

**<Business Case Name>**

**<Responsible Entity>**

**<Date>**

(The entity Chief Information Officer, Chief Financial Officer and Business Area Program 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

<b>Supporting Entities</b>	
<b>Estimated cost</b>	
<b>Estimated ICT cost</b>	
<b>Risk assessment</b>	
<b>Authority for the Proposal</b>	
<b>Purpose</b>	

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## 1. Executive Summary

A key consideration in the development of the Second Pass Business Case is the question of complexity. Several factors contribute to the complexity of a proposal, the degree of change proposed, the number of required components in the proposed solution, the range of cross entity and cross government interaction required, the dollar value, technical complexity and novelty and so on.

In determining the complexity of a proposal – and therefore the range and level of detail of information required in the business case, keep in mind that the business case needs to provide information sufficient for the decision being sought.

### 1.1 Recommendations

The recommendations must be consistent with the recommendations in the Cabinet submission as detailed in Cabinet Circular No.1 each year, available from your entity Cabinet Liaison Officer.

## 2. Summary of First Pass Business Case

Much of the material that makes up the background for the Second Pass Business Case may be drawn from the First Pass. As is the case all through the Second Pass Business Case, Second Pass should provide additional, more detailed or updated information.

### 2.1 Policy 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.

### 2.2 Business Problem

Briefly reiterate the business problem the proposal addresses in the context of the entity's roles and responsibilities. Note any factors that are critical to achieving the objectives (Critical Success Factors – CSFs).

### 2.3 Proposed Response

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 using visual representations of Blueprints, Visions or Strategic Intention for the proposal where possible.

## 2.4 Outcome of First Pass

Provide a statement of the outcome of the first pass Cabinet endorsement, including:

- section of options for second pass review;
- caveats;
- deviations from initial proposals; and
- additional functions required.

## 2.5 Changes since First Pass

Provide a brief summary of key developments in the organisation, policy space or broader government context since the approval of First Pass, as well as providing an overview of the work undertaken to produce this Second Pass Case.

Describe any significant changes that have occurred since endorsement of the first pass proposal that will affect the information (type, detail, availability, applicability) the sponsoring entity is providing for second pass.

Examples include (but are not limited to) changes to:

- external environment;
- Government policy and/or regulatory requirements;
- Governance profile;
- ICT elements;
- security risks;
- ongoing support model;
- procurement plans;
- identified risks and risk treatment; and
- customer/client base.

Mention any significant deviation from the planned work to second pass identified in the First Pass Business Case.

### 3. Options Analysis

The Options Analysis section is one where additional information may be required based on the relative complexity of the proposal. Consider add more detailed information about cost drivers, costing approaches and included a more detailed description of the costing model. Consideration may also be given to third party verification of the costing model and any assumptions made during the development of the costing.

A definitive 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. Refer to Attachment E: Cost-Benefit Analysis.

Where more than one option is being proposed for consideration, a comparative table contrasting the options may be useful.

#### 3.1 Options Summary

This section provides a summary comparison of the chosen options from a business perspective. A subsequent section requests project details about each option.

Use a tabular presentation such as:

**Table 1 – Options Summary**

Requirement	Option 1 -	Option 2 -	Option N -
<b>Benefits</b>	The quantifiable business benefits that are expected to be realised for each option from the successful delivery of the outcome. These should be categorised as either financial or non-financial benefits.		
<b>Disadvantages</b>	A disadvantage is an outcome perceived as negative by one or more stakeholders. Disadvantages are actual consequences of an activity (whereas, by definition, a risk has some uncertainty about whether it will materialise).		
<b>Timescale</b>	What is the overall timeframe for implementation? Over what period will the project costs be incurred? Over what period will the benefits be realised?		
<b>Cost</b>	Summarise the costs (derived from Project Details and Plans below) and the supporting assumptions, including contingencies for risks. The aggregated costs shown here should also include details of the ongoing operational and maintenance costs, and their funding arrangements. Factor in the cost of periodic security assessments and any decommissioning of systems and asset disposal. Detailed costing information should be provided in attachments.		
<b>Major Risks</b>	Provide a summary of the aggregated risk ratings, highlighting the major risks and their possible effect on the business objectives and benefits (therefore, covering both the project delivery and the ongoing operations and maintenance).		

## 3.2 Cost-Benefit 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 second pass, you are expected to provide a definitive NPV calculation.

With the information in the business case, it is possible and necessary to compare the development, operations and maintenance costs with the value of the benefits over a period of time – i.e. cost-benefit analysis. The investment period may be the useful life of the products or a fixed number of years, but must include at least the Budget year and three forward years. The period must also include all development years.

The cost-benefit analysis must cover project costs, ongoing operations and maintenance costs (including disposal costs if appropriate to the time frame). The cost-benefit analysis technique (e.g. Net Present Value – NPV) must be consistent across all options and should be sufficient to test the vulnerability of the options to risk, and variability in costs and benefits.

Provide costing information using the standard Departmental Costing template, issued by Finance with attachments detailing ICT costs.

## 3.3 Conclusion

The conclusion, summaries options, outlines the limitations, risks, costs and analysis undertaken. Reasons for selecting preferred options can be summarised here, in addition to highlighting the benefits for the organisation.

## 4. Implementation Approach

Proposal complexity may have an impact on the range of implementation approaches available for consideration. In-house against outsourced, phased implementation against 'big-bang' change approach, incremental improvement against wholesale innovation will be informed by the complexity of the proposal. As with funding, the degree of detail provided in the implementation approach should be commensurate with the complexity of the proposal.

Additional consideration should also be given to the implications that each delivery option has on the surrounding organisational environment. Include in your business case a description of the mechanisms in place to ensure that delivery is co-ordinated, not only within the context of the current proposal, but also with other initiatives underway in the entity, and where relevant with broader cross-entity, inter-entity and whole of government initiatives.

This section presents implementation details for each option. Reviewers will use the information requested here to verify the robustness of the project design and delivery.

Where more than option is being presented, this section of the business case may be repeated for each option in attachments.

### 4.1 Technical Design Report

Include High level Business Process Model, and ICT Architecture diagrams, in the document – and provide more detailed versions of these models and architectures as attachments.

For each option, provide a detailed technical design report that includes:

- the scale and complexity of the technical architecture and design;
- how the architecture and technical elements would help to achieve the benefits of the overall policy proposal, based on the Statement of Success agreed by government;
- the extent of software development and integration work;
- compliance with policies and standards, particularly security and interoperability;
- how any positive or negative technical issues realised since first pass should be addressed;
- the tasks and timing for high cost, non-technical elements including programme management, change management, workforce planning and user acceptance and training;
- how the skills and experience required in your project management team will be provided or built; and
- processes and requirements for ongoing maintenance and support.

For solutions that will rely on the entity ICT infrastructure, the report will address:

- how you will implement the ICT project component within your entity architecture; and
- the interoperability of the new option with existing, legacy or external systems.

The technical report should also describe the extent to which the design of each ICT option would support whole-of-government architecture principles through:

- collaboration with other entities in the development of the service
- re-use of existing cross-entity or whole-of-government services and facilities
- how services and facilities developed for the project can be re-used by other entities.

## 4.2 Project/Program Plan

If elements of the plan are the same regardless of the specific option, repeat those sections of the plan for each option. This should include a Work or Product Breakdown structure, master schedule and a sourcing plan.

## 4.3 Governance and Control

Roles, responsibilities, authorisation hierarchy, escalation procedures, control and assurance processes.

## 4.4 Review Points

Identify key points in the project schedule for planned reviews including stage gate (or Gateway) reviews of quality, benefits realisation and the status of the business case, including potential 'exit' points for the project.

## 4.5 Risk Analysis

Details of major risks (including workforce risks), risk ratings, mechanisms employed to arrive at these ratings, risk treatments. This should include significant security risks and risk treatments.

## 4.6 Benefits Realisation Plan

Include:

- details of the benefits to be achieved through the implementation of the project;
- how benefits will be measured and key assumptions or dependencies;
- key project activities required to assure realisation of benefits; and
- details of when benefits are expected to be realised.

## 4.7 Procurement Plan

Describe the intended procurement strategy (EOI, RFT), sourcing options, procurement stages, use of whole-of-government procurement facilities and instruments and the capability of the market to deliver.

As with any procurement process, market testing for proposals and proof-of-concept prototypes must be conducted in accordance with your entity's Chief Executive Instructions (CEIs) or equivalent. Adherence to CEIs will ensure compliance with the Commonwealth Procurement Guidelines (CPGs).

Approaches to industry for proposals and for proof-of-concept work to support second pass analysis should involve an open market approach and should cover each of the ICT options approved by Government at first pass. These market approaches must indicate that:

- a decision to proceed with the prototype work before second pass gives no explicit or implicit guarantee of future contracts;
- the Commonwealth retains all intellectual property relating to the prototype development and tests;
- the Commonwealth retains the right to discontinue any part of the work at predefined exit points within the project schedule and associated contract; and
- an outcome of the prototype work includes providing the Commonwealth with full documentation and information sufficient for a subsequent approach to market.

The CPGs allow for the direct sourcing of prototypes, although entities should still consider the value for money benefits of a competitive procurement process.

## 4.8 Cyber Security Policy

Provide a summary of the security design and delivery requirements of the project, including likely impacts on physical and personnel security requirements, roles and responsibilities and assessment (including certification) and accreditation. Explain how the option aligns with the Government's policies on cyber security and information security.

The Business Cases for ICT-enabled proposals also need to reference and explain how the proposal will comply with the mandatory requirements of the Protective Security Policy Framework (PSPF) and the ICT requirements of the Information Security Manual (ISM) through the various stages of the proposed systems development lifecycle.

## 4.9 Organisational Change Plan

Describe the intended organisational design (people, processes, tools) and change management approach (training, recruitment, transition).

## 4.10 Human Resource Plan

Identify the process to be used to supply human resources for the project, including an indication of the following:

- key skills and personnel and the points at which they will be required over the life of the project;
- where new staff (internal and external) will be sourced from;
- consideration of market supply conditions for certain skills;
- training requirements for existing and new staff;
- consideration of dynamic resourcing and any sharing of staff from external entities or other parts of the entity, especially in the case where high demand ICT skills are required; and
- identify the impact of any staff movements on other programmes.

Entities should develop human resource plans in compliance with current entity and APS skills policies. Work force planning adjustments arising from new projects should aim to enhance the internal ICT skills base in government.

## 4.11 Detailed Costing

Reflect the proposed design (using a project WBS) and the proposed skill set requirements. Cost categories include:

- costed WBS;
- maintenance cost schedule;
- operational service delivery;
- programme/project management;
- travel, training and consultancy; and
- post pilot/prototype cost results.

If available, make reference to comparable implementation costs at other sites.

Costs must include implementation and ongoing support and maintenance. For comparison purposes, show costs over the same period for all options. The period must include at least the Budget year and three forward years, and must include the full development and implementation period.

Reasonable provision for residual risks should be costed, and described in detail.

## 5. Supporting Documentation

This is a list of potential supporting documentation that may be relevant to a specific business case. The list is not intended to be exhaustive, and there may be more or fewer attachments depending on the nature of the proposal. Refer to the ICT Investment Approval process Documentation Guide for details.

- Work Breakdown Structure (WBS) Cost Model and Estimate Project Management Plan
- Project Management Plan
- Risk Management Plan
- Risk Register
- Benefits Management Plan
- Solution (Architecture Design)
- Requirements Specification (Business Process Model)
- Quality Plan
- Procurement Strategy
- Governance Plan
- Change Management Plan
- Training Plan