

## Report from Macedon Ranges Residents' Association Inc website including Tables (pdf version) re *Macedon Ranges Equine Centre Draft Feasibility Study*

**NEW Action Definitely Required Council Rolls Out Its Next Economic Development Disaster - A Monster Equine-And-Everything-Else Centre - For Sham Consultation**

(22/3/15 - C) Macedon Ranges Council goes *totally* off with the pixies with an eye-wateringly over-the-top 'Equine' Centre that makes Council's Hanging Rock over-development and Rural Living Zone feeding-frenzy pale. Even Council's \$95,000 Equine Centre Feasibility Study says financial risk is "significant". **You** have until **April 2** to say 'NO THANKS' to this excessive and expensive fool's paradise.

Macedon Ranges Council's 'Equine' Centre proposal is, like Council's [Rural Living](#) carve-up of the Shire's southern boundary, a by-product of Council's dysfunctional Equine Strategy (which the Amendment C84 Planning Panel said should not be implemented in the planning scheme). Not off to a good start then, and it's downhill from there.

Council's \$95,000 Macedon Ranges Equine Centre Draft Feasibility Study (\$35,000 cost to ratepayers) is a 63-page document which confirms Macedon Ranges Shire Council suffers delusions of grandeur when it comes to economic development. The Study's purpose seems to be convincing State government to pick up the hefty financial costs and responsibility for this 'Everything' Centre, but unexplained and inexcusable discrepancies produce a confusing and falsely rosy picture of the project, and an impression of financials being manipulated to produce manufactured outcomes. Below are key points, issues and concerns with the Study (page numbers are those in the Study).

### The 'Equine' Centre Proposal

The Feasibility Study [the Study] considered 4 strategic ways forward (page 17) i.e. #1 Do Nothing; #2 Expansion at (2a) Werribee Park National Equine Centre or (2b) Tatura Park Equine Centre; #3 Expansion of a different facility; and #4 Development at a greenfields [new] site. These scenarios (pages 16/17, Tables 6/7), are rated high, medium or low against five criteria, and are then given an overall rating. The ratings aren't easy to understand. For example, although costs aren't identified, Table 7 'rates' scenarios on capital cost, and here the 'do nothing' scenario is rated 'high' and the 'greenfields' scenario 'low'. It's confusing because Table 6 at capital cost defines 'high' as "*complete rebuild of existing facility/greenfields at new site*", and 'low' as "*relatively low cost upgrade*".

In the end, Table 7 gives the greenfields scenario a 'high' overall rating, and all other scenarios a 'low' overall rating even though these have high, medium and low-medium ratings in the various individual categories. The Study then recommends greenfields development, in Macedon Ranges Shire, citing "*support from the Council and has political good will*" as one reason for selecting it. As Council support is a no-brainer, the claimed "*political goodwill*" presumably means goodwill from State government.

The Study then puts forward four new (greenfields) Equine Centre project options with differing facilities and costs (pages 20 - 22).

**Option 2** (\$31.2 million cost at page 27) is the Study's recommended option, even though it doesn't include a covered, subsidised community arena, the current lack of which is identified as a key problem to be solved by this 'Equine' Centre project (page 11). With **Option 2**, the local Macedon Ranges community will pay commercial rates and have no priority access to the Centre.

Note: A community facility is NOT included or costed in Option 2 but a community arena (no seating) is misleadingly included on Option 2 site design diagrams at pages 46/47 - if you haven't read the fine print at page 44 you could easily be deceived into thinking a community arena does come with Option 2.

Council's 'Equine' Centre proposal is the biggest (by far) in Australia. For example, Werribee Park National Equine Centre is located on 30 acres of land, with some potential for another 40 acres' expansion (footnote, page 13) but the Study says a Macedon Ranges 'Equine' Centre requires a minimum of 300 acres, ideally 400 acres.

The 'equine' in Equine Centre is only a minor part of this proposal. This is *commercial* development on the scale of a new town.

The Study says **Option 2's** key features and activities (pages 20-22, 23, 43/44, 46/47 and Appendix B) include core \* and non-core \* equine activities, plus non-equine music events/concerts, trade fairs, exhibitions and displays, other animal shows, non-equine sporting events, and conventions. \* *Core equine activities relate to disciplines governed by the FEI (Federation Equestre Internationale (pages 4 & 42) e.g. Olympics.); non-core equine activities include western pleasure, camp draft cutting, reining, quarterhorse/stockhorse other breeds championships, carriage driving (Table 8, page 18)*

Also in the mix are horse and cattle sales, agistment, gala balls, camping, retail outlets, accommodation (potentially group, dormitory and apartment accommodation), cafes/restaurants, corporate hospitality, business (commercial) offices/suites, conferences/meetings and western equine events.

So when Macedon Ranges Shire Council says this an *Equine* Centre, it is not being honest. This is an 'Everything' Centre.

In fact, at Appendix page A-2, the Study assumes (for financial analysis) that 419,000 people per annum would visit the 'Equine' Centre for *non-equestrian* purposes (i.e. one 14-day horse sale, 10 cattle shows and 10 cattle sales, 10 other livestock shows, 12 music events/concerts, 30 gala balls, 12 shows and displays, and 30 conferences and other), while at page 30 the Study estimates between 39,690 and 42,750 participants and spectators will attend *equine* events.

**Why so much non-equine activity at an 'Equine' Centre?** The Study says an Equine Centre alone isn't financially viable: "*Most of the [other Australian] larger facilities struggle to break even or turn a profit.*" (page 6) [emphasis added]. Note: Most other larger Australian facilities are owned/managed by State or local government (Table 5 page 7, and page 35) but "*Werribee Park National Equine Centre is a private organisation, jointly owned by Equestrian Victoria and Polo Victoria which are both represented on the Board. WPNEC leases the Werribee site from Parks Victoria and is self-funded.*" (page 35)

## Risks

The Feasibility Study confirms:

- The Equine Centre project (any option) has significant financial risk (capital cost, revenues and operating cost - Executive Summary page iii);
- Would only be feasible if it includes a range of non-equine activities: "*All of this indicates that a flexible, multi-purpose facility will be critical in making the equine centre viable on a commercial basis. Additionally, it is likely to need Government funding or private industry investment for all or part of the capital cost.*" page 6, and
- Potential costs and returns mean it is unlikely to be feasible on an entirely commercial basis and unlikely to attract [private] investors seeking a profit from the development (page 37);
- "*The success of the centre will in part depend on investment leveraged from the private sector in facilities such as: retail, an anchor tenant, cafes and restaurants [another McDonalds?], accommodation*". page 39.

The Study also identifies other key risks including traffic congestion and crowding, safety issues and loss of amenity (including light and noise) for residents, some spending being diverted from existing Macedon Ranges' businesses (e.g. retail, accommodation and other services), and environmental impacts/pollution/emissions (page 16).

At pages 38 - 40, the Study says a site/location in Macedon Ranges Shire has not been identified. The potential inability to find a suitable 300 to 400 acre site i.e. flat land, contiguous, well-drained and no significant environmental constraints, is considered another major risk, as a suitable site is critical to the project and may be difficult to achieve.

## **Facilities, Capital Costs and Financial Analysis**

Facilities provided with each option influence capital costs, and capital costs strongly influence financial analysis outcomes. This Study, however, contains mis-matches between facilities included in each option, facilities included in capital costs, and facilities included in the financial analysis. The extent of variation makes it difficult to understand what's proposed, what the real capital costs are, and how options would really perform economically. Dig deeper and it becomes clearer that what's presented in the Study doesn't make sense or add up, and isn't reliable enough to be used as the basis for decisions. MRRA has produced a series of comparison tables to help better understand what is happening in the Study, and these are referenced in the following text.

The Study identifies 4 (greenfields) project options, and their functions and facilities, at pages 20-22, as follows; capital costs are those used in the financial analysis at pages 27/28.

- **Option 1** (core equine activities and training with limited non-equine, and includes a community arena) **\$39.1M capital cost;**
- **Option 2** (core equine activities and non-equine but no community arena; non-equine includes concerts, trade fairs, other animal shows, non-equine sporting events, conventions) **\$31.2M capital cost;**
- **Option 3** (core equine activities and training with limited non-equine, small-scale meetings/conferences but no community arena) **\$29.2M capital cost;**
- **Option 4** (core and non-core equine sports, and includes a community arena; non-equine includes concerts, trade fairs, other animal shows, non-equine sporting events, conventions) **\$40.1M capital cost.**

The Study doesn't explain why minimalist Option 1 costs only \$1M less than the all-frills Option 4, or why almost-minimalist Option 3 costs \$10 million less than minimalist Option 1, or why the almost-all-frills recommended Option 2 is \$9M less than all-frills Option 4, and \$8M less than minimalist Option 1.

**Attachment Table 1** (*Comparison of Facilities - All Options*) consolidates initial information about facilities, activities and capital costs for all options.

If you haven't read the Study, you may think the capital costs it contains are the full costs for this project, but they aren't - the 'Equine' Centre comes in two stages: Phase 1 and Phase 2. The Study's financial analysis - and capital costs - relate to Phase 1 facilities, not the complete project. Additionally, although \$5.3M for site works is included in capital costs for all options, this amount doesn't include costs for upgrading/extending infrastructure and services (e.g. transport, water, sewerage etc), external to the site itself. Likewise, land purchase also isn't in costs, and although at page 35 the Study notes "*there may be potential for a site to leased from a local landowner*", leasing expenses aren't costed either.

The Study expands on Phase 1 and Phase 2 facilities for recommended Option 2 at pages 42/43, and in site design diagrams at pages 46/47 (these only show the most intensely used parts of the proposal, not all of it). Each successive description of Option 2 expands or adds facilities.

**Attachment Table 2** (*Recommended Option 2 - Discrepancies in Included Facilities*) shows the variations between facilities the Study attributes to Option 2. Notable differences occur between the Study's descriptions of both Phase 1, and Phase 2, facilities; these both also differ from Option 2 facilities initially identified at pages 20-22.

The Study (at page 42) says Option 2's Phase 1 facilities include "all facilities that have been included within the financial analysis of this report." Yet the Study's descriptions of Option 2's Phase 1 facilities don't match facilities (venues) used for Option 2's revenue generation in the Study's financial analysis, and neither of those are a match for facilities in Option 2's capital costs at Appendix A -3.

**Attachment Table 3** (*Itemised Capital Costs – All Options*) shows the Study's itemised capital costs at pages A-2 and A-3 for all 4 project options. Concerns with these capital costs include:

- All 4 options have the same capital cost (\$11.3M) for a "premium" covered stadium. While Options 2 and 4 have indoor stadiums that can be converted into a concert space, and a large arena floor area, Options 1 and 3 have indoor stadiums with a smaller floor area and a horse event surface only. Realistically all four options could not have the same capital cost for this item.
- Capital costs for Options 2 and 3 include only one 'covered' arena/stadium (Options 1 and 4 are costed for two covered arenas - "premium" and community), yet site design diagrams at p46/47 show Option 2 as including up to 6 indoor or covered facilities in Phase 1.
- All 4 options have capital costs for a training and stabling complex with 400 stables, but at pages 20-22 Options 1 and 3 only include 300 stables.
- Option 2 is costed for 400 stables when only 280 stables are proposed in Phase 1 of the project (an additional 140 - total 420 - are proposed in Phase 2).
- Capital cost of the training and stabling complex - 400 stables - for Option 4 is almost \$1M more than the other three project options.
- 'Open arena / dressage (and warm up area)' costs \$2.7M for Options 1 and 4, but \$544,000 for Options 2 and 3.
- 'Open arena / show jumping (and warm up area)' costs \$444,000 for Options 1 and 4, but \$2.2M for Options 2 and 3.
- The above two items cost \$400,000 more for Options 1 and 4 than for Options 2 and 3.
- Option 2's total capital cost at page A-3 is \$37.2M, \$6M higher than the \$31.2M capital cost used for Option 2 in the financial analysis.
- Capital cost for accommodation (\$7.9M) is not included for Option 3 (accommodation - 150 sites - is an included facility for Option 3 at pages 20-22). This results in a \$29.2M total capital cost for Option 3 (lowest of all options) which is then used in the financial analysis. When the missing \$7.9M is added to Option 3, it results in Option 3 having the same capital cost as Option 2 (A-3: \$37,199,250).

The Study does not give guidance on these discrepancies, or capital costs assigned for each option, or why Accommodation capital costs are missing from Option 3, or why Option 2 has *two* different capital costs. What the itemised capital costs do reveal is that various options appear over- or under-costed, and that capital costs include only 'bare bones' facilities rather than those identified for each option which, if costed would raise capital costs, which in turn would impact the financial analysis outcomes.

**Attachment Table 4** (*All Options: Comparison of Facilities and Itemised Capital Costs*) compares facilities for **all options** at pages 20-22 with facilities included in capital costs at A-3.

**Attachment Table 5** (*Recommended Option 2: Phase 1 Facilities Not Included In Capital Costs*) compares **Option 2's** facilities against Option 2's costed facilities, and confirms not all Phase 1 facilities identified for Option 2 are included capital costs - or, consequently, the financial analysis.

Transparent and credible costings are critical, because capital cost (and percentages of it) have a fundamental role in estimating the viability and economic performance of each option. Get the capital cost wrong, and all the rest is wrong. For example:

- Option 2 (at Table 20, page 28) is shown with a \$2.5M surplus (using \$31.2M capital cost), and based on this surplus the Study concludes Option 2 is "*the most favourable option in financial terms...*" Yet when the

Study's *second* total capital cost for Option 2 (i.e. \$37.2M shown at page A-3) is used instead, Option 2's \$2.5M surplus shrinks to just \$902,000.

- Option 3 (at Table 20, page 28) is shown with a \$2M surplus but when Accommodation capital costs that are omitted at A-2 and A-3 are added to Option 3, total capital costs rise from \$29.2M to \$37.2M, and Option 3's \$2M surplus changes to a -\$58,000 deficit.

The difference between Option 2's two total capital costs (i.e. \$31.2M and \$37.2M) is \$5,915,500, which is the exact capital cost assigned to all options at pages A-2 and A-3 for an "administration and 100-seat meeting centre". This cost is included in Option 2 at A-3, but apparently deleted from Option 2's total capital costs for the financial analysis.

With these types of discrepancies, and not all facilities and costs included, it is difficult to see how the Study's total capital costs - or consequently the Study's financial analysis - could be considered full, transparent or reliable.

#### **Additional concerns with the financial analysis include:**

##### *Options are credited with revenue from facilities that are not included in capital costs*

There are discrepancies between facilities the options are said to include, those included in capital costs, and those used as venues generating revenue in the financial analysis. Examples include:

- Option 2 sources revenue from facilities (venues) that are not included in capital costs (i.e. they don't exist). For example, Option 2's capital costs include only one (1) covered stadium but Option 2's revenue includes income from Indoor 1 *and* Indoor 2 venues.
- Option 2 is not costed to include a covered community arena (called a General purpose (community) arena for Option 2 at pages 43/44), yet Option 2 revenues include income from a "General Purpose" venue, which isn't identified as included in capital costings at pages A-2 and A-3.

**Attachment Table 6** (*Option 2 - Included facilities v costed facilities v income generating facilities*) highlights Option 2 anomalies.

- Option 3 doesn't have a community arena but receives venue hire fees from one at Table 16, page 26, while Option 4, which does have a community arena, receives none.
- Option 3 also collects revenue from powered and unpowered (camping) sites when the capital cost of these (\$7.9M) is not included in Option 3 at page A-3, or Option 3 total capital costs in the financial analysis.
- At Table 17 page 26, "yard fees" are included as event fee income for all options when "yards" are not identified as a capital cost for any option.
- Options 1 and 4 revenue includes fees from Indoor 1 and Indoor 2 venues, and from a General Purpose venue, and from a community venue (Option 1), when capital costs for both options only include 1 covered "premium" stadium and 1 covered community facility.

It also isn't explained why, at Table 16 (page 26), Option 1 has the highest venue hire fees in five of nine categories (and Option 2 the highest in 3 others), when presumably all options have the same venues.

##### *Community demand assumptions:*

Appendix page A-1 lists Pony and Riding Clubs in *Macedon Ranges Shire* that have been used to estimate community demand in the financial analysis. This list incorrectly includes Findon Pony Club (at Mernda <http://www.findon.ponyclubvic.org.au/>), and Oaklands Hunt Club (at Greenvale <http://oaklandshunt.com.au/agistment/>) when neither are located within the Shire. Oaklands (fox and hounds) Hunt Club is also a much bigger enterprise than a local Pony or Adult Riding Club. Their inclusion in Macedon Ranges' community demand would inflate the 'Equine' Centre's economic performance.

##### *Events revenue sources*

The Study says the financial analysis sources its events revenue for a Macedon Ranges 'Equine' Centre by adopting 67 equine events from Werribee Park National Equine Centre's annual calendar (page 25). That is, the Study assumes 67

equine events currently held at Werribee Park NEC transfer to Macedon Ranges. The Study doesn't explore the fragility of this sweeping assumption i.e. what happens if these Werribee Park events don't transfer to Macedon Ranges, or what happens to Werribee Park NEC if they do. The Study states (page 23), "*Further discussions are expected to take place [with Werribee Park] to gauge the level of support from Equestrian Victoria for this proposal.*" At face value, this could be interpreted as lack of support from Werribee Park NEC for a Macedon Ranges Equine Centre.

In addition to these 67 events, the Study also adds another 14 events (page 25) for Options 2 and 4 because "*the design configuration of these project options e.g. multiple undercover arenas lends itself to additional events*". However, while Option 4 includes two (2) covered arenas in its capital costs, Option 2 only includes one (1). Attendance figures shown suggest these additional events alone would attract some 57,000 total spectators/participants. Yet at page 30, the Study shows estimated maximums of 42,750 and 42,410 participants/spectators for Options 2 and 4 respectively, for all equine events (and these are only 2,000-3,000 more than estimates for Options 1 and 3).

#### *Bases for Economic and Employment Impacts*

At page 32, the Study discusses Australian Bureau of Statistics [ABS] initial and flow-on effect multipliers for the construction industry, and states economic and employment impacts of construction are based on capital costs/investment. However, marrying the discussed ABS multipliers with project option capital costs (or even building costs) doesn't produce the economic and employment economic impacts shown at Tables 26 and 28. The basis used to generate these figures requires further clarification.

A basis is not provided for economic and employment impacts of the "*National Equine Centre*" operations (shown in Tables 27 and 29, pages 33 & 34).

#### *Incomplete Economic Data*

The Study admits several times that data relevant to the financial analysis is deficient / unavailable / the result of discussions / needed. For example, estimated visitor expenditure at the 'Equine' Centre (page 31) is based on tourism spend for the Daylesford *and* Macedon Ranges areas.

At page 48, the \$95,000 Study recommends, should Council support moving the 'Equine' Centre proposal forward, further (expensive) actions be undertaken including preparing a full business case, more detailed concept design and costings, a comprehensive risk assessment, and a more detailed financial and economic assessment.

#### **Governance (Ownership and Management) of the Equine Centre**

Governance - or who would own / run the Centre - is discussed from page 35, where the Study says, "*the most realistic ownership option..., given the upfront capital cost, is the Victorian government...*"

The Study then addresses management, saying (page 35, bottom) that for this assessment it assumes "*Macedon Ranges Shire Council will not own or manage the facility*". However, one of the five governance options (Option 4, page 36) is that the Centre be managed as "*a Council owned business enterprise*", although this is insightfully rated a poor (low) outcome for users at Risk (page 37). It would of course also be an extremely poor outcome for Macedon Ranges Shire's ratepayers.

Although the Study's preferred management option at page 36 is Option 3, i.e. making the facility a State owned public entity, the Study, at page 48, concludes "*ideally it would be a state government business or not-for-profit entity with Macedon Ranges Shire Council represented on the Board.*" Which suggests Macedon Ranges Shire Council *would* have a management role.

## Location

Even though Council's 'survey' (see Consultation, below) asks participants what they think of the Centre's proposed location, the Study itself emphasises a preferred site or location has not been identified.

However, Macedon Ranges Shire Council has apparently already made a decision and has publicly announced that the 'Equine' Centre will be located in the "south-east of the Shire" [Leader, Feasibility Study strengthens case for \\$40 million Equine Centre In Macedon Ranges, 3/3/15.](#)

The "south-east of the Shire" puts the Centre in an area without water, sewerage and other services, and would make the notorious Melbourne-Lancefield Road the primary road access. Extension of these services to an 'Equine' Centre near Clarkefield or further east would be very expensive and this substantial expense is not included in capital costs (the Study seems to see this as the responsibility of servicing authorities). Or perhaps State government or Council assistance will be expected to cover these costs.

Extension of services to or east of Clarkefield would also have the effect of at last turning Clarkefield into the "urban node" some have long dreamed of. Two birds, one stone.

## Planning

The Study, at page 39, addresses planning issues and notes, *"The identified site will need to satisfy planning issues around development, environmental and zoning, and will need to be consistent with Council's long-term land use planning framework."* Oops.

The current Macedon Ranges planning scheme says (at Clause 21.03) *"The Shire's objective is to protect the quality of existing living environments and retaining a rural corridor between the edge of the metropolitan area and the Shire. Statement of Planning Policy No. 8 – Macedon Ranges and Surrounds, approved by the Victorian Government in 1975, identified the 'rural open' areas around Mount Macedon as 'breathing spaces' and important view lines that should not be developed."*

Amendment C84, which is awaiting Ministerial approval, is more explicit at Clause 21.05-2 Significant Environments and Landscapes, where Objective 2 is, *"To maintain and enhance the open character of the plains area of the south east of the Shire"* by *"Discourage[ing] urban development within the non-urban buffer to the south east of the Shire between Mount Macedon and metropolitan Melbourne."* Which is precisely where Council has apparently decided this 'Equine' Centre will go, in a landscape which is *"critical in the contemporary character of Australia"* (Macedon Ranges Cultural Heritage and Landscape Study Volume 2, Environmental History, pages 2 and 3).

It would be no surprise to many Shire residents if Macedon Ranges Council ignores its own planning scheme, along with environmental and social impacts. Council has repeatedly demonstrated it has no qualms doing so in its obsessive pursuit of economic development. In this case however, it is asking the State government (or other parties) to follow suit. The State government, on the other hand, has pledged to legislate to protect Macedon Ranges. This gross commercial 'Everything' Centre, and potential consequential and concurrent urbanisation of Clarkefield, is a palpable example of the type of damaging development from which Macedon Ranges needs to be protected.

## Consultation

The Study claims 'stakeholder' support from the Australian, Victorian and local equine industry. Appendix B lists 21 separate "stakeholders" who were interviewed for the Study. Of these, two were Departmental representatives, and two others Macedon Ranges Council representatives; three were from Kyneton Pony/Riding Clubs; and six were equine interests in Macedon Ranges Shire. Seven were broader Victorian interests, and another, New South Wales.

After years of consulting selected 'stakeholders', and spending Council funds on this project, Macedon Ranges Shire Council has finally asked ratepayers if they want an 'Equine' Centre. Predictably, Council falls over again on consultation: two meetings with Council and consultant (Woodend & Romsey only), and a 'survey' where if you don't give your name, you can't participate. Note: MRRA found any name will do. If you do give your name you have to trust Council to behave appropriately with the information you provide, which could be a big ask.

Council's survey asks ratepayers if they support an 'Equine' Centre, and what they think of the project's size and scale, and location. The problems with this are, Council hasn't revealed this is much, much more than an 'Equine' Centre; it's nigh on impossible, from the Study, to get a meaningful picture of the size or scale of any option; and if you missed Council's press release you wouldn't know where this thing is to be located.

Council has further muddied the waters by announcing the 'Equine' Centre is a \$40 million project (which is the Study's capital cost for Option 4, not recommended Option 2), which in turns suggests Council has already (informally) decided where it is going with this project. Sham consultation - again.

## What You Can Do

[Click here](#) for the Draft Final Report Equine Centre Feasibility Study, and click <https://www.surveymonkey.com/s/equinecentresurvey> for the survey.

Or go to Council's website

[http://www.mrsc.vic.gov.au/Council\\_the\\_Region/News\\_Media/Have\\_Your\\_Say/Equine\\_Centre\\_Feasibility\\_Study](http://www.mrsc.vic.gov.au/Council_the_Region/News_Media/Have_Your_Say/Equine_Centre_Feasibility_Study) for both. You can also tell Council what you think on Facebook, by email or in writing. **Comments close Thursday APRIL 2, 2015.**

MRRA strongly recommends you make your views clear in the survey (make sure you keep a copy of what you say); you ask Council to provide a "Please explain" about the Study's short-comings; and you also send your views and comments to Dan Andrews, Premier of Victoria [daniel.andrews@parliament.vic.gov.au](mailto:daniel.andrews@parliament.vic.gov.au), and Mary-Anne Thomas, MLA for Macedon [Mary-Anne.Thomas@parliament.vic.gov.au](mailto:Mary-Anne.Thomas@parliament.vic.gov.au).

### MRRA Says:

You could be forgiven for wondering if the Dodgy Brothers had a hand in this one. Another day, another rubbish process, another whiff of deals, and another ratbag economic development idea. Where does Council pluck them from? And putting it in a landscape that is significant on a national level? Yep, Council nails it again.

The...Feasibility...Study. Aaaghhh! You would think \$95,000 would be enough to buy something worthwhile, but this one seems to have a fatal case of its collar and cuffs not matching. Even though the Study prudently contains a hefty disclaimer distancing itself from information provided by Council, that doesn't explain or excuse how it ever got this far - someone signed off on it. Let us know if you can think of any reason why the Study shouldn't be condemned as unusable and a total waste of \$35,000 of ratepayers' money [mr.ra.sec999@gmail.com](mailto:mr.ra.sec999@gmail.com), because we can't think of any.

Would you make a \$40 million decision based on this Study? Didn't think so. You can bet Council will though, following its time-honoured tradition of not letting the facts (i.e. the financials and planning don't work) or responsible governance get in the way of promoting pet projects and individual interests. Which will then condemn ratepayers to wasting even more money getting the information that should have been in this *verry* expensive Study in the first place.



An even bigger nightmare, of course, is what it would cost ratepayers if this white elephant ever became reality. You can see it now - Council would feel obliged (wings hands) to help prop up this money-pit with our rates and resources. It's predictable because pretty much anything this Council goes for is either solids to start with or rapidly morphs into something moist and malodorous, and because this Council could never admit what a dog of an idea it was in the first place.

Council already says it is hard up. Residents are always being told Council hasn't got the money for something or another (um, think maintaining Hanging Rock), or **your** problem doesn't get fixed because Council can't afford it. The \$35,000 that Council, without asking us, put into this Study could have been used for the benefit of the broader community - and while we are on costs to ratepayers, let's have a complete, detailed accounting from Council of everything this dud project has cost us - in money and officer time - since its inception.

Uh-oh, here's another problem - rates are being capped from next year. Will that stem Council's profligate spending on its deranged economic development agenda? Mmm... nup. Contemplate community services totally disappearing instead.

Council aspires to national and international standing?? *Bwahahahaha!!!* Can't even get the local stuff right, and let's never forget that the last time this Council had national and international standing it was for all the wrong reasons: the gross Hanging Rock no-consultation over-development proposal. As for this Council being on the board of anything - it can't even run a simple Committee of Management for Hanging Rock properly. *Nnnnooooooooo!*

So where does all of this leave us? A monster, unviable, commercial development; potential for Clarkefield to be transformed into an 'urban node'; a Feasibility Study whose financials appear to be the 'after' version; and a Council in la-la land. And if Council, as expected, formally decides to throw more good money after bad by moving the 'Everything' Centre forward, that's when this project will go from being smelly to being outright rank - that's "rank" as in Independent Broad-based Anti-Corruption Commission.

If not before, roll on 2016 when we can get a new Council, and 2017 when we can get a new CEO. **PS don't forget to have your say on that survey, in any way you want!**

**Table 1: Comparison of Facilities - All Project Options** (Feasibility Study, pages 20 – 22)

	<b>Option 1</b> (Capital Cost \$39.1M)	<b>Option 2</b> (Capital Cost \$31.2M) <sup>1</sup> <b>Recommended Option</b>	<b>Option 3</b> (Capital Cost \$29.2M)	<b>Option 4</b> (Capital Cost \$40.1M)
<b>Description of activities</b> p20-22	<i>Largely core equine, limited non equine, community facility</i>	<i>Core &amp; non-core equine, non-equine concerts, trade fairs, other animal shows, non-equine sporting events and conventions</i>	<i>Largely core equine, limited non-equine small-scale conferences, bovine and other livestock events</i>	<i>Core &amp; non-core equine, non-equine concerts, trade fairs, other animal shows, non-equine sporting events and conventions; community facility</i>
<b>Indoor Areas</b>	5,000 seat <u>stadium</u> with: • 80m x 45m arena	5,000 seat <u>stadium</u> with • 100m x 50m arena	5,000 seat <u>stadium</u> with • 80m x 45m arena	5,000 seat <u>stadium</u> with • 100m x 50m arena
	• Horse event surface only	• Horse event surface only <sup>2</sup>	• Horse event surface <i>plus</i> capacity to transform into major concert facility with additional temp seating [i.e. alternative floor] <sup>2</sup>	• Horse event surface <i>plus</i> capacity to transform into major concert facility with additional temp seating [i.e. alternative floor]
	-	-	Stadium also contains meeting rooms, small convention/function centre, catering facilities run on commercial basis <sup>3</sup>	-
	-	• <u>Undercover</u> 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis – • doubles as venue for horse/livestock sales	[See <i>Outdoor (below)</i> ]	• <u>Undercover</u> 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis – • doubles as venue for horse/livestock sales
<b>Community</b>	Basic <u>undercover</u> arena 70m x 30m for community and other equine groups (training) - subsidised for low community pricing.	-	-	Basic <u>undercover</u> arena 70m x 30m for community and other equine groups (training) - subsidised for low community pricing.
<b>Outdoor Areas</b>	5 <u>outdoor</u> dressage arenas	5 <u>outdoor</u> dressage arenas	5 <u>outdoor</u> dressage arenas	5 <u>outdoor</u> dressage arenas
	1 competition show jumping course	1 competition show jumping course	1 competition show jumping course	1 competition show jumping course
	1 competition cross-country course	1 competition cross-country course	1 competition cross-country course	1 competition cross-country course
	-	-	Outdoor arena 500 seat for horse / livestock sales	-

<sup>1</sup> \$37,199,250 capital cost at Appendix A3

<sup>2</sup> “plus capacity...” appears to be incorrectly included in Option 3 instead of Option 2 – see Option 2, pages 42/43

<sup>3</sup> These facilities relate to Administration

	<b>Option 1</b> (Capital Cost \$39.1M)	<b>Option 2</b> (Capital Cost \$31.2M) <sup>1</sup> <b>Recommended Option</b>	<b>Option 3</b> (Capital Cost \$29.2M)	<b>Option 4</b> (Capital Cost \$40.1M)
<b>Training &amp; Stabling</b>	300 stables	400 stables	300 stables	400 stables
	Equipment for show jumping, clinics and training	Equipment for show jumping, clinics and training	Equipment for show jumping, clinics and training	Equipment for show jumping, clinics and training
	Temporary/demountable yards for horses	Temporary/demountable yards for horses	Temporary/demountable yards for horses	Temporary/demountable yards for horses
<b>Accommodation</b>	150 powered sites	150 powered sites	150 powered sites	150 powered sites
	Large facilities block	Large facilities block	Large facilities block	Large facilities block
	Café	Café	Café	Café
				Extensive facilities for education, training, meetings, conferences, exhibitions and other events. <sup>4</sup>
<b>Administration</b>	Admin. Offices	Admin. Offices	Admin. Offices	Admin. Offices
	3 training/meeting rooms	Extensive facilities for education, training, meetings conferences, exhibitions and other events.	<i>[See Indoor Areas]</i>	<i>[See “extensive facilities” at Accommodation (above)]</i>
<b>Business Principles</b>	Equine training/events receive priority access regardless of commerciality <sup>5</sup>	Equine training/events receive priority but on a commercial basis without special community access	Pricing on a fully commercial basis	Pricing largely commercial but subsidised community facility

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<sup>4</sup> Appears to be incorrectly included at Accommodation instead of Administration

<sup>5</sup> Reference to subsidised community facility included for Option 4 but not Option 1 (see “Indoor Areas”, Option 1)

**Table 2: Recommended Option 2 - Discrepancies in Included Facilities** (*Feasibility Study, pages 20-22, pages 42/43 and diagrams at pages 46/47*)

There are some notable differences between the Feasibility Study's descriptions of facilities included in the recommended option, Option 2. Facilities to be provided vary between the undifferentiated list at pages 20-22; the text description of Phase 1 facilities at pages 42/43; and the Phase 1 facilities shown in diagrams at pages 46/47. Discrepancies are also evident between Phase 2 facilities described at pages 42/43 and those shown in diagrams at pages 46/47 (diagrams include facilities not identified elsewhere).

The Study progressively adds/expands facilities in each successive description (Phase 1 and Phase 2), with some facilities included as Phase 1 in one list but shown elsewhere as Phase 2.

<b>OPTION 2</b>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>	<b>Phase 2 Facilities</b> <i>Pages 42/43</i>	<b>Phase 2 Facilities</b> <i>Pages 46/47 diagrams</i>
<i>Description of activities (pages 20-22): Core &amp; non-core equine, non-equine concerts, trade fairs, other animal shows, non-equine sporting events and conventions</i>					
<b>Indoor Areas</b>	5,000 seat indoor stadium • 100m x 50m arena	5,000 seat indoor stadium	5,000 seat indoor stadium	5,000 seat indoor stadium	5,000 seat indoor stadium
	• Horse event surface only <sup>6</sup>				
	1 x undercover 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis -	1 x covered warm up arena	<b>2 x undercover warm up areas – no seating</b> <sup>7</sup>	1 x covered warm up arena <b>1 x covered or open-air warm up arena</b> <sup>8</sup>	2 x undercover warm up areas – no seating
	[warm up arena] doubles as venue for horse/ livestock sales	<b>1 x covered 500 seat dedicated sales arena</b> <sup>9</sup>	<b>1 x covered 1,000 seat dedicated sales arena</b>	1 x covered 500 seat dedicated sales arena	1 x covered 1,000 seat dedicated sales arena
			<b>2 x indoor arenas (#2 &amp; #3) 1,500 seats (3,000 seats total)</b> <sup>10</sup>		2 x indoor arenas (#2 & #3) 1,500 seats (3,000 seats total)

<sup>6</sup> Pages 20-22: Capability to convert Main Indoor Arena into concert/exhibition etc area is incorrectly included at Option 3 and omitted from Option 2 (confirmed as Option 2 at pages 42/43).

<sup>7</sup> One warm-up arena only at pages 20-22, and Phase 1 at page 43. Two shown at Phase 1 pages 46/47. Page 44: one warm up arena is able to host 500 spectators using temporary seating.

<sup>8</sup> Page 44: one warm up arena is able to host 500 spectators using temporary seating.

<sup>9</sup> Sales arena: Pages 20-22: warm up area doubles as sales ring. Page 43 Phase 1: dedicated sales arena (500 seat/corporate facilities/holding pens/covered stables). Pages 46/47 Phase 1: dedicated sales arena (1,000 seats)

<b>OPTION 2</b>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>	<b>Phase 2 Facilities</b> <i>Pages 42/43</i>	<b>Phase 2 Facilities</b> <i>Pages 46/47 diagrams</i>
<b>Community</b>	Community facilities are not provided in Option 2	<b>General Purpose (Community) covered arena</b> <sup>5</sup>	<b>1 x community arena (no seating)</b> <sup>11</sup>	General Purpose (Community) covered arena, simple covered space	1 x community arena (no seating)
<b>Outdoor Areas</b>	5 x outdoor dressage arenas	Not included	Not shown	Not included	Not shown
	1 competition show jumping course	Not included	Not shown	Not included	Not shown
	1 competition cross-country course	1 x 6.8 km competition cross-country course	Not shown	1 x 6.8 km competition cross-country course	Not shown
	-	<b>Polo field and pavilion</b> <sup>12</sup>	Not shown	Polo field and pavilion	Not shown
	-	<b>1 x Plaza area 70m x 60m (can host marquees, retail, corporate events etc.)</b>	Shown but not identified	1 x Plaza area 70m x 60m (can host marquees, retail, corporate etc.)	Shown but not identified
	-	-	-	1 x Western open air events arena, <b>1,000</b> seats <sup>13</sup>	1 x Western events arena, <b>1,500</b> seats
	-	-	<b>1,600 car parking spaces</b> <b>200 trailer parking spaces</b>	-	<b>3,600 car parking spaces</b> <b>250 trailer parking spaces</b>
<b>Training &amp; Stabling</b>	400 stables	280 x covered stables in 'sheds' of 140 stables	280 x stables in 2 structures	420 x covered stables in 'sheds' of 140 stables	420 x covered stables in 3 structures
	Equipment for show jumping, clinics and training				
	Temporary/demountable yards for horses	100 open- air and low cost stables for single night stays	100 yard stables	<b>300 (additional 200) yard stables</b>	300 yard stables
					5 x water tanks <i>et al</i> ? (unreadable)

<sup>10</sup> Two additional indoor arenas can be combined for larger concert area. Not included at pages 20-22.

<sup>11</sup> Page 43: A community arena is not included in Option 2 but is included at page 43 and shown at page 46/47 diagrams. Page 43 says it is "illustrated... to show provision of a general purpose pavilion that may at a later stage be funded and operated exclusively for community use..."

<sup>12</sup> Page 45: text, not clear whether Phase 1 or Phase 2

<sup>13</sup> Page 42: Western arena can also be used as a concert space

<b>OPTION 2</b>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>	<b>Phase 2 Facilities</b> <i>Pages 42/43</i>	<b>Phase 2 Facilities</b> <i>Pages 46/47 diagrams</i>
<b>Accommodation</b>	150 x powered sites	<b>50</b> x powered (camping) sites <b>100 x unpowered sites</b>	<b>100</b> x powered sites 100 x unpowered sites <b>1 x Community/Camping Centre</b>	<b>200</b> x powered sites 250 x unpowered sites	<b>100</b> x powered sites 250 x unpowered sites 1 x Community/Camping Centre
	Large facilities block	-	1 x toilet block	-	<b>2 x toilet blocks</b>
	Cafe	-	Not shown	-	Not shown
<b>Administration</b>	Admin. Offices	Office (commercial) buildings: <i>“Commercial office space for site administration anchor tenant and other potential commercial activities”</i> <sup>14</sup>	1 x Offices building	-	2 x Offices buildings <sup>15</sup>
	Extensive facilities for education, training, meetings, conferences, exhibitions and other events.	1 x meeting facility <b>80 seats</b>	<b>1 x 200 seat Convention Centre</b>		1 x 200 seat Convention Centre <b>1 x Education building</b>
<b>Business Principles</b>	Equine training/events receive priority but on a commercial basis without special community access				

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<sup>14</sup> Page 43: Buildings - plural. Only one “office” building is shown at Phase 1 pages 46/47, but 2 are shown at Phase 2

<sup>15</sup> Page 46/47, Phase 2 diagram: At second offices structure, says “120 VIP/Staff”

**Table 3: Itemised Capital Costs - All Options** (*Feasibility Study, Appendix A-2 and A-3*)

Description of activities p20-22	Largely core equine <sup>16</sup> , limited non equine, community facility	Core & non-core equine, non-equine concerts, trade fairs, other animal shows, non-equine sporting events and conventions	Largely core equine, limited non-equine small-scale conferences, bovine and other livestock events	Core & non-core equine, non-equine concerts, trade fairs, other animal shows, non-equine sporting events and conventions; community facility
Capital Cost Item	Costs: Option 1	Costs: Option 2	Costs: Option 3	Costs: Option 4
Covered stadium – premium <sup>17</sup>	\$11,325,500 80 x 45m Horse event surface only	\$11,325,500 100 x 50m Concert-capable	\$11,325,500 80 x 45m Horse event surface only	\$11,325,500 100 x 50m Concert-capable
Covered stadium – community <sup>18</sup>	\$1,531,000	-	-	\$1,531,000
Open arena Dressage (and warm up)	\$2,720,000	\$544,000	\$544,000	\$2,720,000
Open arena Show Jumping (and warm up)	\$444,000	\$2,220,000	\$2,220,000	\$444,000
Open arena / course Cross Country	\$484,500	\$484,500	\$484,500	\$484,500
Training & Stabling complex (400 stables) <sup>19</sup>	\$3,436,000	\$3,436,000 <sup>20</sup>	\$3,436,000	\$4,408,000 <sup>21</sup>
Accommodation - camping for 150	\$7,918,750	\$7,918,750	- <sup>22</sup>	\$7,918,750
Administration and multi-purpose meeting centre – 100 seats	\$5,915,500	\$5,915,500	\$5,915,500	\$5,915,500 <sup>23</sup>
Site works <sup>24</sup>	\$5,355,000	\$5,355,000	\$5,355,000	\$5,355,000
<b>Total<sup>25</sup></b>	<b>\$39,130,250</b>	<b>\$37,199,250</b>	<b>\$29,280,500</b>	<b>\$40,102,250</b>
		<b>\$31,283,750<sup>26</sup></b> <i>financial analysis</i>	<b>\$37,199,250<sup>27</sup></b>	

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<sup>16</sup> "Core" equine activities relate to disciplines governed by the FEI (Federation Equestre Internationale), e.g. Olympics (pages 4/ 42)

<sup>17</sup> Options 1 and 3 do not include a "premium" stadium (i.e. concert-capable) and are smaller (80 x 45m) than stadiums at Options 2 and 4, but the same cost (and "premium" description) is applied to all options – Options 1 and 3 over-costed?

<sup>18</sup> Community stadium - Not included in Option 2 or included in Option 2 capital costs but is included for Option 2 as "General purposes (community) arena" in text at page 43, and is also shown as included in Option 2 diagrams (Phase 1) at pages 46/47. This uncosted venue is also used for Option 2 revenue generation in the financial analysis.

<sup>19</sup> Options 1 and 3 include only 300 stables (pages 20–22) but costs for 400 are included

<sup>20</sup> Option 2 - only 280 stables are included in Phase 1. 420 stables (+140) are included in Phase 2

<sup>21</sup> Option 4 – 400 stables/complex costs \$972,000 more than other options

<sup>22</sup> Option 3 – Accommodation/camping site costs are not included – under-costed \$7,918,750

<sup>23</sup> Option 2 – 80 seat meeting room at pages 42/43 but an office building and a separate conference centre are shown in diagrams at pages 46/47 – under-costed

<sup>24</sup> Site works do not include cost of upgrading/ extending infrastructure and services e.g. water, sewerage, roads, electricity to the site.

<sup>25</sup> Capital costs do not include land purchase

<sup>26</sup> The Study's financial analysis (e.g. at page 27) uses an Option 2 total capital cost of \$31,283,750, which is \$5,915,500 less than the Option 2 total capital cost at page A-3 (\$5,915,500 is the same amount included at A-3 for Administration capital costs). Administration capital cost appears to have been omitted from Option 2 total capital costs in the financial analysis.

<sup>27</sup> Option 3 capital cost is \$37,199,250 (the same as Option 2) when Accommodation costs (\$7,918,750) are included

**Table 4: All Options: Comparison of Facilities and Itemised Capital Costs**

(Feasibility Study pages 20-22, and Appendix A-2 and A-3)

	<b>Option 1</b> (Total Cost \$39.1M p27)	<b>Option 2</b> (Total Cost \$31.2M p27) <b>Recommended Option</b>	<b>Option 3</b> (Total Cost \$29.2M p27)	<b>Option 4</b> (Total Cost \$40.1M p27)
<b>Indoor Areas</b>	5,000 seat stadium	5,000 seat stadium	5,000 seat stadium	5,000 seat stadium
	80m x 45m arena	100m x 50m arena	80m x 45m arena	100m x 50m arena
<b>Note</b> <i>The main Indoor "premium" Stadium (5,000 seats) is the only covered/ indoor arena costed for Options 2 and 3.</i>	Horse event surface only	Horse event surface only	Horse event surface plus capacity to transform into major concert facility with additional temp seating [i.e. alternative floor] <sup>29</sup>	Horse event surface plus capacity to transform into major concert facility with additional temp seating [i.e. alternative floor]
<i>Options 1 and 4 also include a covered 'Community arena'.</i>	<b>Costed \$11.3M -<sup>28</sup></b> "premium" stadium <i>("premium" stadium not included Option 1)</i>	<b>Costed \$11.3M -</b> "premium" stadium	<b>Costed \$11.3M -</b> "premium" stadium <i>("premium" stadium not included Option 3)</i>	<b>Costed \$11.3M -</b> "premium" stadium
			Stadium also contains meeting rooms, small convention/function centre, catering facilities run on commercial basis	
		Undercover 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis - doubles as venue for horse/ livestock sales <b>NOT COSTED</b>	<i>[See Outdoor (below)]</i>	Undercover 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis - doubles as venue for horse/ livestock sales <b>NOT COSTED</b>
<b>Community</b> <sup>30</sup>	Basic undercover arena 70m x 30m for community and other equine groups (training) - subsidised for low community pricing. <b>Costed \$1.5M</b>			Basic undercover arena 70m x 30m for community and other equine groups (training) - subsidised for low community pricing. <b>Costed \$1.5M</b>
<b>Outdoor Areas</b>	5 outdoor dressage arenas <b>1 'open' arena (dressage) costed \$2.7M</b>	5 outdoor dressage arenas <b>1 'open' arena (dressage) costed \$544K</b>	5 outdoor dressage arenas <b>1 'open' arena (dressage) costed \$544K</b>	5 outdoor dressage arenas <b>1 'open' arena (dressage) costed \$2.7M</b>

<sup>28</sup> Options 1 and 3 do not include a "premium" stadium (i.e. concert-capable) and are smaller (80 x 45m) than stadiums at Options 2 and 4, but the same cost (and "premium" description) is applied to all options – Options 1 and 3 over-costed?

<sup>29</sup> "plus capacity etc..." appears to be incorrectly included in Option 3 instead of Option 2 at pages 20-22; confirmed as Option 2 at pages 42/43

<sup>30</sup> Community stadium - Not included in Option 2 or included in Option 2 capital costs but is included for Option 2 as "General purposes (community) arena" in text at page 43, and is also shown as included in Option 2 diagrams (Phase 1) at pages 46/47. This uncosted venue is also used for Option 2 revenue generation in the financial analysis.



	<b>Option 1</b> (Total Cost \$39.1M p27)	<b>Option 2</b> (Total Cost \$31.2M p27) <i>Recommended Option</i>	<b>Option 3</b> (Total Cost \$29.2M p27)	<b>Option 4</b> (Total Cost \$40.1M p27)
	1 competition show jumping course  + open arena <b>Costed: \$444K</b>	1 competition show jumping course  + open arena <b>Costed: \$2.2M</b>	1 competition show jumping course  + open arena <b>Costed: \$2.2M</b>	1 competition show jumping course  + open arena <b>Costed: \$444K</b>
	1 competition cross-country course + open arena <b>Costed: \$484K</b>	1 competition cross-country course + open arena <b>Costed: \$484K</b>	1 competition cross-country course + open arena <b>Costed: \$484K</b>	1 competition cross-country course + open arena <b>Costed: \$484K</b>
			Outdoor arena 500 seat for horse / livestock sales <b>NOT COSTED</b>	
<b>Training &amp; Stabling</b> <sup>31</sup>	300 stables <b>Costed: 400 stables \$3.4M</b>	400 stables <sup>32</sup> <b>Costed: 400 stables \$3.4M</b>	300 stables <b>Costed: 400 stables \$3.4M</b>	400 stables <b>Costed: 400 stables <sup>33</sup>\$4.4M</b>
	Equipment for show jumping, clinics and training <b>NOT COSTED?</b>	Equipment for show jumping, clinics and training <b>NOT COSTED?</b>	Equipment for show jumping, clinics and training <b>NOT COSTED?</b>	Equipment for show jumping, clinics and training <b>NOT COSTED?</b>
	Temporary/demountable yards for horses <b>NOT COSTED</b>	Temporary/demountable yards for horses <b>NOT COSTED</b>	Temporary/demountable yards for horses <b>NOT COSTED</b>	Temporary/demountable yards for horses <b>NOT COSTED</b>
<b>Accommodation</b>	150 powered sites <b>Costed: 150 sites \$7.9M</b>	150 powered sites <b>Costed: 150 sites \$7.9M</b>	150 powered sites <b>NOT COSTED: <sup>34</sup>150 sites (-\$7.9M)</b>	150 powered sites <b>Costed: 150 sites \$7.9M</b>
	Large facilities block <b>NOT COSTED?</b>	Large facilities block <b>NOT COSTED?</b>	Large facilities block <b>NOT COSTED</b>	Large facilities block <b>NOT COSTED?</b>
	Café <b>NOT COSTED?</b>	Café <b>NOT COSTED?</b>	Café <b>NOT COSTED</b>	Café <b>NOT COSTED?</b>
				Extensive facilities for education, training, meetings, conferences, exhibitions and other events. <sup>35</sup>

<sup>31</sup> Options 1 and 3 include only 300 stables (pages 20—22) but costs for 400 are included

<sup>32</sup> Option 2 - only 280 stables are included in Phase 1. 420 stables (+140) are included in Phase 2

<sup>33</sup> Option 4 – 400 stables/complex costs \$972,000 more than other options

<sup>34</sup> Option 3 – Accommodation/camping site costs are not included – under-costed \$7,918,750. Option 3 capital cost is \$37,199,250 (the same as Option 2) when Accommodation costs (\$7,918,750) are included

<sup>35</sup> Appears to be incorrectly included at Accommodation instead of Administration

	<b>Option 1</b> (Total Cost \$39.1M p27)	<b>Option 2</b> (Total Cost \$31.2M p27) <i>Recommended Option</i>	<b>Option 3</b> (Total Cost \$29.2M p27)	<b>Option 4</b> (Total Cost \$40.1M p27)
<b>Administration</b>	Admin. Offices  3 training/meeting rooms  <b>Costed: Offices &amp; 100 seat meeting room \$5.9M</b>	Admin. Offices  Extensive facilities for education, training, meetings conferences, exhibitions and other events. <sup>36</sup>  <b>Costed: Offices &amp; 100 seat meeting room \$5.9M</b>	Admin. Offices  [see <i>Indoor Areas, above</i> ]  <b>Costed: Offices &amp; 100 seat meeting room \$5.9M</b>	Admin. Offices  [see <i>Accommodation (above)</i> ]  <b>Costed: Offices &amp; 100 seat meeting room \$5.9M</b>
<b>Site works</b> <sup>37</sup>	<b>Costed \$5.3M</b>	<b>Costed \$5.3M</b>	<b>Costed \$5.3M</b>	<b>Costed \$5.3M</b>
<b>TOTAL</b> <sup>38</sup>	<b>\$39,130,250</b>	<b>\$37,199,250</b> <sup>39</sup>	<b>\$29,280,500</b>	<b>\$40,102,250</b>

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<sup>36</sup> Option 2 – 80 seat meeting room at pages 42/43 but an office building and a separate conference centre are shown in diagrams at pages 46/47 – under-costed

<sup>37</sup> Site works do not include cost of upgrading/ extending infrastructure and services e.g. water, sewerage, roads, electricity to the site.

<sup>38</sup> Capital costs do not include land purchase

<sup>39</sup> The Study's financial analysis (e.g. at page 27) uses an Option 2 total capital cost of \$31,283,750, which is \$5,915,500 less than the Option 2 total capital cost at page A-3 (\$5,915,500 is the same amount included at A-3 for Administration capital costs). Administration capital cost appears to have been omitted from Option 2 total capital costs in the financial analysis.

## Table 5: Recommended Option 2: Phase 1 Facilities Not Included In Capital Costs

The Study provides itemised capital costings for Option 2 at Appendix A-3, but costed items at A-3 do not match facilities the Study says are included in Option 2 (pages 20-22; pages 42/43; and diagrams at pages 46/47).<sup>40</sup>

The Feasibility Study says (page 42) that **Option 2** Phase 1 facilities include “all facilities that have been included within the financial analysis of this report.”, but not all Phase 1 facilities identified in the Study for Option 2 are included in capital costs at A-3. This has implications for the financial analysis, as some revenue attributed to Option 2 derives from facilities that aren’t included in capital costs.

Additionally, the Study includes two different total capital cost figures for Option 2: \$31.2M, which is used in the financial analysis (page 27, and elsewhere); and \$37.2M (page A-3, itemised capital costs), a difference of \$5,915,500, which is the capital cost for Administration applied to all options at A-2/A-3. This cost has been omitted from Option 2 in the financial analysis. As a percentage of capital costs is the basis for expenses and cost of capital etc, the higher Option 2 capital cost figure would unfavourably affect Option 2’s surplus shown at Tables 19 and 20, page 28.

<b>OPTION 2</b> <b>\$31.2M</b> p27 <b>\$37.2M</b> pA-3	<b>Items included in</b> <b>\$37.2M Capital Cost</b> <i>Appendix A-2 and A-3</i>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>
<b>Indoor Areas</b>  <i>Note</i> <i>The main Indoor Stadium (5,000 seats) is the only covered/indoor arena costed for Option 2.</i>	Covered stadium – premium <b>Costed \$11.2M</b>	5,000 seat indoor stadium	5,000 seat indoor stadium	5,000 seat indoor stadium
		100m x 50m arena		
		Horse event surface only <sup>41</sup>		
	-	1 x undercover 500 seat 70m x 30m warm up arena also for training, clinics and other purposes - commercial basis -  [warm up arena] doubles as venue for horse/ livestock sales  <b>Undercover - NOT COSTED</b>	1 x covered warm up arena  <b>Undercover - NOT COSTED</b>	<b>2 x undercover warm up areas – no seating</b> <sup>42</sup>  <b>Undercover - NOT COSTED</b>
		1 x covered <b>500</b> seat dedicated sales arena <sup>43</sup>  <b>NOT COSTED</b>	1 x covered <b>1,000</b> seat dedicated sales arena  <b>NOT COSTED</b>	
				<b>2 x indoor arenas 1,500 seats</b> (Arenas 2 & 3 - 3,000 seats total) <sup>44</sup>  <b>NOT COSTED</b>
<b>Community</b>	-	No community facilities in Option 2	General Purpose (Community) <sup>5</sup> covered arena <b>NOT COSTED</b>	1 x community arena (no seating) <sup>45</sup> <b>NOT COSTED</b>

<sup>40</sup> Note: There are also variations between Phase 2 facilities stated at page 43 and shown in diagrams at pages 46/47.

<sup>41</sup> “Premium” stadium is included in costings. Pages 20-22: Capability to convert Main Indoor Arena into concert/exhibition etc area is incorrectly omitted from Option 2 (included Option 3, not Option 2).

<sup>42</sup> One warm-up arena only at pages 20-22, and at Phase 1 at page 43. Two are shown for Phase 1 at pages 46/47. Page 44: one warm up arena is able to host 500 spectators using temporary seating.

<sup>43</sup> Pages 20-22: warm up area doubles as sales arena. Page 43 Phase 1: dedicated sales arena (500 seat/corporate facilities/holding pens/covered stables). Pages 46/47 Phase 1: dedicated sales arena (1,000 seats)

<sup>44</sup> Two additional indoor arenas can be combined for larger concert area. Not included at pages 20-22. Not included in costings.

<sup>45</sup> Community arena is not included in Option 2 but is included at page 43 and shown at page 46/47 diagrams. Page 43 says: The community facility is “illustrated... to show provision of a general purpose pavilion that may at a later stage be funded and operated exclusively for community use...”

<b>OPTION 2</b> <b>\$31.2M</b> p27 <b>\$37.2M</b> pA-3	<b>Items included in</b> <b>\$37.2M Capital Cost</b> <i>Appendix A-2 and A-3</i>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>
<b>Outdoor Areas</b>	1 x Open arena – dressage (and warm up)  <b>1 Costed: \$544,000</b>	5 x outdoor dressage arenas <b>At least 2 outdoor arenas NOT COSTED</b>	Not included	Not shown
	1 x Open arena – show jumping (and warm up) <i>Open arena added</i> <b>Costed: \$2.2M</b>	1 competition show jumping course	Not included	Not shown
	1 x Open arena / course – cross-country <i>Open arena added</i> <b>Costed: \$484,000</b>	1 competition cross-country course	1 x 6.8 km competition cross-country course	Not shown
	-	-	<b>Polo field and pavilion</b> <sup>46</sup> If Phase 1, <b>NOT COSTED</b>	Not shown
	-	-	<b>1 x Plaza area 70m x 60m</b> (e.g. marquees, retail, corporate etc.) <b>NOT COSTED</b>	Shown but not identified
	-	-	-	<b>1,600 car park. spaces NOT COSTED</b> <sup>47</sup> <b>200 trailer park. spaces NOT COSTED</b>
<b>Training &amp; Stabling</b>	400 stables <sup>48</sup> <b>Costed: \$3.4M</b>	400 stables	280 x covered stables in 'sheds' of 140 stables	280 x stables in 2 structures
	-	Equipment for show jumping, clinics and training <b>NOT COSTED?</b>		
	-	Temporary/ demountable yards for horses <b>NOT COSTED</b>	100 open- air and low cost stables for single night stays <b>NOT COSTED</b>	100 yard stables  <b>NOT COSTED</b>
		-		5 x water tanks <i>et al</i> ? (unreadable)
<b>Accommodation</b>	Accommodation – camping for 150 <b>Costed: \$7.9M</b>	150 x powered sites	<b>50 x powered sites</b> <b>100 x unpowered sites</b>	<b>100 x powered sites</b> 100 x unpowered sites <b>50 sites NOT COSTED</b>
				<b>1 x Community / Camping Centre NOT COSTED?</b>
	-	Large facilities block <b>NOT COSTED?</b>	-	1 x toilet block <b>NOT COSTED?</b>
	-	Café <b>NOT COSTED?</b>	-	Not shown

<sup>46</sup> Page 45: text, not clear whether Phase 1 or Phase 2

<sup>47</sup> The construction cost of these car and trailer parking spaces could, alone, cost more than allowed for site works.

<sup>48</sup> Includes 120 of 140 stables to be provided at Phase 2

<b>OPTION 2</b> <b>\$31.2M</b> <small>p27</small> <b>\$37.2M</b> <small>pA-3</small>	<b>Items included in</b> <b>\$37.2M Capital Cost</b> <i>Appendix A-2 and A-3</i>	<b>Facilities</b> <i>Pages 20-22</i>	<b>Phase 1 Facilities</b> <i>Pages 42/43</i>	<b>Phase 1 Facilities</b> <i>Pages 46/47 diagrams</i>
<b>Administration</b>	Administration and Multi-purpose meeting centre (100 capacity) <b>Costed: \$5.9M</b>	Admin. Offices	Office (commercial) buildings: “ <i>Commercial office space for site administration anchor tenant and other potential commercial activities</i> ” <sup>49</sup> <b>Multiple buildings - NOT COSTED</b>	<b>1 x Offices building</b>
		Extensive facilities for education, training, meetings, conferences, exhibitions and other events. <b>“Extensive” NOT COSTED</b>	<b>1 x meeting facility 80 seats</b>	<b>1 x 200 seat Convention Centre</b>  <b>NOT COSTED</b>
<b>Site Works</b>	On-site works only <sup>50</sup> <b>Costed: \$5.3M</b>			
<b>Business Principles</b>		Equine training/events receive priority but on a commercial basis without special community access		

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<sup>49</sup> Page 43: Buildings - plural. Only one “office” building is shown at Phase 1 pages 46/47, and only one is costed.

<sup>50</sup> Site works – capital cost doesn’t include upgrades to roads, infrastructure or services external to the site

**Table 6: Option 2 – included facilities v costed facilities v income generating facilities**

Significant discrepancies exist between Phase 1 facilities Option 2 is said to include, those included in Option 2 capital costs, and those used as venues for Option 2 revenue generation i.e. capital costs don't include all proposed facilities, and revenue includes income from facilities that are not included in capital costs.

Facilities Identified as Included in Option 2	Facilities included in Option 2 capital costs (page A-3)	Facilities included as revenue-generating venues Option 2 (6.2 Demand Assumptions)
		Whole venue
5,000 seat indoor stadium (p20-22, p46/47), 100m x 50m (p20-22) concert-capable (p42/43)	Covered stadium – premium \$11,325,500	Indoor 1 #
2 indoor stadiums 1,500 seats each (p46/47)	-	
	-	Indoor 2 #
1 covered 500 seat warm up area, doubles as sales arena (p 20–22); 2 undercover warm up areas – no seating, Phase 1 (p46/47)	-	
500 seat covered sales arena (p42/43) 1,000 seat covered sales arena (p46/47)	-	
5 dressage arenas (p20-22)	Open arena / dressage (and warm up) \$544,000	Outside dressage
Show jumping course (p20-22)	Open arena / show jumping (and warm up) \$2,220,000	Show jumping
Cross country course (p20-22)	Open arena / course – cross country \$484,500	Cross country
		Outside arena
500 seat covered sales arena p42/43 1,000 seat covered sales arena p46/47	-	-
400 stables (p20-22) 280 stables Phase 1 (p46/47)	Training / stabling complex: 400 stables \$3,436,000	Stable fees
100 yard stalls (p42/43, p46/47)	-	Yard fees
Accommodation: 150 sites & facilities block (p20-22) 200 sites, toilet & Community/Camping Centre, Phase 1 (p46/47)	Accommodation: camping for 150 \$7,918,750	Powered & unpowered sites
Admin plus extensive facilities (p20-22) Admin buildings, meeting room 80 seats (p42/43) Admin office building plus 200 seat conference centre, Phase 1 (p46/47)	Admin including meeting room (100 seats) \$5,915,500 *	
No community arena (p20-22) ## General purpose (community) arena (p42/43) ## Community covered arena (p46/47) ##	-	General Purpose ##
	-	Trade stand
Car parking – 1,600 spaces (p46/47)	-	
Trailer parking – 200 spaces (p46/47)	-	
Polo field & pavilion (p42/43)	-	
Site works – on-site only	\$5,355,000	
<b>TOTAL</b>	<b>Capital costs \$37,199,250</b>	<b>Capital costs \$31, 283,750</b> <i>Used in financial analysis</i>

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# Option 2 includes only one costed indoor (i.e. covered) venue but derives revenue from two.

Option 2 revenue includes income from a second indoor facility, an additional outdoor arena, yards and trade stand which do not appear to be included in capital costs.

## A community facility is not included in Option 2 (p20-22), and not included in capital costs (pA-3). Such a facility is however included at page 44 as “General Purpose (community) arena”, and shown as community arena (no seating) at pages 46/47. Option 2 includes revenue from a “general purpose” facility when it is not included in capital costs.

\* \$5,915,500 capital cost for administration is omitted from capital costs used in financial analysis.