

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).¹

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.

OPTION 2 \$31.2M p27 \$37.2M pA-3	Items included in \$37.2M Capital Cost <i>Appendix A-2 and A-3</i>	Facilities <i>Pages 20-22</i>	Phase 1 Facilities <i>Pages 42/43</i>	Phase 1 Facilities <i>Pages 46/47 diagrams</i>
Indoor Areas <i>Note</i> <i>The main Indoor “premium” Stadium (5,000 seats) is the only covered/indoor arena costed for Option 2.</i>	Covered stadium – premium Costed \$11.2M	5,000 seat indoor stadium	5,000 seat indoor stadium	5,000 seat indoor stadium
		100m x 50m arena		
		Horse event surface only ²		
	-	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 Undercover - NOT COSTED	1 x covered warm up arena Undercover - NOT COSTED	2 x undercover warm up areas – no seating ³ Undercover - NOT COSTED
		1 x covered <u>500</u> seat dedicated sales arena ⁴ NOT COSTED	1 x covered <u>1,000</u> seat dedicated sales arena NOT COSTED	
				2 x indoor arenas 1,500 seats (Arenas 2 & 3 - 3,000 seats total) ⁵ NOT COSTED
Community	-	No community facilities in Option 2	General Purpose (Community) covered arena ⁵ NOT COSTED	1 x community arena (no seating) ⁶ NOT COSTED

¹ Note: There are also variations between Phase 2 facilities stated at page 43 and shown in diagrams at pages 46/47.

² “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).

³ 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.

⁴ 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)

⁵ Two additional indoor arenas can be combined for larger concert area. Not included at pages 20-22. Not included in costings.

⁶ 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...”

OPTION 2 \$31.2M p27 \$37.2M pA-3	Items included in \$37.2M Capital Cost <i>Appendix A-2 and A-3</i>	Facilities <i>Pages 20-22</i>	Phase 1 Facilities <i>Pages 42/43</i>	Phase 1 Facilities <i>Pages 46/47 diagrams</i>
Outdoor Areas	1 x Open arena – dressage (and warm up) 1 Costed: \$544,000	5 x outdoor dressage arenas At least 2 outdoor arenas NOT COSTED	Not included	Not shown
	1 x Open arena – show jumping (and warm up) <i>Open arena added</i> Costed: \$2.2M	1 competition show jumping course	Not included	Not shown
	1 x Open arena / course – cross-country <i>Open arena added</i> Costed: \$484,000	1 competition cross-country course	1 x 6.8 km competition cross-country course	Not shown
	-	-	Polo field and pavilion 7 If Phase 1, NOT COSTED	Not shown
	-	-	1 x Plaza area 70m x 60m (e.g. marquees, retail, corporate etc.) NOT COSTED	Shown but not identified
	-	-	-	1,600 car park. spaces NOT COSTED 8 200 trailer park. spaces NOT COSTED
Training & Stabling	400 stables ⁹ Costed: \$3.4M	400 stables	280 x covered stables in 'sheds' of 140 stables	280 x stables in 2 structures
	-	Equipment for show jumping, clinics and training NOT COSTED?		
	-	Temporary/ demountable yards for horses NOT COSTED	100 open- air and low cost stables for single night stays NOT COSTED	100 yard stables NOT COSTED
		-		5 x water tanks <i>et al</i> ? (unreadable)
Accommodation	Accommodation – camping for 150 Costed: \$7.9M	150 x powered sites	50 x powered sites 100 x unpowered sites	100 x powered sites 100 x unpowered sites 50 sites NOT COSTED
				1 x Community / Camping Centre NOT COSTED?
	-	Large facilities block NOT COSTED?	-	1 x toilet block NOT COSTED?
	-	Café NOT COSTED?	-	Not shown

⁷ Page 45: text, not clear whether Phase 1 or Phase 2

⁸ The construction cost of these car and trailer parking spaces could, alone, cost more than allowed for site works.

⁹ Includes 120 of 140 stables to be provided at Phase 2

OPTION 2 \$31.2M p27 \$37.2M pA-3	Items included in \$37.2M Capital Cost <i>Appendix A-2 and A-3</i>	Facilities <i>Pages 20-22</i>	Phase 1 Facilities <i>Pages 42/43</i>	Phase 1 Facilities <i>Pages 46/47 diagrams</i>
Administration	Administration and Multi-purpose meeting centre (100 capacity) Costed: \$5.9M	Admin. Offices	Office (commercial) buildings: “ <i>Commercial office space for site administration anchor tenant and other potential commercial activities</i> ” ¹⁰ Multiple buildings - NOT COSTED	1 x Offices building
		Extensive facilities for education, training, meetings, conferences, exhibitions and other events. “Extensive” NOT COSTED	1 x meeting facility 80 seats	1 x 200 seat Convention Centre NOT COSTED
Site Works	On-site works only ¹¹ Costed: \$5.3M			
Business Principles		Equine training/events receive priority but on a commercial basis without special community access		

MRRA, March 2015 Macedon Ranges Equine Centre Feasibility Study: Draft Final Report MRSC February 2015

¹⁰ Page 43: Buildings - plural. Only one “office” building is shown at Phase 1 pages 46/47, and only one is costed.

¹¹ Site works – capital cost doesn’t include upgrades to roads, infrastructure or services external to the site