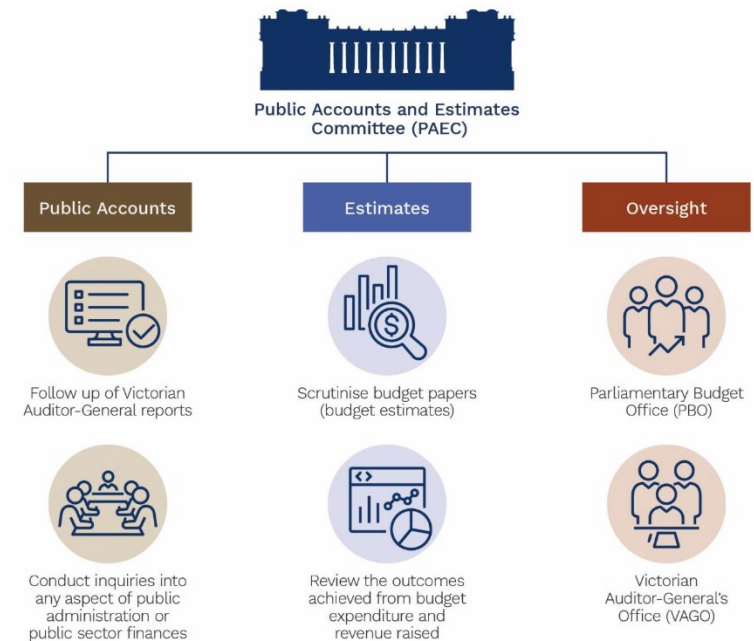


Consider your audience



VAGO

Victorian Auditor-General's Office





Fundamentals of the budget process

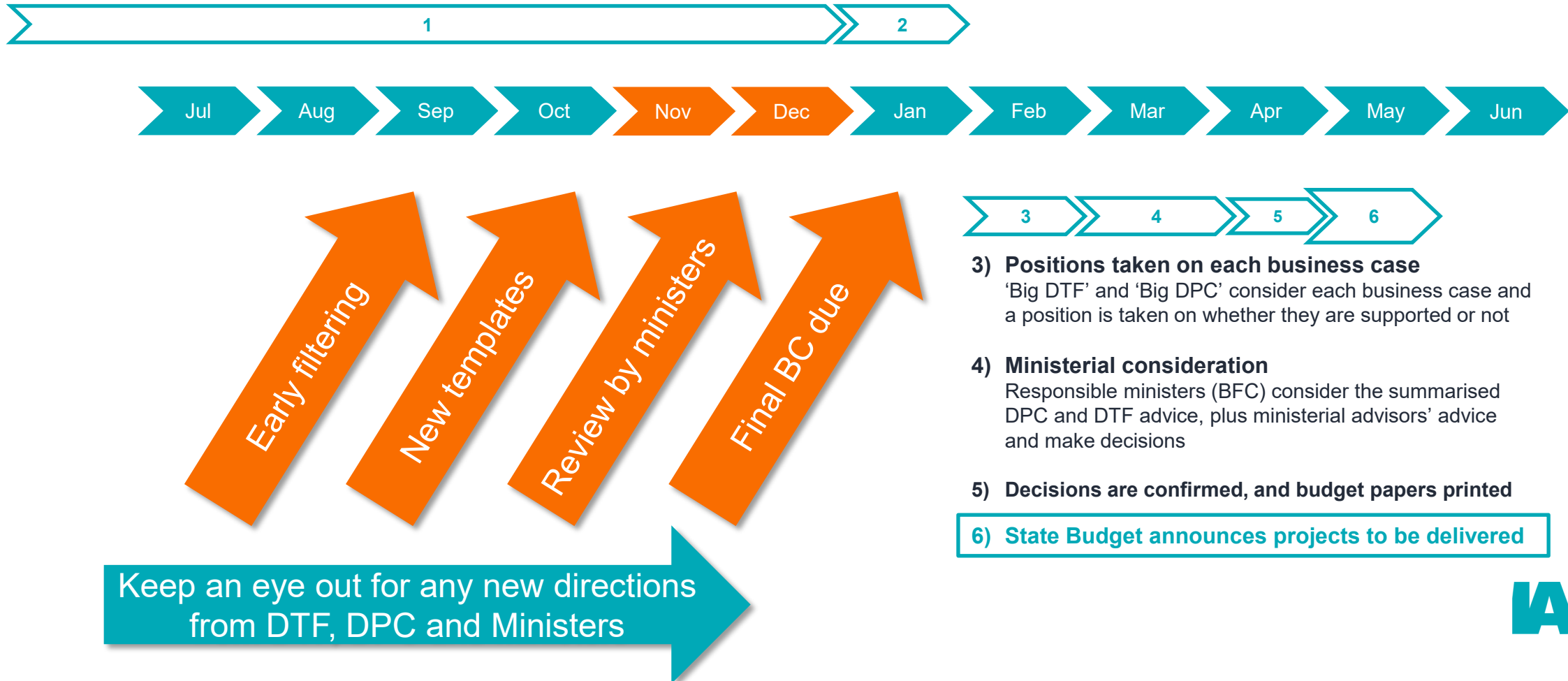
From business case development to projects for delivery

1) Business cases are developed

Departments develop business cases to request funding from the State Budget on behalf of their ministers and package them into a 'submission'.

2) Submissions lodged

Each Department lodges its submission to DTF



3) Positions taken on each business case
'Big DTF' and 'Big DPC' consider each business case and a position is taken on whether they are supported or not

4) Ministerial consideration
Responsible ministers (BFC) consider the summarised DPC and DTF advice, plus ministerial advisors' advice and make decisions

5) Decisions are confirmed, and budget papers printed

6) State Budget announces projects to be delivered

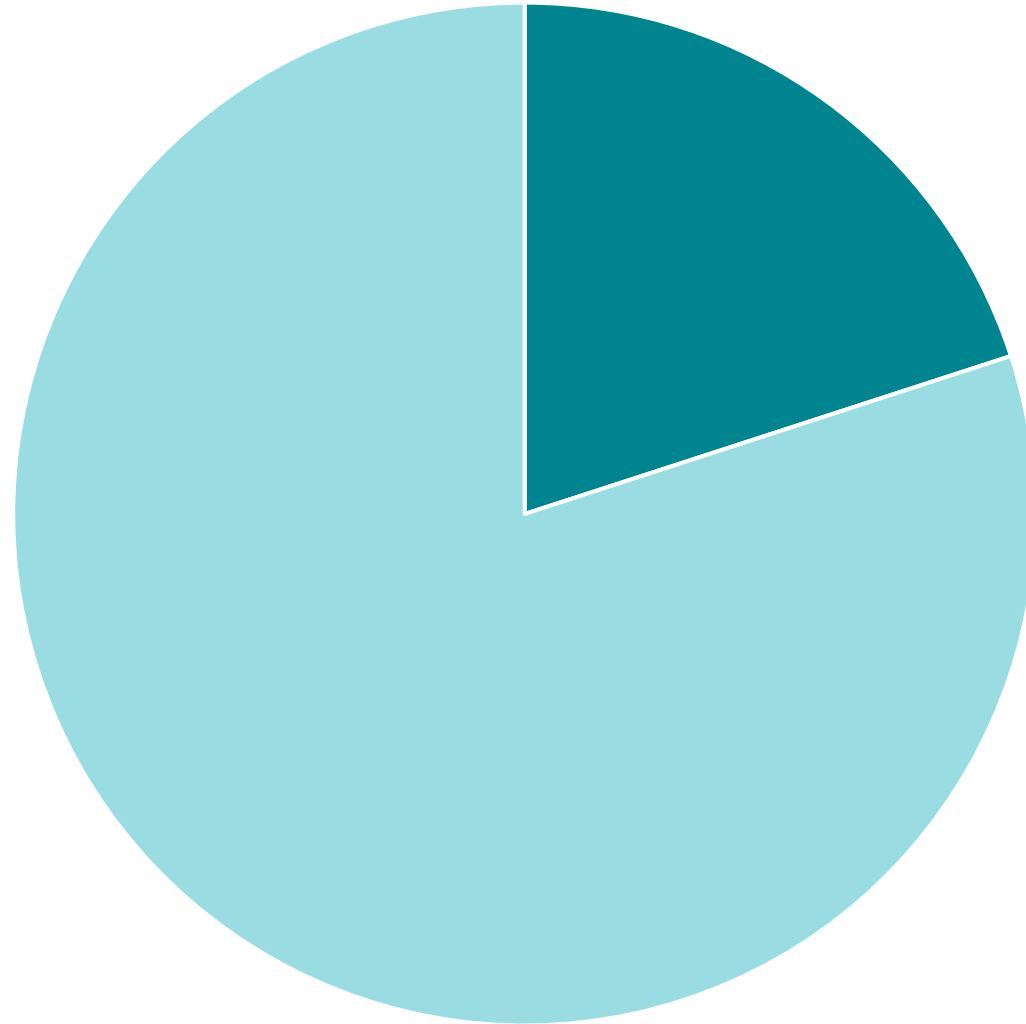
After decisions

What happens after decisions are made?

- Once decisions are made and minutes agreed, we transition to budget production.
- This includes the delivery of five separate budget papers, supplementary Budget Information Papers, and media releases.

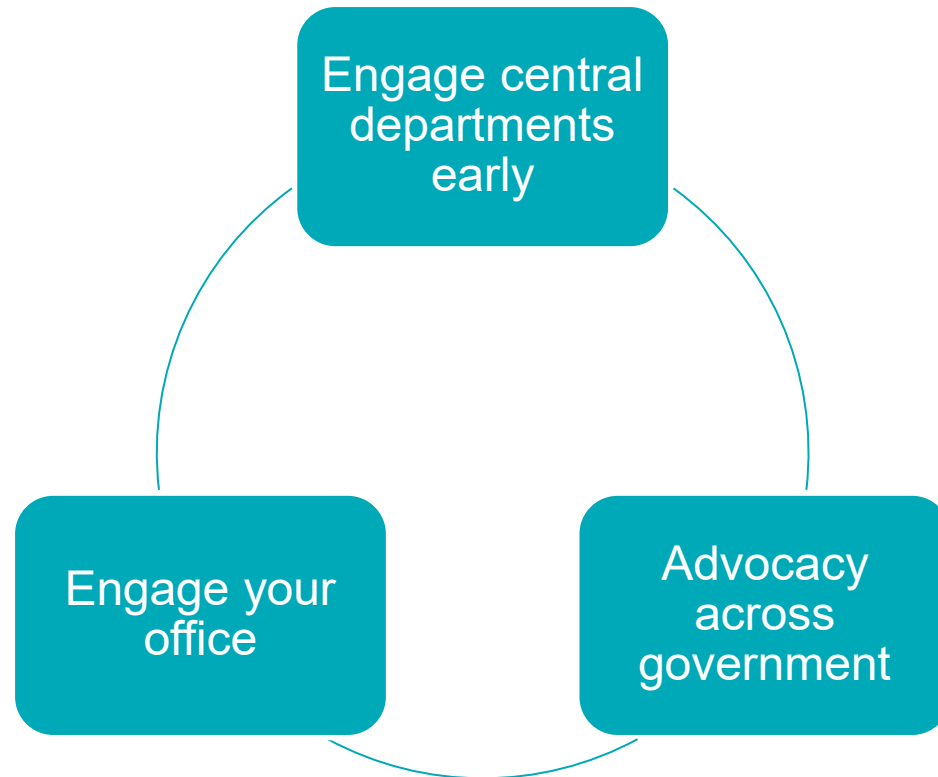


Competitive budget process



Only a small portion of all business cases can be funded...

How can you influence the process





Why do we need a business case?

Why a business case?

The business case is important to decision making tool

It provides **key information** needed to assess proposals competing for funding

Allows **efficient and effective resource allocation** decisions

If approved it will be **implemented as planned**

Provides **confidence** it is the right thing to be investing in

It provides those responsible for investment delivery with a **clear description of what needs to be delivered**

Thematic ark of a business case

Problem definition

- What is the problem both cause and effect?
- Who does it impact?
- Why is it important now?

Case for change (Benefits)

- The outcome of solving the problem and often human-focused

Response option development

- Strategies considered for moving forward

Project options assessment

- Solution options considered
- Preferred solution described fully, including all business changes and assets

Delivery case

- Detail on:
 - Value for money
 - Commercial & financial
 - Management
 - Delivery

What makes a strong business case?

A strong business case provides clear, robust evidence that an initiative:

- Addresses a well-defined, real and current problem
- Is good public policy
- Is closely aligned with government priorities
- Is the most cost-effective way of addressing a problem
- The solution can be implemented and will deliver benefits

Commonly-seen business case failings

After reviewing hundreds of business cases there are some common themes needing improvement

- Starting with the solution in mind
- Poorly defined problems
- Lack of evidence to support claimed problems and benefits
- Lack of genuine strategic and project options
- Inadequate delivery structure and governance
- Inconsistencies between the business case and other products

As a result...

Millions/billions
spent on
unnecessary
business
cases

Demand vs
supply-side
investments

Inability to
prioritise
competing
investments

Funding-
focused
rather than
investing-
focused

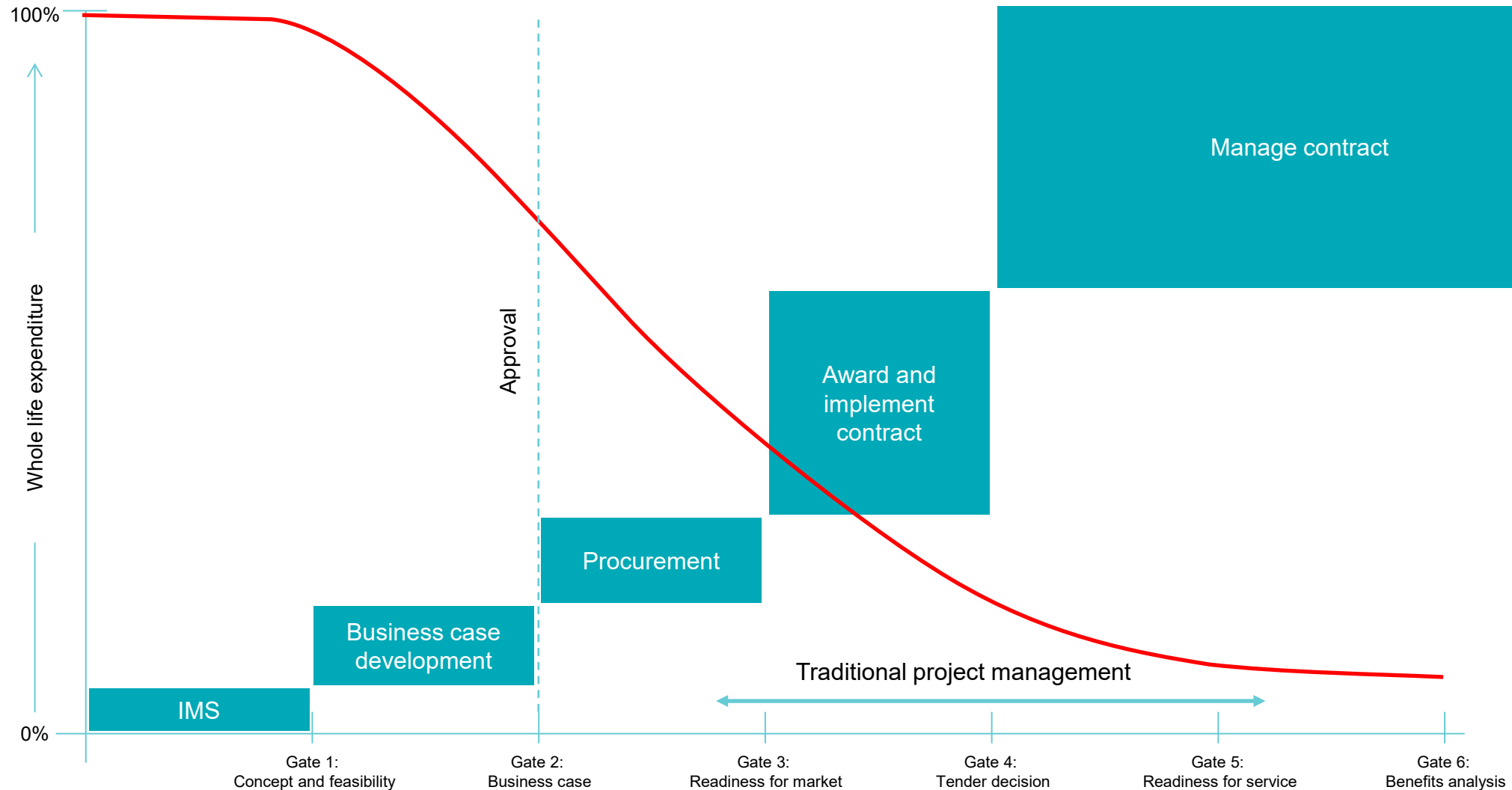
Project-
focused not
investment-
focus

Poor at
considering
strategic
options

We don't
define benefits
and we almost
never track
them

There's a
disconnect
between good
policy and its
implementation

Opportunity to influence the outcome of an investment



Investment Decision-Maker's Checklist – 16 Question Tool

Problem	Benefits	Response	Solution
<p>1. Is it clear what the problem is that needs to be addressed - both the cause and effect?</p>	<p>5. Have the benefits that will result from fixing the problem been adequately defined?</p>	<p>9. Has a reasonable spread of interventions been identified and packaged into sensible response options?</p>	<p>13. Consistent with the preferred response option, has a reasonable spread of project options been analysed?</p>
<p>2. Is there sufficient evidence to confirm both the cause and effect of the problem?</p>	<p>6. Are the benefits of high-value to the government?</p>	<p>10. Is there evidence to demonstrate that the response options are feasible and can respond to future uncertainty?</p>	<p>14. Is the recommended solution the best value for money action, and have opportunities for building flexibility to deal with uncertainty been considered?</p>
<p>3. Does the problem need to be addressed now and by this government?</p>	<p>7. Are the KPIs SMART and will they provide strong evidence that the benefits have been delivered?</p>	<p>11. Were the options evaluated fairly to reflect their ability to respond to the problem, deliver the benefits?</p>	<p>15. Is the solution specified clearly and fully and have opportunities for adding value been identified and costed? (all business changes and assets)</p>
<p>4. Does the defined problem capture its full extent/scope including sources of future uncertainty?</p>	<p>8. Have the sources of uncertainty and key dependencies critical to benefit delivery been considered?</p>	<p>12. Is the preferred response option the most effective way to address the problem and deliver the benefits?</p>	<p>16. Can the solution really be delivered (cost, risk, timeframes etc)?</p>

Investment Decision-Maker's Checklist – 16 Question Tool

Problem	Benefits	Response	Solution
<p>1. Is it clear what the problem is that needs to be addressed - both the cause and effect?</p>	<p>5. Have the benefits that will result from fixing the problem been adequately defined?</p>	<p>9. Has a reasonable spread of interventions been identified and packaged into sensible response options?</p>	<p>13. Consistent with the preferred response option, has a reasonable spread of project options been analysed?</p>
<p>2. Is there sufficient evidence to confirm both the cause and effect of the problem?</p>	<p style="text-align: center;">Investment case</p> <p style="text-align: center;"><i>...is it a real problem that needs to be addressed now by government?</i></p>		<p>14. Is the recommended solution the best value for money?</p>
<p>3. Does the problem need to be addressed now and by government?</p>			<p style="text-align: center;">Delivery case</p> <p style="text-align: center;"><i>....is it likely to deliver what it says?</i></p>
<p>4. Does the defined problem capture its full extent/scope including sources of future uncertainty?</p>			<p>8. Have the sources of uncertainty and key dependencies critical to benefit delivery been considered?</p>

Investment Decision-Maker's Checklist – 16 Question Tool

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3. Does the problem need to be addressed now and by this government?	7. Are the KPIs SMART and will they provide sufficient evidence that the benefits have been delivered?	11. Were the options evaluated fairly to reflect the ability to respond to the problem, deliver the benefits?	15. Is the solution specified clearly and fully and have opportunities for adding value been identified and tested? (all business chances and assets)
4. Does the defined problem capture its full extent/scope including sources of future uncertainty?	8. Have the sources of uncertainty and key dependencies critical to benefit delivery been considered?	12. Is the preferred response option the most effective way to address the problem and deliver the benefits?	16. Can the solution really be delivered (cost, risk, timeframes etc.)?

OK-ish

WEAK

WEAK

WEAK

INCOMPLETE

STRONG

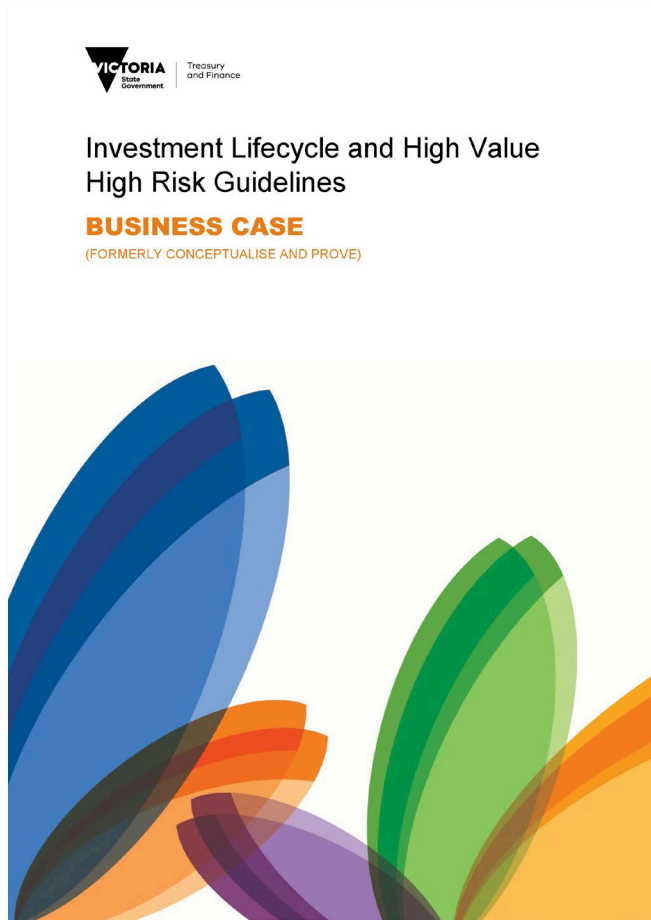
Investment Decision-Maker's Checklist – 16 Question Tool

Value for money	Commercial & financial	Management	Delivery
<p>17. Have the project options been specified clearly, including key risks, assumptions, constraints and dependencies?</p>	<p>21. Is the solution specified clearly and fully (all business changes and assets)?</p>	<p>25. Is the governance structure identified and is it appropriate for this investment?</p>	<p>29. Has an appropriate change management strategy been provided to support benefit delivery?</p>
<p>18. Consistent with the preferred response option, has a reasonable spread of project options been analysed?</p>	<p>22. Have all significant risks been identified along with strategies for their management?</p>	<p>26. Is there evidence that the implementing organisation has the capability and capacity to mobilise and deliver this investment?</p>	<p>30. Are the proposed timelines and investment milestones reasonable?</p>
<p>19. Is the recommended project solution the best value for money way to respond to the problem and deliver the expected benefits?</p>	<p>23. Has the project solution been appropriately costed (including risk adjustment)?</p>	<p>27. Have relevant stakeholders been identified along with strategies to manage their engagement?</p>	<p>31. Has an appropriate benefits management strategy been outlined?</p>
<p>20. Is the procurement strategy the most appropriate for this investment and attractive to the market?</p>	<p>24. Have alternative sources of funding been considered?</p>	<p>28. Has a robust project management strategy been outlined?</p>	<p>32. Has the transition from construction to operation been adequately considered?</p>



Guidance materials

Long form business case guidance



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Investment Lifecycle and High Value High Risk Guidelines Business Case 2023

- Addresses a well-defined, real and current problem
- Is good public policy
- Is closely aligned with government priorities
- Is the most cost-effective way of addressing a problem
- The solution can be implemented and will deliver benefits

Short form business case guidance

Short form business case guidance

Note: All business cases must have a *Business case cover sheet* (Attachment C)

Guidance notes

Text in the shaded boxes is for guidance only and should be deleted prior to submission.

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 asset initiatives over \$10 million and 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. Most proposals should be 20-40 pages in length, excluding attachments.

Revisions to this template since the 2022-23 budget template

Details	Why	Business case location(s)
Proposed Budget Paper 3 initiative title	Suggested public facing name for the initiative.	Initiative title
Gender impacts	Consolidates discussion of gender impacts into one section.	Section 3.3
Program Budgeting	More granular internal reporting of departmental expenditure through new functional categories and program structures.	Section 6.2
Communications funding	Enables tracking of communications funding in aggregate.	Section 6.2.1
Social services workforce	Provides a breakdown of impacts on social services workforce	Section 8.3

List of guidance materials and where to find them

1. DTF Information Requests www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/df-information-requests	Copies of this template and related budget guidance attachments are available online. Victorian Government users can request a login by contacting your Departmental Relationship Manager or the site administrator at dtfweb@dtf.vic.gov.au .
2. Resource Management Framework (RMF) www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/resource-management-framework	Provides guidance on: <ul style="list-style-type: none">• the application of the financial and legislative framework that underpins budgeting and funding processes.• calculation of depreciation;• mandatory requirements for performance measures; and• requirements for evaluation of lapsing programs.
5. Program Budgeting www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/df-information-requests	Outlines Program Budgeting operational guidance and DTF Information Requests with deadlines and requirements for 2023-24 onwards. For further information contact the program budgeting team at program.budgeting@dtf.vic.gov.au .
3. Gender impact assessments www.genderequalitycommission.vic.gov.au/gender-impact-assessments	Guidance on this page includes a gender impact assessment toolkit and templates, how to determine whether a gender impact assessment is required, case studies and workshop recordings.
4. Early Intervention Investment Framework (EIIF) www.dtf.vic.gov.au/funds-programs-and-policies/early-intervention-investment-framework	The EIIF guides Government's budget consideration of early intervention services. It links investment with quantifiable impacts – improved outcomes and reduced downstream service usage. For further information contact the EIIF team at earlyintervention@dtf.vic.gov.au .

Technology business case guidance



This technical guidance builds on the ILG and HVHR material.

- A key leading practice is the staged delivery of ICT projects.

Technology selection.

- Optimisation of an ICT solution between ease of implementation, benefits realisation, degree of organisational change and total cost of ownership.

Business readiness.

- Defining and developing solution understanding, acceptance and adoption within the business, enabling business benefits to be realised.

Project definition and scoping.

- Defining and managing the requirements for a project in terms that are appropriate to each stage in the project lifecycle and to the realisation of benefits.

Procurement.

- Linking of existing Victorian Government procurement processes with staged delivery of ICT projects, early market engagement, contract negotiation and contract management.

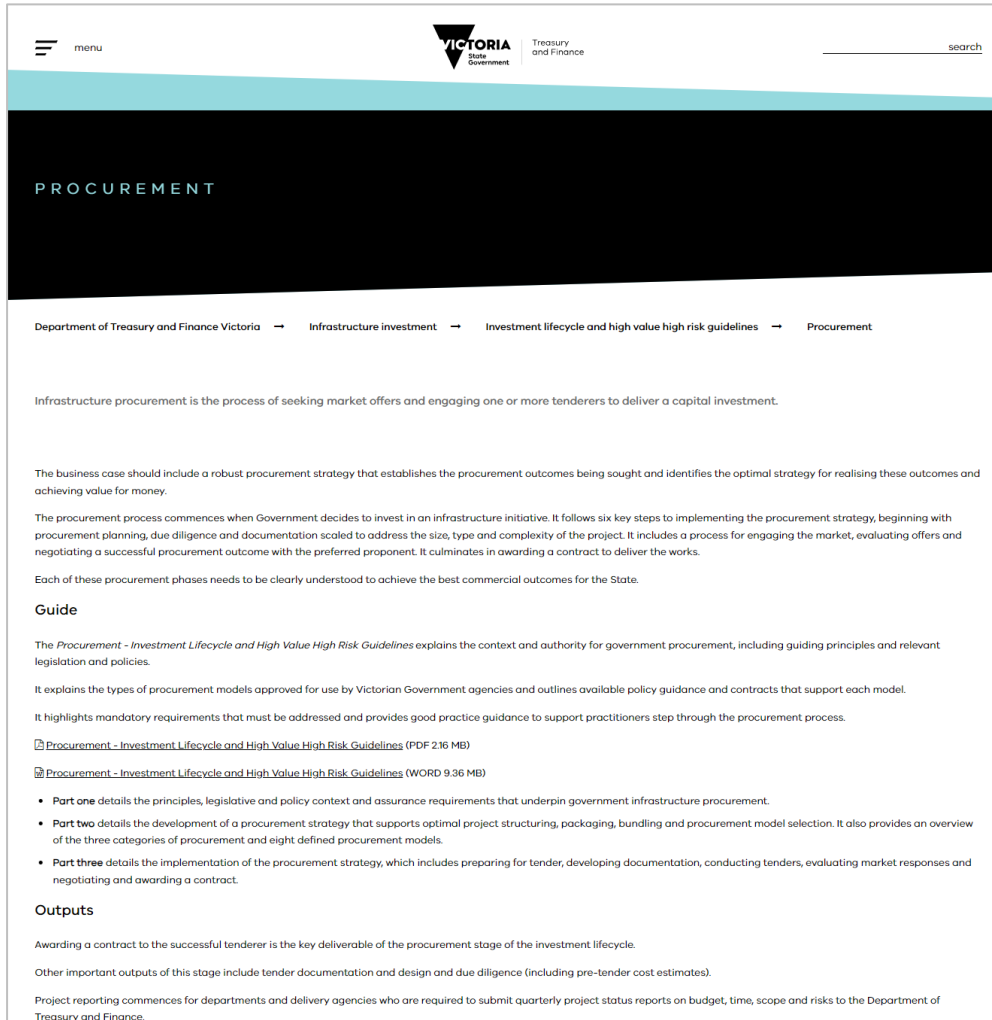
Where to find guidance (but not the business case templates)

The screenshot shows the 'STAGE 1: BUSINESS CASE' page on the Victorian Government website. The page header includes the Victoria State Government logo and 'Treasury and Finance'. The main heading is 'STAGE 1: BUSINESS CASE'. Below this, there is a breadcrumb trail: 'Department of Treasury and Finance Victoria → Infrastructure investment → Investment lifecycle and high value high risk guidelines → Stage 1: Business case'. The main content area describes the business case stage and lists 'Outputs'. A 'RELATED CONTENT' sidebar on the right lists 'Stage 2: Procurement' and 'Stage 3: Delivery'. At the bottom, there is a 'SHARE THIS PAGE' section with social media icons for Twitter, LinkedIn, and Facebook. The footer contains links to 'Investment Lifecycle and High Value High Risk Guidelines - Business Case (WORD 945.06 KB)', 'Project Profile Model', 'Guidelines, templates and technical supplements', and 'Digital Asset Policy (PDF 732 MB)'.

www.dtf.vic.gov.au/investment-lifecycle-and-high-value-high-risk-guidelines/stage-1-business-case



Where to find guidance II



Department of Treasury and Finance Victoria → Infrastructure investment → Investment lifecycle and high value high risk guidelines → Procurement

Infrastructure procurement is the process of seeking market offers and engaging one or more tenderers to deliver a capital investment.

The business case should include a robust procurement strategy that establishes the procurement outcomes being sought and identifies the optimal strategy for realising these outcomes and achieving value for money.

The procurement process commences when Government decides to invest in an infrastructure initiative. It follows six key steps to implementing the procurement strategy, beginning with procurement planning, due diligence and documentation scaled to address the size, type and complexity of the project. It includes a process for engaging the market, evaluating offers and negotiating a successful procurement outcome with the preferred proponent. It culminates in awarding a contract to deliver the works.

Each of these procurement phases needs to be clearly understood to achieve the best commercial outcomes for the State.

Guide

The *Procurement - Investment Lifecycle and High Value High Risk Guidelines* explains the context and authority for government procurement, including guiding principles and relevant legislation and policies.

It explains the types of procurement models approved for use by Victorian Government agencies and outlines available policy guidance and contracts that support each model.

It highlights mandatory requirements that must be addressed and provides good practice guidance to support practitioners step through the procurement process.

[Procurement - Investment Lifecycle and High Value High Risk Guidelines \(PDF 2.16 MB\)](#)

[Procurement - Investment Lifecycle and High Value High Risk Guidelines \(WORD 9.36 MB\)](#)

- **Part one** details the principles, legislative and policy context and assurance requirements that underpin government infrastructure procurement.
- **Part two** details the development of a procurement strategy that supports optimal project structuring, packaging, bundling and procurement model selection. It also provides an overview of the three categories of procurement and eight defined procurement models.
- **Part three** details the implementation of the procurement strategy, which includes preparing for tender, developing documentation, conducting tenders, evaluating market responses and negotiating and awarding a contract.

Outputs

Awarding a contract to the successful tenderer is the key deliverable of the procurement stage of the investment lifecycle.

Other important outputs of this stage include tender documentation and design and due diligence (including pre-tender cost estimates).

Project reporting commences for departments and delivery agencies who are required to submit quarterly project status reports on budget, time, scope and risks to the Department of Treasury and Finance.

<https://www.dtf.vic.gov.au/investment-lifecycle-and-high-value-high-risk-guidelines/procurement>



Where to find guidance III

+61 411 885 889 info@ideasadvisory.com.au



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Victorian Government Business Case Guidance

Department of Treasury and Finance's business case guidance by year

The Department of Treasury and Finance's business case guidance

The following business case guidance materials are supplied by the Victorian Department of Treasury and Finance (DTF) and are part of the annual DTF budget process. The guidance is hosted on the DTF website but some of IA's clients struggle to find the latest materials. We supply the materials in year order so clients can easily see the latest documents.

As Ideas Advisory delivers DTF approved [business case training](#), we endeavour to make the guidance available to our alums and the public as soon as they are made available by DTF.

Updated DTF guidance can be updated at any time, so it is worth checking back regularly.

Note: Some of the DTF guidance was developed some time ago. We have highlighted which guidance is outdated and which is current.

2023

Current

Investment Lifecycle and High Value High Risk Guidelines – Business Case

2021

<https://ideasadvisory.com.au/business-case/victorian-government-business-case-guidance/>

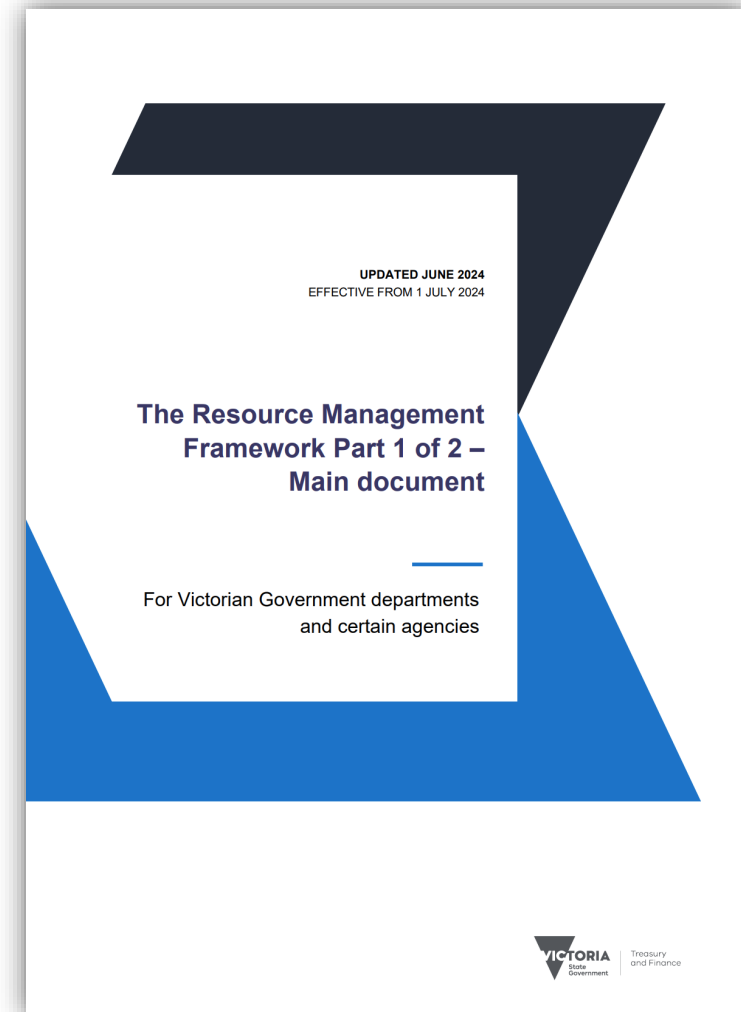


Lapsing programs

The DTF Performance Management Framework provides specific requirements for evaluating lapsing programs seeking additional funding through the State Budget.

There are different requirements for programs with total funding of less than \$20 million and for those equal to or greater than \$20 million.

<https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/resource-management-framework>



Evaluating lapsing programs

In an environment of competing priorities and limited resources, evaluations are an important way to assist Government, departments and managers in achieving desired policy outcomes and demonstrate value-for-money.

Well-designed evaluations can strengthen public sector efficiency, effectiveness and accountability by:

- enhancing the ability to achieve government priorities and policy outcomes
- strengthening resource allocation planning and decision making
- assessing and improving the performance and impact of service delivery
- demonstrating results as part of accountability to key stakeholders.

A culture of evaluation and continuous improvement can also assist future program design and management by encouraging the ongoing capture and transfer of learnings from individual programs.

Evaluating lapsing programs (Mandatory requirements)

Evaluating lapsing programs seeking continued funding

The Accountable Officer must ensure that:

- a) evaluations of lapsing programs (if required after discussions with DTF) are completed within 12 months of when the funding is due to lapse
 - b) for programs with total funding of \$20 million or more:
 - i. DTF endorses the evaluation scope and terms of reference before it starts (in consultation with the Department of Premier and Cabinet)
 - ii. for programs with funding for two years or more, the evaluation report is submitted to DTF by the last Friday in October of any given year, before a submission requesting continued funding for the program is lodged
 - iii. for programs with funding for less than two years, the evaluation report is submitted to DTF as part of the submission requesting continued funding for the program.
 - c) for programs with total funding of less than \$20 million, either:
 - i. an evaluation report
 - ii. appropriate evidence that clearly demonstrates efficient and effective achievement of the program's objectives
- is provided to DTF as part of the submission requesting continued funding for the program
- d) when requested by DTF, that either:
 - i. a draft report (or other review materials) for an evaluation is provided to DTF
 - ii. DTF is provided with appropriate opportunities to be involved in any steering committee or other governance arrangement that oversees the direction of an evaluation(e)
 - iii. The evaluation is conducted by a person or party independent of the area that has delivered the program.

Questions to address in the evaluation of lapsing programs

1. Justification/problem
2. Effectiveness
3. Funding/delivery
4. Efficiency
5. Risk
6. If funding is continued...

Budget submissions requesting continued funding from completed evaluations

- a) what impacts will result if funding to the program were to cease
- b) strategies to minimise negative impacts where appropriate
- c) alternatives should funding not be approved
- d) the efficiencies that could be realised if ongoing funding was approved
- e) a gender impact assessment.



Components of a business case

Which business case template should I use?

Long-form versus short-form business cases

In deciding whether to complete a short- or long-form business case template, Ministers and departments should consider the size and complexity of the output initiative.

Assets	Outputs
All asset investments with a TEI under \$10 million (unless they are classified as high risk) are only required to complete a short-form business case template.	DTF anticipates most output funding requests will adopt the short form template.
All investments classified as high risk or with a TEI over \$10 million are required to complete a long-form business case template.	Where appropriate, the long-form business case may be completed for more complex and/or larger output initiatives.

Victorian business case templates – where to get them

DTF or your department

The screenshot shows the Victorian Department of Treasury and Finance website. The header includes the Victoria State Government logo and 'Treasury and Finance'. A search bar is visible. The main content area is titled 'DTF INFORMATION REQUESTS'. Below this, there is a breadcrumb trail: 'Department of Treasury and Finance Victoria → Financial management of government → Planning, Budgeting and Financial Reporting Frameworks → DTF information requests'. The main text explains that DTF information requests are for government departments, public non-financial corporations, and public entities. It mentions that requests are accessible only to departments, entities, and public entities on the PS network. A note states that users can request a login by contacting the site at dtf@dtf.vic.gov.au stating the name of their organisation and providing details of the content they require access to. A link to the 'DTF information requests page' is provided. On the right side, there is a 'RELATED CONTENT' section with two items: 'Resource Management Framework' and 'Financial Reporting Operations Framework', both with right-pointing arrows.

Don't forget that DTF often releases new templates late in the year

<https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/dtf-information-requests>

Ideas Advisory

The screenshot shows the Ideas Advisory website. The header includes the phone number '+61 411 885 889' and email 'info@ideasadvisory.com.au'. The Ideas Advisory logo is on the left, and navigation links for 'Welcome', 'Our people', 'Services', 'IMS', 'Business Case', and 'Articles' are on the right. The main content area features a large teal banner with the text 'Business Case Templates' and 'Department of Treasury and Finance's business case templates'. Below the banner, the text reads: 'Department of Treasury and Finance's business case templates'. It explains that the following Victorian Department of Treasury and Finance (DTF) business case templates are part of the annual DTF budget Information Request (DTFIR). The templates are hosted with the rest of the DTFIR, making access difficult as the DTF system doesn't put them into the public domain. It notes that Ideas Advisory delivers DTF approved business case training and endeavours to make the templates available to alumni and the public as soon as they are made available by DTF. It states that DTF templates are typically made available in November to December for the January deadline. The 'Budget year 2023-24' section is highlighted, with a note '(Due for DTF review Jan 2023)'. A list of attachments is provided: Attachment A Summary table 2023-24 and short form business case tables; Attachment B Budget costings template 2023-24; Attachment C Business case cover sheet 2023-24; Attachment D Short form business case template 2023-24; Attachment E Additional Guidance 2023-24; and Attachment F Long form business case template 2023-24.

<https://ideasadvisory.com.au/business-case/business-case-templates/>

What makes a compelling business case story

Problem

Benefit

Response

Solution



Components of a long-form business case

Why

- Part 1 – Investment case
 - Problem definition
 - Case for change (benefits)
 - Response option development
 - Project options assessment

How

- Part 2 – Delivery case
 - Project solution
 - Commercial and procurement
 - Planning, environment, heritage, land and culture
 - Project schedule
 - Project budget
 - Management

Components of a short-form business case

Short-form business case

- Overview
- Problem
- Recommended solution
- Outcomes measurement
- Current funding
- Funding sought
- Deliverability
- Staffing requirements
- Exit strategy
- Other relevant information
- Attachments

Template comparison

Component	DTF long form template	DTF short form template
Title	Proposes the most significant overarching business outcome or benefit	It should be short, descriptive, and clearly indicate what the submission is about.
Subtitle	Proposed BP3 initiative name	Proposed BP3 initiative name
Overview	3900 characters only	3900 characters only
Problem definition	Chapter 1	Chapter 2.1
Case for change (benefits)	Chapter 2	Chapters 3.1 and 4.1
Response option development	Chapter 3	Chapter 3.2
Project options assessment	Chapter 4	Chapter 3.2
Project solution	Chapter 5	Chapter 3.1
Commercial and procurement	Chapter 6	Chapter 7.2
Planning, environment, heritage, land and culture	Chapter 7	Chapters 3.4 and 7.1
Project schedule	Chapter 8	Chapter 7.3
Project budget	Chapter 9	Chapters 5 and 6
Management	Chapter 10	Chapter 7.1

Things to think about when writing a business case

Don't assume
the knowledge
of the reviewer

Speak concisely
and engagingly

Use plain English

Evidence,
evidence,
evidence!

Be honest

Referencing is vital

Be careful of
cognitive bias

Don't be repetitive

Don't be repetitive

Readability

Initiative details	
Type of initiative	<input type="checkbox"/> Counts
Responsible Minister and portfolio	Mir
Coordinating Minister's ranking	N/A
Labor Financial Statement commitment?	<input checked="" type="checkbox"/> No
Is this a lapsing program seeking further funding?	<input type="checkbox"/> No
Is this an asset initiative that is High Value High Risk (HVHR) initiative?	<input checked="" type="checkbox"/> No
Part of whole of Government submission?	<input checked="" type="checkbox"/> No
Is this a Treasurer's budget priority?	<input checked="" type="checkbox"/> No
Have you completed and attached a Gender Impact Assessment (GIA)?	<input type="checkbox"/> No

Readability Statistics	
Counts	
Words	17,341
Characters	103,267
Paragraphs	1,470
Sentences	595
Averages	
Sentences per Paragraph	1.7
Words per Sentence	20.8
Characters per Word	5.6
Readability	
Flesch Reading Ease	22.4
Flesch-Kincaid Grade Level	15.2
Passive Sentences	20.1%

Funding sought	2023-24	2024-25	2025-26	2026-27	2027-28	5-year total	Ongoing/TEI
Net output funding sought (\$ million)	0.000	0	0	0	0	0	0
Net asset funding sought (\$ million)	0.000	0.000	0.000	0.000	0.000	0.000	TEI

Word review	Score	Target
Sentences per paragraph	1.7	We recommend no more than six sentences per paragraph. One or two-sentence paragraphs are fine. The average here is what you are looking at. If below 2 it might indicate overly long sentences in your paragraphs.
Words per sentence	20.8	Ensure it's around 15 words per sentence or less. (Remember this is an average.)
Characters per Word	5.6	The New York Times averages 4.9 characters. This is a good indicator of readability. Aim for around 4.9.
Flesch Reading Ease	22.4	The Flesch Reading Ease gives a text a score between 1 and 100, with 100 being the highest readability score. Aim for the higher the better, ideally between 60-70.
Flesch -Kincaid Grade Level	15.2	Should ideally be 7 to 8, but for a document like this. I often see high 8's to low 10's) Aim for around 8
Passive sentences	20.1%	Passive voice impacts readability negatively. You are doing well if your Passive Sentences score is below 10%. Aim for below 5%

Grammarly score = 521 aiming for 0

15-Minute Training Exercise: Preparing your Business Case

Define a business case (5 minutes)

Discuss the case study business case or use a real-world example (current or past) within your experience. Consider:

- Problems/Needs/Opportunities
- Outcomes/Benefits

Business case preparation (10 minutes)

Consider questions in the second column

Rapid Presentations

Presentation: A participant from each group briefly presents their outline (30 seconds each).

Quick Feedback

Discuss who are the:

- Stakeholders, Beneficiaries and Subject-matter experts

Discuss current understanding of the evaluation criteria from:

- Central agency
- Internal organisational requirements
- Your line Ministers
- BFC ministers

Who is the audience for the business case, and what is their interest in it?

- Ministers and advisors
- Departments/agencies

Discuss what type of business case should be developed and if there is a need for additional documentation.



Title and subtitle

Components of a business case – Title and subtitle

Title or Submission name

Proposes the most significant overarching business **outcome or benefit** that will be achieved as a result of the investment

Subtitle or Proposed BP3 initiative name

Typically highlights an asset, output, project or program

i.e. the publication title for the initiative if it were to be funded in the budget process

Example 1

Providing stable and secure homes for the vulnerable in East Geelong

Homes Victoria Big Housing Build - Ormond Road, Thomson

Example 2

Enabling a resilient and sustainable emergency service sector

Three new multi-bay units in the south west region of Victoria

Components of a business case – Title and subtitle

Title or Submission name

Proposes the most significant overarching business **outcome or benefit** that will be achieved as a result of the investment

Subtitle or Proposed BP3 initiative name

Typically highlights an asset, output, project or program

i.e. the publication title for the initiative if it were to be funded in the budget process

Example 1

Core Circular Economy Policy and Service Delivery (DEECA and MTIA)

Core Circular Economy Policy and Service Delivery Functions

Example 2

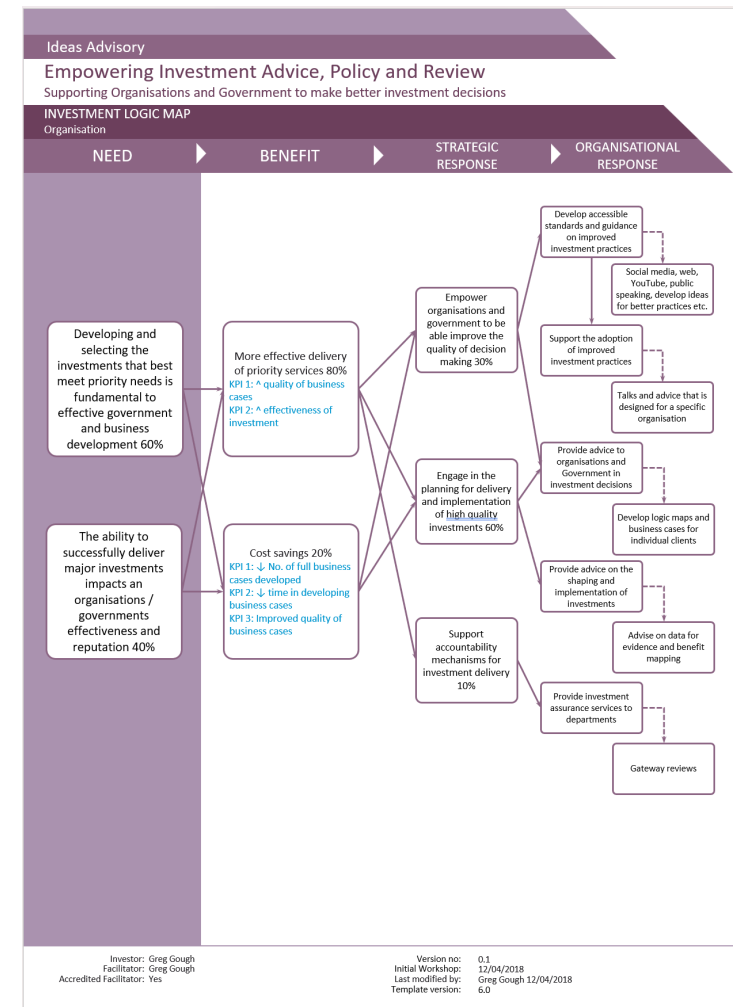
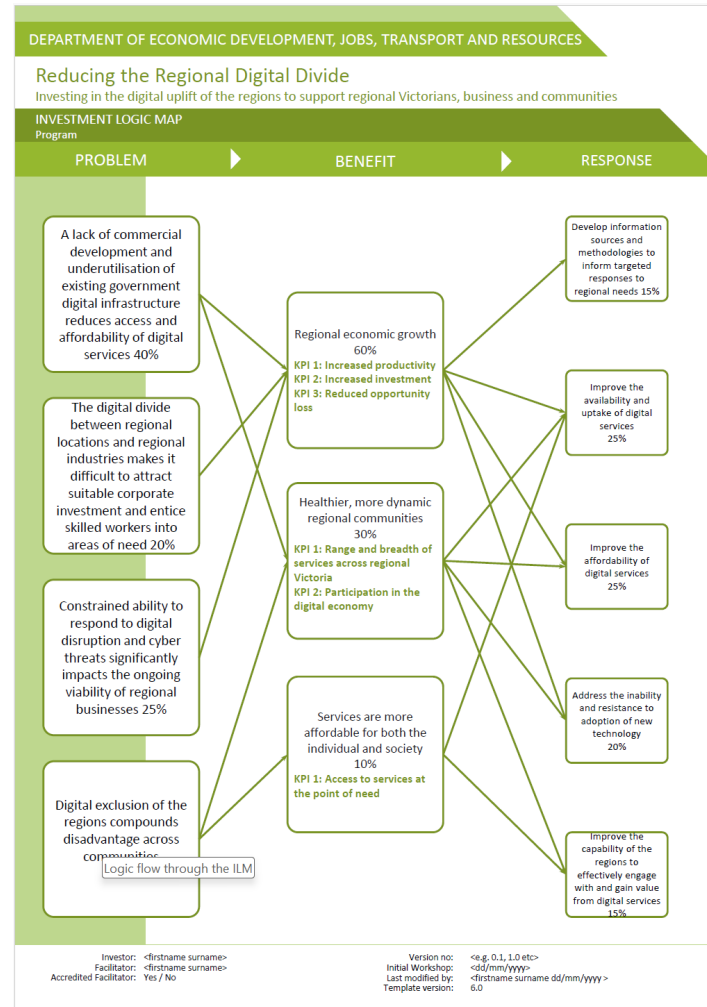
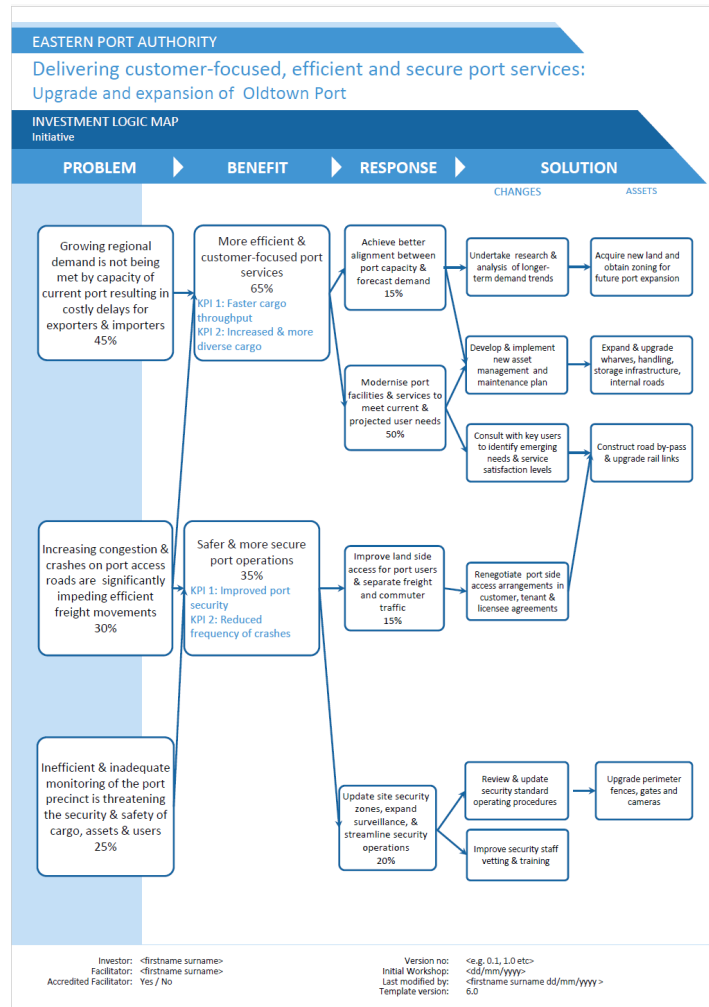
Funding for Traditional Owners and the Environment

Funding for Traditional Owners and the Environment



Investment Management Standard

Investment Logic Map (ILM) variants



Investment Logic Mapping

The investment management standard (IMS) applies simple, common-sense ideas and practices that help organisations direct their resources and achieve the best outcomes from their investments.

The foundation principles of the IMS are:

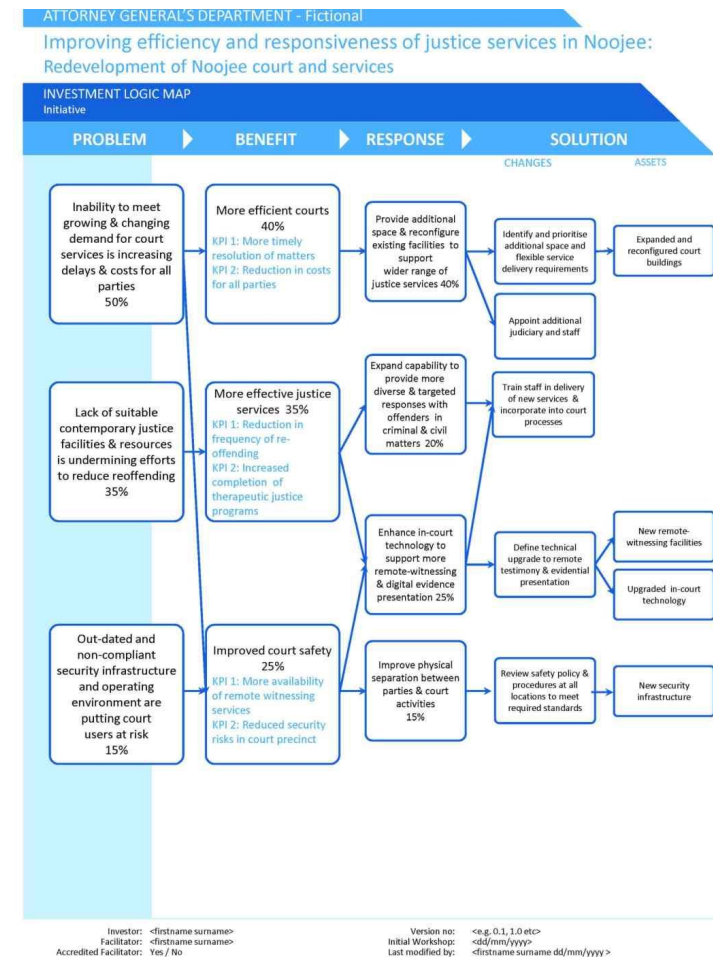
- The best way to pool knowledge is through an informed discussion that brings together those people with the most knowledge of a subject;
- The ‘investment story’ is best depicted on a single page using language and concepts that can be understood by a layperson; and
- Each investment should have clearly defined benefits that align with the outcomes the organisation is seeking.

Problem definition workshop - Investment Logic Map (ILM)

Successful investments are made as a considered reaction to an identified or emerging problem.

This workshop will:

- define the problem that needs addressing
- validate that the problem is real
- specify the benefits that will result from addressing the problem.
- The output of this workshop is the first version of an Investment Logic Map (ILM) with the problems and benefits defined.

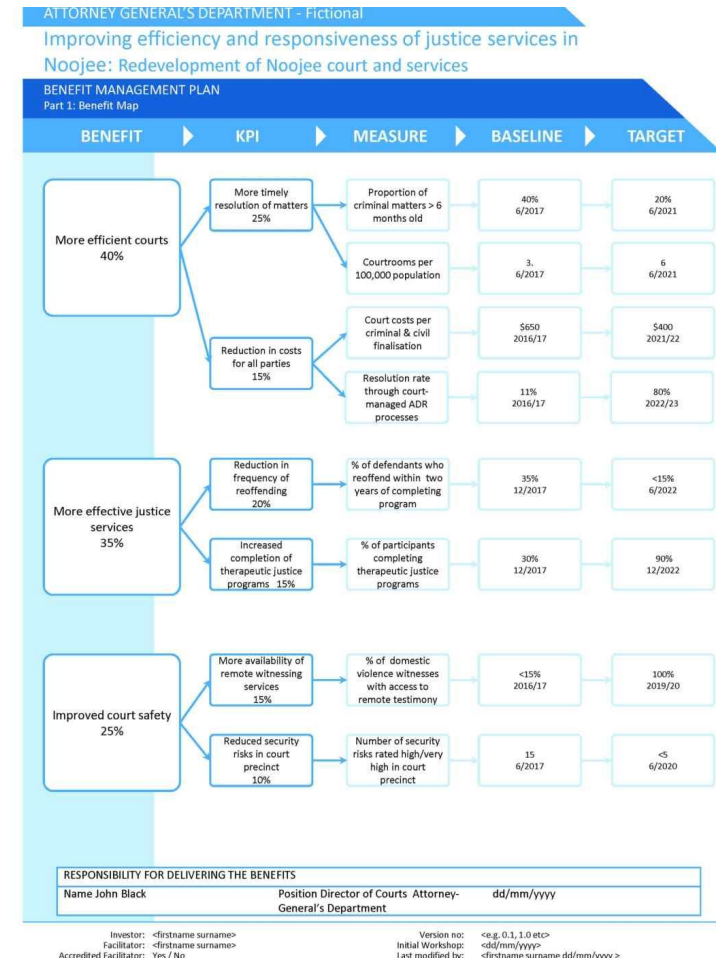


Benefit definition workshop - Benefit Map

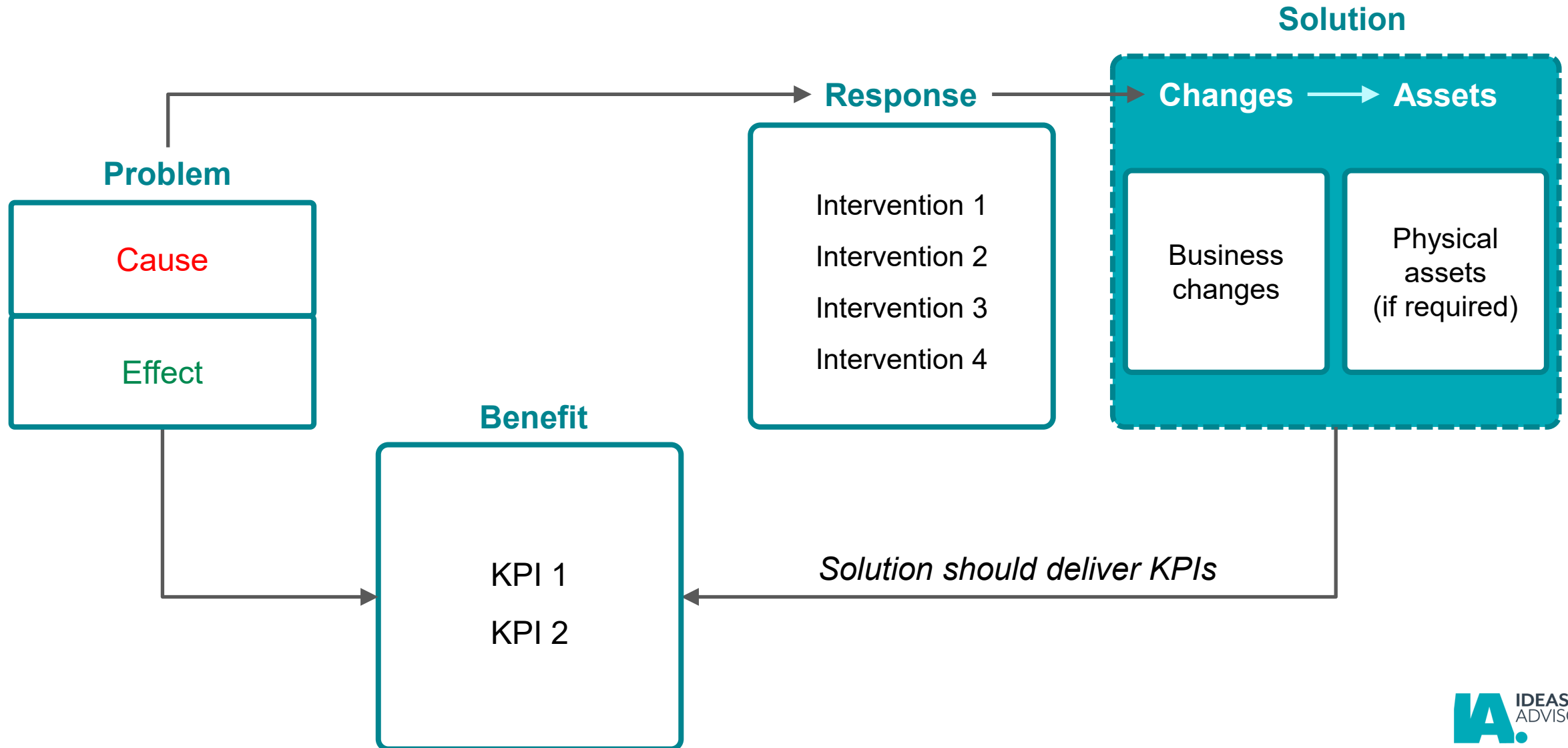
Detailed consideration and validation of benefits and KPIs are vital to understanding the value of an investment. This workshop will test the strength of the argument and influence the design and focus of the response and solution needed to deliver the benefits and KPIs.

This workshop will:

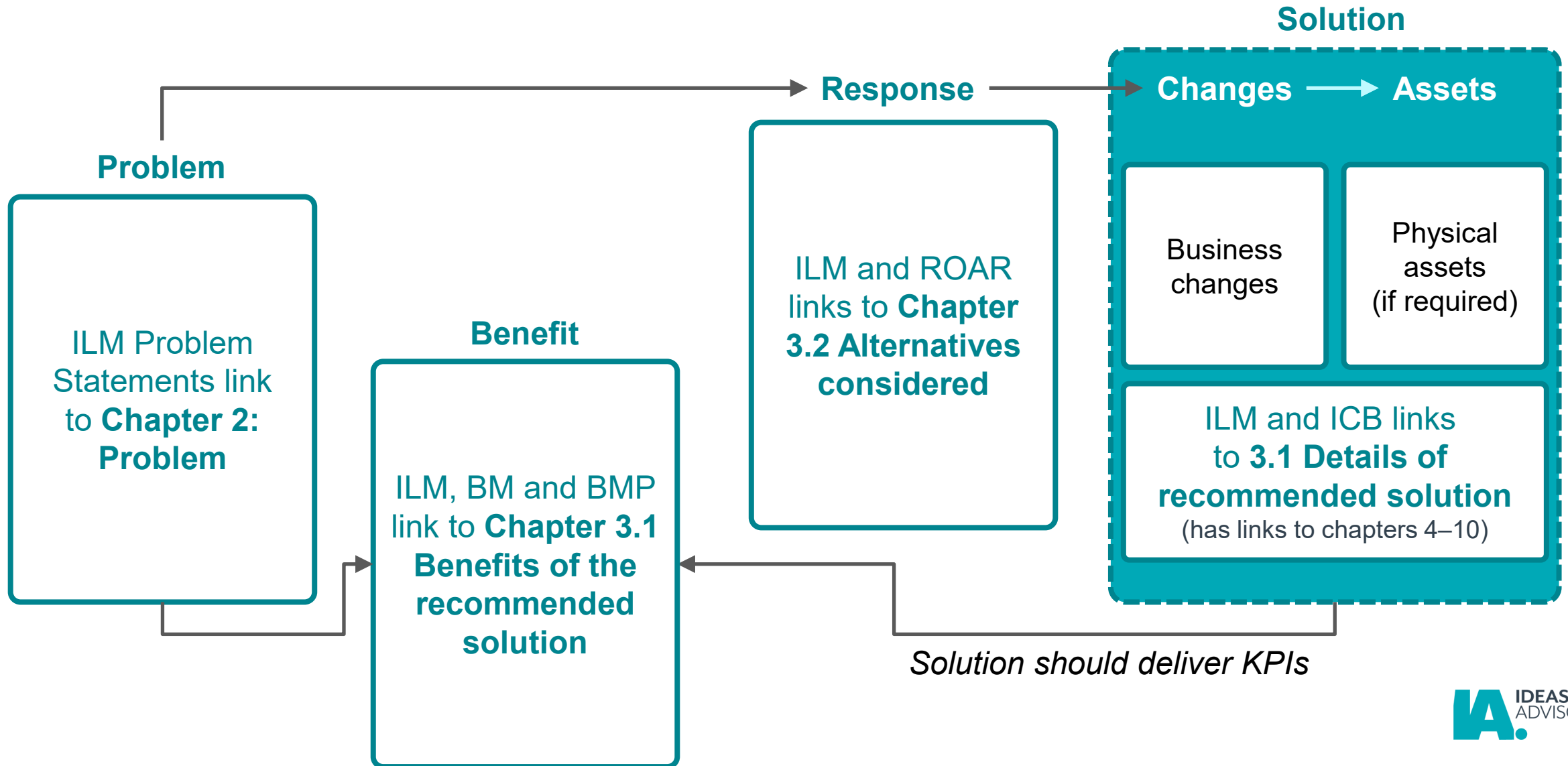
- identify the KPIs, measures, targets and timelines that the investment will need to deliver
- specify how the delivery of the benefits will be measured and reported.
- The output of this workshop is a Benefit Management Plan (BMP) made up of a Benefit Map and Benefit Profile.



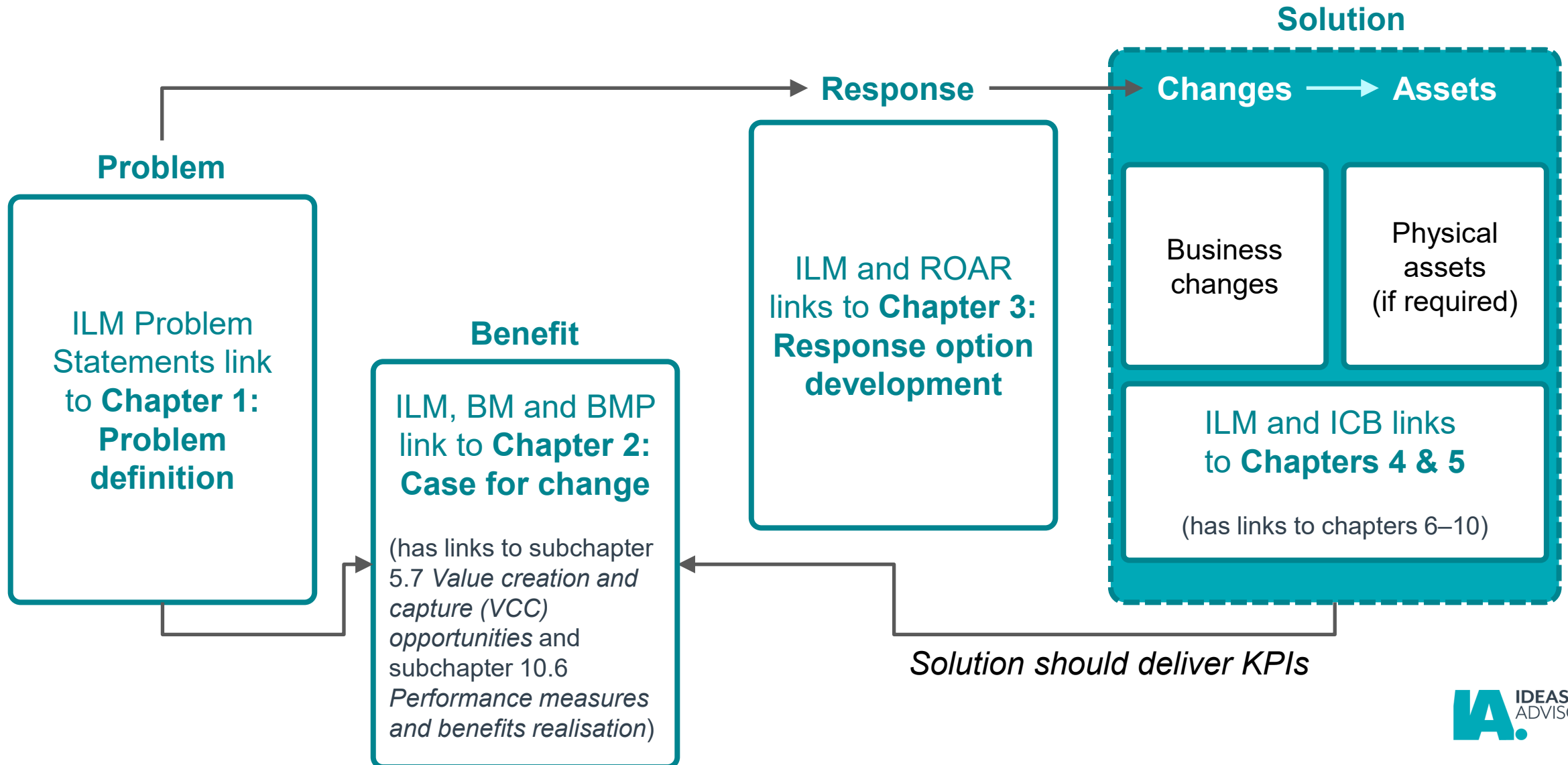
Logic flow through the ILM



IMS and the connection to the **short form** business case



IMS and the connection to the **long form** business case





Developing a business case

Problem definition

Investment Decision-Maker's Checklist – 16 Question Tool

Problem	Benefits	Response	Solution
<p>1. Is it clear what the problem is that needs to be addressed - both the cause and effect?</p>	<p>5. Have the benefits that will result from fixing the problem been adequately defined?</p>	<p>9. Has a reasonable spread of interventions been identified and packaged into sensible response options?</p>	<p>13. Consistent with the preferred response option, has a reasonable spread of project options been analysed?</p>
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Components of the business case – Problem definition

Problem

Background, definition and evidence of the problem

Timing considerations

Define the problem first – not the solution

What issue(s) are we trying to solve or address?



What is the:

- cause of the problem?
- effect of the problem on the community or organisation?
- case for intervention to address the problem?



What evidence might be used to support this?

Good problem statements

They are:

- Correctly constructed with **cause** and **effect**
- Supported by evidence that the problem exists and that there is a correlation between the cause and effect
- The effect is an end consequence that is measurable NOT an intermediate outcome which is less compelling
- Is compelling and is something that we care about

Opportunity or need

Whilst it is possible to have an opportunity or need (and the guidance talks about these as options) in practice this is extremely rare

Things that are typically not 'problems'



Public commitments



Legislative requirements



Old assets



Not enough funding

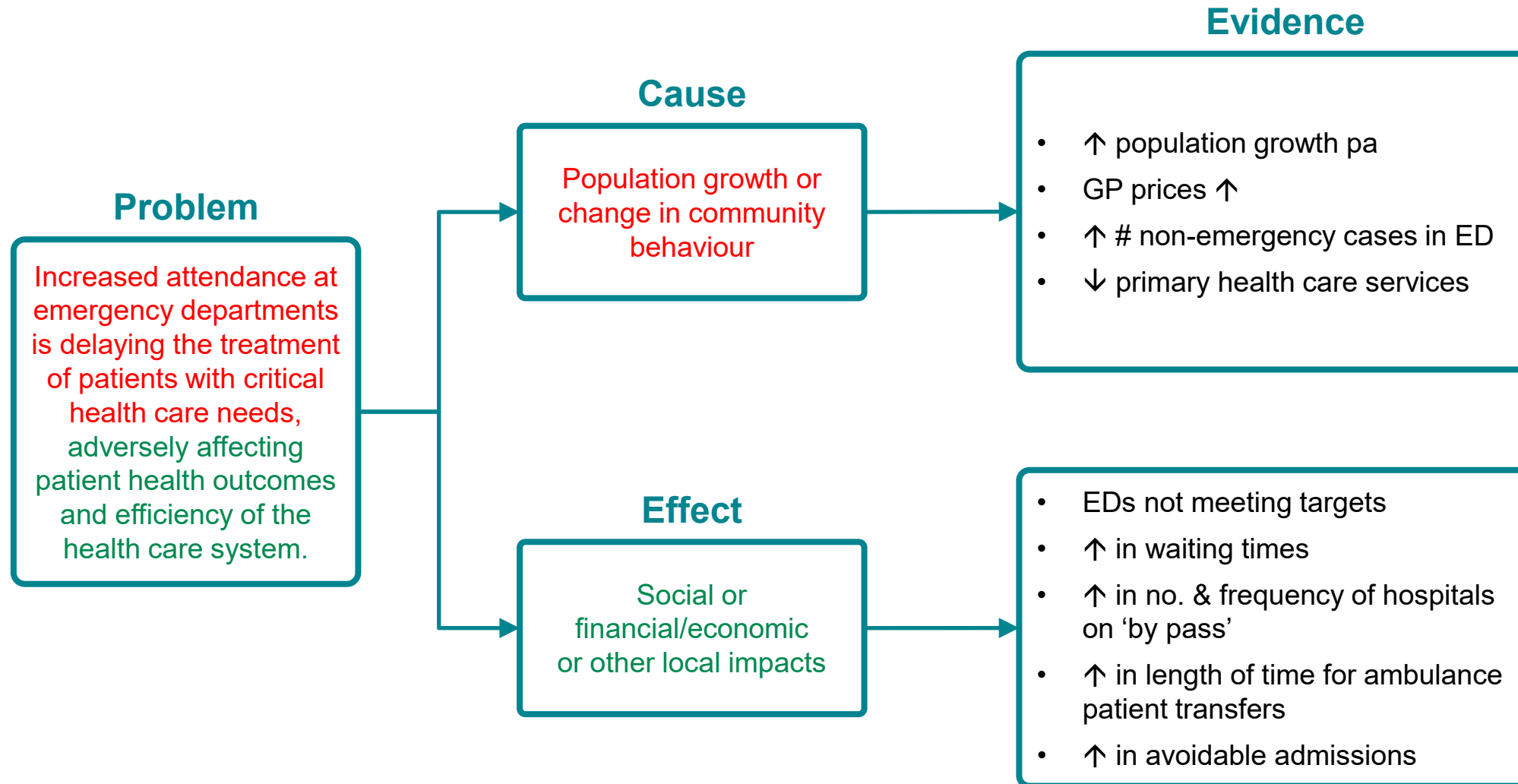
Understanding the problem



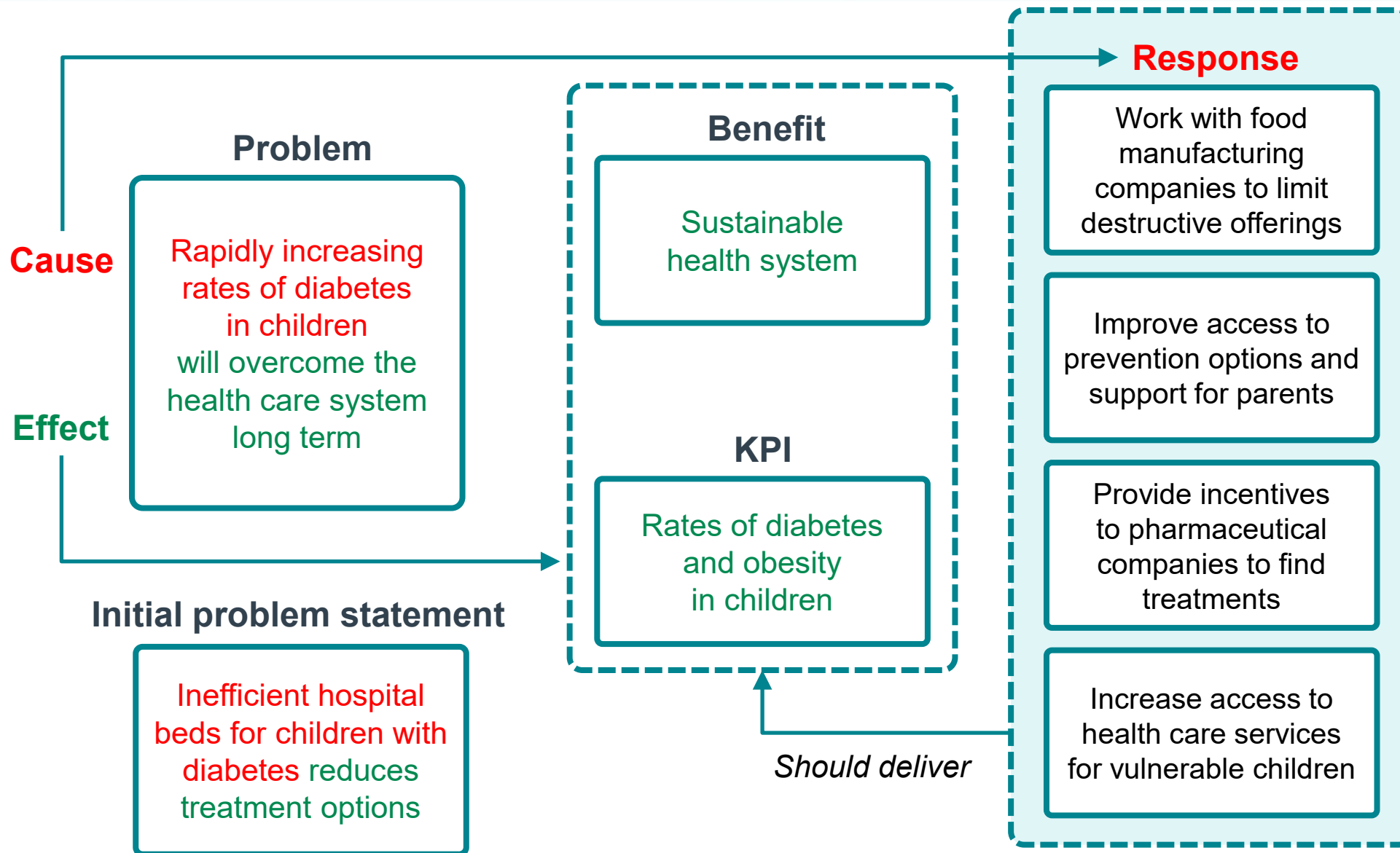
Questions to consider include:

- What is broken or not working?
- What adverse outcomes evidence needs addressing?
- What will happen if we 'do nothing'?
- Why do we need to respond now?
- What is the driver or cause?
- What evidence demonstrates the relationship between the cause and the effect?

Example of a problem linking to evidence

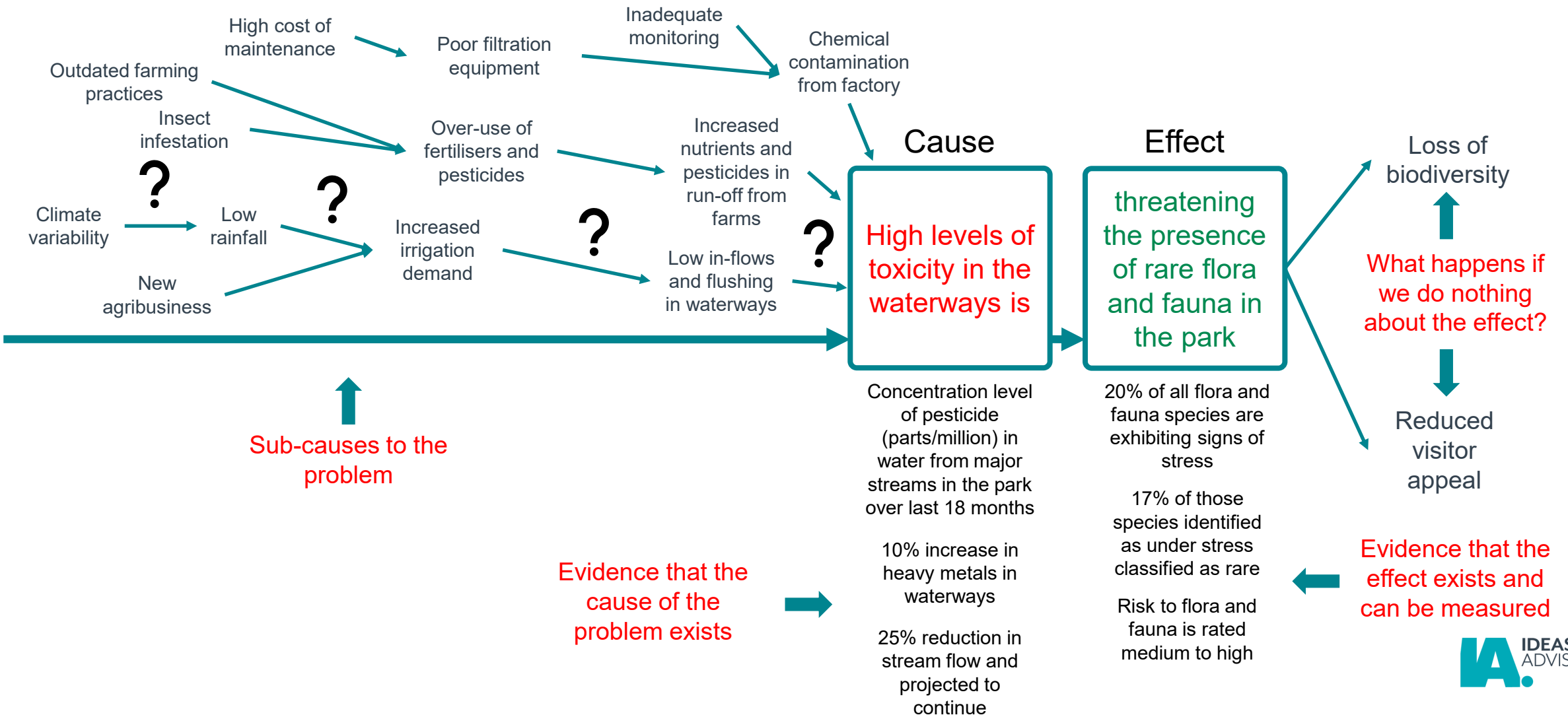


Information flow – problems to benefits and strategic interventions



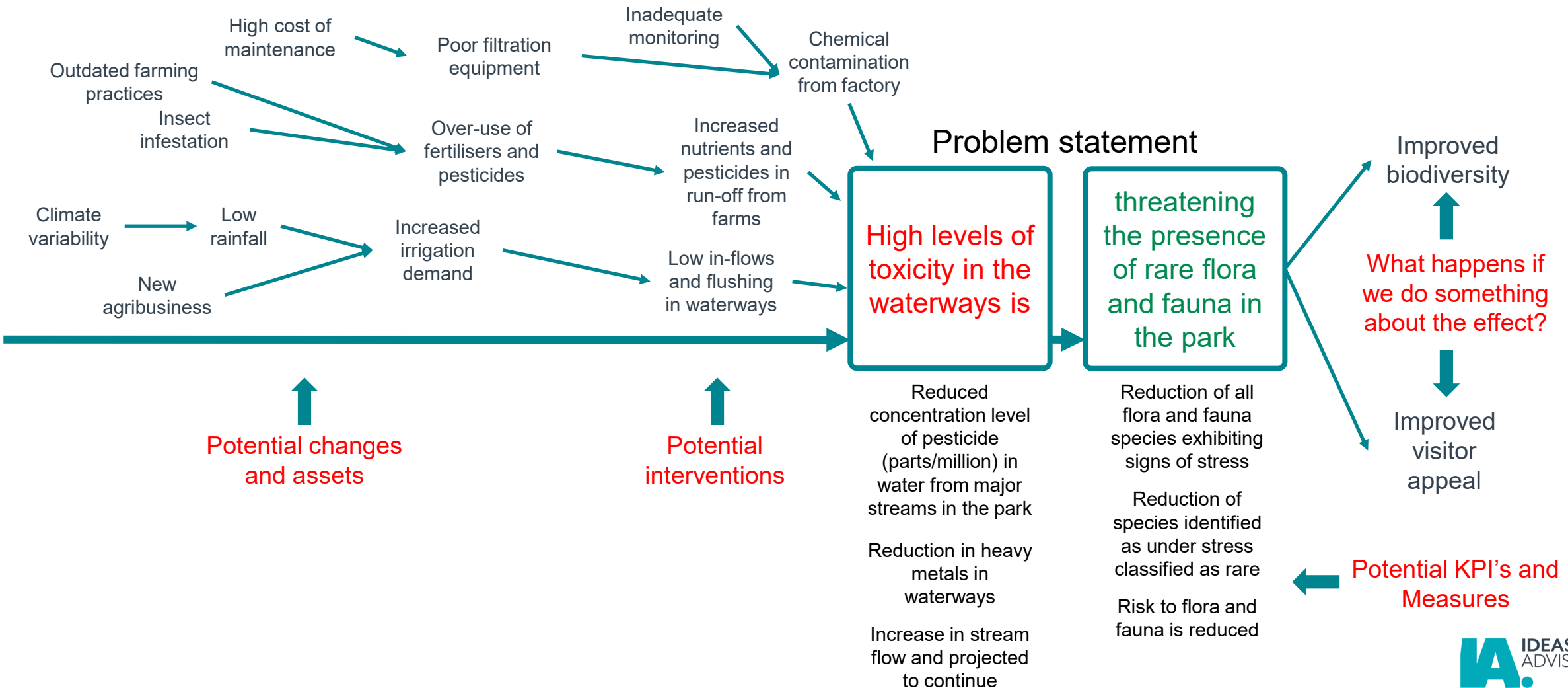
Problem trajectory

High levels of toxicity in the waterways is threatening rare flora and fauna in the park



The problem trajectory builds the investment story

High levels of toxicity in the waterways is threatening rare flora and fauna in the park



Timing



There must be a sense of urgency:

- Why do we need to fund this in this budget year?
- Why wasn't it urgent last year?
- If it was, what was the impact of the delay – what fell over?
- Who would benefit or suffer, and when?
- Why not defer it?

Consideration of the broader context



Consider:

- Do similar problems, needs or opportunities exist elsewhere?
- Can you link your proposal to any of these needs or opportunities?
- How have other jurisdictions (not just in Australia) dealt with the same problem?
- Demonstrate that you have looked beyond your boundary



Problem case study

Create compelling problem statements

Generic to compelling algorithm

Cause

*(Issue being experienced
(explicitly stated) + context of the
service environment that is
actually affected)*

Effect

*(the consequence of the failure +
what/where/who is being
Impacted)*

Create compelling problem statements

Core Circular Economy Policy and Service Delivery (DEECA and MTIA)

- 1. Resource Depletion** - The linear economy relies heavily on the continuous extraction of raw materials, which depletes finite resources such as minerals, metals, and fossil fuels.
- 2. Waste Generation** - The linear model results in massive amounts of waste, much of which ends up in landfills or oceans, causing environmental pollution and harm to ecosystems.
- 3. Environmental Pollution** - Industrial processes in a linear economy often led to pollution, including greenhouse gas emissions, toxic waste, and plastic pollution, which contribute to climate change and degrade natural habitats.
- 4. Economic Instability** - The linear economy can lead to economic instability due to resource scarcity, price volatility, and reliance on imports for raw materials.
- 5. Job Creation and Economic Opportunities** - The linear economy often overlooks the potential for job creation in sectors like repair, refurbishment, and recycling.
- 6. Biodiversity Loss** - Resource extraction and waste disposal practices in the linear economy contribute to habitat destruction, pollution, and climate change, all threatening biodiversity.
- 7. Consumerism and Overconsumption** - The linear economy encourages a culture of consumerism, where products are designed for short-term use and frequent replacement.
- 8. Supply Chain Vulnerabilities** - Linear supply chains are often long, complex, and dependent on a few key resources or regions, making them vulnerable to disruptions.

Create compelling problem statements

Funding for Traditional Owners and the Environment

- 1. Cultural Preservation and Empowerment** - Indigenous cultures and traditional knowledge are at risk due to historical and ongoing marginalisation, loss of land, and cultural assimilation pressures.
- 2. Land Rights and Sovereignty** - Indigenous peoples often face challenges in securing legal recognition of their land rights, leading to land use and natural resource management conflicts.
- 3. Environmental Stewardship** - Industrial development, deforestation, and climate change threaten ecosystems and biodiversity, causing the loss of valuable habitats and species.
- 4. Economic Opportunities for Indigenous Communities** - Indigenous communities often face economic disadvantages, including limited access to employment, education, and resources.
- 5. Climate Change Mitigation and Adaptation** - Indigenous lands and communities are particularly vulnerable to the impacts of climate change, including rising sea levels, changing weather patterns, and environmental degradation.
- 6. Collaborative Conservation Efforts** - Conservation initiatives sometimes overlook Indigenous peoples' role as land custodians, leading to conflicts and ineffective management strategies.
- 7. Health and Well-being of Indigenous Peoples** - Dispossession of land and cultural disruption have had significant negative impacts on the health and well-being of Indigenous peoples, including higher rates of mental health issues and chronic diseases.
- 8. Education and Capacity Building** - Limited access to education and capacity-building resources can hinder Indigenous communities from fully participating in environmental and economic initiatives.



Developing a business case

Recommended solution

Components of the business case – Recommended solution

Recommended solution

Details of recommended solution
and expected benefits

Alternatives considered

Gender impacts

Broader impacts

Recommended solution

Present the recommended solution

- details of the solution
- the rationale behind its selection
- the outcomes that it is expected to achieve

What will be purchased/delivered and who will provide the service:

- what will be delivered
- how many
- to whom
- by whom
- where
- over what timeframe

Lapsing program

- indicate the quantum of funds that are lapsing and which component this applies to.
- Outline whether the proposal is a continuation of the program in its current form or if it includes changes to size, scope, or design.
- In both cases, justification is required, and a lapsing program evaluation should be attached

Presenting solutions

Solution section of business case

1. Clearly describe:

- the complete investment
- the expected impact

2. Don't forget:

- a complete list of business changes
- any assets needed

Present priorities

Be clear about **which elements** are priorities

Are there **alternatives**:

- some elements can be **scaled**
- Roll-out over a longer **timeframe**,
- **Piloting**

Mitigating against optimism bias



- Optimism bias in infrastructure planning can result in:
- costs under-estimation
 - demand (benefits) over-estimation
 - Over optimistic project delivery

Investment Decision-Maker's Checklist – 16 Question Tool

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Benefits framework

Enterprise

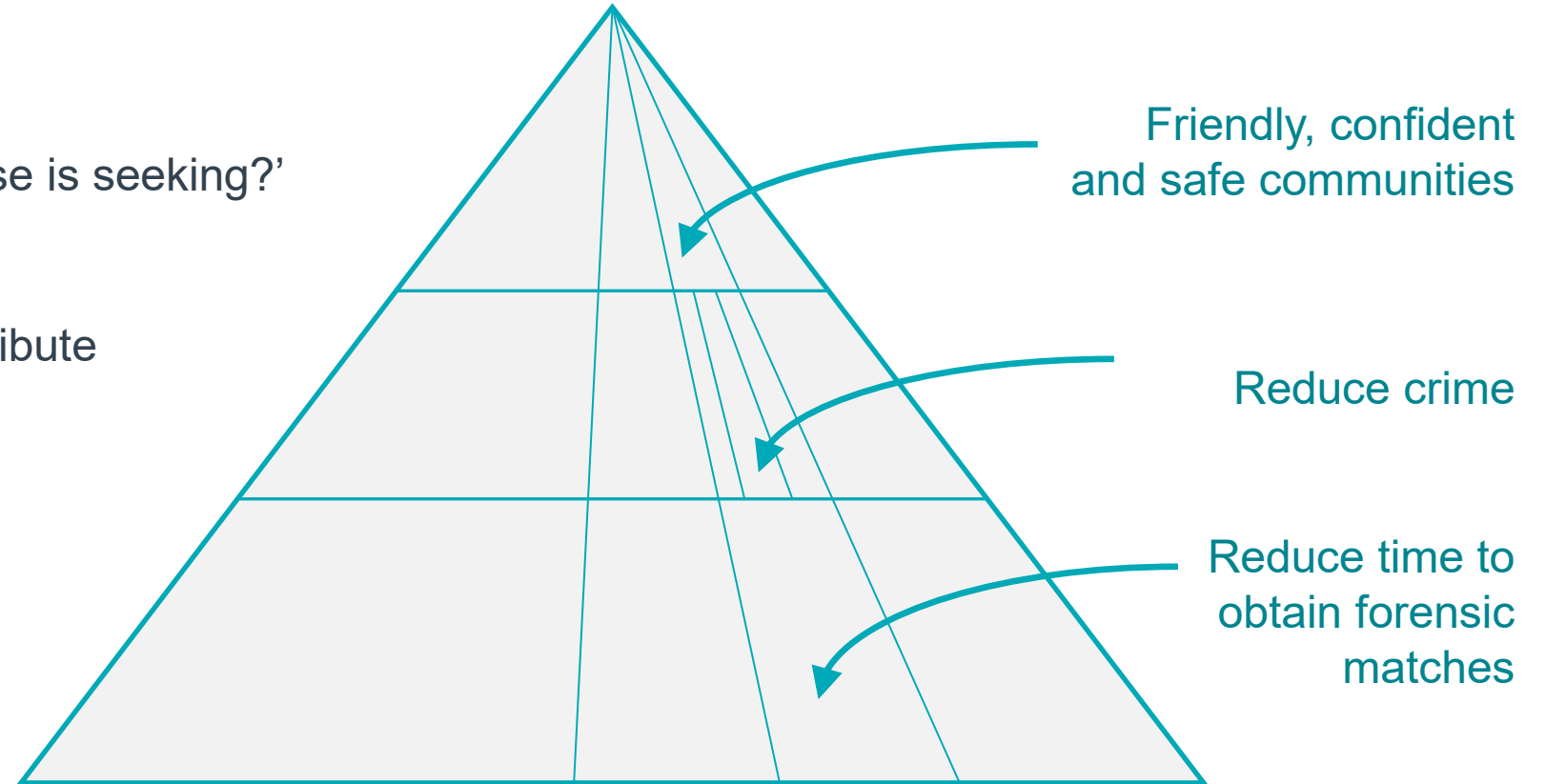
'What outcomes is the enterprise is seeking?'

Organisation

'How will the organisation contribute to the enterprise outcomes?'
(BENEFITS)

Investment

'How will this investment help the organisation meet it's objectives?'
(KPI)



DEECA outcomes framework

Agriculture and Forestry	Productive and sustainably used natural resources
Climate Action	Net-zero emissions, climate-ready economy and community
Earth Resources	Sustainable development of Victoria's earth resources
Emergency Management	Reduced impact of major bushfires and other emergencies
Energy	Reliable, sustainable and affordable energy services
Environment and Resource Recovery	Healthy, resilient and biodiverse environment
Land Management	Productive and effective land management
Water	Safe, sustainable and productive water resources

Understanding benefits

What benefits will be derived from ‘investing in’ or ‘solving’ the identified problem?

Investment benefits – Conceptual

Benefit received from solving the problem

Set at a strategic level, high level,
conceptual, outcome focused

Same for all project options

Project benefits/objectives – Specific

Specific forecast benefits from
implementing a particular project option
or the proposed solution

Set at project level, measurable,
may be outcome or output focused

Will differ for each project option

Identifying benefits



Investment
benefits should
be high level and
strategic

Questions to consider:

- What outcomes will be achieved from solving the problem?
- What value will be delivered by addressing the problem?
- How will we know whether value has been delivered?
- Who will receive what benefits? – *Community, government, organisation?*
- What KPIs will demonstrate value?
- How can we track KPIs and benefits over time?

Outcome vs output benefits

Outcome benefits

What the business wants or needs to achieve.

- Outcomes are more challenging to verify because they can be both qualitative and quantitative.
- Whether outcomes have been achieved often relies on the perception of the people who receive the service.

vs

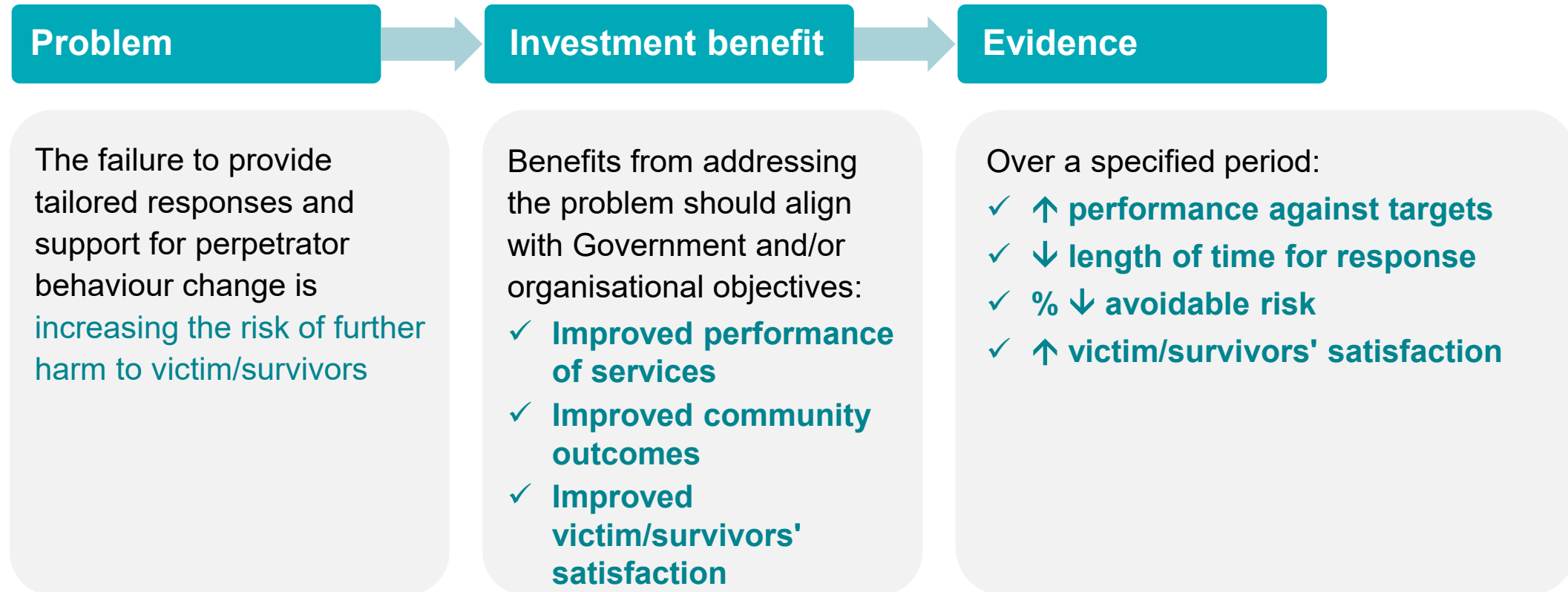
Output benefits

The actions that contribute to achieving an outcome.

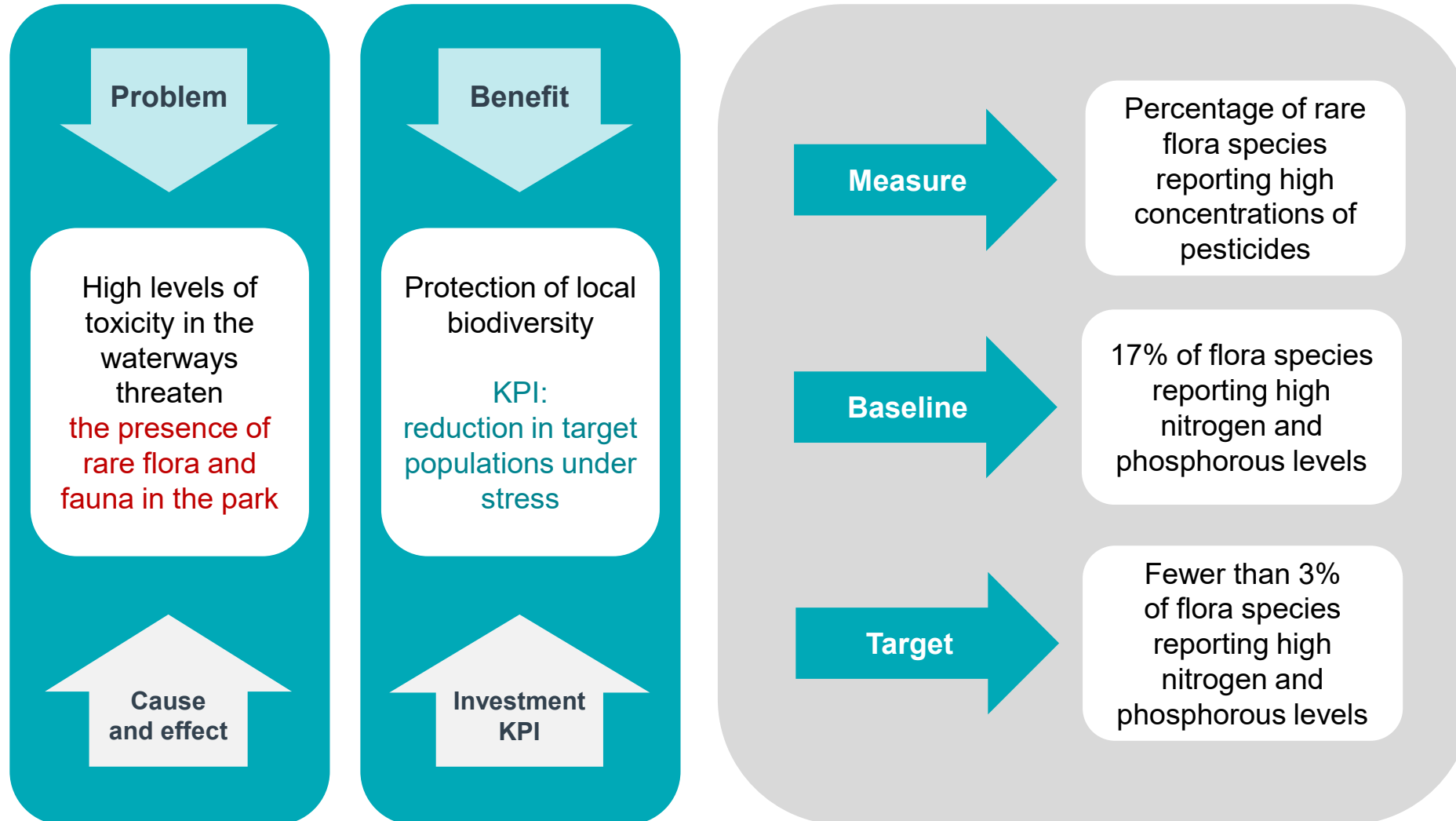
- An output is nearly always quantitative, with data available to show whether these have been delivered.
- Outputs are easy to report on and to validate. There is no grey area.



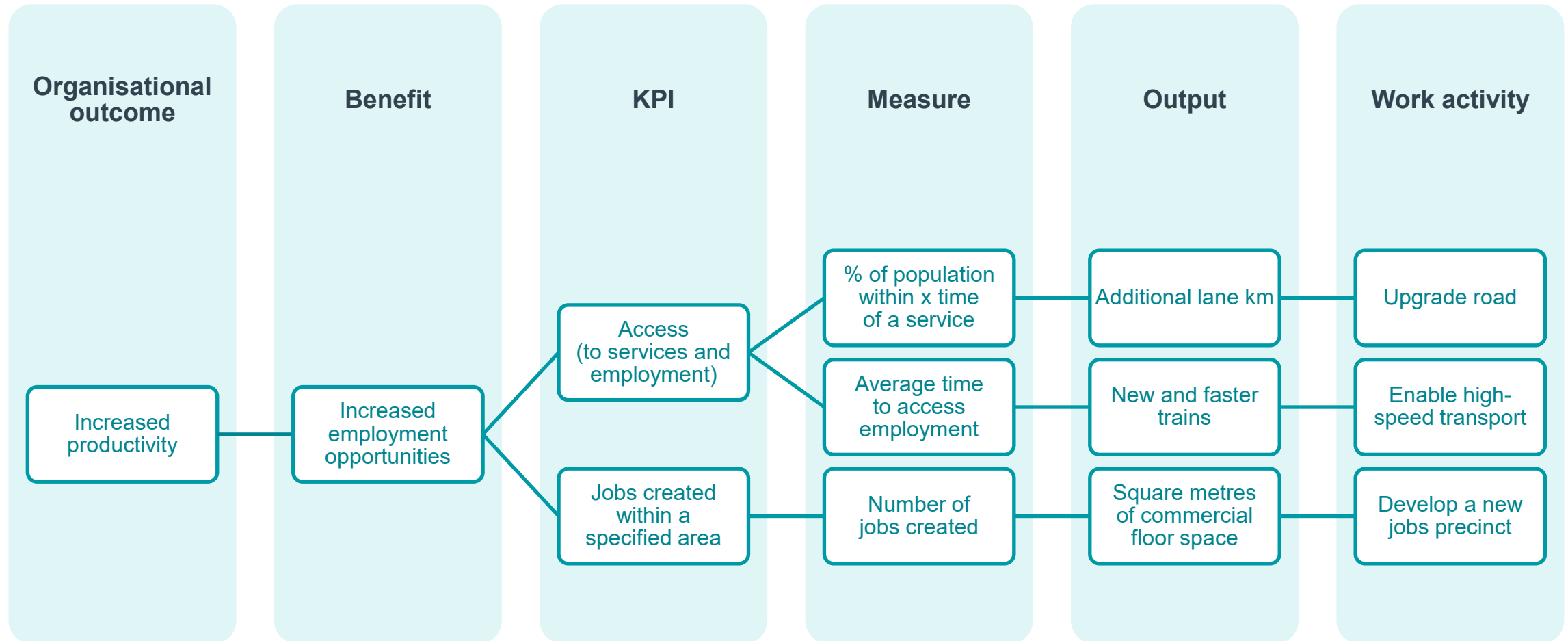
Specifying investment benefits



Aligning the problem, benefit, KPI and measure



Benefits trajectory



* Adapted from the Whole of Transport Benefit Management Framework (Stage 1)



Benefit case study

Create compelling benefits

Net-zero emissions, climate-ready economy and community

Reduce greenhouse gas emissions.
Our targets are:
28- 33% by 20 25
45-50% by 20 30
75- 80% by 2035
Net-zero by 2045

Strengthen community and government resilience to climate change hazards

Implement Circular Economy legislation and Subordinate Instruments.

Healthy, resilient and biodiverse environment

Support Victoria to generate the most value from our resources and reduce waste through our circular economy policy "Recycling Victoria: A new economy".

Reduce the harmful effects of pollution and waste on human health and the environment

Improve Victoria's native species populations and their habitat through targeted management

Strengthen the resilience of the Waste, Recycling and Resource Sector through the transition to a circular economy.

Increase Victorians valuing nature

DEECA outcomes framework Climate Action Benefits:

Net-zero emissions, climate-ready economy and community

- Mitigation of climate change through reduced greenhouse gas emissions.
- Creation of green jobs and innovation in renewable energy technologies.
- Increased community resilience to climate-related disasters.

Reduce
greenhouse gas
emissions. Our
targets are:
28- 33% by 20 25
45-50% by 20 30
75- 80% by 2035
Net-zero by 2045

Strengthen
community and
government
resilience to
climate change
hazards

Implement
Circular Economy
legislation and
Subordinate
Instruments.

DEECA outcomes framework Environment and Resource Benefits:

Healthy, resilient and biodiverse environment

- Preserves ecosystems and wildlife for future generations.
- Promotes the circular economy by reducing waste and enhancing recycling.
- Improves public health and well-being through a cleaner environment.

Support Victoria to generate the most value from our resources and reduce waste through our circular economy policy "Recycling Victoria: A new economy".

Reduce the harmful effects of pollution and waste on human health and the environment

Improve Victoria's native species populations and their habitat through targeted management

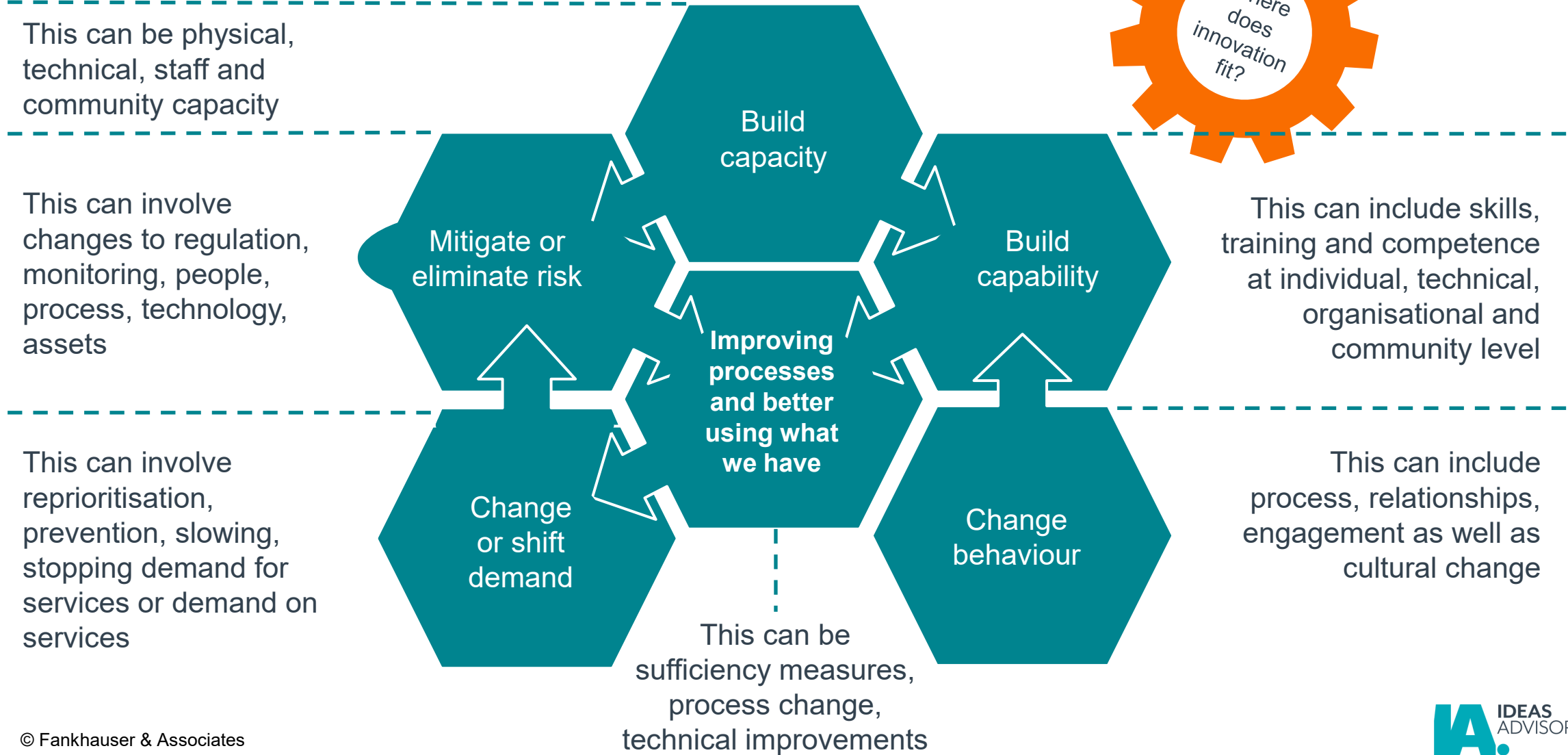
Strengthen the resilience of the Waste, Recycling and Resource Sector through the transition to a circular economy.

Increase Victorians valuing nature

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Common types of interventions



Project options for the preferred response

Improve access to
non-ED medical
services



Improve access to GP services including after hours

- 24 hour GP clinics in accessible centres
- 24 hour GP clinics near ED on hospital sites

Promote the uptake of other health services (eg Nurse-On-Call)

- Increase number of Doctors on call
- Increase opening hours in existing GP clinics

Introduce online/phone support to people

- Doctor online
- Nurse on phone

Use technology to support patient access to other health services

- Tele-med interfaces for GPs

Moving from response to project solution



Questions to consider include:

- To what extent solutions deliver investment benefits and KPIs?
- Which solution offers the best value for money?
- What costs, risks, timeframes and disbenefits are associated with the defined solution?
- Is the preferred project solution deliverable?

Using benefits to evaluate project solutions

When assessing the benefits of individual solutions there are different approaches that can be taken including:

- A numerical calculation of benefits, a cost benefit analysis
- A financial calculation of benefits

Quantitative approaches



- Social impacts
- Environmental impacts
- Economic impacts

Quant & Qual approaches



Stakeholder identification and consultation

A stakeholder group is not a customer group – stakeholders have a stake in selecting the solution

**Generally input is from only 2–5 key individuals and/or a few user groups*



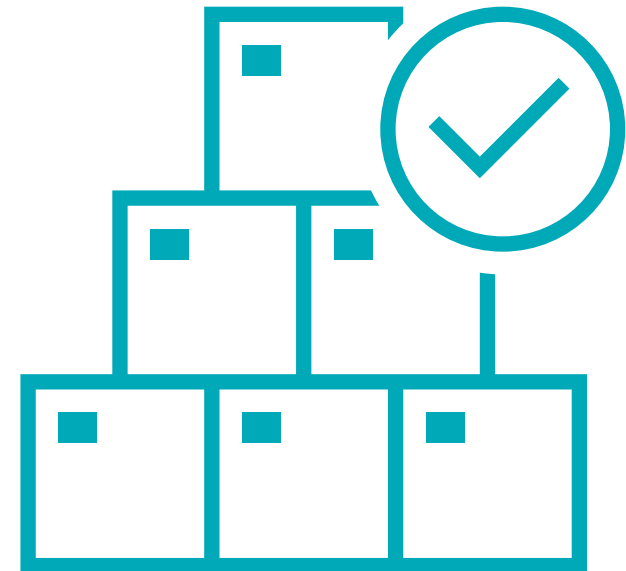
Let DTF know:

- **who else agrees** with the preferred solution
- **if there is any contention** regarding the solution options – address them and don't be scared to submit opposing views
- **the diversity of opinions** on the proposed solution options

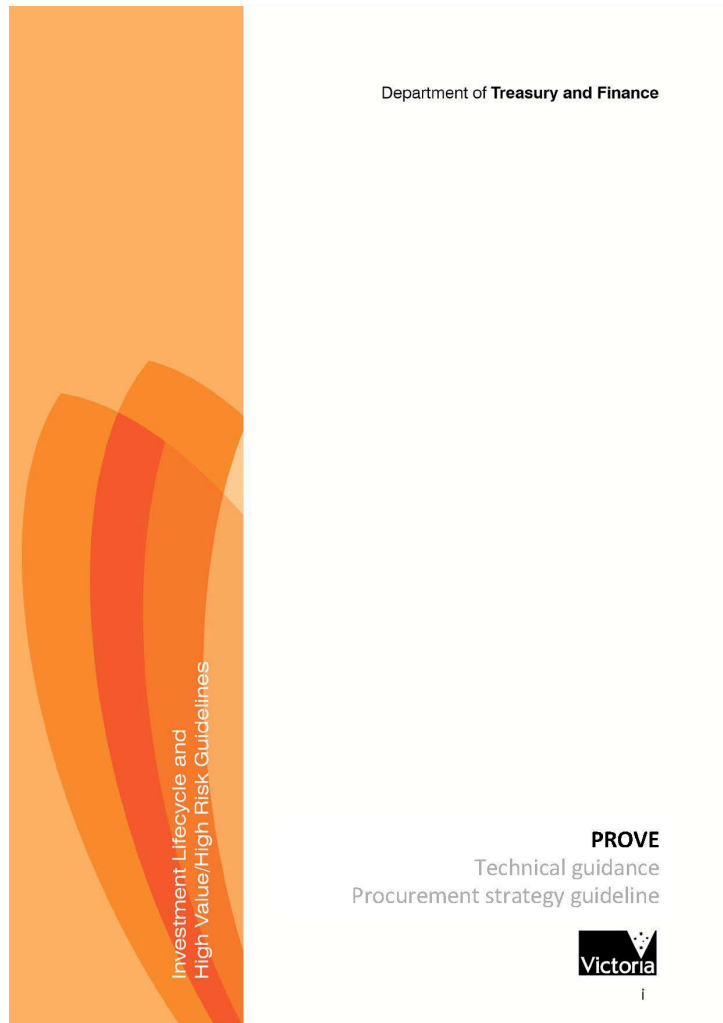
Economic analysis

Options

1. Cost benefit analysis (CBA) is the preferred methodology
 - Using computable general equilibrium (CGE)
2. Cost-effectiveness and least cost analysis
3. Multi-criteria analysis



Economic Evaluation for Business Cases



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Types and scalability of economic evaluation

- Cost-benefit analysis (preferred approach)
- Cost-effectiveness and least-cost analysis
- Computable general equilibrium
- Multi-criteria analysis

Gender impacts

- All submissions that directly impact the public are required to complete a Gender Impact Assessment (GIA).
- In this section, summarise the findings of your GIA for each component (if multiple) or explain why a GIA was not required. The completed GIA should be attached to this submission.
- The summary should include an overview of how different genders experience the problem described in section 2.1, and how gender considerations have shaped the design of the recommended solution.
- Provide a high-level assessment of the overall gender impact in table form.

Component	Gender Impact (Positive/Negative/Neutral/Unknown)
Component A	
Component B	
Component C	

How to determine a whether a GIA is required

The *Gender Equality Act 2020* requires a GIA to be completed for initiatives that directly and significantly impact the public. The below outlines how this should be applied in the budget context.

Direct:

Any initiative that is designed to support or be used by people, industries or workforces is considered to have a direct impact on the public. Initiatives that are aimed at internal public service staff and systems are also likely to benefit from considering gender impacts.

Significant:

Any submission lodged for ERC consideration.

Gender impact assessment toolkit and templates



This toolkit:

- provides a step-by-step guide to conducting a best-practice gender impact assessment
- is flexible so that you can choose the information that best meets your needs
- recognises that the size and experience of your organisation, as well as the impact of the policy, program, or service you are assessing, will affect the time you spend on each step
- contains tailored guidance for different types of organisations
- includes useful resources, practical tips and templates.

<https://www.genderequalitycommission.vic.gov.au/gender-impact-assessment-toolkit>

Determining the gender impact of proposed initiatives

The business case template asks you to determine whether the gender impact of the proposed initiative is positive, negative, neutral, or unknown.

Positive: the initiative has been adapted to meet the needs of different genders and other intersections of disadvantage.

Negative: gender impacts were not addressed, or the proposal is likely to entrench existing gender differences and/or disadvantage.

Neutral: the positive and negative impacts balance each other out or there is no differential impact on people of different genders.

Unknown: a GIA was not undertaken, or insufficient data was available to assess gender impacts.

Broader impacts

Outline any relevant broader impacts, beyond direct benefits and financial costs.

This could include:

- 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;
- Local Government impact; and/or
- regional impacts.



Developing a business case

Outcomes measurement

Components of the business case – Outcomes measurement

Outcomes measurement

Evaluation strategy

Historical output performance

Estimated impact on output performance measures

Early Intervention Investment Framework (EIIF)

Measuring and Reporting on Service Delivery - VAGO

Many objective indicators in BP3 are not informative about outcome achievement because they ...

For example ...

Measure outputs (for example, the quantity of services provided) rather than outcomes

The Department of Education and Training's (DET) objective indicator 'Engagement: Increase the number of Victorians actively participating in education, training, and early childhood development services' counts the 'outputs' DET delivers, not the outcomes of enrolments, which would be course completions or employment

Are vague because it is difficult to interpret what is being measured

For the Department of Transport's (DoT) objective indicator 'Reliable travel', there is no further detail in BP3 to explain what is being measured or how

Lack any business rules to explain how results are calculated and where data is sourced

Around 60 per cent of objective indicators in the 2019–20 BP3 have no documented business rules

Lack baseline data to measure progress against

No departments have baseline data for any of their objective indicators. This is particularly problematic for the many objective indicators that aim to 'reduce', 'improve' or 'increase' something

VAGO recommendation

VAGO recommended that:

1. all departments review their objectives, indicators and output performance measures using a service logic approach to clearly distinguish between their service objectives, inputs, processes and outputs, and use this information to re-validate and, as needed, redesign their performance statements
2. all departments ensure their performance statements comply with the Resource Management Framework (and, where possible, its guidance material), including:
 - developing baseline data for objective indicators
 - clearly linking outputs with departmental objectives/objective indicators
 - redefining outputs that are too large and/or heterogeneous in terms of service delivery
 - ensuring outputs have a balanced and meaningful mix of output performance measures that assess quantity, quality, timeliness and cost
 - setting output performance measures that allow for comparison over time and, where possible, against other departments and jurisdictions

Outcomes and evidence



What did DTF do?

The 2023-24 State Budget

CHAPTER 2 – DEPARTMENT PERFORMANCE STATEMENTS

This chapter presents departmental performance statements that describe the objectives and associated performance indicators departments seek to achieve over the medium term. This chapter also describes the outputs (goods and services) that departments are funded to deliver to achieve these objectives.

Budget Paper No. 3, Chapter 1 *Service Delivery* describes the new initiatives that will be funded in 2023-24 and makes links with the base funding departments receive for ongoing programs. The departmental performance statements published in this chapter describe the services provided by the Government and, where relevant, have been updated to reflect the new initiatives in Chapter 1.

Performance measures for each output are divided into Quality, Quantity, Timeliness and Cost categories. The performance measures collectively describe the goods and services delivered, and how they are measured. The 2023-24 targets represent what the Government seeks or expects to achieve in the coming year. For each measure, targets and expected outcomes from 2022-23 and actual outcomes from 2021-22 will allow a comparison of departmental performance from previous years.

The Government is continuing to improve its performance reporting framework to provide more meaningful specification of the outputs delivered by departments, measures of successful delivery of these outputs, and a clear alignment with departmental objectives.

Output movements as a result of machinery of government changes

Machinery of government changes took effect from 1 January 2023. The departmental performance statements published in this chapter are organised according to the new structure of the Victorian Public Service.

Footnotes for outputs and performance measures that have moved as a result of the machinery of government changes indicate which department was previously responsible for delivering the service described.

The table below provides an overview of the movement of outputs between departments, including outputs split between departments.

The 2024-25 State Budget

CHAPTER 2 – DEPARTMENTAL OBJECTIVES AND OUTPUTS

This chapter presents departmental objectives and describes the outputs (goods and services) that departments are funded to deliver to achieve these objectives.

Budget Paper No. 3, Chapter 1 *Service Delivery* describes the new initiatives that will be funded in 2024-25 and makes links with the base funding departments receive for ongoing programs. The departmental outputs published in this chapter have been updated to reflect the new initiatives in Chapter 1.

For the 2024-25 Budget, departmental performance statements describing the objectives and associated performance indicators departments seek to achieve over the medium term can be found on the 2024-25 State Budget section of the Department of Treasury and Finance website. This publication, *2024-25 Department Performance Statements*, also details performance measures proposed to be substantially changed or discontinued in 2024-25, previously located in Chapter 2 Appendix A, for review by the *Public Accounts and Estimates Committee*. The *2024-25 Department Performance Statements* reports on the same performance measure data and detail as previously included in Budget Paper No.3, Chapter 2.

Output movements as a result of machinery of government changes

Machinery of government changes took effect over 2023-24. Footnotes for outputs that have moved as a result of the machinery of government changes indicate which department was previously responsible for delivering the service described.

The table below provides an overview of the movement of outputs between departments, including outputs split between departments.

Table 2.1: Movement of outputs as a result of machinery of government changes in 2023-24

Outputs	Old department	New department
Entire outputs moved between departments		
Industrial Relations	Department of Premier and Cabinet	Department of Treasury and Finance
Multicultural affairs policy and programs	Department of Families, Fairness and Health	Department of Premier and Cabinet
Medical Research (sub-output)	Department of Health	Department of Jobs, Skills, Industry and Regions
Suburban Development	Department of Jobs, Skills, Industry and Regions	Department of Transport and Planning

Source: Whole of government departments

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;
- how gender impact assessments and gender considerations will be incorporated into the evaluation;
- what mechanisms are/will be in place to collect the relevant data;
- how the evaluation findings will be reported to Government and used to inform the success of the initiative; and
- any potential issues with the evaluation that may skew results.

Historical output performance

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

If there are historic internal measures not in the current BP3 output structure you may also include these.

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

Additional outputs

List any other output(s) which this initiative contributes to.

[Link to benefits chapter 3.1](#)

Output name



Developing a business case

Current funding

Components of the business case – Current funding

Current funding

Funding history

Expenditure history

Existing funding base over
forward estimates

Current funding

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).

Expenditure history

- Provide details of how much was actually spent on this or similar/related initiatives.

Existing funding base over forward estimates

- Provide details of the existing funding base that has been provided for this or similar/related programs, including any changes to the base from savings initiatives. 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.



Developing a business case

Funding sought

Components of the business case – Funding sought

Funding sought

Proposed funding sources and alternatives

Budget impact – output funding sought

Communications funding sought

Budget impact – capital funding sought

Lease and service concession liability recognition

Budget impact – Depreciation equivalent revenue

Scalability of the recommended position

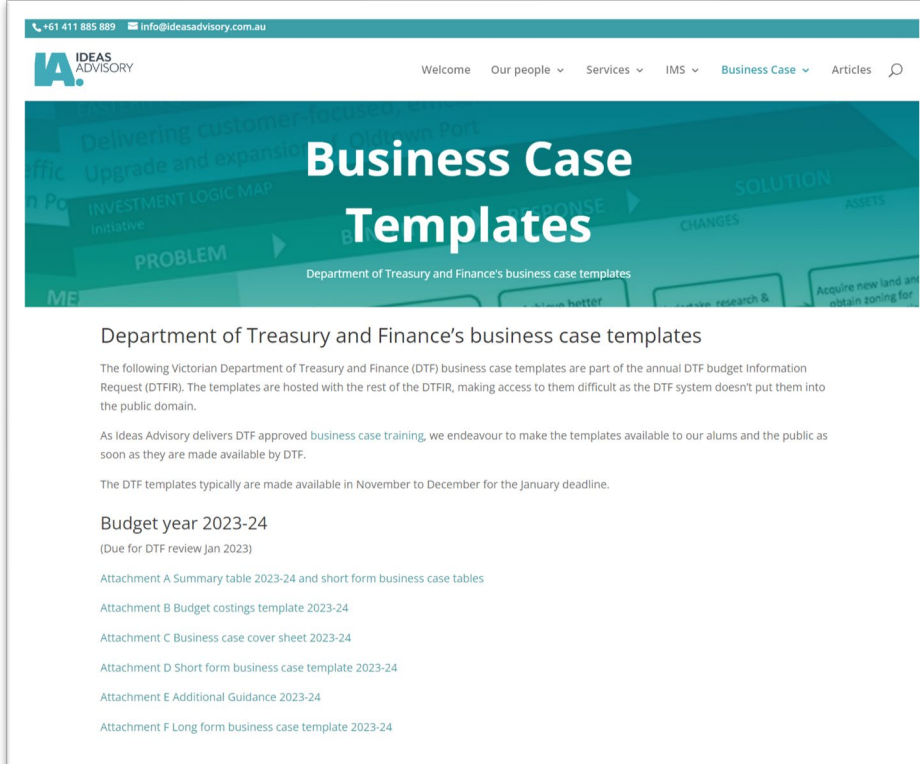
Split of funding request by location of delivery

Revenue impacts

Existing revenue

New revenue

Ideas Advisory



The screenshot shows a webpage from Ideas Advisory. The header includes the company logo, contact information (+61 411 885 889, info@ideasadvisory.com.au), and a navigation menu with links for Welcome, Our people, Services, IMS, Business Case, and Articles. The main content area features a large teal banner with the text 'Business Case Templates' and 'Department of Treasury and Finance's business case templates'. Below the banner, there is a paragraph explaining that the Victorian Department of Treasury and Finance (DTF) business case templates are part of the annual DTF budget Information Request (DTFIR) and are hosted with the rest of the DTFIR, making access difficult as the DTF system doesn't put them into the public domain. It also mentions that Ideas Advisory delivers DTF approved business case training and endeavours to make the templates available to their alumni and the public as soon as they are made available by DTF. The page lists the budget year 2023-24 (due for DTF review Jan 2023) and provides a list of attachments: Attachment A Summary table 2023-24 and short form business case tables, Attachment B Budget costings template 2023-24, Attachment C Business case cover sheet 2023-24, Attachment D Short form business case template 2023-24, Attachment E Additional Guidance 2023-24, and Attachment F Long form business case template 2023-24.

<https://ideasadvisory.com.au/business-case/business-case-templates/>

Proving cost



Questions to consider

Does your business case prove

1. all key elements of the project have been costed
2. costs are comparable to similar projects previously delivered
3. scope of the project is deliverable within the project cost
4. evidence provided strongly supports the project
5. project contingencies and risk allocations are clear
6. costs are sufficiently detailed
7. whole of life costs are sufficiently detailed
8. alternative options have been presented with detailed costings
9. alternative funding is included and the risks associated

Accuracy of estimates in the business case

Section	Processes	Estimate
Investment case (A focus for the Preliminary Business case)	Investment logic Problem, benefits identification, response options, indicative solutions	Order of magnitude estimate type -40% to +60%
	Project scoping Project option appraisal, define project scope (and options for further consideration) with concept design	Concept estimate -30% to +60%
Delivery case (A focus for the full business case)	Pre-feasibility Assessment of project options, initial risk and environmental assessment	Developed concept estimate -20% to +25%
	Feasibility Integration of risk assessment, preliminary design, functional model, whole of life costing and procurement strategy	Preliminary design estimate -15% to +25%
	Procurement Staged tender process including tender preparation and evaluation	Tender estimate -10% to +15%
	Negotiate contract price agreement	Tender price/contract (excluding agency administration cost) -5% to +10%

New: Other policy and program specific costs

The methodology for the costing of other policy and program specific costs will vary on a case-by-case basis. However, as a general rule, departments should aim to provide sufficient justification that demonstrates what is being purchased, why it is required, and how the costs have been derived.

DTF requests that departments:

- consider the Costing guiding principles in the following table when calculating any non-staffing policy and program specific costs
- engage with DTF early in the costing process to discuss the preferred costing methodology/approach.

For those departments that are eligible to seek indexation, non-wage costs should generally be indexed at 2.5 per cent.

Costing guiding principles

Components/activity	Cost drivers/methodology	Assumptions/supporting information
<p>Distinct activities and components of costings should be disaggregated, categorised and logically presented. For example, this could include, but is not limited to, separating:</p> <ul style="list-style-type: none"> – output from asset costs; – staffing costs from other non-staffing policy and program-specific costs; – distinct items to be purchased, activities and functions to be performed; – business areas of the department, teams' structure, and roles; – VPS staff, VPS Aligned, Non-VPS Aligned Adaptive Structures (covered by the Victorian Public Service Enterprise Agreement) and other staffing classification captured by other enterprise agreements; – services and activities performed by the department; – services purchased from or via a third party; – services or funding administered on behalf of a third party. – reprioritised internal funding, user charges and other revenue. 	<p>Costings should be presented in Microsoft Excel with all calculations and formulas accessible.</p> <p>Unit prices and quantities should be clearly visible and justified.</p> <p>Costing methodologies and cost drivers could include, but are not limited to:</p> <ul style="list-style-type: none"> – Variable costs/demand driven models; this may include price escalation and assumptions. – Unit and fixed price elements; where price of a good or a service is not subject to change and costs are largely driven by price and quantity. – Project and milestone driven models; where costs are dictated by agreed milestones or staged implementation. – Capped, price floors or step costs; this could include expenses that are constant for a given level of activity, but increase, decrease or plateau once a threshold is crossed. <p>Staffing costs are to be derived using standard costing methodologies such as the standard costing model for VPS staff– other models/methodologies are to be agreed with DTF prior to use.</p> <p>Financial implications should be presented across the forward estimates period and should include ongoing costs (if necessary).</p>	<p>Outcome achievement, the costing and associated supporting information should demonstrate the contribution towards achievement of, and should align with, each initiative's proposed objectives.</p> <p>Robust data and evidence based: costing should be supported by appropriate evidence and assumptions. This could include but is not limited to:</p> <ul style="list-style-type: none"> – reference to source data, rates used and why they have been chosen; – if costs are based on historical activity or experience, supporting information should detail assumptions and why a similar methodology is still applicable. <p>Marginal costs only: supporting information should demonstrate that the requested funding represents the marginal costs of the activity only (i.e. incorporates existing funding and efficiencies provided from established departmental structures and processes).</p> <p>In the absence of robust data and standardised methodologies: assumptions used to calculate costs should be canvassed, sufficiently justified and agreed with DTF.</p> <p>Demand bids: these should outline the key drivers of the expected growth in a service or program and should be supported by:</p> <ul style="list-style-type: none"> – a disaggregation of costs into key demand drivers (population, service expansion and price); evidence / data of current utilisation; and – assumption underlying anticipated growth.



Developing a business case

Deliverability

Components of the business case – Deliverability

Deliverability

Assessment and management
of risks and sensitivities

Implementation readiness

Timelines and milestones

Proving deliverability



Questions to consider

Does your business case enable

- Delivery on budget
- Delivery to timelines
- Delivery of benefits
- Risk management
- Governance
- Procurement
- Project management
- Gateway reviews – if required
- Specific identified government policy - VCC

Proving risk




Questions to consider

Does your business case prove

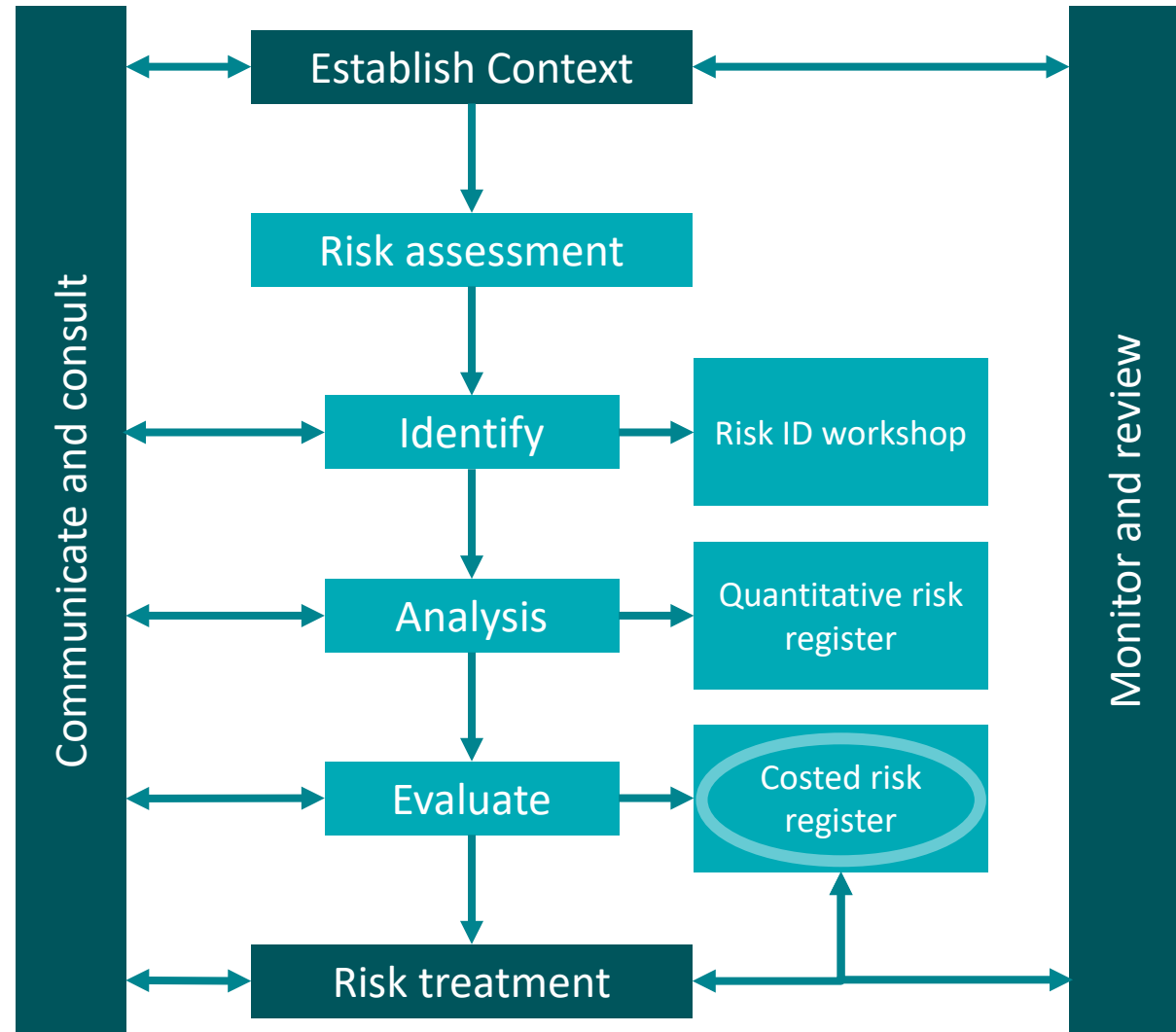
1. that the risk management planning process is robust
2. there is a clear risk strategy identifying all relevant risks
3. a history of related projects and their risk mitigation success
4. the risk management plan identifies and has allocated risks

Risk Management Framework



Risk

- Risk needs to be identified, analysed, evaluated, treated and monitored
- Project team is responsible



Proving timelines



Questions to consider

Does your business case prove

1. ability to deliver the project on time
2. appropriate project timelines and major milestones
3. consideration for managing critical timelines
4. sufficient time and resources have been allocated
5. external factors have been included / addressed
6. a process and / or contingency plan to manage delays

Proving project schedule



Questions to consider

Does your business case prove

1. a robust project management strategy
2. an appropriate project management strategy / methodology
3. an appropriate level of project planning has been developed
4. a change management / plan strategy has been developed
5. the organisation has or can secure the capability/skills
6. resourcing and expertise at different phases of the project
7. a history of delivery of similar projects
8. a change management and hand-over strategy

Minimum expectations for project estimation

Time

Project Size	Business Case	Procure	Delivery
Non-HVHR	Analogy / Top-Down	Analogy / Top-Down	Detailed build-up (WBS)
HVHR	Parametric	Detailed build-up (Reference Design)	Detailed build-up (WBS)

Cost

Project Size	Business Case	Procure	Delivery
Non-HVHR	Analogous where comparable data exists	Unit Rate Method / First Principles Estimating / Take-off	Detailed build-up
HVHR	Parametric	Detailed build-up (Reference Design)	Detailed build-up

Contingency

Project Size	Business Case	Procure	Delivery
Non-HVHR	Parametric Modelling / Predetermined Guidelines	Parametric Modelling / Predetermined Guidelines	Parametric Modelling / Predetermined Guidelines
HVHR	Hybrid with Simulation	Simulation	Simulation based ICSRA

Proving governance



Questions to consider

Does your business case prove

1. deliverability using this governance structure
2. accountabilities in the governance structure are clear
3. the project board/steering committee has a relevant experience
4. there is an appropriate plan to secure required resources
5. a history of comparable to similar projects previously delivered
6. appropriate stakeholder engagement and communications
7. relevant stakeholders have been identified
8. consideration of other projects

Project governance is vital to successful project delivery

- All projects must have a Senior Responsible Owner
- Most projects will have Project Board or Steering Committee or both with agreed roles
- Choose a quality project manager – with skills and experience equal to the task
- Outline roles and responsibilities, decision-making capacity, any independent assurance

Stakeholders and environmental constraints

Stakeholders can have significant impact on delivering your preferred solution.

- The impact may be either positive or negative on the project and will become apparent in the early stages of project planning.
 - Are key stakeholders going to support the preferred solution?
 - Does the business case have an appropriate Stakeholder Management Plan to engage stakeholders and manage stakeholder risks?



Developing a business case

Staffing requirements

Components of the business case – Staffing requirements

Staffing requirements

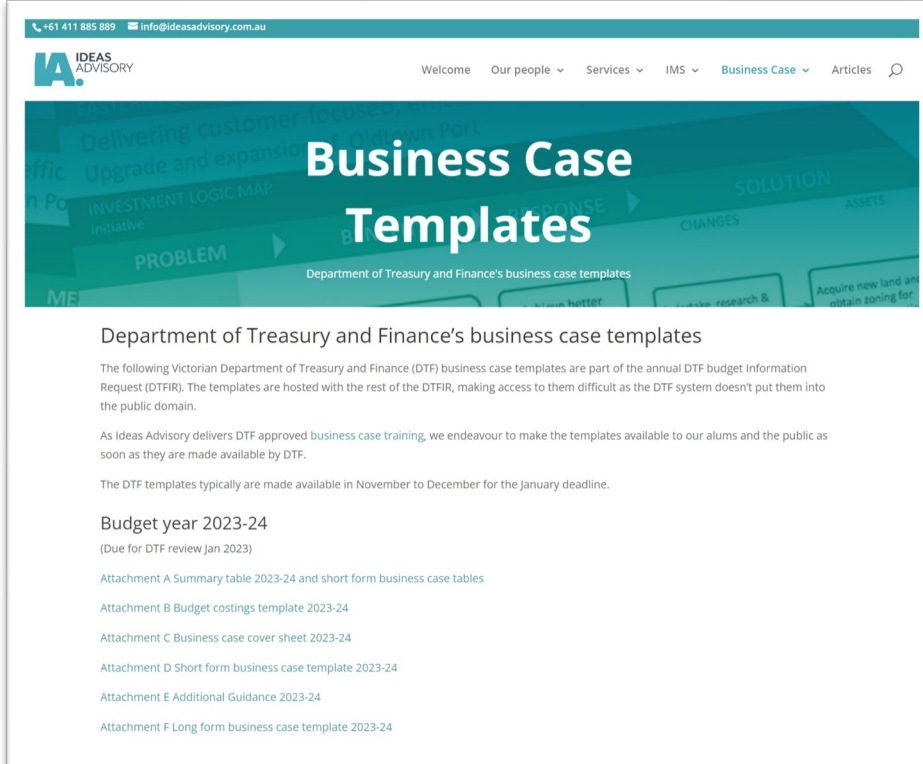
Staff/Contractors

New Executive Officer positions

Social Services Workforce

Consultants

Ideas Advisory



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<https://ideasadvisory.com.au/business-case/business-case-templates/>

Victorian business case templates – where to get them

DTF or your department

The screenshot shows the Victorian Department of Treasury and Finance website. The header includes the Victoria State Government logo and 'Treasury and Finance'. The main content area is titled 'DTF INFORMATION REQUESTS'. Below this, there is a breadcrumb trail: 'Department of Treasury and Finance Victoria → Financial management of government → Planning, Budgeting and Financial Reporting Frameworks → DTF information requests'. The main text explains that DTF information requests are for government departments, public non-financial corporations, and other entities. It provides instructions on how to request access, including contacting the site at dtf@dtf.vic.gov.au. A 'RELATED CONTENT' section lists 'Resource Management Framework' and 'Financial Reporting Operations Framework' with arrows pointing to the right.

Don't forget that DTF often releases new templates late in the year

<https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/dtf-information-requests>

Ideas Advisory

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<https://ideasadvisory.com.au/business-case/business-case-templates/>



Developing a business case

Exit strategy

Exit strategy

The exit strategy for the government can vary depending on the specific project or investment. However, common factors may lead the government to consider exiting either early, at term, or if funding is not approved.

It is essential for the government to conduct thorough evaluations, cost-benefit analyses, and stakeholder consultations to inform the decision-making process.

Additionally, the government should consider the potential impacts of the exit on stakeholders, ensure proper transition planning, and communicate transparently to maintain trust and manage expectations.

Early Exit:

- a. Achievement of Objectives
- b. Changing Priorities
- c. Cost-Benefit Analysis

Exit at Term:

- a. Project Completion
- b. Evaluation of Performance
- c. Transition Planning

Exit due to Funding Not Approved:

- a. Budget Constraints
- b. Financial Viability
- c. Re-evaluation of Priorities



Developing a business case

Other relevant information

Components of the business case – Other relevant information





Developing a business case

Attachments

Attach the following documents to the submission.

For all initiatives:

- Detailed costings of all components of the initiative, in Microsoft Excel (please see costing spreadsheet);
- A Gender Impact Assessment; 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.

For all lapsing programs, where further funding is requested:

- Evaluation of the program (must be accordance with the requirements outlined in the RMF)

Components of the business case - Appendix (Recommended)

- A. Checklist and sign-off
- B. Investment Management Standard Outputs
 - Investment Logic Map
 - Benefit Map and Benefit Management Plan
 - Response Options Analysis Report
 - Investment Concept Brief
- C. Legislative and policy compliance
 - Acts
 - Policy / Strategy / Standards / Guidelines / Codes of Practice
 - Future alignment
- D. Board and staff showcase
- E. Other documents (available upon request)
 - Strategic plans
 - Reports
 - Communications and Stakeholder Engagement Plan
 - Change Management Strategy
 - Digital asset strategy
 - Risk register



Developing a business case

Overview

Components of the business case – Structure and Overview

Overview

3 900 characters and no images

This submission seeks State Government approval for [Department or agency] to invest in [Asset or Output description], to support Combined benefit statement].

In developing this business case, [number] options were considered. The preferred option is projected to cost [value] million over [time period], comprised of [funding source]. The [investment name] is expected to be fully operational by [time frame].

Contents

Figures

Tables

Glossary and Acronyms



Final thoughts

Final thoughts: Project versus investment success

Project delivery success may be defined by budget and schedule parameters.

However, investment success must be defined in terms of outcomes.

To be successful, an investment must:

- Resolve (at least in part) the stated problem(s) that drove the investment need;
- Deliver the intended and documented benefit(s); and
- Meet the demand for service over its operational life (current and future needs).
- Don't get so focused on solution, budget and schedule that you lose sight of what you set out to achieve
- Ensure your project delivery team clearly understands.

It's important to remember that the full extent of project success or failure may not be immediately apparent. It's only after the investment has been operational for some time that we can truly evaluate its impact. This underscores the need for a long-term perspective and a comprehensive view of our project evaluations.



Questions?

Links

[Investment lifecycle and high value high risk guidelines](#)

[Investment lifecycle and high value high risk guidelines](#)

(includes OPV policies)

[High value high risk framework](#)

[High value high risk framework](#)

[Gateway review process](#)

[Gateway review process](#)

[Investment management standard](#)

[Investment management standard](#)

[IMS workshops and examples](#)

[Applications of the investment management standard](#)

[DataVic access policy](#)

[DataVic](#)

[DataVic access policy](#)

[Templates](#)

[Ideas Advisory](#)

Useful data sources

Victoria

[DataVic](#)

[My Victoria](#)

[Victoria in Future](#)

[State financial data sets](#)

[Victoria Unearthed](#)

[Exploring Victoria's climate change risks](#)

[Victoria's changing climate](#)

[TCV Sustainability Bonds](#)

Federal

[data.gov.au](#)

[Australian Bureau of Statistics](#)



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