

Business Case Development Framework

Release 3

OVERVIEW

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Building Queensland is a statutory body that provides independent, expert advice to support the Queensland Government in making infrastructure decisions.

Building Queensland performs a key role in developing business cases for major infrastructure projects. All infrastructure proposals led by Building Queensland are developed under our Business Case Development Framework. The framework ensures a consistent and rigorous approach to proposal development.

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DISCLAIMER

This publication has been prepared for the purpose of section 11 of the *Building Queensland Act 2015*. The material contained in this publication is made available as a guide only and is subject to review and regular updates. Users should exercise their own skill and care, and seek appropriately qualified advice if necessary.

CONTRIBUTORS

Building Queensland acknowledges the support received from partner agencies, industry and consultants in the development of this guide.

Building Queensland also wishes to acknowledge the Victorian Department of Treasury and Finance, Infrastructure Australia and NSW Treasury. Building Queensland used the following resources as references in the development of this guide:

- » Victorian Department of Treasury and Finance: Infrastructure investment, investment lifecycle and high-value, high-risk guidelines
- » Infrastructure Australia: Assessment Framework
- » NSW Treasury: The NSW Government Business Case Guidelines

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1. Purpose

The purpose of this overview document is to provide a high-level summary of the Business Case Development Framework (BCDF).

The Queensland Government uses business cases to inform infrastructure investment decisions that affect Queensland's economic and social domain. To make good decisions, the government needs quality proposals, well-developed business case documentation, and transparent and robust assessment processes.

The BCDF gives detailed guidance on what a business case analysis should contain in order to:

- » support government agencies developing infrastructure business cases
- » align with best practice and meet state and Commonwealth requirements e.g. the Queensland Government's Project Assessment Framework (PAF), Infrastructure Australia's Assessment Framework, and OGC Gateway™ Process (Gateway) assurance activities¹
- » allow government to assess business cases consistently and compare investment opportunities.

The framework guides business case investment proposals through three stages:

- » Stage 1: Strategic Assessment—conception
- » Stage 2: Options Analysis—generating and analysing options
- » Stage 3: Detailed Business Case—detailed analysis of the preferred option/s.

The framework also gives supplementary guidance, which is outlined in the following guides:

- » The Cost Benefit Analysis (CBA) Guide provides a systematic approach to informing an investment decision through robust and transparent analysis of costs and benefits, and assess economic viability.
- » The Benefits Management (BM) Guide provides a directed end-to-end process of identifying, defining, measuring, evaluating and reporting benefits. Its purpose is to help determine whether an initiative has achieved its intended outcomes and objectives once it is delivered.
- » The Investment Logic Mapping (ILM) Guide provides a stepped approach to identifying and mapping service needs and benefits sought, and developing potential initiatives that address the service need.
- » The Stakeholder Engagement (SE) Guide provides a detailed lifecycle approach to engaging stakeholders to support the development and implementation of communications and engagement activities.
- » The Social Impact Evaluation (SIE) Guide provides clarity around the relationship between social impacts, risks and benefits including additional elements of the business case.

The framework stages are outlined in Figure 1, which illustrates how a business case progresses. It highlights the purpose, considerations and outcomes at each stage. This diagram also appears in each of the stage guides to help users navigate the framework.

¹ In 2001, the United Kingdom's Office of Government Commerce (OGC) developed and implemented the OGC Gateway™ Process (Gateway) for application across major government programs and projects. The Queensland Government has endorsed the use of Gateway for major infrastructure programs and projects.

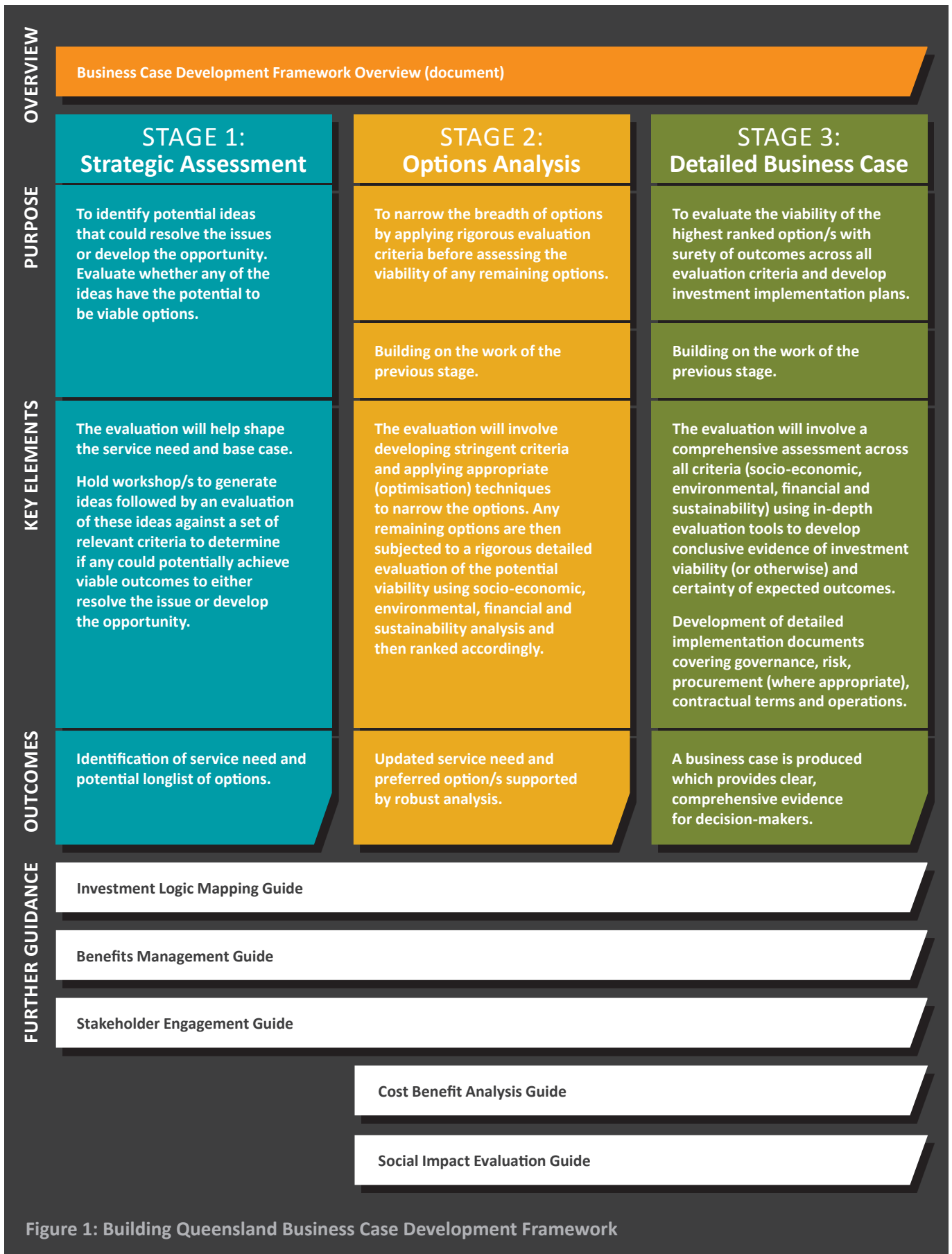


Figure 1: Building Queensland Business Case Development Framework

2. Principles

Building Queensland supports a robust, principles-based approach to developing business cases for investment. The approach encourages collaboration between stakeholders to develop clear, concise and evidence-based investment proposals.

The principles-based approach considers the business case framework methodology and applies the principles that every business case is unique, consistent yet flexible, and can adapt to the scale and complexity of a proposal (refer Figure 2).



Figure 2: Business Case Development Framework principles

2.1 Business case attributes

A solid, well-founded business case has several key attributes. These attributes are consistent across agencies and proposals as summarised in Table 1.

Table 1: Key business case attributes

	ATTRIBUTE	DESCRIPTION
Focus	Service need driven	Address a clearly defined and articulated service and/or business need in your investment proposals.
	Benefits driven	Ensure the achievement of benefits is the primary goal underpinning the investment design and business case analysis.
	Evidence based	Support any advice to decision-makers with transparent and robust analysis, data and information.
Approach	Robust	Use a precise analytical approach in the evaluation of the business case to ensure the outcomes are valid and reliable.
	Risk focused	Consider risk throughout the development of the proposal and include details of how you propose to manage the identified risks.
	Life cycle	Develop investment proposals with a whole-of-life, whole-of-system view, including a focus on sustainability and resilience.
	Fit for purpose	Ensure the extent of the business case evaluation and the level of detail reflects the context, service need, scale and complexity of the proposal.
Alignment	Holistic	Reference the broader environment/system the proposal is a part of, and show how it will integrate with that to maximise benefits.
	Stakeholder engagement	Stakeholder views and level of impact are a critical factor in establishing the service need and potential demand. Consider stakeholders' expectations and needs when evaluating solutions.
	Strategically aligned	Align your investment proposal to agency, state, federal, regional and local priorities where appropriate, and explain how it contributes to those strategic outcomes.
	Net benefit	Explain how the investment will deliver a net benefit to Queensland and align with the Queensland Government's policy priorities and strategic agenda.

3 Business Case Development Framework

The foundation for the BCDF is the Queensland Government’s Project Assessment Framework (PAF).

The alignment between the two frameworks is shown in Figure 3.



Figure 3: Alignment of the BCDF with the PAF

3.1 Broader environment

The Building Queensland BCDF has been developed to support and integrate with frameworks and infrastructure investment systems at both state and federal levels.

Key frameworks the BCDF currently integrates with are outlined in Table 2.

Table 2: BCDF and the broader policy environment

GUIDELINE, POLICY OR FRAMEWORK	DESCRIPTION OF INTEGRATION
Government’s Project Assessment Framework (PAF)	Building Queensland’s BCDF aligns with the PAF.
Financial and Performance Management Standard (FPMS)	<p>The FPMS requires departments and statutory bodies to be aware of requirements of the Project Assessment Framework.</p> <p>Section 18(4) requires accountable officers and statutory bodies to have regard to the PAF when preparing asset evaluations.</p>
Infrastructure Australia’s (IA) Assessment Framework	<p>IA is an independent statutory body with a mandate to prioritise and progress nationally significant infrastructure.</p> <p>IA’s Assessment Framework sets out the approach used to identify potential infrastructure solutions that address nationally significant infrastructure challenges and opportunities for inclusion in the IA Infrastructure Priority List.</p> <p>Building Queensland’s BCDF supports investment proposals that seek IA involvement by aligning to IA’s Assessment Framework. Building Queensland gives guidance on the additional details required by IA.</p>
Queensland State Infrastructure Plan (SIP)	<p>The SIP outlines the strategic direction for the planning, investment and delivery of infrastructure in Queensland.</p> <p>The SIP identifies what the government ultimately wants from its infrastructure and how this can best be achieved. Importantly, it is designed to provide confidence and certainty to business, industry and the community by confirming the government’s investment program over the next four years.</p> <p>Building Queensland’s BCDF supports the alignment of investment proposals and business cases with the SIP’s options assessment and options alignment processes.</p>
Other frameworks and coordination activities	<p>Building Queensland’s BCDF incorporates other processes including:</p> <ul style="list-style-type: none"> » Gateway Reviews, Queensland Treasury » Gate Reviews, Queensland Government Chief Information Office. <p>Building Queensland’s BCDF is designed to integrate effectively with the existing systems and processes of government agencies and government-owned corporations to ensure investment proposals and business cases are developed effectively and administrative burden is minimised.</p>



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