<Business Case Name>

<Responsible Entity>

<Date>

(The entity Chief Information Officer, Chief Financial Officer and Business Area programme Lead must sign-off the completed business case)

Signed: _____   Date: _____

<<Print Name>>

Chief Information Officer

Signed: _____   Date: _____

<<Print Name>>

Chief Financial Officer

Signed: _____   Date: _____

<<Print Name>>

Business Area/Program Lead

Supporting Entities	
Estimated cost	$XX million over n years
Estimated ICT cost	$XX million over n years
Risk assessment	
Authority for the Proposal	
Purpose	

> Use the Executive Summary to provide an immediate high level summary of the options considered – including the expected costs for the option – and a recommendation about the value of further investigation into the option.

1. Executive Summary

1.1 Summary of Options

The table below summarises the practical options considered, initial cost estimates, strengths, weaknesses and recommendation to Government.

Table 1 - Summary of Options

Option One – Total Cost: $XXM Funding Required: $XXM Option Lifespan -		
Strengths	**Weaknesses**	**Recommendation - Preferred/Not preferred**

Option Two – Total Cost: $XXM Funding Required: $XXM Option Lifespan –		
Strengths	**Weaknesses**	**Recommendation - Preferred/Not preferred**

Option n - Total Cost: $XXM Funding Required: $XXM Option Lifespan:		
Strengths	**Weaknesses**	**Recommendation - Preferred/Not preferred**

1.2 Financial Summary

Table 2 - Financial Summary

		Year One (000)	Year Two (000)	Year Three (000)	Year Four (000)	Total (000)
Option One NPV: $XXm	Capital					
	Operational					
	Total					
Option Two NPV: $XXm	Capital					
	Operational					
	Total					
Option n NPV: $XXm	Capital					
	Operational					
	Total					

2. Current Situation

The Proposal Context sets out the problem that the Proposal is responding to, or the opportunity. Use graphs, reference material, images – tell the story of the current situation.

2.1 Policy/Entity Context

State the business objective that options for a new ICT-enabled investment would help to achieve. Compare the proposed investment with your entity's strategic priorities. Refer directly to the outcomes and outputs in your entity's Budget Statements, corporate plan and annual report. Include identification of any relevant entity risks that contribute to the triggering situation for the proposal.

The entity context section compares the proposed investment with your entity's strategic priorities. It should explain how the ICT investment could assist your entity to deliver its outputs and outcomes more effectively and efficiently. The section must refer directly to the outputs and outcomes in your entity's Portfolio Budget Statements, corporate plan and annual report.

2.2   Current Technical Environment

For ICT enabled business cases, describe the current situation not only from a business perspective – but also from a current technical perspective. The Technical Environment section documents relevant components of your current ICT baseline. For example, the section should briefly describe:

- ICT infrastructure (both hardware and software)
- Voice and data communications facilities
- Workforce skills and numbers
- Security

The section must describe any gaps that the project must address to meet the Statement of Success and performance indicators. Gaps may be specific elements or more general service levels related to current levels of interoperability, security and efficiency.
The purpose of this step is to clarify your ICT environment as it stands and any shortfalls. It is not useful to revisit past developments and events at this point. High level environment and architecture diagrams can be helpful, but keep in mind the audience for the document when thinking about the degree of technical detail to include.

2.3   Business Problem

Your business case should begin by stating the practical business problem that options for a new ICT capability could help to overcome in achieving the government's policy and service delivery objectives.

An ICT investment may address several business problems, including:

- Supporting stakeholder priorities and business needs
- Enhancing the level of service delivered to stakeholders
- Reducing entity and whole-of-government costs
- Overcoming the limitation and constraints of a current solution

2.4   Stakeholder Impact

Describe the impact of the current situation on stakeholders.

2.5   Current Risk

Describe the risks that the current situation creates, and the risks of not responding to the current situation. Include both business and technical risks.

3. Proposed Response

This is about identifying the desired end state or destination, rather than the detail of "How" to get there.

Include a description of the proposed response, including any evidence that this will be an effective response to the current situation.

This section should focus on 'what' is being proposed as a response, rather than 'how' that response can be delivered.

Consider the inclusion of a proposed ICT architecture diagram to demonstrate the technical dimension of the proposal.

3.1   Strategic Alignment

Consider how the proposal aligns with the strategic goals of the organisation, and take the opportunity to identify how the proposal fits with whole-of-government policies and guides (e.g. the Data Centre Strategy, the Open Source Software Policy, Cloud Computing Strategy, Australian Government Architecture principals and policies, Cyber Security Policy etc). Information on these and other Whole-of Government policies is available from the Finance Website.

Identify how the proposed response aligns with your entity objectives listed in the policy/entity context section. Refer to your entity's Portfolio Budget Statements to identify the outcomes that delivery of this response would support.

Identify how the proposed response aligns with whole-of-government (WofG) policies, priorities and approaches.

Where relevant provide specific reference to:

- ICT Customisation and Bespoke Development Policy
- ICT Skills Policy
- Australian Government Architecture
- Cyber Security Policy
- Cloud Computing Strategy
- Open Source Software Policy
- WofG Common Operating Environment
- Environmental Sustainability of ICT
- Gov 2.0
- Coordinated procurement
- Data Centre Strategy
- Digital Service Standard (Digital Transformation Office)

Information on these can be found on the Finance and Digital Transformation Office websites.

It is recommended that entities consider the Digital Service Standard and contact the Digital Transformation Office as soon as practical when developing a proposal.

The technical environment and business environment sections that follow should describe the vision of the future state of the organisation. What will be different about the current situation from both a technical and business perspective as a result of the proposed response (not the specific options for delivering that response)?

Table 3 - Strategic Alignment

Source	Stated Strategy

3.2   Technical Environment

For ICT Enabled Business Cases - Describe the proposed future state from a technical perspective. High level environment and architecture diagrams can be helpful, but keep in mind the audience for the document when thinking about the degree of technical detail to include.

3.3   Business Environment

Describe the future state of the business operational environment based on the proposed response.

3.4   Benefits

Provide a statement of the benefits that the project will achieve and indicative timing for when they will be realised. Include information on how benefits will be measured and the expected targets to be achieved for each measure.

Include interim and longer term benefits, and include any identified disadvantages.

4. Proposal Summary

Consider providing a single page summary of the proposal in the form of an Investment Logic Map or similar.

5. Solution Options

5.1 Design Criteria

Include where possible the high level requirements that any viable solution will be expected to deliver against. These will be examined in greater detail in Second Pass.
Note high-level business requirements that the design must address – for example, consider areas such as:

- functionality;
- security and privacy;
- performance;
- reliability, availability and maintainability;
- policy, strategic, standards and architectural compliance requirements;
- usability, flexibility, scalability, interoperability; and
- major external interfaces and interdependencies.

These requirements provide the criteria for comparing options. Indications of relative value will be informative.

5.2 Identified Options

The business case must consider a range of options ranging from minimal technology upgrades to more innovative ICT business solutions, including those that may challenge prevailing inter-entity ICT planning and service delivery habits. This ensures that all options are considered objectively on their merits. The outcome will be a shortlist of options for analysis and comparison in the initial cost-benefit analysis. Normally this shortlist will include a Base case (maintaining existing arrangements), a Do Minimum case (to address only urgent and unavoidable requirements) and two to three other options.

Identify the practical options for achieving the objectives of the initiative. Also, identify discarded options and the reasons.

In the First Pass Business Case, options are high-level, covering practical ways of delivering the required outcomes. Examples of the appropriate level are:

- outsourced against in-house service delivery;
- major ICT development against increased staffing levels; and
- centralised against regional service delivery.

If after you have completed your options analysis you decide that there is only one option that is practical or preferred, you should explain why each of the other options are not feasible, or not preferred, keeping in mind that a case must always offer the decision maker appropriate discretion.

A business case for a significant ICT project with only one practical option would be exceptional and require detailed justification.

There are a number of ways to present the options considered – tables such as the one below are useful as they provide a brief description and a high level evaluation of the merits of each. Provide a similar level of detail for all options considered.

Table 4 - Options

Option 1 – **Base Case – Do Nothing**	
Description	Costs
Risks	Barriers
Strengths	Weaknesses

Having provided a high level view, an assessment of each option against the criteria should be included – a table format can be useful in this regard. The level of detail provided should be sufficient to support the recommendation made.

5.3 Options Analysis

Summarise the most significant features of each option. A preliminary analysis of the Net Present Value (NPV) of the proposal should be included. The NPV analysis should summarise the value flows associated with key costs and benefits, discounted to a present value using an appropriate discount rate. Present a tabular comparison of the options against costs, design requirements listed above and risk. Note any preferences in a "Conclusions" line.

Having provided a high level view, an assessment of each option against the criteria should be included – a table format can be useful in this regard. The level of detail provided should be sufficient to support the recommendation made.

The following table details the assessment of these options.

Table 5 - Options Analysis

Requirement	Option 1 –	Option 2 –	Option n –
Benefits			
Total costs (over 5 years)			
Implementation costs			
Ongoing costs (per year)			
Implementation timeframe			
Fit to Requirement 1			
Fit to Requirement 2			
Fit to Requirement 3			
Fit to Requirement 4			
Fit to Requirement 5			
Implementation risk			
Conclusion			

The recommended option based on this assessment is....

6. Option Details

Repeat this section of the business case for each option, including the following sub-sections:

- Description
- Stakeholder Impact
- Cost
- Benefit
- Cost-Benefit Analysis
- Risk
- Schedule

The details for each option are included as attachments to the First Pass Business Case. The detail provided should focus on differentiating the options. Provide enough detail for each option to:

- support comparative analysis; and
- support feasibility and assumptions.

6.1 Option One Details

6.1.1 Description

Provide a description of the option

6.1.2 Stakeholder Impact

Provide an assessment of the stakeholder impact, both positive and negative should this option be implemented.

6.1.3   Cost

ICT-related costs are expense and capital costs, including infrastructure, software, administration, maintenance and resourcing costs associated with the business transformation delivered by ICT enabled projects – including processes associated with the planning, design, development, change management, training and evaluation of the project.

To provide a common basis for planning, First and Second Pass Business Cases must apply the following definitions of ICT capital and operating costs:

- Capital costs – directly related to the creation of one or more assets (including relevant workforce costs).
- Operating costs – indirectly related to the implementation of the option and with no direct connection to the creation of an asset.

Describe the cost associated with any high-level business process transformation required by the option. Include:
- identification of new or changed organisational units;
- identification of new or changed business processes;
- estimates of the changes in staffing levels; and
- description of the approach to organisational change, including recruitment and training.
- Identify the costs for major ICT components required to support the option. For each ICT component include:
- ICT development information:
- description of each ICT element;
- architectural and standards compliance; and
- identification of the service levels required

ICT BAU operations and support information:
- description of the concept for operating and supporting the ICT element; and
- estimates of the ICT operation and support costs (i.e. BAU costs).

Identify and describe the approach to implementing any other systems that relate to the option (for example, buildings and media campaigns). Highlight the interdependencies between the streams of work (e.g. entity delivery of an advertising campaign by internet may have ICT implications).

Committed estimates involving a point estimate (of say '$50 million') plus or minus X% are required, providing government with clear advice on the likely cost of the ICT option, taking into account the potential impact of the worst-case scenario. You should also provide the logic that underpins the point estimate and worst-case components.

At first pass, the cost estimates for each option should include a significant contingency allocation, particularly for options (or elements of options) with medium-to-high technology risks. For such options, a contingency allocation of at least 30% would be appropriate.

You should build your contingency allocation by establishing the risk and corresponding dollar figure for each element (such as software development or customisation), after mitigation strategies have been considered.

6.1.4   Benefits

Identify the benefits expected to be delivered by each option, the timeframe expected for realisation of each benefit, how each benefit will be measured, and the broad targets for each measure.

Further guidance on benefits is provided at Attachment D, and the Performance Indicator Catalogue on the Finance website.

6.1.5   Cost-Benefit Analysis

At first pass you are expected to provide an initial cost-benefit analysis for each of the options in your ICT business case. Focus on the benefits of each option from the perspective of end-users and of your entity. As part of your cost-benefit analysis, you should consider each option in terms of the inputs of cost, volume and time. You should also conduct a basic sensitivity analysis.

The cost-benefit analysis culminates in an overall economic assessment for each option and a comparison of the relative value of each option. This assessment is based on the net present value (NPV) method where appropriate. At first pass, you are not expected to provide a definitive NPV calculation. However, in order to submit a convincing First Pass Business Case, you are required to provide an initial NPV calculation for each option, and an initial comparison between the options even though the basis for the cost and benefit information may only be preliminary.

6.1.6   Risk

For each option, provide a high-level risk assessment that gives an overall risk rating and identifies the main risks and treatments. Examples of high-level risks include:

- industry maturity;

- complexity; and

- external interactions and interdependencies.

6.1.7   Schedule

Provide a broad schedule linking the major cost elements, and showing the significant external influences, listing any known internal or external milestones affecting or constraining any schedule.

You should indicate how long each option is likely to take to be fully operational and deliver the planned benefits. It is important to be realistic in your planning and to explain the logic and assumptions that underpin each element of your schedule. For example, to allow sufficient time for software development, test and evaluation, and user training and acceptance, you should look to similar work performed elsewhere in your entity or in another entity recently. You should use this knowledge to question informal schedule advice from potential industry partners.

6.2   Option Two Details

Follow the same format as Option One Details for each option.

6.2.1   Description

6.2.2   Stakeholder Impact

6.2.3   Cost

6.2.4   Benefits

6.2.5   Cost-Benefit Analysis

6.2.6   Risk

6.2.7   Schedule

6.3   Option Three Details

Follow the same format as Option One Details for each option.

6.3.1   Description

6.3.2   Stakeholder Impact

6.3.3   Cost

6.3.4   Benefits

6.3.5   Cost-Benefit Analysis

6.3.6   Risk

6.3.7   Schedule

7. Implementation Approach

Having identified the problem to be solved and the options to be explored in response, this section of the business case is about confirming the Entity's capability and capacity to deliver the preferred solution.

Describe the implementation approach for delivering the investment, including the project/programme management governance structures and other key control and assurance processes, describing variations for each identified option if different.

If a governance structure is not yet in place, identify the management issues that will need to be addressed, including consideration of:

- the existing internal organisation;
- stakeholder engagement;
- consultation processes;
- Entities' approval processes.

8. Work to Second Pass

Entities should provide an accurate costing, risk assessment and schedule for the work needed to develop a rigorous business case for second pass, including for any joint planning, prototype work or studies that should be conducted with industry.

Identify funding required to develop the Second Pass Business Case. Substantiate any funding request with a breakdown of the work elements required.

The work-to-second-pass section distinguishes between items that could be funded by your entity, and those for which you are seeking extra funds (such as technical feasibility studies, and prototype development, testing and demonstrations by industry).

Costs involved in developing this proposal to Second Pass are estimated at $XX million.

The expected costs to Second Pass are detailed in the table below.

Table 6 - Costs to Second Pass

	Item	Indicative Cost ('000)
Phase One		

	Phase 1 Total	
	Item	**Indicative Cost ('000)**
Phase Two		
	Phase 2 Total	
	Work to Second Pass Total	

9. Supporting Material

The following is a list of supporting material that should be addressed at a high level at first pass. This content may be included either within the business case or as an attached document.

9.1   Benefits Management Plan

Provide high level detail of the project's measurable benefits and the method and metrics to be used for tracking, reviewing and reporting when and if benefits are realised. Benefits are to be agreed between the programme / project office, sponsors, stakeholders and Finance.

9.2   Solution (Architecture) Design

Provide a high level outline the business and technical requirements of the solution, and provide sufficient detail to support the ongoing design, cost estimation and schedule management of the products to be delivered. The document may also detail the users, transactions, process flows and business rules; the basis of a sizing method such as a use-case or function point count. Outline any hardware capacity and performance requirements. Out of scope requirements may be detailed. Complements the Solution Design and may be used to support industry engagement activities.

9.3   Requirements Specification (Business Process Model)

Provide a high level outline the business and technical requirements of the solution, and provide sufficient detail to support the ongoing design, cost estimation and schedule management of the products to be delivered. The document may also detail the users, transactions, process flows and business rules; the basis of a sizing method such as a use-case or function point count. Outline any hardware capacity and performance requirements. Out of scope requirements may be detailed. Complements the Solution Design and may be used to support industry engagement activities.

9.4 Security Plan

Provide a outline to explain how the proposed solution will align with the *Protective Security Policy Framework*, comply with the *Information Security Manual*, including addressing the Top 4 Strategies to Mitigate Targeted Cyber Intrusions.

9.5 Procurement Strategy

Provide high level detail how the project will acquire the services, hardware and software required to implement the solution; supports the Project Plan and outlines the strategy for any industry engagement activities.