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1. INTRODUCTION

1.1. PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide guidance to Councils in completing the Western Parkland City Liveability Program Application Form for their proposed projects.

Projects will be assessed against the Liveability Program Guidelines, including the eligibility criteria, Program objectives, and Program criteria. This assessment will play an important role in demonstrating the merit of proposed investment.

1.2. PURPOSE OF THE APPLICATION

The Application Form has been developed to assist Councils in providing sufficient information to enable the assessment of the project.

An effective application:

- Provides sufficient detail of information and relevant data to allow a thorough assessment of the proposal against the eligibility and program criteria.
- Shows alignment with the objectives of the Western Sydney City Deal and the Program Guidelines for the Western Parkland City Liveability Program.
- Demonstrates whether the project will achieve value for money.
- Demonstrates that key risks have been carefully considered and addressed.
- Demonstrates the applicant’s capability and capacity to manage and deliver the project.

1.2.1. BUILDING YOUR TEAM AND SECURING STAKEHOLDER SUPPORT

Before drafting of the application begins, some planning is required. The main objective of the planning is to ensure the development process takes account of the information and skill inputs needed and who should contribute to the content of each section.

The first step is to review who within a Council is best placed to contribute to the individual sections and subsections of the application. For example, while the project may be managed within a Council’s community strategic planning team, significant input may be required from the finance, infrastructure and services teams. There may also be benefit in taking advantage of a regional approach, and harnessing the specific experience and expertise of neighbouring councils through joint projects.

At a minimum, applicants will need to provide the following supporting documentation:

- Project timeline/GANNT chart
- Scope of works (or similar documentation)
- Capital expenditure quotes/estimates from service/product suppliers
- Risk management and mitigation plan.
2. PROJECT OUTLINE

2.1. BACKGROUND

A background section should be included to improve the reviewers’ understanding of the project. This section should provide an outline of the project and include:

- The objectives of a project, and
- Project description and outputs.

Councils should provide the total project cost and the amount of funding sought under the Program. Total project costs are also to be provided under Section 3.3 of the Application Form.

2.2. EXPECTED OUTCOMES

Applicants should document the key expected outcomes from their project and provide relevant evidence and information where possible.

Outcomes should be described in quantitative terms where possible (e.g. a 5% increase in participation rates). Outcomes may be described in qualitative terms if quantification is difficult. In these instances, applicants may wish to consider alternative approaches to present their case including:

- Desktop reviews
- Literature reviews
- Case studies
- Historical trends
- Data analysis.

This section should show the linkage between the project activity and outcomes, and link these to the program outcomes. This could be in the form of a logic diagram (or flow chart).

Applicants should also identify parties that will be impacted by the project and how the project will benefit a broad section of the community. Beneficiaries of the outcomes may be Council, users/recipients, the community, businesses and other organisations. Councils should demonstrate that the public benefits exceed the public costs of the project. If there are significant private benefits, an appropriate contribution from the private beneficiary is expected.

Councils should also consider how the project will enable and complement new housing supply.

2.3. OBJECTIVES AND INDICATORS

The objectives describe the desired changes to be brought about by the project. These objectives should be directly linked to the objectives of the Liveability Program. In defining the objectives of the project, Councils should consider how the project will contribute to a program evaluation and how the success of the project will be measured under the program.

Applicants should identify success indicators for each identified objective to be able to clearly demonstrate the value of their investment to the Assessment Panel. Applicants should ensure their reporting arrangements allow for the tracking and reporting of these indicators.

Indicators are best expressed using the ‘SMART’ principle:
• **Specific**—objectives should be well defined
• **Measurable**—objectives should be measurable so that they can be tracked.
• **Achievable**—objectives should be deliverable by the applicant.
• **Relevant**—objectives should directly relate to identified problems.
• **Timely**—objectives should be achieved within a specific timeframe.

The application should demonstrate a clear and rational linkage between the project, the expected project output (ie the physical construction that occurs) and the expected outcomes. Councils could consider using a logic diagram as a means to do this.

### 2.4. THE BASE CASE

The base case should be identified as a reference point to measure the changes brought about by the proposal. Defining a realistic base case is important as it may be the preferred option.

The base case allows an assessment of relative costs and benefits of the preferred solution (as well as other alternative solutions).

The base case is typically a ‘status quo’ scenario. In many instances, this will be a ‘do nothing’ scenario. In some instances, there will be minimum expenditure required and the base case may need to be a ‘do minimum’ scenario e.g. complying with new fire safety standards.

### 2.5. OTHER OPTIONS CONSIDERED

This section should describe how and why the preferred option was selected.

Councils should demonstrate that a range of options that would meet the proposal objectives were considered. A comprehensive option development process can often identify alternative options that may deliver better value for money or identify value management opportunities to make the preferred solution better. This process could also identify options that are cheaper but have a lower level of benefits.

Alternative options that applicants may need to consider (this is not an exhaustive list) include:

- Alternative sites (i.e. upgrading an existing site or relocating to a greenfield site)
- Different building options (i.e. layouts, footprint, materials etc.)
- Different operating models (i.e. alternative operating models for art facilities may include local government run, not for profit limited by guarantee or company limited by guarantee)
- Staged redevelopment or upgrade of facilities (i.e. does all the work need to be done at the same time or could different packages be prioritised over several planning horizons)
- Options to maximise usage of assets (i.e. considering sharing of community facilities with other community groups)
- Standalone or precinct based approach (i.e. investment in a new community facility may be maximised through investment of surrounding facilities such as the visitor information centre, caravan park or local transport hub).

### 2.6. SCOPE OF WORK

The scope of works should include the key elements of the project and why each element is needed.
The description of the works proposed may include:

- Location of the project
- Quantifiable details including area/length, capacity etc.
- Relevant design standards
- Utility adjustments or property acquisitions
- Concept diagrams and sketches
- Photos

The scope of works should also include costs for planning and management including project management (including allowances for cost, benefit, risk, asset, stakeholder, change management), consultation, design, preliminaries and procurement activities.

Further supporting documentation may be submitted as an appendix to provide further detail.
3. PROGRAM CRITERIA

3.1. THE PROJECT WILL IMPROVE THE LIVEABILITY OF THE WESTERN PARKLAND CITY

Councils should consider how the project will lead to demonstrated social, economic or environmental benefits for the community. Council should consider how the project will enable and complement new housing supply through improving community infrastructure or enhancing liveability and urban amenity.

This section should address how the project will meet an existing community need or provide for a future need as the community grows.

3.2. THE PROJECT WILL BE NEW OR A SEPARATE STAGE OF AN EXISTING PROJECT

Councils need to provide information on the project to demonstrate that it is new or a separate stage of an existing project.

Where the application relates to a new stage of an existing project, Councils should provide a description of existing projects and how the new stage links to the existing project.

3.3. THE PROJECT WILL DELIVER VALUE FOR MONEY

Councils should consider how the project will deliver value for money and represent a sound investment. This section can provide a qualitative discussion of how the project will achieve value for money.

Councils should have regard to factors including but not limited to the size of community which benefits, level of risk of the project, likelihood of achieving outcomes or the time over which benefits will be realised.

3.3.1. PROPOSED FUNDING ARRANGEMENTS

In addition to Australian and NSW Government funding under the Liveability Program, and Council contribution, potential funding sources that may be considered by applicants include:

- Industry contributions
- Community contributions
- Other government contributions

Where projects include funding from other Australian or NSW government contributions, Councils should outline the nature and source of these contributions. Councils must demonstrate that these contributions are additional to the Australian, NSW government, and Council contributions required under the program.

Where supplementary funding sources are identified, applicants are recommended to demonstrate how secure these funding sources are (e.g. letters of support, MoUs) and how they have been calculated.
Applicants will be expected to budget for ongoing costs, including maintenance costs and operational costs during the service life of the constructed infrastructure. Councils should show how they will fund these ongoing costs after project completion.

Co-contributions from community groups or businesses are strongly encouraged.

### 3.3.2. PROJECTED CAPITAL COSTS

The build-up of costs will usually be done by a suitably qualified cost estimator although cost estimates may use actual quotes. A detailed breakdown of cost estimates should be provided, including:

- Base costs
- Contractor margins
- Project management margins
- Contingency.

Councils should report capital costs:

- On an unescalated basis to inform the cost-benefit assessment, where required
- With escalation (i.e. with inflation) to inform funding and affordability assessment.

The assumed inflation rate and its basis should be reported. All cost estimates should be exclusive of GST.

Councils should provide cost information through the Project Budget Template. Councils should also attach a Cost Plan or Quotes to explain how cost estimates were reached.

### 3.3.3. PROJECTED ONGOING COSTS

In many instances, the upfront capital costs may represent only a fraction of the total cost of funding a project. To inform the value for money and affordability assessment over the life of the project, applicants should disclose all ongoing costs associated with their project. These ongoing costs may include:

- Operating costs
- Maintenance costs
- Repair costs
- Asset renewal and replacement costs.

In some instances, the project may realise cost savings or revenues. These cashflows should be identified separately to allow an assessment of the net change in costs over the life of the project.

### 3.3.4. COST-BENEFIT ANALYSIS

Cost benefit analysis seeks to assess the economic, social and environmental benefits and costs over the lifetime of a proposal. In doing so, cost benefit analysis goes beyond just considering the direct effects, financial effects or effects on one party, to considering all impacts on the wellbeing of the entire society or community.
It involves a systematic approach to assessing the gains and losses of a proposal, emphasising to the maximum extent possible, the monetary value of these gains and losses. It assists decision makers in:

- Identifying options that deliver net benefits
- Allowing different options to be compared
- Ensuring that all impacts on all parties are considered
- Valuing costs and benefits incurred or accrued at different points in time

Councils should provide information relating to:

- The types of benefits and costs that may be accrued or incurred
- The beneficiaries or parties that will accrue or incur these benefits or costs
- Timing of these benefits and costs
- Key assumptions

Councils should provide an estimate of benefits that would be received and any underlying assumptions.

The results of a cost benefit analysis are commonly summarised into an overall measure of net benefit - either as a Net Present Value (discounted benefits less discounted costs) or Benefit Cost Ratio (ratio between discounted benefits and discounted costs).

To standardise the monetisation of benefits and to ease the administrative burden on applicants, the Delivery Office may prepare the Benefit Ratio, if required, for projects based on inputs provided by the applicants.

**IDENTIFYING BENEFITS**

In the first instance, applicants should list key benefits that are expected to arise from each option, in addition to the upfront and ongoing costs already identified.

Cost-benefit analysis considers a broader array of benefits (and costs) beyond just the impact on applicants. Benefits can be economic, social or environmental and in most instances, these benefits may be non-financial in nature. For instance, the social benefit of providing new playground equipment for children and parents would be an example of a benefit that would be considered in the cost benefit analysis but not in a financial analysis.

Benefits (and costs) on other parties or assets should also be considered. For instance, the installation of new lighting towers may decrease the need for maintenance on nearby sporting fields.

**QUANTIFYING THE NUMBER OF BENEFICARIES**

Councils should provide enough information to allow the Delivery Office to quantify the benefits. Councils should consider:

- How many existing users may benefit
- Whether existing users may change how often or how they use a service
- How many new users may benefit
- How often or how these new users may use a service
- How usage may change over time, with or without improvements.
3.3.5. FINANCIAL APPRAISAL

For most projects, the following cashflow projections are sufficient:

- Revenue or cost savings
- Capital expenditure
- Ongoing operating and maintenance expenditure
- Renewals or major repairs.

Applicants should provide costs from the start of the project (planning) through to the steady state (as a general guide, 5-10 years should be sufficient).

However, depending on the nature of the project, it may be appropriate to undertake a detailed financial appraisal. For example, where a project involves an asset with ongoing costs, the Assessment Panel will need to assess whether council has the means to continue operating and maintaining the asset after the investment is made. In these instances, applicants should provide projected revenue estimates or outline proposed funding arrangements.

The input assumptions in the financial appraisal should be consistent with the data provided for the cost-benefit analysis.

3.4. THE PROJECT WILL BE ALIGNED WITH COUNCIL AND OTHER STRATEGIC PLANS

Applicants need to consider how well their project aligns with priorities, actions, directions and strategies outlined in the Western Sydney City Deal and other Australian and NSW government, regional and local government documents.

The application should make reference to how the project aligns with the Western City District Plan, including how the project will enable and complement the delivery of housing supply targets within the District Plan.

Examples of other documents to consider include:

- Greater Sydney Region Plan
- State Infrastructure Strategy
- Australian and NSW Government agency strategies and plans
- Regional Economic Development Strategies
- Local government strategies
- Asset management plans.
3.5. COUNCIL HAS THE CAPABILITY AND CAPACITY TO DELIVER THE PROJECT

3.5.1. SKILLS AND EXPERIENCE

Council should provide details about Council’s capability and capacity to deliver the project. Councils should demonstrate that there are no other regulatory or other significant impediments to delivering the project (such as objections from the local community or proceedings in the Land and Environment Court).

Council should demonstrate that it has or can contract the project management and other appropriate expertise required to successfully deliver the project. This could include providing detail of the nominated personnel that have the relevant experience and skills to deliver and manage the project. These personnel may change as the project transitions from planning to delivery and then to operations.

The information you enter here will be used to evaluate your organisation’s proven capacity to meet the project requirement. Provide clear, concise details of your relevant abilities to deliver what you have proposed.

3.6. LEGISLATIVE, REGULATORY ISSUES & APPROVALS

Councils should consider whether there are any relevant legislative or regulatory issues or approvals that the project needs to consider, including whether the project meets the cost threshold for compliance with the Australian Government Building and Construction Work Health and Safety Accreditation Scheme (the Scheme) and the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016).

3.6.1. INSURANCE AND INDEMNITY

Councils must certify that it has all necessary insurances and indemnifies the State and the Commonwealth against claims arising from the project.
4. IMPLEMENTATION

4.1. MILESTONES

Typically, key events and decision points beyond the submission of the application would include:

- Review period
- Planning and detailed design
- Approvals (legislative, regulatory, planning)
- Procurement
- Development/construction
- Commissioning.

The program should demonstrate that the project and its milestones are achievable. Careful planning is required to ensure that critical path events are identified and sufficient time is allowed for, including time for contingency. Appropriate scheduling also ensures that appropriate escalation in the cost estimates is allowed for.

4.2. GOVERNANCE

The governance arrangements should outline:

- Key decision makers (e.g. project sponsor, Councillors)
- Governance bodies (e.g. steering committees, advisory groups)
- Responsibilities for probity assurance and risk management
- Project personnel
- Key stakeholders (e.g. stakeholder groups, liaison/communications officers)
- Interfaces with Government agencies (e.g. Planning, DPC, Treasury, INSW, etc.)
- Interfaces with contractors
- If the project involves more than one council, interactions between the lead council and each council involved.

Governance arrangements should also include detail on what team and processes are in place to control and manage the project. The team should be of sufficient size to deliver as well as manage the project. The role of each individual in the team should be well defined with clear lines of reporting and delegations.

Typical project roles are outlined as follows but may vary based on the size and complexity of a project. For smaller projects, some of these roles may not be required:

- Project Sponsor: Holds ultimate responsibility for the outcomes of the project.
- Project Manager: Is responsible for the Delivery of the project and management of the team
- Project Team: Is responsible for developing and delivering the project. May contain a mix of specialist skills made up of internal and external resources
- Steering Committee: Provides senior management oversight of the project and advice on critical issues. Generally, such a committee is in place for complex projects and/or where multiple stakeholders have a major interest in the project

Applicants may also wish to consider the role of external parties including key stakeholders, funding bodies and delivery parties in their governance arrangements.
4.3. RISK AND PROPOSED MANAGEMENT ACTIVITIES

Risk management is the process of managing future uncertain events to maximise the chances that the project outcomes will be achieved within the scope, timeframe and budget. Applicants will need to prepare a Risk Management Plan and risk register to support their application. This plan should outline:

- The identification of risks
- The assessment of risk exposure based on the consequence and likelihood of occurrence
- The monitoring and management of risks
- The mitigation of risks
- The processes involved to review the risk register and plan
- Risk reporting.

The identification of risks may be undertaken as a desktop exercise for a relatively straightforward project. For a more complex project, key risks may need to be determined through workshops and stakeholder interviews.

Key risk areas to consider include:

- Scope
- Construction
- Financing
- Planning and approvals
- Legal
- Property acquisitions
- Utility relocation and adjustments
- Procurement
- Project management
- Stakeholder and communication
- Change management
- Sustainability (social, economic and environmental impacts).

Ideally, the risk register will tie in with the project’s schedule (in terms of time contingency) and the project’s cost estimates (in terms of cost contingency). Planned mitigations and monitoring activities will need to be embedded in the project’s scope and governance/management arrangements.

For an example on how to prepare a Risk Management Plan, refer to: