

From: [Doorn, Paul](#)
To: Hall, Chris
Cc: [Marc Landrigan](#)
Subject: ERC Submission - ACTA - Wagga Wagga
Date: Tuesday, 15 November 2016 5:10:00 PM
Attachments: [ERC Submission ACT Wagga Wagga discussion draft_PD.docx](#)
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Hi Chris & Marc

It's been a bit of a mad scramble here this afternoon to pull together a draft ERC submission regarding the Clay Target shooting facility in Wagga. We haven't populated all the fields as yet – but the Recommendations and Exec summary should give you a very good feeling about how this proposal reads.

If you are comfortable with where this is heading, we can complete the remaining sections tomorrow (or tonight if you are desperate!)

Do you have a date for ERC as yet?

Paul

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Cabinet Submission

Title	Development of sporting infrastructure at the Australia Clay Target Association facility in Wagga Wagga
Minister	The Hon Stuart Ayres MP Minister for Sport
Cluster	Premier and Cabinet
Date of submission	DD MMMM 2016

Status	Draft
Relationship to previous decisions	
Result of consultation	Support

Priority	A
Financial impact	Yes
Legislative change	No
Regulatory impact	No impact
Submission type	Policy

Contacts	Matt Miller, Chief Executive, Office of Sport Phone number 8233 1320 Chris Hall, Chief of Staff, Minister for Sport Phone number 8574 6520
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1 Recommendations

It is recommended that the Cabinet Committee on Expenditure Review (ERC):

- i) **Approve** the allocation of \$6.7m in 2016/17 to the Office of Sport to provide a grant to the Australian Clay Target Association (ACTA) for the development of a large clubhouse / conference facility and associated infrastructure at their existing facility in Wagga Wagga, NSW subject to:
 - a. confirmation of the ACTA cost estimates through a competitive tender process
 - b. development of a project delivery plan
 - c. ACTA undertaking to meet all on ongoing maintenance and operational costs and any capital costs for the facility that are greater than \$6.7m
- ii) **Note** that ACTA intends to commence capital works in the 2017 financial year and have them completed by January 2018 in time for the World Down-The-Line (DTL) clay target championships.
- iii) **Note** that ACTA's cost estimates are based on their World Championships 2018 National Ground Development Strategy.
- iv) **Note** that the ACTA timetable precludes the development of a feasibility study, preliminary business case and INSW review.

2 Executive summary

- 2.1 This Submission seeks approval for an allocation of \$6.7m to the Office of Sport to enable a grant to Australian Clay Target Association (ACTA) for the development of a large clubhouse / conference facility and associated infrastructure at their existing facility in Wagga Wagga, NSW.
- 2.2 ACTA intends to commence construction in the 2017 financial year with completion by January 2018 in time for the World Down-The-Line (DTL) clay target championships.
- 2.3 ACTA engaged GHD to prepare a business case for the facility (Provided at **Attachment A**).
- 2.4 Projected increases in tourism drives the forecast benefits. The proposed investment will enable seven shooting events a year and six conference events. GHD has calculated that over 25 years, this will generate a Net Present Value of \$12.4m with a Benefit Cost Ratio (BCR) of 2.31.

- 2.5 The business case has not been subject to any independent review, including the INSW Gateway process. Cost estimates are based on ACTA's World Championships 2018 National Ground Development Strategy.
- 2.6 The business case does not seek NSW Government support for operating and maintenance costs for the facility.
- 2.7 In order to meet ACTA's deadlines, financial risk for the delivery of the facility needs to be shared between the NSW Government and ACTA. In the absence of a feasibility study and because capital cost estimates have not been market tested, it is unlikely that they are within the levels of robustness recommended in NSW Treasury's Guidelines for Capital Business Case. ACTA should enter into a formal commitment with the Office of Sport to:
- work with INSW to confirm, through market testing, the capital cost of the project to the level of robustness required in NSW Treasury's Guidelines for Capital Business Cases
 - meet any cost increases above the \$6.7m for the delivery of the facility
 - meet the operating and maintenance costs for the facility.
- 2.8 The delivery of the facility will be overseen by a project steering committee involving by **INSW./OoS**.

3 Proposal

3.1 :

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- :

3.2

3.3

4 Consultation

External stakeholders

4.1 N/A

NSW Government agencies

4.2 [Insert after Draft Consultation phase].

5 Risks and mitigation

5.1 The proposal poses the following risks.

Description of risk	Risk rating	Mitigation strategies
The project, operational and delivery costs exceed ACTA's forecasts	High	Risks are proposed to be shared between ACTA and Office of Sport as outlined above.
The expected benefits are not realised	High	The business case be reviewed by INSW prior to going to market for the delivery of the facility.

6 Financial impact

6.1 The financial impact is summarised in the following table. The amounts refer to the capital costs of the project as operational and maintenance costs will be borne by ACTA.

Is supplementary funding required?	Yes					
Has Treasury agreed the costings?	No					
Is ERC consideration required?	Yes					
Total Financial Implications – Not applicable	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)	Ongoing (\$m)
Revenue	+/-0.0	+/-0.0	+/-0.0	+/-0.0	+/-0.0	+/-0.0
Expenses	+0.0	+0.00	+0.00	+0.00	+0.00	+0.00
Total Budget Result Impact	-0.0	+0.00	+0.00	+0.00	+0.00	+0.00
Capital Expenditure	+/-0.0	\$6.7m	+/-0.0	+/-0.0	+/-0.0	+/-0.0
Does the proposal require ongoing funding?			Not from the NSW Government			

7 Other impacts

Impact on regional and rural communities

7.1 Nil from the recommendations of this submission.

Regulatory impact

7.2 Nil from the recommendations of this Submission.

Can stakeholders other than the government address the problem?	No.
What are the quantified benefits of the proposal?	The GHD Business Case estimates the benefits as having a NPV of \$12.4m over 25 years. The BCR is 2.31 .
What are the quantified costs on businesses and the community?	N/A for this Submission.

What alternatives were considered? N/A for this submission.

8 Attachments

Attachment A	Business Case: ACTA business plan - New club house and site upgrade

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