

ID12 Document Management Consolidation and Replacement Preliminary Gate 2 Business Case

**2020-25
January 2019**



Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Document Version

Version: 3.1	
Date:	January 2019

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Contents

1	EXECUTIVE SUMMARY	4
1.1.	BACKGROUND & BUSINESS PROBLEM	4
1.2.	INVESTMENT OVERVIEW	4
1.3.	OPTIONS ANALYSIS	4
1.4.	FINANCIAL SUMMARY	4
1.4.1	ENERGEX OPTION COMPARISON	4
1.4.2	ERGON ENERGY OPTION COMPARISON	5
1.4.3	ENERGEX EXPENDITURE SUMMARY (OPTION 1 – PREFERRED).....	5
1.4.4	ERGON ENERGY EXPENDITURE SUMMARY (OPTION 1 – PREFERRED).....	5
1.5.	INVESTMENT BENEFITS	5
1.6.	INVESTMENT RISKS	5
1.7.	CUSTOMER FOCUS	5
2.	INVESTMENT OVERVIEW	6
2.1.	BACKGROUND AND HISTORY	6
2.2.	BUSINESS PROBLEM AND RATIONALE	6
2.3.	INVESTMENT OBJECTIVES.....	7
2.4.	PRINCIPLES	7
3.	STRATEGIC ALIGNMENT	8
3.1.	ALIGNMENT TO ENERGY QUEENSLAND STRATEGIC OBJECTIVES	8
3.2.	ALIGNMENT WITH NATIONAL ELECTRICITY RULES (NER).....	8
3.3.	ALIGNMENT WITH THE DIGITAL OFFICE APPLICATION ASSET MANAGEMENT GUIDELINES	10
3.4.	REGULATORY IMPLICATIONS	11
4.	INVESTMENT SCOPE	12
4.1.	FUNCTIONAL SCOPE.....	12
4.2.	SOLUTION OVERVIEW	12
4.3.	ASSUMPTIONS	13
4.4.	DEPENDENCIES	13
5.	OPTIONS ANALYSIS	14
5.1.	OPTION 1 – PROCEED WITH THE DOCUMENT MANAGEMENT CONSOLIDATION & REPLACEMENT (PREFERRED)	14
5.2.	OPTION 2 – UPGRADE THE EXISTING DOCUMENT MANAGEMENT SOLUTIONS AND DEFER REPLACEMENT UNTIL FY26-30 PERIOD 14	
5.3.	OPTION 3 – DO MINIMAL	14
5.4.	OPTION COMPARISON.....	15
6.	PREFERRED OPTION	17
6.1.	DELIVERY TIMELINE AND APPROACH	17
7.	INVESTMENT BENEFITS OVERVIEW	18
7.1.	FINANCIAL AND OTHER BENEFITS	18
8.	FINANCIAL ANALYSIS	19
8.1.	SCOPE OF COSTS	19
8.2.	COST ASSUMPTIONS	20
8.3.	FINANCIAL SUMMARY	21
8.3.1	ENERGEX OPTION COMPARISON	21
8.3.2	ERGON ENERGY OPTION COMPARISON	21
8.3.3	ENERGEX EXPENDITURE SUMMARY (OPTION 1 – PREFERRED).....	21
8.3.4	ERGON ENERGY EXPENDITURE SUMMARY (OPTION 1 – PREFERRED).....	21
8.4.	NPV CALCULATION PARAMETERS.....	21
9.	PROGRAM DELIVERY	22
9.1.	PROGRAM GOVERNANCE & DELIVERY	22

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



9.2.	STAKEHOLDER MANAGEMENT	24
9.2.1	KEY INTERNAL STAKEHOLDERS	24
9.2.2	KEY EXTERNAL STAKEHOLDERS	24
10.	RISK ASSESSMENT	25
10.1.	ORGANISATIONAL RISK ASSESSMENT	25
10.2.	PRELIMINARY IMPLEMENTATION RISK ASSESSMENT	28
11.	CHANGE IMPACTS	29
11.1.	INVESTMENT SYSTEM IMPACTS	29
11.2.	PEOPLE & PROCESS IMPACTS	29
APPENDIX A - CURRENT AND TARGET STATE MATURITY IN CONTENT MANAGEMENT		30

1 EXECUTIVE SUMMARY

1.1. Background & Business Problem

Energy Queensland has a strategy to implement an Enterprise Content Management (ECM) solution suite that will be used to manage both structured and unstructured content across the organisation. As part of the digital program being delivered in the current regulatory period, an ECM foundation solution will be implemented [REDACTED]

This business case will consolidate and replace the current document management solutions by building upon the ECM foundation. Ergon Energy and Energex have historically operated separate document management solutions to store and catalogue a range of corporate records and documents. Energex currently uses the OpenText eDocs solution and Ergon Energy uses HP Records Manager, with both solutions performing similar functions within the enterprise. At the time of the proposed consolidation and replacement, the Energex document management solution will have been in service for 16 years and the equivalent Ergon Energy solution for 13 years.

1.2. Investment Overview

This Document Management Consolidation & Replacement initiative primarily addresses the need for a supportable and sustainable platform to service the business operations of Energy Queensland, ensuring ongoing regulatory and legislative compliance. [REDACTED]

1.3. Options Analysis

Three options are considered in this business case:

- Option 1 – Proceed with the Document Management consolidation and replacement (Preferred)
- Option 2 – Upgrade the existing document management solutions and defer replacement until the FY26-30 period
- Option 3 – Do minimal

“Option 1 - Proceed with the Document Management consolidation and replacement” is the preferred option as it meets all the business case objectives, it is aligned with Energy Queensland’s strategic objectives and is consistent with Energex and Ergon Energy’s obligations under the National Electricity Rules.

Both Options 2 and 3 each represent material risks to Energy Queensland’s business operations [REDACTED] These options also do not support realisation of Energy Queensland’s forecast 10% reduction in indirect costs.

1.4. Financial Summary¹

1.4.1 Energex Option Comparison

¹ Bracketed figures indicate negative values.

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



1.4.2 Ergon Energy Option Comparison



1.4.3 Energex Expenditure Summary (Option 1 – Preferred)



1.4.4 Ergon Energy Expenditure Summary (Option 1 – Preferred)



1.5. Investment Benefits

The preferred option delivers the benefit of sustainment of Energy Queensland's document management function for ongoing supportability, serviceability and security.

The investment is also an enabler of Energy Queensland's planned productivity improvements which result in a forecast 10% reduction in indirect costs. The consolidation of document management capability supports this productivity improvement including:

- Improved shared services productivity through streamlined best practice processes in document and records management; and
- Reduced search time to find and retrieve documents.

1.6. Investment Risks



1.7. Customer Focus

Efficient and reliable management of corporate documents and records gives customers and community groups confidence that information is stored in a safe and confidential manner, and remains accessible to service information requests as required.

2. INVESTMENT OVERVIEW

2.1. Background and History

Energy Queensland has a strategy to implement an Enterprise Content Management (ECM) solution suite that will be used to manage both structured and unstructured content across the organisation. As part of the digital program being delivered in the current regulatory period, an ECM foundation solution will be implemented [REDACTED]

This business case will consolidate and replace the current document management solutions by building upon the ECM foundation. Ergon Energy and Energex have historically operated separate document management solutions to store and catalogue a range of corporate records and documents. Energex currently uses the OpenText eDocs solution and Ergon Energy uses HP Records Manager, with both solutions performing similar functions within the enterprise.

2.2. Business Problem and Rationale

This Document Management Consolidation & Replacement initiative primarily addresses the need for a supportable and sustainable platform to service the business operations of Energy Queensland, ensuring ongoing regulatory and legislative compliance.

At the time of the proposed consolidation and replacement, the Energex document management solution will have been in service for 16 years and the equivalent Ergon Energy solution for 13 years. [REDACTED]

The consolidation and replacement will also enable the deployment of a more extensible solution to support productivity improvements in the way documents are captured and managed. Energy Queensland will achieve these productivity improvements [REDACTED]

It is expected that the new generation of solutions will also cater for the growth in document volumes which is expected to have a year-on-year growth rate of 20%. This is supported by recent analysis showing growth in document storage within the current document management solutions has been collectively 40% over the last 2 years.

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement

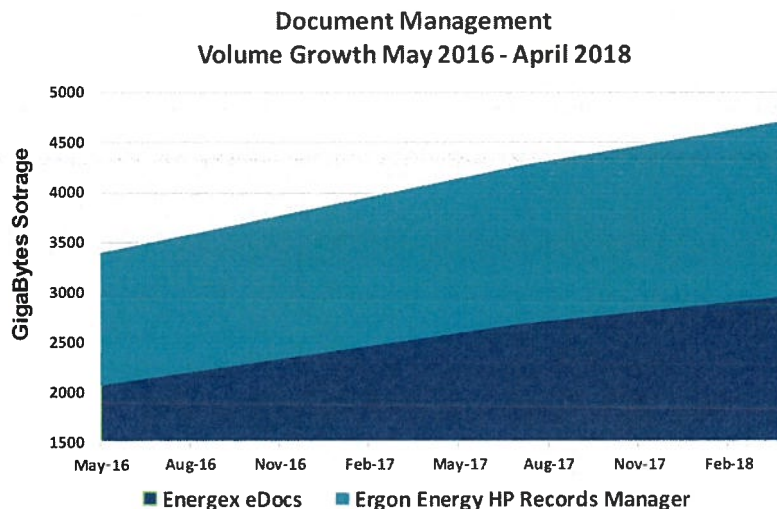


Figure 1 Document Management Growth 2016-18

2.3. Investment Objectives

This investment in consolidation and replacement of the document management solutions will deliver on the following objectives.

- Ensure the ongoing supportability and sustainability of core business systems and operational processes.
- Enable Energex and Ergon Energy to continue to meet all regulatory and legislative obligations in relation to timely, accessible and safe storage of corporate information.
- Consolidate Energex and Ergon Energy document management solutions onto a shared platform for business process consistency and productivity improvement.
- Enable the implementation of processes to support best practice in document management including:
 - Capture of content types at point of entry;
 - Management of documents through a lifecycle approach;
 - Introduction of automatic classification of content through the use of metadata and content analytics to support improved ease of document search and retrieval; and
 - Integration of document capture and access elements into the relevant business process.
- Ensure the security of all documents according to the information security classification scheme

2.4. Principles

This initiative will be guided by the following principles.

- Document management solutions are key support tools to the core business of Energex and Ergon Energy and must remain supportable, sustainable and secure.
- Document management solutions must meet the distribution companies' multiple compliance obligations.
- Document management solutions must be cost effective to implement and financially sustainable.

3. STRATEGIC ALIGNMENT

3.1. Alignment to Energy Queensland Strategic Objectives

This investment aligns with the Energy Queensland Strategic Objectives in the following ways:

Strategic Objective	How this investment contributes to the Strategic Objective of EQL	Impact
1. Community and customer focused Maintain and deepen our communities' trust by delivering on our promises, keeping the lights on and delivering an exceptional customer experience every time.	Efficient and reliable management of corporate documents and records gives customers and community groups confidence that information is stored in a safe and confidential manner, and remains accessible to service information requests as required.	Low
2. Operate safely as an efficient and effective organisation Continue to build a strong safety culture across the business and empower and develop our people while delivering safe, reliable and efficient operations.	This initiative enables productivity improvements by providing integrated capture, classification and access to documents.	Medium
3. Strengthen and grow from our core Leverage our portfolio business, strive for continuous improvement and work together to shape energy use and improve the utilisation of our assets.	This initiative will deliver the ability to manage Energy Queensland's documents and records through their lifecycle from initial capture, access and archival. This document management process will be contextually integrated into business-as-usual processes to allow the organisation to meet its current and future document management.	Medium
4. Create value through innovation Be bold and creative, willing to try new ways of working and deliver new energy services that fulfil the unique needs of our communities and customers.	The document management initiative delivers a key part of Energy Queensland's Digital Enterprise Building Blocks as part of the overall Enterprise Content Management suite.	Low

3.2. Alignment with National Electricity Rules (NER)

The table below details the alignment of the proposed solution with the NER capital expenditure objectives as regulated by the AER.

NER Objective Alignment	Rationale
6.5.7 (a) (2) The forecast capital expenditure complies with all applicable regulatory obligations or requirements associated with the provision of standard control services	This business case proposes the consolidation and replacement of Energex and Ergon Energy's document management solutions for sustainability, supportability and security. Through this replacement, Energex and Ergon Energy will maintain compliance with all regulated and legislative obligations associated with provision of standard control services.
6.5.7 (a) (3) The forecast capital expenditure maintains the quality, reliability and security of supply of standard control services	The document management solution will ensure the ability to reliably maintain and manage a repository for all Energex and Ergon Energy corporate records and documents, contributing to the operational efficiency of Energy Queensland's delivery of standard control services to customers.

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



NER Objective Alignment	Rationale
<p>6.5.7 (c) (1) (i)</p> <p>The forecast capital expenditure reasonably reflects the efficient costs of achieving the capital expenditure objectives</p>	<p>Costs for this investment have been forecast based on knowledge of recent and historical market procurements for equivalent capability and services as well as through specialist advice and internal subject matter expertise.</p> <p>Energy Queensland undertakes competitive market procurement processes to ensure efficiency in project cost and operational expenditure prior to investment.</p> <p>Energy Queensland also has a cloud services strategy which assesses each potential investment to ensure the optimal use of cloud and internal services with considerations of cost, risk, service requirements and other parameters.</p> <p>Opportunities will be explored where the overall cost of the solution is shared across multiple corporate clients, therefore providing cost efficiency opportunities to Energex and Ergon Energy.</p>
<p>6.5.7 (c) (1) (ii)</p> <p>The forecast capital expenditure reasonably reflects the costs that a prudent operator would require to achieve the capital expenditure objectives</p>	<p>The requirement for this investment is premised on industry typical ICT Asset Lifecycle Management principles to prudently and efficiently ensure the supportability, serviceability and security of Energy Queensland's document management capabilities.</p> <p>Currently this investment has been analysed to a "Preliminary Gate 2" level. Prior to investment, a Gate 3 business case will be prepared with further detail to be assessed in accordance with the established investment governance processes.</p>
<p>6.5.7 (c) (1) (iii)</p> <p>The forecast capital expenditure reasonably reflects a realistic expectation of the demand forecast and cost inputs required to achieve the capital expenditure objective</p>	<p>Costs for this investment have been forecast based on knowledge of recent and historical market procurements for equivalent capability and services as well as through specialist advice and internal subject matter expertise.</p> <p>A further detailed cost build-up will take place in development of the Gate 3 business case. This detailed cost build up may be subject to further competitive market procurement processes, sourcing analysis and peer consultation.</p>

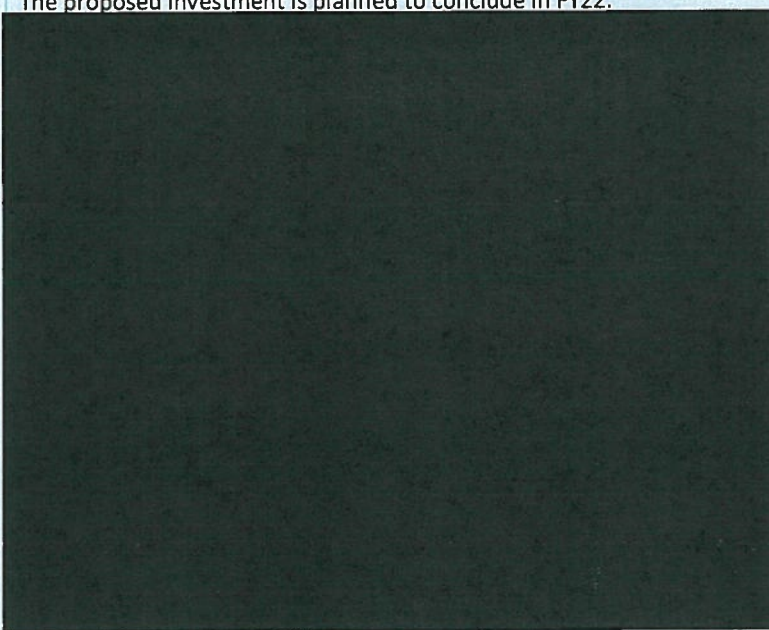
Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



3.3. Alignment with the Digital Office Application Asset Management Guidelines

The table below indicates alignment of the solution with the Digital Application Asset Management Guidelines:

Digital Application Asset Management Guidelines Assessment	Rationale
<p>Document management solutions are classified as Systems of Record or Systems of Differentiation according to the Energy Queensland's Digital Application Asset Management Guidelines.</p> <p>These guidelines describe key defining criteria for Systems of Record including that:</p> <ul style="list-style-type: none"> • They support core business processes – “running the core business” • The business process is understood & stable (either common or subject to regulatory requirements) • They contain information that is core to the business (key information entities – system of record) • They have high data integrity requirements (needs to be auditable) • They are an information source for other systems through exposing business services (SOA) <p>On the above basis, the guidelines forecast that Systems of Record (Foundations) should maintain currency, supportability and effectiveness through the following investment lifecycle.</p> <ul style="list-style-type: none"> • Minor Upgrade – 3 years after implementation • Major Upgrade – 7 years after implementation • Replacement – 12 years after implementation <p>The guidelines further describe that Upgrade and Replacement investments should consider the extent of “obsolescence” of the solution. E.g.</p> <ul style="list-style-type: none"> • Technical Obsolescence – The solution is still functional but not supportable • Financial Obsolescence – The cost of maintaining the solution outweighs the value derived from it. • Asset Obsolescence – The asset has reached the end of its reasonable functional life as indicated through failure rates, inability to meet business requirements etc. 	<p>The document management solutions proposed for replacement through this investment will meet the criteria for replacement identified in the guidelines.</p> <p>The proposed investment is planned to conclude in FY22.</p> 

3.4. Regulatory Implications

A robust and reliable document management solution is essential to delivery of Energex and Ergon Energy's statutory and regulatory obligations including:

- Compliance with the Public Records Act 2002 (QLD) which requires that Energex and Ergon Energy's records are created, managed, stored and preserved in a useable form within prescribed timeframe requirements.
- Compliance with the Right to Information Act 2009 (QLD).
- Compliance with the Information Privacy Act 2009 (QLD) and Information Privacy Regulation 2009 (QLD) with potential for penalties if information is inadvertently lost or becomes irretrievable.
- Compliance with the Security Of Critical Infrastructure Act 2018, with strong controls and security on documents and information regarding the companies' electricity networks.

4. INVESTMENT SCOPE

4.1. Functional Scope

Energy Queensland comprises multiple business areas and functions as defined in the organisation's Business Reference Model.

The proposed investment in Document Management Consolidation & Replacement is essential for the ongoing efficient, sustainable support of the business functions listed below.

Business Area	Business Function	Business Reference Model Description
Enterprise Management	Enterprise Content Management	This function focuses on activities related to managing records, documents, web content, social media, intellectual property, digital assets, and library.
	Enterprise Information Management	A function to develop information and content management strategies, define the enterprise information architecture, manage information resources, and perform enterprise data and content management.

4.2. Solution Overview

Energex and Ergon Energy have historically operated separate document management solutions to store and catalogue a range of corporate records and documents. Energex currently uses the OpenText eDocs solution and Ergon Energy uses HP Records Manager, with both solutions performing similar functions within the enterprise.

During the current regulatory period, a foundation Enterprise Content Management set of capability will be implemented

Figure 2.



Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Consolidation and replacement of the document management solution will provide the opportunity to implement state-wide business processes in support of integrated operating teams, which will enable ongoing efficient business operations.

4.3. Assumptions

This business case is based on the following assumption(s).

- The scope, inclusions, exclusions, costs and impacts of the initiative will be further detailed through the Gate 3 business case prior to investment. This may be subject to competitive procurement processes as appropriate to ensure cost efficiency of delivery.

4.4. Dependencies

This investment is dependent on the following programs, projects or business activities:

Program/Project	Dependency	Effect
ERP EAM Program	As part of the ERP EAM Program, it is planned to implement a foundational Enterprise Content Management (ECM) capability based on the SAP Extended Enterprise Content Management (xECM) solution. This business case is predicated on that foundation capability being in place prior to the end of the current regulatory period.	Not having the foundation component in place will result in an extended delivery timeframe and greater cost.

Other programs or projects are dependent on this investment:

Program/Project	Dependency	Effect
ID05 Design Tool Consolidation & Replacement	Through ID05 Design Tool Consolidation & Replacement, Energex and Ergon Energy's legacy drawing management systems [REDACTED] will be consolidated and replaced with a Unified Drawing Management solution which must be integrated with the document management solution for records management purposes and enterprise "findability".	Replacement of the Drawing Management Systems could occur prior to completion of the document management solution replacement, but retrospective re-integration would then be required at greater cost.
ID16 Process Management Consolidation & Replacement	Through ID16 Process Management Consolidation & Replacement, Energex and Ergon Energy's legacy process management systems (Process2Go and ProcessZone) will be consolidated and replaced with a Unified Process Management solution which must be integrated with the document management solution for records management purposes and enterprise "findability".	Replacement of the Process Management Systems could occur prior to completion of the document management solution replacement, but retrospective re-integration would then be required at greater cost.

5. OPTIONS ANALYSIS

This section considers the following options analysis:

- Option 1 – Proceed with the Document Management consolidation & replacement (Preferred)
- Option 2 – Upgrade the existing document management solutions and defer replacement until the FY26-30 period
- Option 3 – Do minimal

5.1. Option 1 – Proceed with the Document Management Consolidation & Replacement (Preferred)

The existing document management solutions (OpenText eDocs and HP Records Manager) will be consolidated and replaced for ongoing sustainability, supportability and security. State-wide consolidation and alignment of business processes will also be implemented for best practice efficiency.

5.2. Option 2 – Upgrade the existing Document Management solutions and defer replacement until FY26-30 period

The existing document management solutions (OpenText eDocs and HP Records Manager) will be upgraded in the FY21-25 regulatory period and then the solutions will be locked down with minimal change until replacement occurs late in the FY26-30 regulatory period. However, they will remain duplicated and inconsistent across the companies.

No state-wide consolidation or alignment of business processes would occur.

5.3. Option 3 – Do minimal

No significant upgrades of Energex or Ergon Energy's Document Management systems would occur in the FY21-25 regulatory control period and replacements would be deferred until early in the FY26-30 period.

The existing platforms would therefore be locked down without further change to minimise risk.

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



5.4. Option Comparison

Each option has been assessed against key assessment criteria contained in the table below.

Assessment Criteria	Option 1 - Proceed with the Document Management Consolidation and Replacement (Preferred)	Option 2 - Upgrade the existing document management solutions and defer replacement until the FY26-30 period	Option 3 – Do Minimal
Advantages	<p>Consistent with the business case objectives, this option:</p> <ul style="list-style-type: none"> Ensures the ongoing supportability and sustainability of core business systems and operational processes. Enables Energex and Ergon Energy to continue to meet all regulatory and legislative obligations in relation to timely, accessible and safe storage of corporate information. Consolidates Energex and Ergon Energy document management solutions onto a shared platform for business process consistency and productivity improvements. Enables the implementation of processes to support best practice in document management. Ensures the security of all documents according to the information security classification scheme. 	<p>Partly consistent with the business case objectives, this option:</p> <ul style="list-style-type: none"> Achieves supportability and sustainability of core business processes for a period of time before transitioning into an end-of-life support state. Enables Energex and Ergon Energy to continue to meet all regulatory and legislative obligations in relation to timely, accessible and safe storage of corporate information. Defers replacement investment into FY26-30 period. 	<p>This option does not effectively achieve any of the objectives of the business case.</p> <p>It does however represent the lowest near-term expenditure on the document management solutions by deferring replacement investment into the FY26-30 period.</p>

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Assessment Criteria	Option 1 - Proceed with the Document Management Consolidation and Replacement (Preferred)	Option 2 - Upgrade the existing document management solutions and defer replacement until the FY26-30 period	Option 3 – Do Minimal
Disadvantages	<p>This option meets all the objectives of the business case.</p>	<p>This option does not meet the following objectives of the business case:</p> <ul style="list-style-type: none"> Does not consolidate Energex and Ergon Energy document management solutions onto a shared platform for business process consistency and productivity improvements. <p>Therefore, this option does not support the forecast Energy Queensland 10% reduction in indirect costs.</p> <ul style="list-style-type: none"> Does not enable the implementation of processes to support best practice in document management. [REDACTED] 	<p>This option does not meet any of the business case objectives and puts Energex and Ergon Energy at risk of non-compliance with regulatory and legislative obligations, including the Public Records Act. This is therefore an unacceptable option.</p> <p>This option does not support the forecast Energy Queensland 10% reduction in indirect costs. This will impact the companies' FY26-30 revenue requirements, resulting in a negative price outcome for customers.</p>
Key Identified Risks	<p>As the “preferred option”, a specific implementation risk assessment is provided in section 10.2.</p> <p>Key amongst these risks is resource capacity and availability which is mitigated through prudent program management planning to minimise internal resourcing conflicts, and verifying the availability of external solution delivery expertise through market procurement processes.</p>	<ul style="list-style-type: none"> The ability to quickly respond to evolving regulatory and legislative changes will remain low and presents ongoing risk to business operations. Energy Queensland alignment efficiencies are minimal, making it more difficult to achieve financial performance targets. 	<p>See the organisational risk assessment in section 10.1 for further information.</p>

Preliminary Gate 2 Business Case

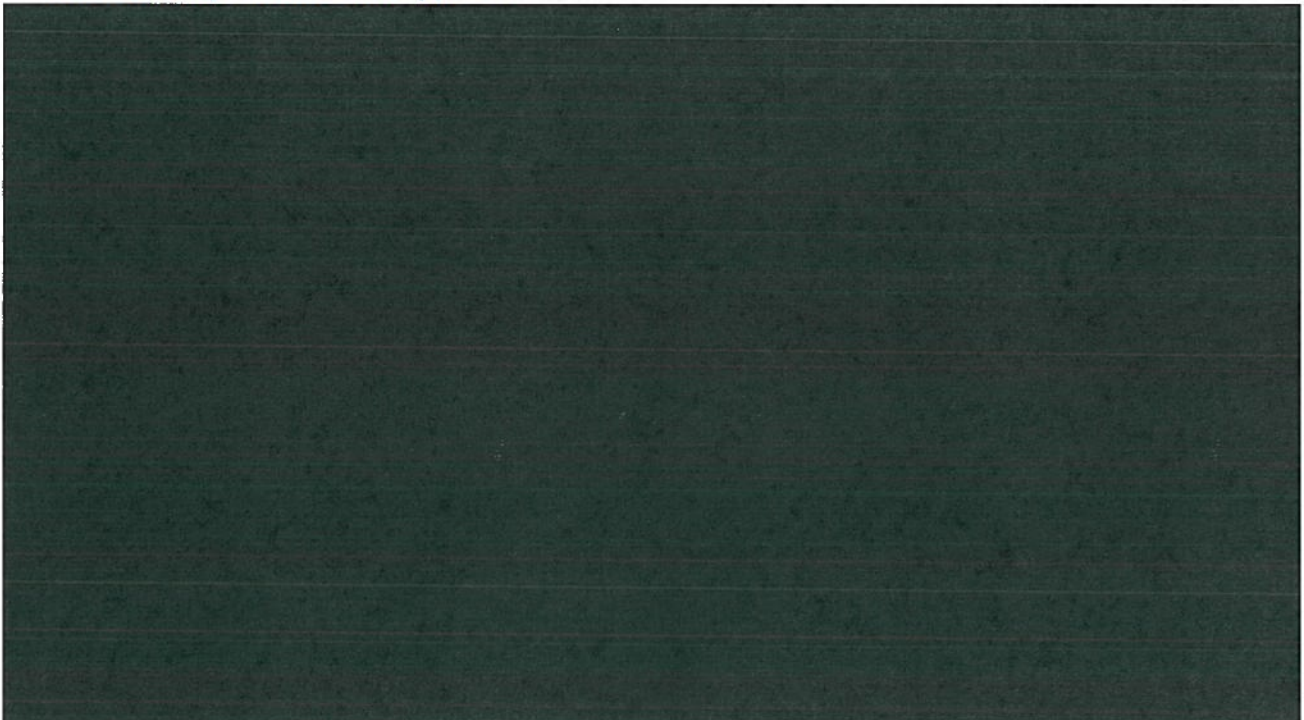
ID12 Document Management Consolidation & Replacement

6. PREFERRED OPTION

“Option 1 - Proceed with the Document Management Consolidation and Replacement” is the preferred option as it meets all the business case objectives, it is aligned with Energy Queensland’s strategic objectives and is consistent with Energex and Ergon Energy’s obligations under the National Electricity Rules. This option also supports Energy Queensland’s planned productivity improvements which result in a forecast 10% reduction in indirect costs.

Both Options 2 and 3 each represent material risks to Energy Queensland’s business operations [REDACTED]
[REDACTED] These options also do not support realisation of Energy Queensland’s forecast 10% reduction in indirect costs.

6.1. Delivery Timeline and Approach



7. INVESTMENT BENEFITS OVERVIEW

This section outlines the benefits associated with the investment. This business case has currently been analysed to a “Preliminary Gate 2” level. As such, the benefits will be further detailed, tested and verified in preparation of the Gate 3 business case prior to investment.

This initiative is primarily an ICT Asset Replacement of legacy systems, required to ensure the ongoing sustainability, supportability and security of business critical capability. Energy Queensland will leverage the opportunity associated with this ICT replacement to also enable planned productivity improvements, resulting in a forecast 10% reduction in indirect costs. The benefits listed below represent contributions to the overall Energy Queensland productivity improvement targets.

7.1. Financial and Other Benefits

Area	Benefits Identified	Value
Financial Benefits		
Organisational Productivity	<ul style="list-style-type: none"> Improved shared services productivity through streamlined best practice processes in document and records management. Reduced search time to find and retrieve documents resulting in productivity improvements. 	
Other Benefits		
ICT Asset Management	<ul style="list-style-type: none"> Sustainment of the companies’ document management solution for ongoing supportability, serviceability and security. 	Sustainment
Organisation Reputation	<ul style="list-style-type: none"> Reduced risk of non-compliance with regulatory and legislative requirements which may result in either fines or damage to the reputation of Energy Queensland. 	Reputation and financial risk
Energy Queensland Staff	<ul style="list-style-type: none"> Increased employee engagement and satisfaction through use of a contemporary document management solution that is accepted by staff as a productivity enabler rather than just a compliance requirement. 	Staff engagement

8. FINANCIAL ANALYSIS

8.1. Scope of Costs

The table below summarises the potential cost inclusions to deliver the outcomes described in this business case.

Phase	Description / Rationale
All Phases	Project management
	Project support
	Internal corporate logistics / overheads
	Communications and engagement
	Review and assurance (excluding normal Internal Audit functions)
Planning & Procurement Phase	Tender facilitation, probity management and legals
	Gate 3 business case development
	Development of planning deliverables (e.g. PMP, Stakeholder and Communications Plan etc)
	Software licences, hardware purchases, cloud services procurement
Design Phase	Software, infrastructure and information design
	Data profiling and migration design
	Solution architecture
	Integration design
	Business process design
	Organisational change design and change management planning
Build, Integrate, Test and Deploy Phase	Data migration and ETL (Extract, Transform, Load) build
	Data migration execution (incl. Trial Migrations, Dress Rehearsals, Verification etc)
	Software, infrastructure and environment configuration
	Integration build
	Business process design and organisational change implementation
	Testing (incl. information consistency, capacity, performance and load, security etc)
	Training
	Production deployment
Warranty Phase	Post implementation operational support
	Transition to business-as-usual (BAU) support
	Post implementation review

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



8.2. Cost Assumptions

The table below summarises the key cost assumptions for the initiative.

#	Assumption	Description / Rationale
1	Project phasing and deployment	<p>The initiative will be delivered over an 18 month elapsed period with an up-front design phase followed by multiple staged deployments.</p> <p>The deployment plan will be structured with consideration of:</p> <ul style="list-style-type: none">• Alignment with other dependent initiatives.• Sequencing to maximise business performance benefit.• Intention to progressively transition to the new solution through a sequence of capability deployments.
2	Use of market services	<p>The initiative will be delivered through a team comprising internal subject matter experts and external solution delivery specialists, to ensure project cost efficiency and mitigation of project risk.</p>
3	Energex and Ergon Energy costs	<p>The project costs for Energex and Ergon Energy are consistent with the effort and complexity of transitioning each company from their respective current state to the common target state. The respective estimates (CapEx and OpEx) are as described in the section below.</p>
4	Option 2 (Upgrade existing document management solution and then replace in FY26-30 regulatory period)	
5	Option 3 (Do minimal)	

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



8.3. Financial Summary²

8.3.1 Energex Option Comparison

A large black rectangular box redacting the content of the table for Energex Option Comparison.

8.3.2 Ergon Energy Option Comparison

A large black rectangular box redacting the content of the table for Ergon Energy Option Comparison.

8.3.3 Energex Expenditure Summary (Option 1 – Preferred)

A large black rectangular box redacting the content of the table for Energex Expenditure Summary (Option 1 – Preferred).

8.3.4 Ergon Energy Expenditure Summary (Option 1 – Preferred)

A large black rectangular box redacting the content of the table for Ergon Energy Expenditure Summary (Option 1 – Preferred).

8.4. NPV Calculation Parameters

The above NPV and financial calculations are based on the following parameters.

- The Energy Queensland Net Present Value (NPV) model has been used to calculate the NPV calculations for this business case.
- The financial analysis has been based over a 10 year period after an 18 month phased implementation period.
- 5.40% Regulated Rate of Return/WACC is applied with present values discounted to FY17/18.

² Bracketed figures indicate negative values.

9. PROGRAM DELIVERY

9.1. Program Governance & Delivery

The governance and delivery model depicted in Figure 3 (below) is planned to be used for delivery of the initiative.

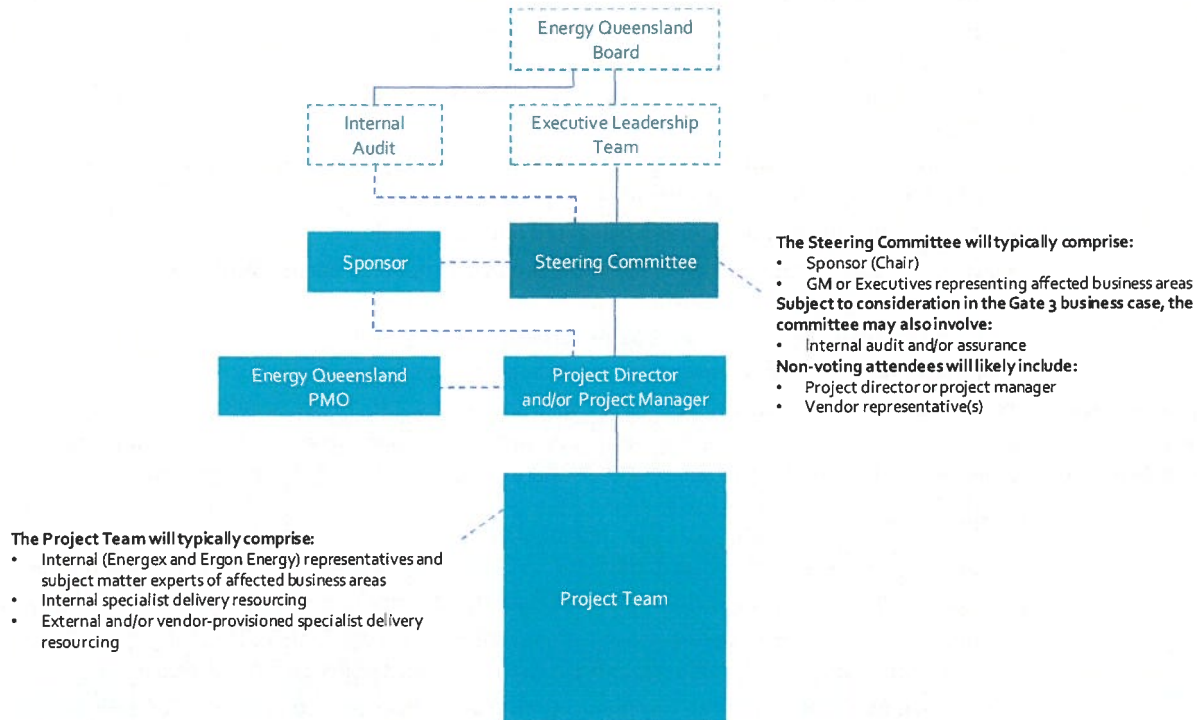


Figure 3 Governance and delivery model

Role	Key Accountabilities
Steering Committee	<p>Provides a single point of accountability for delivery of the initiative in accordance with the business case, as well as decision making aligned with strategic directions of the company. The committee governs the initiative with appropriate balance between delivered outcomes (time, fitness for purpose, cost), risk, business impact and enabled business value.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Attend and be an active participant in committee meetings • Foster positive communications outside of the committee regarding the initiative • Be the voice of the initiative, including communications where appropriate to the Group Executive, Energy Queensland Board and other key stakeholders • Review and approve/reject any request for change (change requests) to the agreed scope, budget, schedule or deliverables. • Ensure all approved change requests align with the program objectives • Ensure program quality outcomes are balanced with other competing priorities • Review each completed phase (or defined stages or gates) and provide go/no-go direction after consideration of quality, risk, cost and schedule • Undertake a Post Implementation Review (PIR) • Ensure the appropriate independent auditing and review of the program is undertaken at the logical stage gates of the program

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Role	Key Accountabilities
Sponsor	<p>The Sponsor is accountable for delivering the business value enabled by the initiative and meeting the objectives set through the business case.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Oversee development of the business case • Oversee development of the project management plan (PMP) working closely with the Project Director • Monitor and advise on delivery outcomes working closely with the Project Director and/or Project Manager • Ensure that any proposed changes of scope, cost or delivery timeline are checked against possible impacts to program benefits • Approve Change Requests within delegated authority levels • Ensure Change Requests have been endorsed by all impacted parties (Business Change, Design, Delivery, Finance, BAU) • Brief Executives and Board on program progress • Ensure that the benefits realisation plan is realistic and achievable
Project Director and/or Project Manager	<p>The Project Director and/or Project Manager has responsibility for the delivery of the overall initiative while maintaining the balance of competing priorities and alignment with initiative objectives as specified in the business case and as directed by the Steering Committee.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Deliver the overall initiative outcomes • Agree delivery strategies with the Sponsor and the Steering Committee • Develop the PMP and oversee specification of all initiative deliverables including assessment of interdependencies and appropriate sequencing across the initiative • Manage development of the communications plan and ongoing communications with guidance and feedback from key stakeholders • Manage mobilisation of the initiative, including resource provision and procurement • Oversee technical delivery of solution design, development, implementation, integration, testing and data conversion • Oversee the delivery of training, deployment, organisational change management and business process re-engineering • Resolve all issues concerning project plans, schedules, budgets, risks and issues as they relate to the initiative • Manage cross-project dependencies, scope and resourcing issues • Ensures audit feedback is actioned in a timely, verifiable manner and validated
Program Management Office	<p>The Program Management Office is a centralised Energy Queensland business function which provides coordination, standards, administrative support and end-to-end reporting for Energex and Ergon Energy's business transformational and ICT initiatives.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Provide a central repository and framework for all program and project issues and risks • Co-ordinate and manage all project plans under guidance from the Project Managers and/or Project Directors • Overall program / project risk mitigation management • Overall program / project issue management • Program financial tracking and reporting • Deliverables monitoring • Program key performance monitoring and reporting

Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Role	Key Accountabilities
Project Team Members	<p>The Project Team undertakes the core delivery of the project under direction of the Project Director and/or Project Manager. The team typically comprises internal representatives and subject matter experts of affected business areas as well as internal and vendor-provisioned delivery resourcing.</p> <p>Responsibilities</p> <ul style="list-style-type: none">• Develop and deliver assigned project deliverables• Identify issues and record, monitor and report status• Manage issues with appropriate actions• Escalate issues as required• Attend reference groups and other forums as required

9.2. Stakeholder Management

The following tables summarise the key internal and external stakeholders for the investment. A detailed stakeholder management plan will be developed as part of delivery planning for the initiative.

9.2.1 Key Internal Stakeholders

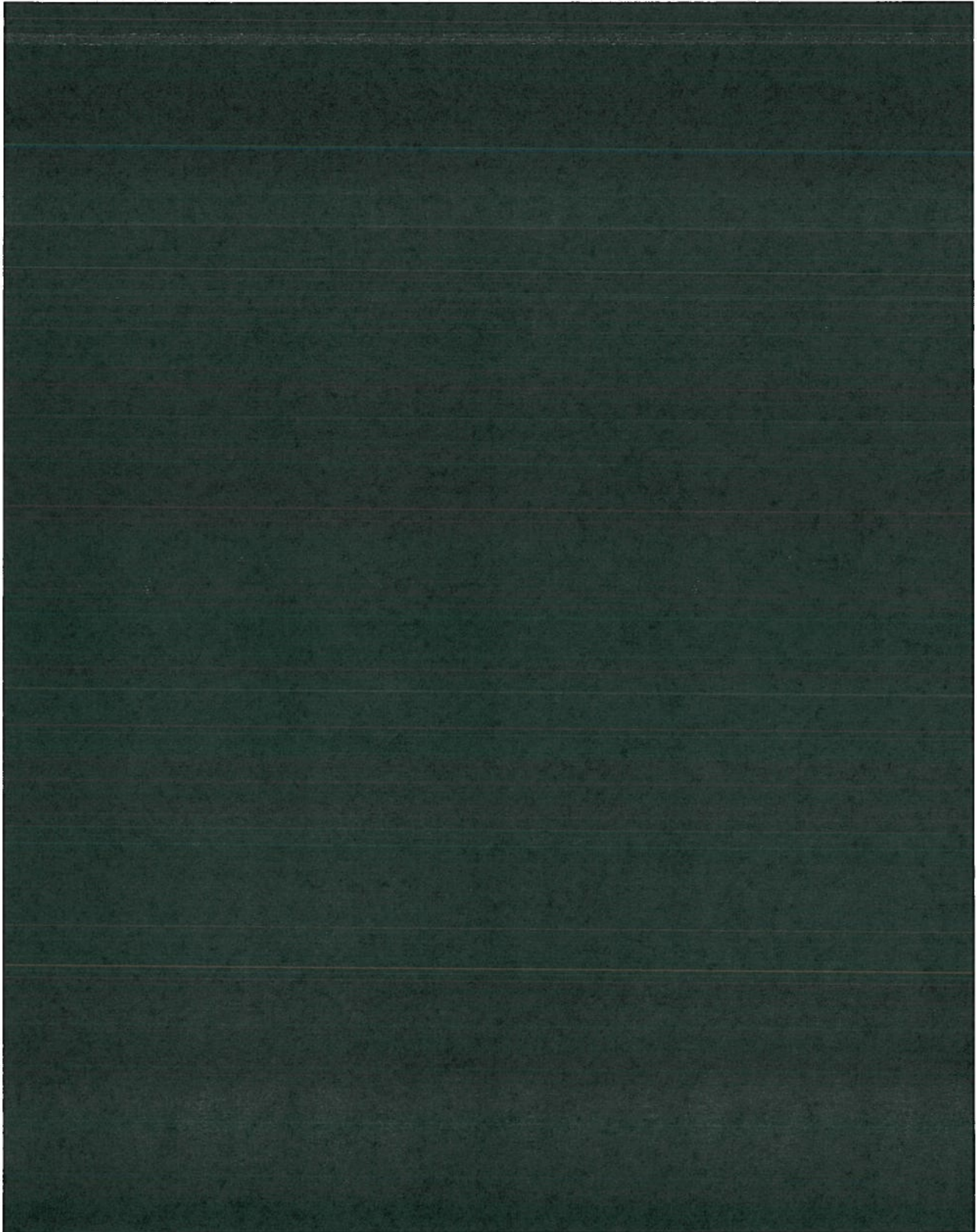
Stakeholder	Interest
Energy Queensland Executive Leadership Team (ELT) and Board	<ul style="list-style-type: none">• Operational performance outcomes and regulatory/legislative compliance of the document management solution and processes.
Energy Queensland Shared Services	<ul style="list-style-type: none">• Availability, reliability and serviceability of the consolidated replacement solution.• Effectiveness of the solution to provide equivalent workflow capability of the existing solution and capability to drive productivity improvements [REDACTED]
Energy Queensland staff	<ul style="list-style-type: none">• Effectiveness of the replacement solution to easily capture, manage and access corporate documents and records

9.2.2 Key External Stakeholders

Stakeholder	Interest
Shareholder	<ul style="list-style-type: none">• Performance effectiveness of the solution in meeting regulatory and legislative compliance obligations.
Customers and Other Parties	<ul style="list-style-type: none">• Ability for Energex and Ergon Energy to respond to right to information requests.

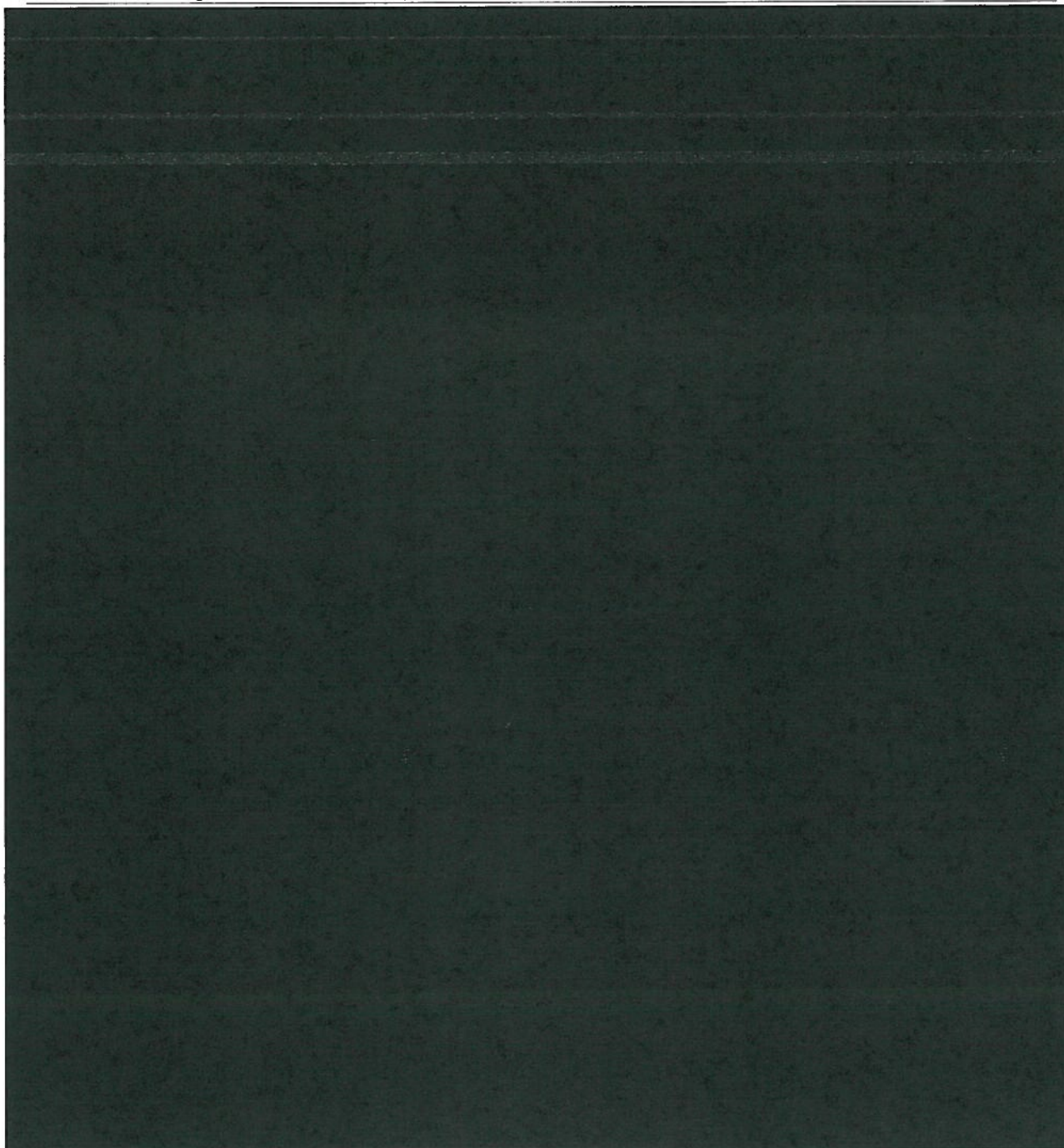
10. RISK ASSESSMENT

10.1. Organisational Risk Assessment



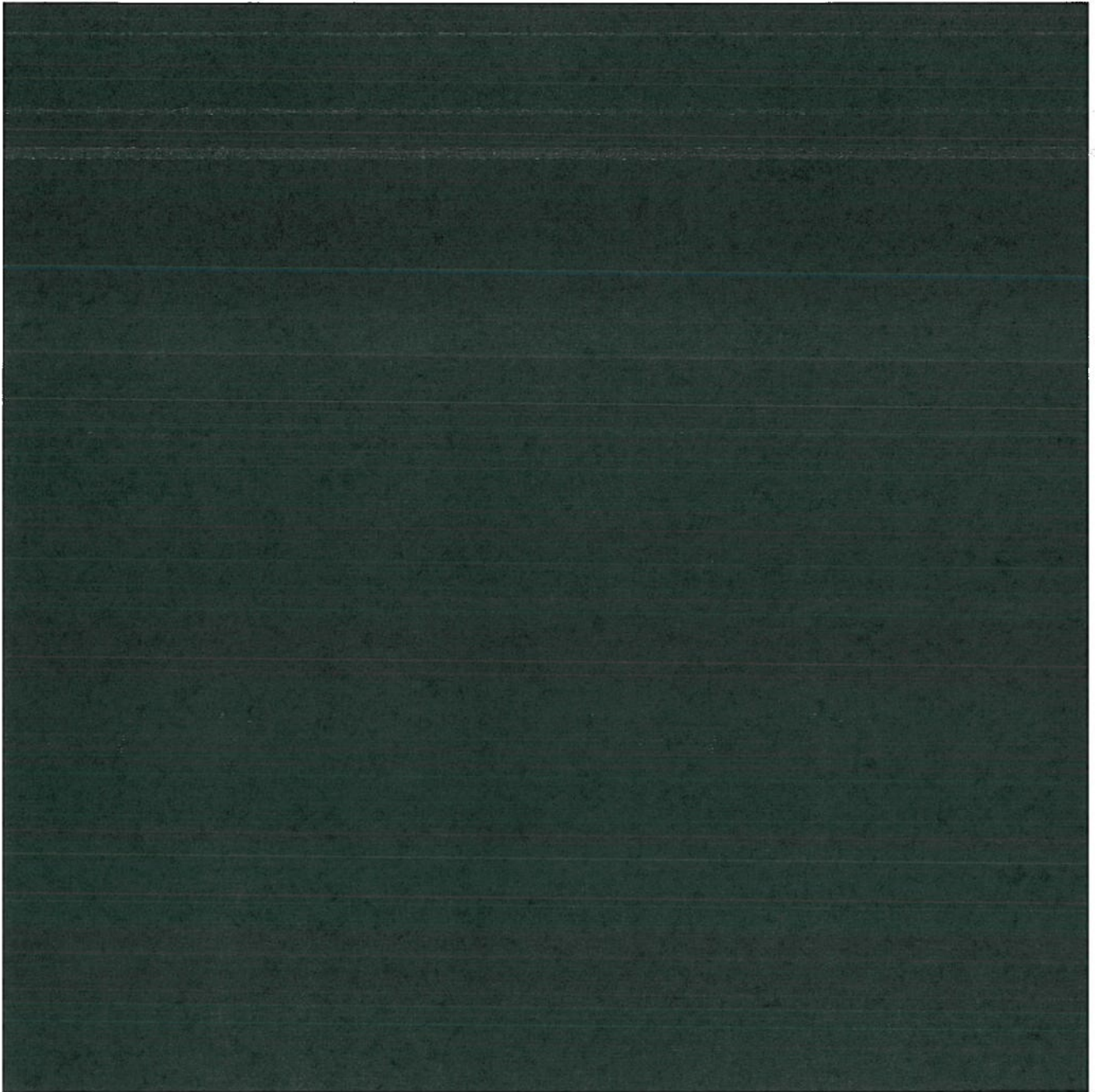
Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



10.2. Preliminary Implementation Risk Assessment

This section provides a preliminary assessment of the key implementation risks of the preferred investment option.

Risk Description	Inherent Risk	Planned Mitigation	Residual Risk
Risk 1. Resource capacity and availability The initiative requires mobilisation of a skilled delivery team comprising internal subject matter experts and external solution delivery specialists. The required internal subject matter experts may be limited in capacity due to other initiatives and organisational change. Availability of required external solution delivery specialists is dependent on the capacity of the market.	Moderate	Continue to perform prudent program management planning to minimise internal resourcing conflicts, ensuring adequate capacity is committed to each initiative prior to delivery. Also prior to delivery, verify the availability of external solution delivery expertise through market procurement processes.	Low
Risk 2. Energex / Ergon Energy alignment Given Energex and Ergon Energy's disparate legacy document management practices, it may prove difficult to achieve the intended alignment and synergy in the target models.	Moderate	Through the establishment of Energy Queensland, Energex and Ergon Energy business units are working methodically to align work practices and procedures for state-wide efficiency and best practice.	Low

Preliminary Gate 2 Business Case

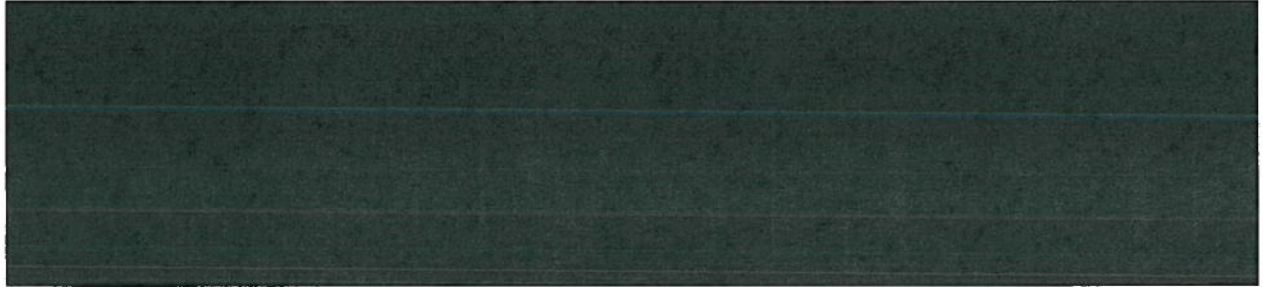
ID12 Document Management Consolidation & Replacement



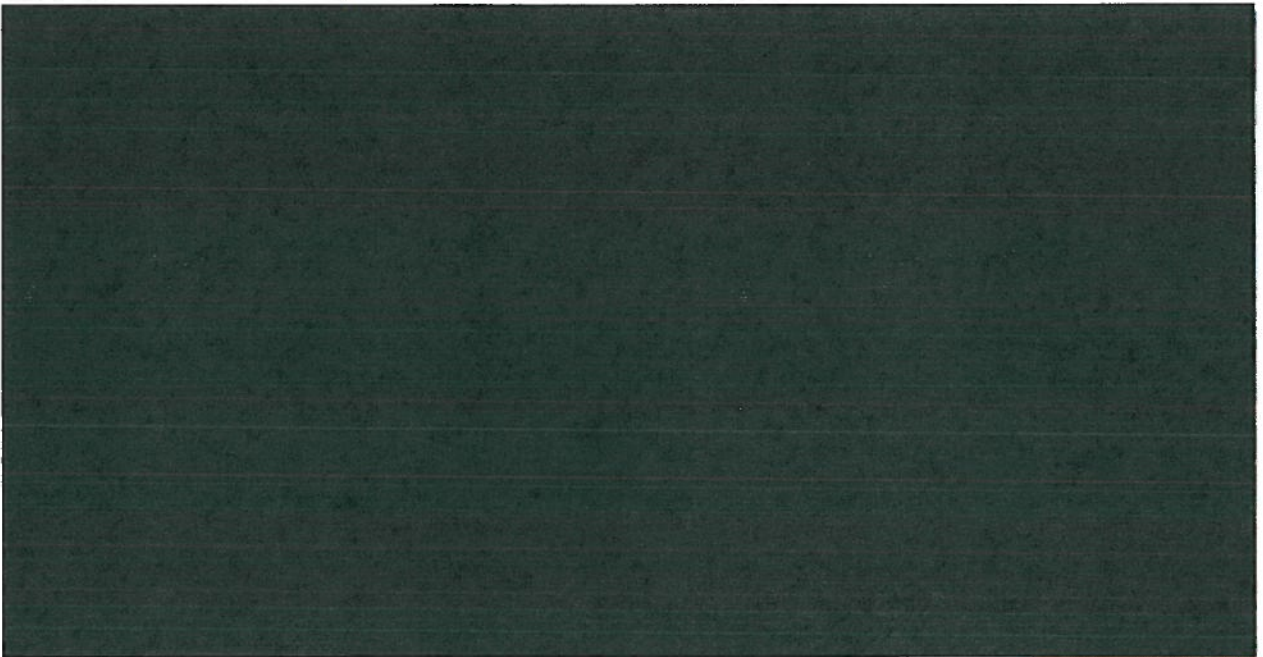
11. CHANGE IMPACTS

The below section details the potential impacts to occur across the Energy Queensland environment during and after the implementation of this investment.

11.1. Investment System Impacts

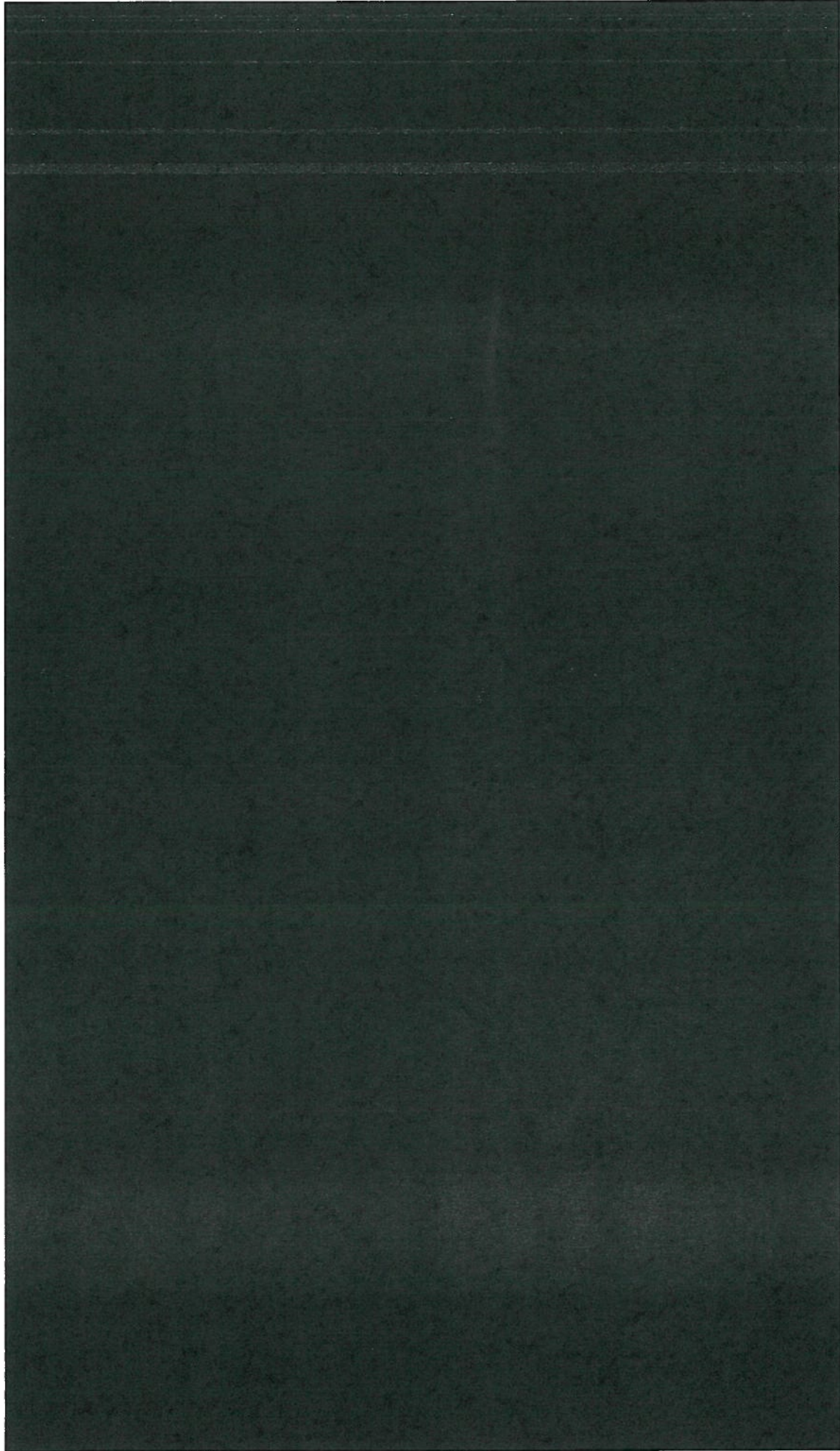


11.2. People & Process Impacts



Preliminary Gate 2 Business Case

ID12 Document Management Consolidation & Replacement



COMMERCIAL IN CONFIDENCE

Page 30 of 30

This document is UNCONTROLLED when printed or saved.

EQL AER ICT Prelim Gate 2 ID12 Document Mgt 3_1

