

ECCT Facilities Principles Checklist: 6. Financial Sustainability

*Facility Lifecycle Stage:
Design, Construct, Operate*

Objective: To ensure the project **affordable and sustainable** across its life. The facility project needs to be financially sustainable across the lifecycle of the facility (including maintenance and operation) and the community need to be able to afford to use it.

Principle	Considerations
Project cost	<p>Are project costs complete, manageable, and sustainable?</p> <ul style="list-style-type: none"> • The full capital cost of the project has been costed using a methodology suitable for the size and complexity of the project • The project maximises cost certainty rather than minimising project costs. Where possible, measures have been taken to control costs and reduce blowouts • A complete project budget has been developed. Exclusions are noted and provided for in the project budget. Fit-out or one-off start-up costs, and a contingency are provided for (if applicable) • A cashflow budget has been developed, with arrangements made to cover shortfalls during the project • The project is focused at long-term overall value, with whole-of-life costing rather than capital costs being the basis for deciding the most appropriate option(s) • The project scope has been reviewed, scaled down, or re-designed to fit within an achievable budget (if applicable)
Maintenance and renewal costs	<p>Is there a thorough plan for maintaining the facility?</p> <ul style="list-style-type: none"> • The group has developed processes to ensure regular day-to-day repairs and maintenance occurs, e.g. maintenance plan or budget • Maintenance costs are provided for in the operational budget
	<p>Is there a complete plan for repairing or replacing the facility as it ages or at the end of its lifecycle?</p> <ul style="list-style-type: none"> • The group have considered how replacement, renewal, and/or disposal of the facility will be managed • Renewal (or disposal) costs have been estimated and the group can explain how they will be funded as they come due • A realistic lifecycle budget showing expected expenses, and how these will be funded has been developed
Operating costs	<p>Can the group afford to run the facility as intended?</p> <ul style="list-style-type: none"> • The group can identify the operating costs required to ensure the facility is being used as it was/is meant to be used e.g. it is safe, accessible, well-used, multi-use, etc. • A realistic 5-year (minimum) budget showing operational income and expenses has been developed
<p>Process considerations: Depending on where in the process the project is, the applicant may or may not understand some of this financial information. They may require further advancement of the project into the business case stage to understand their financial sustainability. An estimate of the total capital cost needs to be provided in the EOI application form. More certain costings and supporting evidence for these will be required in the capital works application stage. Costings will need to be more robust for larger or more complex projects.</p>	