



## 18 ASSURANCE

### CHAPTER SUMMARY, RECOMMENDATIONS AND CONCLUSIONS:

- The Detailed Business Case (DBC) has been developed in consideration of the key assurance objectives of the Building Queensland Business Case Development Framework (BCDF).
- Independent peer reviews for the key project elements: economics, financial and commercial, cost, risk and technical were conducted for the DBC. The peer reviews for the DBC have confirmed the assessment of the project is appropriate and no remaining material issues have been identified. A gateway review was also carried out – Gateway Gate 2 – Readiness for Market Review.
- The DBC draft chapters were shared with the stakeholders for review, their commentary forms were an integral part of the assurance process
- A comprehensive comments register was used to close out agreed actions and updated chapters as required.

### 18.1 Overview

This DBC has been developed in consideration of the key assurance objectives of the BCDF:

- Is the DBC complete?
- Does the DBC include reliable and reasonable information?
- Are the DBC assessment methods comparable to other business cases?
- Is it transparent and developed without bias regarding project risk and mitigations?
- Does the DBC clearly identify ownership for the development of the business case, engagement of stakeholders and realisation of benefits?
- Is it independently assured?

The alignment of the DBC to these objectives is detailed in Table 18.1.

Table 18.1 Assurance Objectives

ASSURANCE OBJECTIVES	
ASSURANCE OBJECTIVE	ASSURANCE SUMMARY
Complete	The DBC has been developed in line with the Building Queensland BCDF. All key content areas from the BCDF have been addressed.



## ASSURANCE OBJECTIVES

Reliable and reasonable	<p>The baseline assumptions for the assessment of the Project, leverage of these standards and guidelines:</p> <ul style="list-style-type: none"> <li>▪ Australian Transport Assessment and Planning Guidelines (ATAP), Transport and Infrastructure Council (2016), Commonwealth Department of Infrastructure and Regional Development.</li> <li>▪ Assessment Framework: Initiative and Project Prioritisation Process, Infrastructure Australia (IA) (2016).</li> <li>▪ Guide to Project Analysis Part 4: Project Analysis Data, Austroads (2008).</li> <li>▪ Capital costs: first principles build-up using the reference design quantities and the TMR Project Cost Estimating Manual (PCEM).</li> <li>▪ Project benefits: ATAP guidelines (2016).</li> <li>▪ Economic analysis: ATAP guidelines (2016), Discount Rate advice from Infrastructure Australia.</li> <li>▪ Financial analysis: Discount Rate advice and Financial Model from QTC.</li> </ul>
Comparable	<p>The Preliminary Evaluation (PE) was developed using TMRs OnQ framework which is used by TMR for the evaluation of similar road upgrades and bypasses. The DBC leverages off the PE and has been prepared in line with the Infrastructure Australia, PAF and Building Queensland BCDF guidelines, and is comparable in methodology and assessment to projects of a similar scale and nature.</p>
Transparent	<p>Detailed cost and risk estimates have been prepared and independently peer reviewed.</p>
Ownership	<p>Project Governance and Implementation Plan detail clearly the responsibilities for the DBC development and ongoing phases of the Project.</p>
Independently Assured	<p>Refer Section 18.2</p>

The TEARC Detailed Business Case (this document) complies with the PAF and BCDF. It also addresses requirements of the Infrastructure Australia (IA) Business Case Assessment Framework and the National Public Private Partnership (PPP) Guidelines and Queensland PPP Supporting Guidelines. A DBC typically builds on and reconfirms the findings of the Strategic Assessment of Service Requirements (SASR) and Preliminary Evaluation (PE), including Preliminary Business Case (PBC). The SASR and PBC for TEARC were prepared in 2011, prior to the establishment of Building Queensland, and therefore are consistent with the PAF only.

### 18.2 Independent Assurance

Independent peer reviews have been undertaken for key Project elements including:

- Economics
- Financial and commercial
- Cost and risk
- Technical assessment

The peer reviews for the DBC have confirmed the assessment of the Project is appropriate and no remaining material issues have been identified.

### 18.3 Gateway Review

The Gateway Gate 2—Readiness for Market Review was conducted. The primary purpose of a ‘Gate 2—Readiness for Market Review’ is to investigate the assumptions in the DBC and proposed approach for delivering the Project.



## 18.4 Stakeholder Review

The DBC draft chapters were shared with the stakeholders for review. A comprehensive comments register was used to close out agreed actions and update chapters as required. Each stakeholder is provided with feedback and action taken 'if any' with respect to commentary made by the individual stakeholder. The stakeholder review commentary is an integral part of the assurance process.

The stakeholders who participated in the review were:

- State:
  - Department of Transport and Main Roads
  - Queensland Rail
  - Port of Townsville
  - Department of State Development
  - Queensland Treasury
  - Department of Infrastructure, Local Government and Planning
  - Department of the Premier and Cabinet.
- Commonwealth:
  - Department of Infrastructure and Regional Development
  - Infrastructure Australia.