

Assessment Process for Determining Suitability of the Mt Wellington Cable Car Project as a Project of State Significance

The Coordinator-General will facilitate an assessment of the Mt Wellington Cable Car Project (Project) by the Tasmanian Development Board (Board). The Board will review and evaluate the financial viability of the project, financial capacity of the proponent to deliver the project, technical expertise of the proponent to manage the project and undertake a preliminary assessment of the extent to which the project might meet the Project of State Significance (POSS) attributes required under the *State Policies and Projects Act 1993*.

OBJECTIVES

The objective for the Board in determining the suitability of the Cable Car Project as a POSS is to ensure that the proponent is provided with a fair and transparent process through which information is provided and assessed with the objective of an appropriate recommendation being provided to government, through Cabinet.

PROBITY

The assessment of the project will be conducted through the application of established probity principles that aim to ensure the integrity of the decision making process.

ASSESSMENT PROCESS

The following sets out a process to provide recommendations back to Cabinet following an assessment of detailed information regarding the project, including the financial viability of the project, financial and technical capacity of the proponent and the project's suitability to be considered a POSS.

Assessment by Tasmanian Development Board (Board)

The project will be submitted for assessment under the process outlined in this document by the proponent to the Board.

The Board will:

- review detailed information provided by the proponent on the project;
- make an assessment of the financial viability of the project, financial and technical capacity of the proponent to deliver the project;
- undertake a preliminary assessment of the extent to which the project might meet the POSS attributes required under the *State Policies and Project Act 1993*;
- review and assess any other incidental matters as it deems appropriate.

The Board will have the ability to seek further information and to place realistic time frames around the provision of such information.

The Board may seek additional information and advice from relevant government agencies, industry bodies or other third parties to assist it in its deliberations. Any interactions with bodies outside the Board will be subject to probity conditions, ensuring full confidentiality is maintained.

The Proponent will need to provide specific information in relation to each of the criteria as detailed below.

CRITERIA 1

Financial Viability of the Project

- Full and thorough business case (including objective third party validation on critical elements as determined by the Assessment Panel); including but not limited to the following:
 - Details of the full financial structure of business, including all associated business entities and/or details of the full financial structure of the Project and its relationship to the business entity.
- Forecasted financial statements for the next 6 years - on a monthly, quarterly and annual basis, prepared in accordance with normal accounting standards, incorporating:
 - Balance Sheet.
 - Profit and Loss Statement.
 - Cash Flow Statement.
 - Breakeven analysis.
- Detailed analysis of project attributes including:
 - Strengths, Weaknesses, Opportunities and Threats
 - Detailed assessment of key risks and threats, including likelihood of occurrence, level of impact on the business and strategies for minimising or mitigating risks and threats
 - Costs associated with risk mitigation and how these are to be funded.

CRITERIA 2

Financial Capacity of the Proponent to deliver the Project

- Details and evidence of current capital investment raised for the project, including names of investors, financiers, business partners and the like.
- Details of the full capital investment required for the project including amount of funding required together with a clear identification of loan, investment, equity funding sources from loans, investors, business partners, venture capital or government.
- Details of the proposed approach to raising of full project funding, including details of the proposed commercial offering to potential investors, including objective third party evidence to demonstrate market acceptability of offering to investors and financiers, as well as the proponent's ability to raise full project funding.
- Details of proposed public liability insurance and other relevant insurances during construction and ongoing operation.

CRITERIA 3

Technical Capacity of the Proponent to deliver the Project

- Origins, location, ownership, history, management, activity, business concept, future goals and objectives of the proponent's business
- Identification and supporting information relating to the expertise of all parties associated with the Project

- Detailed design and engineering assessment of the entire project.
- Details of the qualifications, experience and capacity of the proponent to establish and operate the Project, including:
 - Technical, construction and operational capacity and expertise.
 - Experience or capacity in managing the approval, construction and operation of similar ventures or services.
 - Experience or capacity in engaging with governments, local communities, indigenous communities and other stakeholders.
 - Experience or capacity in complying with applicable statutory and regulatory requirements.

CRITERIA 4

Assessment of the extent to which the Project might meet the requirements to proceed as a POSS under the State Policies and Projects Act 1993

In addition to the aforementioned information requirements, the proponent must also provide the Board with additional information to establish how the project might meet the POSS attributes established under Act.

STATE POLICIES AND PROJECTS ACT 1993 - SECT 16

PART 3 - Integrated assessment of projects of State significance 16. Interpretation: Part 3

(1) For the purposes of this Part, a project is eligible to be a Project of State significance if it possesses at least 2 of the following attributes:

- (a) significant capital investment;
- (b) significant contribution to the State's economic development;
- (c) significant consequential economic impacts;
- (d) significant potential contribution to Australia's balance of payments;
- (e) significant impact on the environment;
- (f) complex technical processes and engineering designs;
- (g) significant infrastructure requirements.

Recommendation to Cabinet for consideration.

Based on the findings of the Board, the Coordinator General will make recommendations to government, through Cabinet, in relation to the potential suitability of the project as a POSS and any other related matters.