

# Business Case Guidelines

## 1. Capability and capacity

Applications must demonstrate experience, technical expertise and financial capacity to deliver the project within the timeframe.

### Key requirements

- Organisation name and type for each legal entity directly involved in the project (including place of incorporation and ABN or equivalent).
- Key personnel, including specific and verifiable examples of previous experience in early-stage financing and business development.
- Referees from commercial financiers (banks, equity funds, etc) and any other relevant parties.
- Overview of current and historical business operations, including staffing levels and activities in the Territory.

## 2. Strategy and execution

The application must demonstrate a cohesive strategy and approach to delivering the project.

The application must align with the objectives of the fund and any product-specific purposes.

### Key requirements

- Overview of the project, including:
  - the high level rationale
  - market need
  - competitive advantage of the project
  - scalability.
- Details of other project proponents, sponsors, participants and any legal arrangements established for the project.
- Overview of the funding and financing plan for the project, and the support requested from the Northern Territory (NT) Government.
- Overview of the status of approvals required for the project to proceed.
- Outline the strategy for delivering the project including activities, processes and expected timeframes.

- Assess the major risks for the project, which may include technical, market, environmental, social, and financing risks.

### 3. Net economic benefit for the Territory

The project will:

- create and sustain new local jobs
- increase economic activity
- expand production capacity, and / or
- grow export capability / import substitutability

in a growth or developing sector, a related service and supply sector, or other sectors where the Territory has a comparative advantage.

The applicant will implement and report on a plan to deliver local benefit outcomes from their project in accordance with NT Government policy.

The applicant will provide NT Government access to all records and information necessary for the NT Government to assess achievement of net economic benefit outcomes.

#### Key requirements

- Overview of how the project will grow the Territory and a relevant business sector.
- Outline the expected direct employment expenditure and FTE in the Territory for each phase of the project (for example, construction and operation).
- Outline the expected value of the output of the project, including the services delivered or goods produced.
- Provide an overview of how the applicant proposes to provide opportunities and local suppliers and Aboriginal Territorians.

### 4. Maximise and leverage private sector investment

The finance provided by the Territory is matched by at least an equivalent amount of new private sector finance.

#### Key requirements

- Summarise and provide evidence of previous attempts to secure private finance for the project on commercial terms and conditions.
- High-level term sheet outlining the amount of finance requested from the NT Government and key terms relevant to the product, for example:
  1. tenor
  2. repayment term and profile
  3. interest rate.
- Explain the proposed capital mix and justification for the finance from the Territory requested.

- Detail the proposed sources of new private sector finance, including the expected matching level of private finance and any supporting evidence (letters of support, letters of offer, etc).

## 5. Commercial feasibility

The applicant must demonstrate that the project is commercial and financially sustainable over the medium to long term.

The applicant must demonstrate the ability of the project or applicant to repay the any finance provided by the NT Government, in full and on time.

### Key requirements

- Provision of a financial model incorporating the period from the current position through to steady state trading, not being less than a five year projection.
- Modelling based on monthly rests for a minimum period of three years steady state trading.
- Three way modelling that integrates income and expenditure, balance sheet and cash flow.
- The financial model demonstrates that the finance requested from the Northern Territory Government is necessary for the project to deliver appropriate returns to investors.
- Under a range of potential scenarios and sensitivities the project is financially viable.

The financial model shows a clear exit point for any finance provided by the Territory, such as full repayment of the loan, loan refinancing, capital raising etc.

## 6. Policy frameworks

Business case guidelines are detailed within the policy framework. Please refer to [jobsfund.nt.gov.au](http://jobsfund.nt.gov.au) for Policy Frameworks.