

Business Case Guidelines

1. Capability and capacity

Applications must demonstrate industry experience, technical expertise and financial capacity to deliver the project on budget and within timeframes.

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 Territory Growth Initiative and any product specific purposes.

Key Requirements

- Overview of the project, including:
 - the high-level rationale that articulates the specific issue the project aims to address
 - a clearly defined 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 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 all risks for the project and provide detailed risk assessment matrix with mitigants, which may include technical, market, environmental, social, Land/Native title impact and financing risks.

3. Net economic benefit for the Territory

The project will:

- Create and sustain new local jobs, including Indigenous employment or training, aligned to the product specific policy. E.g. Territory Benefit Plan and Indigenous Employment Strategy where applicable.
- Increase economic activity, showing a positive impact to the Gross State Product (GSP) of the Northern Territory overall.
- Expand production capacity, and / or
- Grow export capability / import capability

in targeted sectors including energy, defence, agriculture, mining or tourism.

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

The applicant will provide Northern Territory Government access to all records, reports and financial data necessary for the Northern Territory Government to assess achievement of net economic benefit outcomes over the project lifecycle.

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 for Aboriginal Territorians and engage local suppliers in the project supply chain.

4. Maximise and leverage private sector investment

The finance provided by the Northern Territory Government, where required by specific product policy, is supported by an amount of private sector monies or finance in alignment with that policy.

Key Requirements

- The Northern Territory Government is not a financier of first choice, applications should be submitted seeking the least amount of funds required, supported by private sector monies, to get the project moving.
- Summarise and provide evidence of previous attempts to secure private finance for the project on commercial terms and conditions.
- Provide a high-level term sheet outlining the amount of finance requested from the Northern Territory Government and key terms relevant to the project, for example:
 - tenor (duration of financial instrument)

- repayment term and profile (principal, interest, interest capitalisation and variants thereof)
- interest rate (the financial model should assume commercial rates and buffers)
- Explain the proposed capital mix and justification for the finance from the Northern Territory Government requested.
- Detail and supporting evidence (letters of support, letters of offer, etc) of the proposed source of private sector finance, which aligns with the relevant product policy.

5. Commercial feasibility

The business case 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 any finance provided by the Northern Territory 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, expenditure, balance sheet and cashflow
- Current ATO portals showing no outstanding ATO debts or ongoing payment plans.
- The financial model demonstrates that the finance requested from the Northern Territory Government is necessary for the project to appropriate returns to investors.
- Under a range of potential scenarios and sensitivities the project is financially viable.
- The financial model and supporting business case show a clear exit point for any finance provided by the Northern Territory Government, such as full repayment of the loan, loan refinancing to the private sector, capital raising etc.

6. Policy frameworks

Further business case guidance is detailed within the following policy frameworks

- Territory Growth Initiative Policy Framework (TGI)
- TGI-NAIF On-lending partnership

Please refer to [Territory Growth Initiative | Australia's Northern Territory](#)