

Submission of Business Cases

All General Government agencies and Government businesses, including *Nominated* SOCs are required to provide Treasury with business cases based on the size and risk profile of the project or program. This Circular updates and replaces Treasury Circular NSW TC 08/07.

This Circular applies to all General Government agencies and Government businesses except those State Owned Corporations (SOCs) not on the *Nominated* Agencies list on Treasury's TAM web page.

Business cases are only required to be submitted to Treasury based on the Estimated Total Cost and risk profile thresholds identified in Table 1 of this Circular.

Consistent with good procurement practices, agencies should prepare a robust business case for projects and programs to inform their prioritisation and decision making processes.

Projects are defined as discrete, non-recurring scopes of effort that have explicit objectives and operate via a nominated schedule, budget and resources. A program is a collection of projects that are highly inter-related in their delivery and objectives.

A sound business case assists in resource allocation decisions by documenting an investment proposal and its contribution to Government priorities to provide:

- confidence that the proposal is sufficiently well developed to be ready for funding and that the capability exists to deliver it effectively
- a road map for the proposal that sets out how it will be delivered and how its achievement against the objectives will be assessed, to help increase the likelihood of the funding delivering value for money.

Business Cases (preliminary and final) should include economic and financial appraisals of a range of options, consistent with Treasury guidelines (available on Treasury's website). The level of detail and accuracy required in an appraisal depends on the scale and risk of the project and the stage of development, and should be determined in consultation with Treasury.

This Circular updates and replaces Treasury Circular NSW TC 08/07.

For more information on Guidelines for Business Cases, Economic Appraisals and Financial Appraisal go to the NSW Treasury website www.treasury.nsw.gov.au.

For Gateway Review System requirements refer to Treasury Circular NSW TC 10/13.

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Secretary

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Table 1 Thresholds for Business Case Submissions

	Estimated Total Cost (ETC, \$ Million)			
	< \$5 M	\$5-10 M	\$10-50 M	Over \$50 M
Preliminary Business Case ¹	Not required to be submitted to Treasury	No, unless requested by Treasury	Yes - for projects in years 2 – 4 of the upcoming forward estimates period	Yes – for projects in the upcoming 5 - 10 year period
Final Business Case ²	Not required to be submitted to Treasury	Yes	Yes	Yes
Risk Assessment ³	Not required to be submitted to Treasury	Done by agency. Results reviewed by Treasury	Done by agency. Treasury to formally sign off on risk assessments for proposals assessed by agency as low risk.	

Notes:

- (1) Preliminary business cases required by 1 July for projects commencing more than 12 months later. Consult with Treasury regarding the year in which to first provide a preliminary business case (for projects in very early planning stages) and the level of updates required in subsequent years.
- (2) Final business cases required to support final project approval. Budget dependent agencies should submit final business cases no later than with the TAM and other budget submission material.
- (3) Risk assessment for projects over \$5m undertaken using the Gateway Project Profile Assessment risk evaluation tool.