



Strategic Project Development Policy

Council Policy Objective

To support informed decision making through a consistent approach to projects of regional and strategic significance for the City of Nedlands. The framework shall outline the greater level of rigour, evaluation and justification that Strategic Projects require compared to other projects. This occurs throughout a project's initial development to ensure that projects which:

- Have clear measures and deliverables,
- Receive proper financial due-diligence,
- Are chosen on merit after exploration of various options and scenarios,
- Given consideration to long term impacts on the community and environment, and
- Are feasible.

go on to be endorsed by Council and have every possibility of being both delivered and achieving desired outcomes.

Council Policy Scope

This policy applies to the development of all Strategic Projects.

Strategic Projects are defined as a high-profile, one-off (non-repetitive), project that will require a significant level of resources to prepare (objectives, options, scoping), engage (advocate, gain approvals), evaluate (business case, financial model), implement (delivery), fund (capital investment) and operate (staff and/or contracts).

Council Policy Statement

1. Thresholds / Tests for Defining a Strategic Project

There are a total of **five tests** which define a Strategic project, **three of the following four** must be satisfied:

- a. HIGH-ENGAGEMENT - will attract a significant level of engagement with the community, elected members, internal or external stakeholders such as private parties or other levels of government,
And
- b. LONG LEAD TIME – a project which requires significant level of sustained resources over multiple years to evaluate, approve, tender and implement,
And
- c. FINANCIAL THRESHOLD
Investment or Capital Cost >\$1m. A Strategic project would normally have at least \$1m of capital or operating project expenditure. This may not necessarily be in one year, but the total for the program or undertaking; OR



Create an Operating Deficit incremental impact >\$100k per year during and after the project,

And

- d. UPGRADE / NEW – a project comprises of at least 30% upgrade/new, or if a project is >70% renewal but has a significant early renewal component.

A project is not defined as a Strategic project, and thus does not receive funding or resourcing unless it meets **the final test**:

- e. SUPPORTED BY COUNCIL – Council has given formal endorsement for the project to be evaluated and has had required resources/budget allocated.

2. Strategic Project Inclusions and Exceptions:

A Strategic project may:

- involve existing facilities which require master-planning or Strategic redevelopment,
- be transformational which can mean a completely new asset, new service or a significant change to existing service offering,
- be a project already underway which increases in size so much that it would be considered a Strategic project if subject to the five tests,
- not be restricted to physical, tangible assets, but also include services to the community,
- not be an asset which upon completion will be owned by the City.

A Strategic project, however, is not what would be considered as “business as usual” such as:

- a current, recurring operational activity or service,
- a project that is identified by the systems used to create the annual capital works program which by virtue of size and scale may meet the tests of a Strategic project. (e.g. major/large scale road renewal, building refurbishments to meet new building compliance requirements, road safety, replacement of a retaining walls along the river, other typically ‘like for like’ renewal).
- a collection of capital projects grouped as one for effective and efficient delivery as opposed to a series of individual projects. (e.g. combination of drainage replacement, road resurfacing, lighting improvements and intersection modifications treated as one project, but accounted for separately).
- any undertaking required by law or has an existing statutory methodology or mandate,
- an internally facing, process improvement undertaking,
- development of strategic documents or issue specific plans – noting actions or recommendations from which one or more Strategic Projects may be proposed.



3. Development Phasing

To be endorsed and progress to implementation, a Strategic project shall graduate through five distinct development phases. Over these phases, project information is refined as changes to pricing, opportunities, risks and stakeholder support occur. A Strategic project can only proceed through a gate to a subsequent phase following formal approval from Council.

The phases and their descriptors are:

Phase	Name	Description	Typical Deliverables of phase
1	Proposal	Gives broad statements about the project idea, its potential benefits and costs, risks, examples of success elsewhere, alignment with the City's role and strategy and how it might contribute to desired outcomes in the community.	A project scope statement with high level; assumptions, constraints, benefits, risks, critical success factors, potential parties, comparisons, costs and sketches.
2	Definition	Project is defined through the adoption of quantifiable objectives, project principles to follow during development and establishment of initial parameters for future assessment.	A Project Initiation Charter comprising of a more detailed; Project Governance Structure, Risks assessment, Opinion of probable implementation and operational costs, early options and scenarios for inclusion, macro-timelines, Identification of stakeholders and roles, Position of Council on Objectives, Principles, and Parameters.
3	Planning	A Project Development Plan is created outlining the proposed approach for the following investigation and business case phases.	The Development Plan has the following components mapped out for adoption; Gantt chart for investigation phase tasks, Procurement and resourcing plan, Engagement plan.
4	Investigation	There are four sub-phases which may occur concurrently during phase 4. These are: 4.A) Option and scenario creation and assessment 4.B) Concept Design and Feasibility 4.C) Stakeholder Engagement and early advocacy 4.D) Financial Modelling	Investigation deliverables will depend on the type of project. The outcomes of the four sub phases must be detailed enough to produce one or more acceptable project options to be assessed within the business case. This may include; Concept designs, Retail needs analysis or a Quantity survey, to be



			prepared by external consultants and so forth.
5	Business Case	The final phase culminating the previous work in significant detail and considers long term implications on the City's strategic goals and sustainability. This represents the final decision on whether to proceed with the project. There are four likely outcomes for this phase: I. Fund and resource II. Defer until funding and resourcing is available III. Advocate for a third party to deliver the project IV. Suspend the project indefinitely	The business case assesses acceptable options and recommends one preferred option. It must be a stand-alone, self-contained document that summarises development of the project to date. It presents the most recent; Risk assessment, Detailed cost estimates, LTFP impacts, stakeholder support, project delivery schedule,

All projects and programmes of significance are subject to a debrief during a closeout phase, in accordance with the City's Project Management Framework, and addition to the City's Lessons Learned Register. For strategic projects, this will occur both at the end of their development cycle, prior to implementation, and at the end of their implementation activities or stages.

4. Strategic Project funding

To manage expectations, Strategic Projects will not be recommended to be funded in full until the relevant business case has been approved by Council.

Further, to minimise premature spending and risk sunk costs, dedicated budget allocation will not be proposed until Phases 4 and 5 and will be in line with relevant Council Phase approvals for External consultancy to support business case.

A provisional sum will be allocated for general Strategic Project Development on a per project basis for each Strategic Project in phases 2 and 3 to assist in progressing multiple proposed to later phases as opportunity and existing resource availability permits.

No funding shall be allocated or spent on projects in Phase 1.

5. Transparency and Audit Trail

To ensure transparency and a historic audit trail of project development, reports to Council for approval between phases shall form the key document record of development status.



Each Strategic project needs to have its own source audit trail/report for the budget that has been presented to Elected Members in some prior forum e.g. a business case, a tender report, a presentation to concept forum.

The Long-Term Financial Plan and/or the Capital Works Program are merely documents collating proposed budget values from other source documents or business information systems. As such these documents by themselves are not the means by which budgets for Strategic projects are approved, but rather the mechanism for Strategic Projects to be delivered following approval.

6. Policy Review

This performance of this Policy, and projects captured by it, shall be reviewed after each Ordinary Local Government Election.

Document Control			
Document Responsibilities			
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Review Date:	26 March 2026	Repeal and Replace:	Nil.
Compliance Requirements: <i>City of Nedlands Long Term Financial Plan (Related Documentation)</i>			
Legislation:	Nil.		
Link to Council Plan	Pillar - Performance 11. Effective leadership and governance 12. A happy, well-informed and engaged community		