

Maria Yu-Sapinoso

From: on behalf of Marc Landrigan
Sent: Wednesday, 7 December 2016 5:24 PM
To: Nigel Blunden
Subject: Australian Clay Target - ERC
Attachments: Australian Clay Target Assoc Rev1.pdf

- This Submission seeks approval for an allocation of \$5.5m to the Office of Sport to enable a grant to Australian Clay Target Association (ACTA) for the development of a large clubhouse and conference facility and associated infrastructure at ACTA's existing facility in Wagga Wagga, NSW.
- The estimated total capital cost of the upgrade is \$6.7m. ACTA has committed \$1.2m to the works.
- ACTA intend to commence construction in 2017 with completion by January 2018 in time for the World Down-The-Line (DTL) Clay Target Championships in March 2018.
- ACTA engaged GHD to prepare a business case for the facility (attached).
- GHD has calculated that over 25 years, the upgraded facility will generate a Net Present Value of \$12.4m with a Benefit Cost Ratio (BCR) of 2.31. Projected increases in the visitor economy account for 97% the forecast benefits.
- The business case has not been subject to any independent review. Estimated costs, revenue and demand are based on ACTA's World Championships 2018 National Ground Development Strategy and cites work done by the Wagga Wagga City Council identifying that a larger (300 – 500 seat theatre style) business events space could be used 28 times a year (based on a small sample of potential user groups).
- The business case does not seek NSW Government support for operating and maintenance costs for the facility.
- **Due to the urgency with the Championships in March 2018** and the absence of a feasibility study and because capital cost estimates have not been market tested, it is proposed ACTA enter into a formal commitment with the Office of Sport to:
 - independently 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
 - manage and bear the risk of the development approval process for the upgrades to the facility
 - commit to delivering the facility by January 2018, including ACTA meeting any cost increases above the \$6.7m for the delivery of the facility
 - meet the operating and maintenance costs for the facility.
- Mr Tony Turner, National Executive Officer, ACTA, has verbally advised that ACTA is prepared to bear the above financial and delivery risks and ongoing operating and maintenance costs for the facility.
- The delivery of the facility will be overseen by an independently chaired project steering committee with senior representation from OoS, DPC, Infrastructure NSW and NSW Treasury. Office of Sport would engage the independent Chair and fund the role from within current resources.

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