

Accountability measures for decision making for the delivery of major infrastructure, contracting public services and/or the privatisation of public assets in NSW

Additional supplementary questions – NSW Treasury

<p>1.</p>	<p>Has NSW Treasury identified any common gaps or weakness in government agencies' businesses cases, business case processes or business case assurance in the last 3 to 5 years?</p> <p>In the current review of the Business Case Guidelines, Treasury has identified the following areas for improvement:</p> <ul style="list-style-type: none"> • Business case capability varies greatly across the sector and there is sometimes a misperception that business cases are specialist work that should be outsourced • The guidelines could be clearer in terms of process and the amount of detail that is required for projects of different scale and complexity • The \$10 million threshold for a full two-stage business case (Submission of Business Cases TPG22-04) may be too low for certain initiatives, particularly infrastructure projects • Proponents of initiatives that fall below the threshold for a full business case could submit a shorter business case that includes a problem definition, options analysis, and statement of outcomes and benefits to support their proposal, without the more technical requirements such as a cost-benefit analysis. <p>Treasury is currently updating the Business Case Guidelines to address these points. It is also developing resources and training to support sector capability and increase consistency in business case development.</p> <p>The Flood inquiry identified a gap in the treatment of low-probability high-consequence events such as disasters or pandemics, which Treasury has addressed through the development of the Disaster Cost-Benefit Framework.</p>
<p>2.</p>	<p>How could further improvements to assurance and business case related processes be made to improve:</p> <ul style="list-style-type: none"> • the accuracy and reliability of business cases? • the accountability of benefits delivered? • the investor assurance process? <p>Treasury is currently reviewing the Business Case Guidelines (TPG22-04 and TPP18-06) in consultation with agencies, with the objective of strengthening the role of business cases in government decision-making and simplifying and clarifying business case requirements. Updated Guidelines, including new business case templates, are planned for publication in October 2024.</p>

Treasury also has an ongoing program to improve business case capability across government. This includes:

- Training sessions, roadshows, quality assessment tools, and e-learning modules.
- An Evidence Community of Practice to provide a central place for information sharing, collaboration and capability building.
- Working with agencies to develop sector-specific guidance to improve quality, and reduce the costs, of cost-benefit analyses (CBAs).
- A library of quality assured parameters to support development of CBAs and evaluation.
- A [Rapid Cost-Benefit Analysis Tool](#) to support agencies undertaking CBAs.

Treasury is also reviewing the Benefits Realisation Framework to improve guidance on the identification, planning, management, and measurement of benefits. This includes guidance on governance structures and accountability for benefits management. This update is planned for publication in October 2024.

To remain effective at shaping how the State's public sector delivers major public infrastructure, the Infrastructure Investor Assurance Framework must keep evolving. Continuous improvement is critical, and lessons learned play an important role.

Infrastructure NSW (INSW)'s IIAF is subject to continuous improvement, both through the production of the Trends and Insights Report and regular review by the Audit Office of NSW. The original IIAF was produced in December 2016 and a major update was released in September 2022 to incorporate the Audit Office report 'WestConnex: Changes since 2014' released in June 2021. The most recent update was released in December 2023.