

Re: Australian Clay Target Association -- Wagga Wagga upgrades

From: Stewart Webster <stewart.webster@industry.nsw.gov.au>
To: Jenny Davis <jenny.davis@infrastructure.nsw.gov.au>, Kirstie Allen <kirstie.allen@infrastructure.nsw.gov.au>
Cc: Adam Nir <adam.nir@industry.nsw.gov.au>
Date: Thu, 22 Dec 2016 17:21:42 +1100

Hi Jenny (or Kirstie in her absence?),

I have heard that INSW may need a CBA on this after all. Can you please advise? We could get started the week beginning the 9 January, but it would be desirable to send the proponent our data requirements in the meantime so that it might be waiting for us on return.

Thanks,

Stewart Webster

Director, Economic Appraisal & Evaluation
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On 20 December 2016 at 16:40, Stewart Webster <stewart.webster@industry.nsw.gov.au> wrote:

Hi Jenny,

Adam has provided a short critique of the Wagga Clay target project proposal below. I have also scanned the document, and advise that the GHD 'CBA' is in my opinion unusable for the purposes of fund allocation.

Let me know if you need anything further,

Stewart Webster

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----- Forwarded message -----

From: Adam Nir <adam.nir@industry.nsw.gov.au>

Date: 20 December 2016 at 16:19

Subject: Australian Clay Target Association -- Wagga Wagga upgrades

To: Stewart Webster <stewart.webster@industry.nsw.gov.au>

Dear Stewart,

I have been through the material sent to us by Jenny Davis, regarding the proposed upgrades to the clubhouse and conference facilities at the current Wagga Wagga clubhouse.

I agree with your assessment that the GHD business plan's economic assessment is flawed. The main issues are:

- The cost/benefit analysis is performed from a Wagga Wagga-perspective (rather than the State perspective that the Department and Treasury take).
- Gross revenues from additional events are included as project benefits (rather than as producer and labour surpluses).
- Gross operating costs from additional events are included as project costs (rather than as producer and labour surpluses).
- No allowances for displacement of existing businesses has been made.

In order for us to conduct a cost/benefit analysis of the proposal, we would need – at a minimum – the following information:

- (i) the attendee profile for shooting events and business events (especially in terms of origin (interstate, international, NSW));
- (ii) information on past events held at the club or at similar facilities in regional Australia (including visitor origin, event duration);
- (iii) some information on the demand for additional business events capacity, as it is not clear that additional capacity would be used [*page 8 of the GHD report notes that only one-third of business event facilities in Wagga Wagga reported being at 70% capacity, and only one-half of business event facilities being at 50% capacity*].

Please let me know if there is anything further you require with respect to this proposal.

Kind regards,

Adam

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Adam Nir
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Investment Appraisal | Policy & Program Appraisal
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