

# MILDURA MOTORSPORTS AND COMMUNITY PRECINCT



Investment Prospectus





**Mildura Motorsports & Community  
Precinct: a project of  
Mildura Rural City Council.**

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# The Project

Establishing an integrated, multi-purpose Motorsports and Community Precinct. Stage one is developing a bitumen raceway and skidpan with associated infrastructure.

# The Mildura Region

Mildura is a leading, rapidly growing, diverse, vibrant and innovative regional municipality. Situated in north west Victoria on the iconic Murray River, the area is renowned for its agricultural, horticultural and tourism industries, its moderate-to-warm climate, relaxed lifestyle and high participation in motorsports nationally.

Located within the tri-state region of Victoria, New South Wales and South Australia, Mildura is the regional hub for hundreds of thousands of residents across three states.







# Our Economy

Mildura is the 30th largest City in Australia, which is made up of the below:

**Gross Regional Product**

\$3.16b (June 2017)

**Building approvals:**

\$158m (2017/18)

**Home to Australia's largest primary produce and wine processing businesses:**

The Mildura region boasts the nation's largest citrus packer and exporter and four of Australia's top 10 wineries (based on wine crush). It's also home to the nation's largest vegetable concentrate manufacturer, dried fruit packer, manufacturer of natural tartaric acid and the largest almond processing facility in the southern hemisphere.

**Number of businesses:**

5,271 (2017)

**Food production:**

The Mildura region produces 20% of Australia's wine grape crush, 24% of the nation's citrus, 98% of Australia's dried grapes, 75% of Australia's table grapes and 68% of the country's almonds.

**Home to three of Australia's national peak horticulture and agriculture bodies:**

Dried Fruits Australia, Citrus Australia and the Australian Table Grape Association are all based in Mildura.







# Our Region

Area: 22,330km<sup>2</sup>

Mildura boasts some of the largest developments nationally.

The last few years have seen a strong interest in developments in the region and the commitment of large scale funding towards major projects from the three tiers of Government and private investors. In the last five years there has been over \$500 million worth of large scale developments and an additional \$2.5 billion in large scale projects committed to the Mildura region which is being proposed to be established in the next 2-10 years.

## Major Projects and Developments

- \$2.5b Renewable Solar Facilities
- \$220m Murray Basin Rail Project to standardise and upgrade rail infrastructure
- \$120m Dockside Mildura Marina
- \$120m Sunraysia Modernisation Project to upgrade irrigation infrastructure
- \$62.8m almond processing facility
- \$32m Hattah Lakes Environmental Works Project
- \$30m Wine and distribution infrastructure
- \$19.2m Stage 1 of the Mildura Riverfront Redevelopment
- \$16m Stage 1 of Mildura South Regional Sporting Precinct
- \$10.1m Mildura Natural Gas Capacity Expansion Project
- \$8.7m Mildura Arts Centre redevelopment
- \$10m Mildura Airport runway overlay and extension projects

## Our Industries and Infrastructure

- La Trobe and Monash University campuses in Mildura
- Sunraysia Institute of TAFE provide courses relevant to motorsport
- Victoria's largest regional airport is in Mildura offering direct flights to Sydney, Adelaide, Melbourne and Broken Hill
- Availability of natural gas
- Two large hospitals – the Mildura Base Hospital and Mildura Private Hospital
- Modern water supply infrastructure
- A major producer of horticultural and agricultural goods
- Vibrant and strong tourism industry that last year injected \$313 million into the district and provided 1777 full-time jobs
- Social and health services
- Several large mining developments in the region
- Multiple solar facilities committed and constructed



# Motorsports History and Participation

Motorsport involvement in Mildura has a rich and diverse history with some clubs and events dating back to the 1930's. Motorsport participation in Mildura is four times the national average, while there are more than 100 motorsport events held in the region each year.

## Champions

Mildura could well be described as Australia's home of motorsport. There are very few regions that can boast such an impressive list of champions across a wide range of motorsport disciplines.

## Road racing

On bitumen they include Supercar drivers Todd Kelly, Rick Kelly and Cameron Waters, multiple Australian Superbike champion Josh Waters, and Australian Top Fuel drag racing champions Phil Lamattina (retired) and four-time champion Darren Morgan, both of whom call Australia's premier one-eighth mile drag racing facility – Mildura's Sunset Strip - home.

## Off-Road

On dirt, the district has produced numerous champions including three-time World Solo Speedway champion Jason Crump, 10-time Australian Solo Speedway champion Leigh Adams (retired) and five-time Hattah Desert Race winner Warren Smart. It's also produced the only man to win Australia's toughest off-road race, the Australasian Safari, on both a motorcycle and in a car, John Hederics. John has won the event 10 times - more victories than any other competitor.

## On the Water

Mildura's reputation is equally impressive on the water with numerous national and world title winners. Sunraysia-based observer Damien Matthews is a multiple and consecutive winner of the Mildura 100 Ski Race, the fastest ski race in the world. He's also won multiple Southern 80 ski races.

## Motorsports Events

The district's enthusiastic and progressive motorsport clubs regularly host state and national titles throughout the year, including karting, speedway bikes and cars, off-road (car) racing, drag racing, motocross, and enduro.

Mildura boasts some of the biggest and most successful motorsport events in the country, attracting thousands of competitors and spectators each year.

Mildura's Olympic Park Speedway made history in October 2015 when it became the first venue outside Europe to host the World Team Speedway under 21 Championships.

The Australian National Drag Racing Association held the Summit Racing Equipment Sportsman's Series in Mildura in December 2015 and October 2016 which was aired on SBS and Speedweek reaching just under 400,000 people in Australia, US, New Zealand and Indonesia.

Sunraysia also hosts two major ski racing events each year – the iconic Mildura 100 on the Murray River at Easter, recognised as the fastest ski race in the world, and the Ted Hurley Ski Race Classic, attracting hundreds of competitors and thousands of spectators.

The Hattah Desert Race meanwhile is held on the first weekend in July each year and attracts more than 500 of the very best off-road riders in the country to the region. It also attracts massive spectator numbers and widespread national magazine coverage.

The majority of these events take place within 10 kilometres of Mildura's major accommodation houses, which is a major convenience factor for both spectators and competitors.



# Background

For many years there have been discussions in the community and among motorsports enthusiasts about the development of a premier regional motorsports precinct in Mildura. In 2011 Mildura Rural City Council (Council), in conjunction with Swan Hill Rural City Council, engaged in a North-West Victorian Motor Sports Feasibility Study (feasibility study) to facilitate the development of all motorsports across the region.

## **The Feasibility study recommended the:**

- Co-location of nine of Mildura's current motorsport clubs and facilities, which are located at six different sites, into one to three sites in the coming years. The feasibility study identified Block H, which is a 547 hectare site at Koorlong owned by Council, as the most viable location for a future multi-user motorsports facility in the region
- Development of a bitumen raceway, skidpan and associated infrastructure at the Mildura motorsports precinct. This new piece of infrastructure was estimated to generate an additional \$27.1 million per annum in direct economic benefits for the region

## **The Feasibility Study estimated that:**

- Motorsports deliver \$21.4 million per annum of economic benefits to Mildura. Greater economic benefits of \$61.7 million per annum were projected if the recommended facilities are developed and if effective management, marketing and scheduling are applied
- Participation in motorsports by residents in north west Victoria is three times the Victorian average and four times the national average

In association with the feasibility study the Victorian Government committed \$2m towards constructing a drag race facility at Swan Hill. It was also listed as a Tier 1 investment and development project in the Murray Regional Product Gap Analysis and Tourism Development Plan of July 2012.

For Mildura, the feasibility study forecast an annual \$61.7 million economic benefit if its recommendations were followed. Forty-four percent, or \$27.3 million of this economic benefit was based on the establishment of a new motorsports facility in the form of a bitumen raceway, skidpan and associated infrastructure. To understand the true benefits of this proposal and ensure it did not become a burden to ratepayers, Council embarked on an additional piece of work in 2013 called the Australian Motorsports Raceways Benchmarking Review (benchmarking review).

The results of this benchmarking review further supported the findings of the feasibility study - that the staged development of a motorsports precinct in Mildura would provide extensive economic and social benefits for the region. Feedback was also obtained from 13 of the 19 existing bitumen raceway owners and operators throughout Australia, as well as economic development units in their respective cities and towns. This benchmarking review is the first to comprehensively study bitumen raceways and their associated motorsports precincts on a national scale.



Importantly, the benchmarking review highlighted the financial viability of a bitumen raceway in Mildura, and that Mildura has a large enough catchment within a three to four-hour drive to support such a development. However it also found that the catchment was far enough away from other major centres to avoid drive-in/drive-out competitors and spectators, resulting in greater economic and tourism benefits for the region. The benchmarking review also highlighted the most efficient owner and operator models for a raceway, and suggested both opportunities and possible pitfalls associated with building a bitumen race circuit based on the experiences of other operators around the country. It also found that once established and infrastructure developed, raceways required only limited government funding to remain sustainable long-term.

The full Business Case for the Mildura Motorsports and Community Precinct was completed in 2016 and follows the Department of Treasury and Finance Guidelines, allowing the document to be used to advocate for three tiers of government funding. It includes a detailed and staged development plan for a motorsports precinct in Sunraysia at a Council-managed site at Koorlong, 15 kilometres from Mildura's CBD. The staged development plan includes the design, cost and placement of a car/motorcycle bitumen raceway and skidpan, with required utilities and infrastructure. It also includes the relocation of existing Mildura motorsports facilities to this site over the short to long term.

**The following items were completed as part of the study:**

- Geotechnical survey of the site
- Features and levels survey of the site
- Cultural Heritage Management Plan and/or assessment of the site
- Vegetation assessment of the site
- 30% engineering drawings of the bitumen raceway and skidpan
- Detailed financial and performance information needed for potential funding of the project
- Identified the scale of the return on investment for the project
- Confirmed the scale of the economic viability and benefits of the project

These documents will be provided to shortlisted development proponents on a commercial in confidence basis for their use and evaluation.



**CROSSROADS**  
Civil Contractors

**72**  
**VIC**

**HUBBARD ENGINES**

**TRIK**  
TRAILERS

# Development Proposal

Research conducted into the Mildura Motorsports and Community Precinct has led to the preparation of both a master plan for the entire project and a Stage 1 development plan. The precinct will be completed through a staged development with Stage 1 being the basis for this investment prospectus.

Five project options were identified in the business case with Option 5 being the staged development of options 1 - 4:

| Project Option 1   | Project Option 2  | Project Option 3  | Project Option 4  | Project Option 5  |
|--|---|---|---|---|
| Bitumen race track<br>Skid pan<br>Pits and control tower<br>Office facilities<br>Maintenance shed<br>Camping facilities<br>Food & beverage | Bitumen race track<br>Skid pan<br>Pits and control tower<br>Office facilities<br>Maintenance shed<br>Camping facilities<br>Food & beverage<br><b>Fuel facility</b><br><b>Lighting</b><br><b>Vehicle handling area</b> | Bitumen race track<br>Skid pan<br>Pits and control tower<br>Office facilities<br>Maintenance shed<br>Camping facilities<br>Food & beverage<br>Fuel facility<br>Lighting<br>Vehicle handling area<br><b>Permanent and temporary seating</b><br><b>Garages &amp; workshops</b><br><b>Function space</b> | Bitumen race track<br>Skid pan<br>Pits and control tower<br>Office facilities<br>Maintenance shed<br>Camping facilities<br>Food & beverage<br>Fuel facility<br>Lighting<br>Vehicle handling area<br>Permanent and temporary seating<br>Garages & workshops<br><b>Jet boat course</b><br><b>Additional circuits (go-karting, speedways, dirt kart and other dirt-based motorsport)</b><br><b>Additional Commercial Areas</b> | Includes all components found in option four to be delivered through staged development |
| Capital cost: \$21.7m  | Capital cost: \$31.1m   | Capital cost: \$38.7m   | Capital cost: \$72.1m   | Capital cost: \$80.1m   |
| Job Creation:<br>Year 1: 324<br>Year 30: 83  | Job Creation:<br>Year 1: 440<br>Year 30: 102  | Job Creation:<br>Year 1: 527<br>Year 30: 102  | Job Creation:<br>Year 1: 1350<br>Year 30: 885   | Job Creation:<br>Year 1: 324<br>Year 30: 766  |
| Economic Impact 30 Years Mildura: \$162.25m  | Economic Impact 30 Years Mildura: \$195.65m   | Economic Impact 30 Years Mildura: \$201.81m   | Economic Impact 30 Years Mildura: \$1.29b   | Economic Impact 30 Years Mildura: \$714.50m   |
| Economic Impact 30 Years Victoria: \$173.38m   | Economic Impact 30 Years Victoria: \$209.52m  | Economic Impact 30 Years Victoria: \$216.76m  | Economic Impact 30 Years Victoria: \$1.37b  | Economic Impact 30 Years Victoria: \$761.90m  |
| Benefit Cost Ratio (BCR): 7.96   | Benefit Cost Ratio (BCR): 6.74  | Benefit Cost Ratio (BCR): 5.58  | Benefit Cost Ratio (BCR): 18.97   | Benefit Cost Ratio (BCR): 15.43   |
| 30 year operating surplus or net present value (NPV): \$7.85m  | 30 year operating surplus or net present value (NPV): \$5.31m   | 30 year operating surplus or net present value (NPV): \$1.64m   | 30 year operating surplus or net present value (NPV): \$19.54m  | 30 year operating surplus or net present value (NPV): \$7.89m                           |
| Risk Rating: Low   | Risk Rating: Low  | Risk Rating: Low  | Risk Rating: Medium   | Risk Rating: Low  |

## Job Creation

The vast majority of employment will be created away from the actual precinct in Mildura through related industries such as accommodation, retail, food and beverages. Year 1 includes direct and indirect jobs created as a result of construction activities.

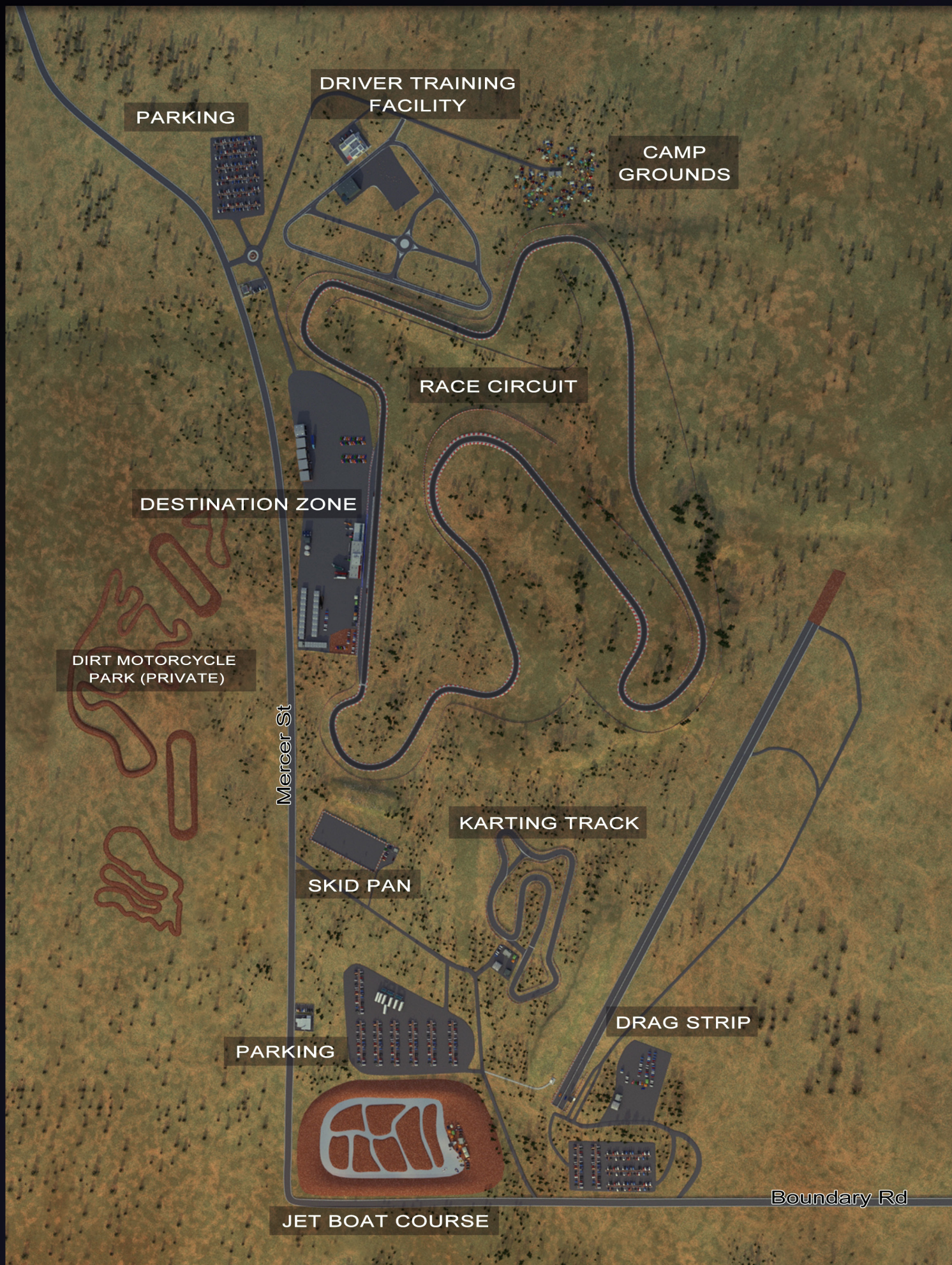
## The Benefit Cost Ratio (BCR)

Attempts to summarise the overall value for money of a project and therefore the economic benefit of operating the facility versus the cost of building it.

## Net present value (NPV)

A popular measure of profitability used to assess a given project's potential return on investment or rate of return in the future, taking the time value of money into account.







# ster Plan



Eventually, the Mildura Motorsports and Community Precinct will be able to host a unique and diverse range of motorsport events, as well as becoming an important multi-use facility for tourist and community events.

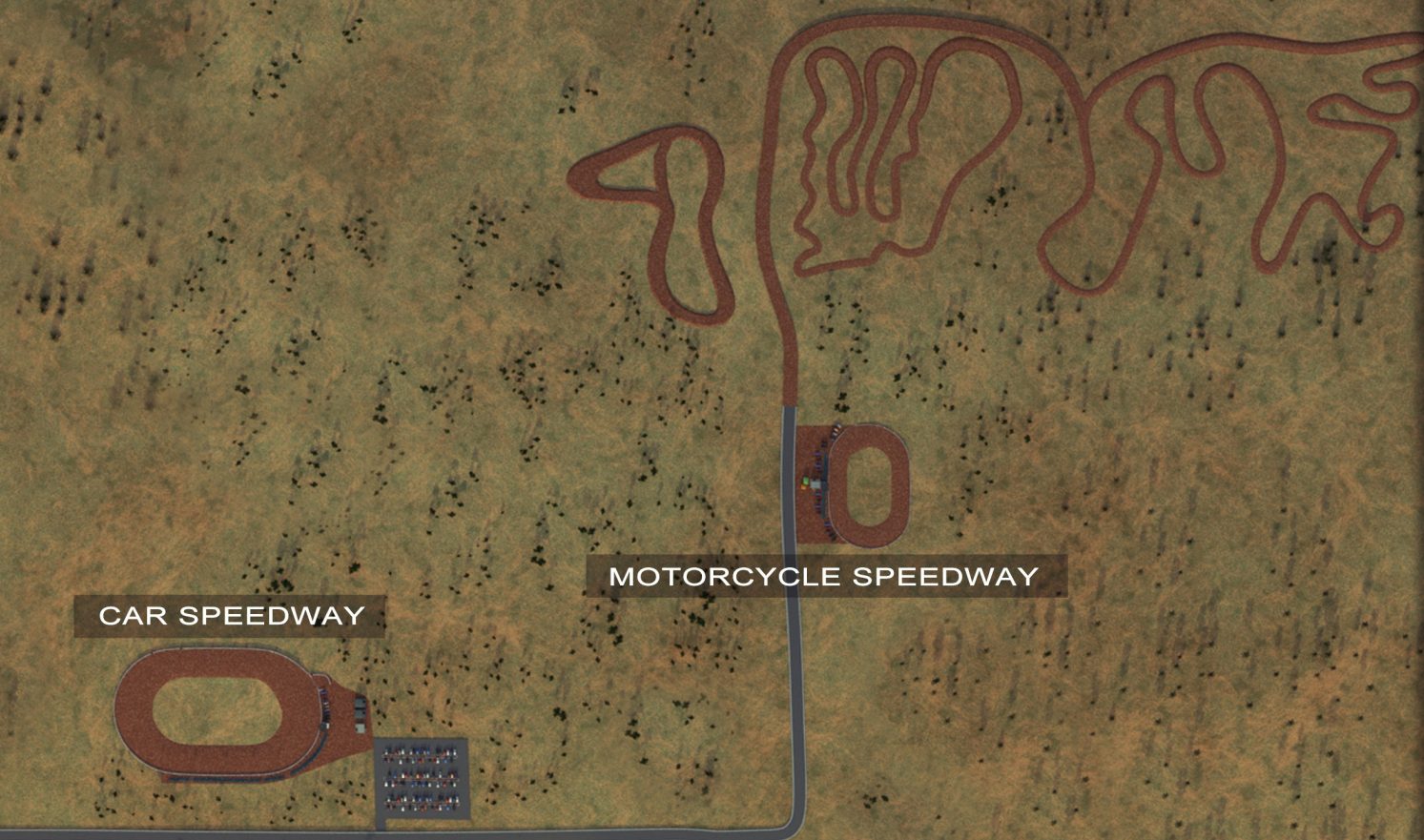
The staged development plan includes agreement by existing motorsports clubs and facility operators to relocate to the precinct in the short to long term, including:

- Interest in developing a jet boat course in the next two to five years
- Commitment from a driver training facility to move to the precinct in the next two to 22 years (dependent on government funding and the ability to leverage current opportunities)
- Mildura Kart Club has committed to move to the precinct when their current lease expires in 2037
- Mildura Speedway Drivers Club has committed to move to the precinct when their current lease expires in 2026
- Mildura Motorcycle Club (speedway) has committed to move to the precinct in 35 years
- Other dirt-based motorsports will look to move to the precinct in the next five to 30 years

## OTHER-DIRT BASED MOTORSPORTS

## MOTORCYCLE SPEEDWAY

## CAR SPEEDWAY





# Stage 1 Race





# Infrastructure

ESTINATION ZONE

RACE CIRCUIT

The venue, accessed by a sealed bitumen road, is already home to the Sunraysia Drag Racing Association, which operates a one eighth mile sealed drag strip that has supported many regional and state events in recent years. The site is also home to Dirtworx - a commercial business operating off-road junior and senior motorcycle circuit and motocross tracks, as well as an enduro loop.

Stage 1 of the Mildura Motorsports and Community Precinct, for which Mildura Rural City Council is seeking investors, consists of:

- Sealed three-kilometre road circuit (with potential for length extension)
- Multi-use skid pan measuring 100m X 45m
- Pit area and hard stand areas
- Control tower
- Offices and associated facilities
- Maintenance/wash down shed
- Camping facilities
- Food and beverage services

CAMP  
GROUNDS

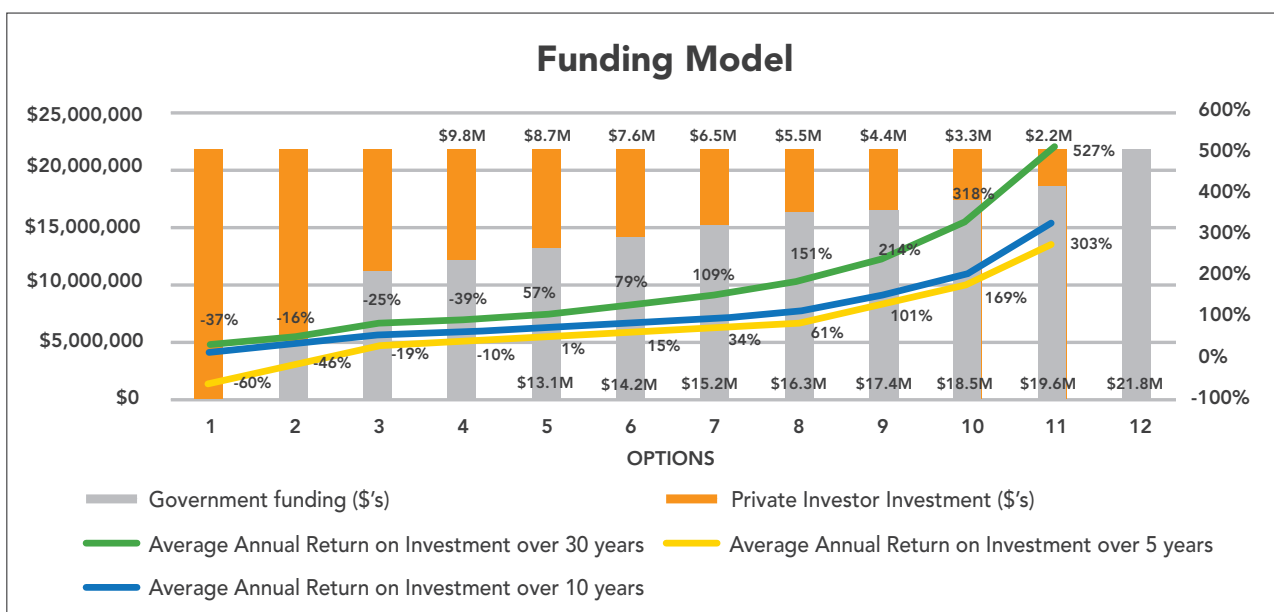


# Stage 1 - \$21.8m Proposed Funding Mix

The Mildura Motorsports and Community Precinct is a unique project due to its ability to provide a desirable value proposition for both government and private investors.

To ensure this project is a viable investment proposition for the private sector, three tiers of government funding would be required. A public private partnership is the most viable model for this project to be realised in the short to long term.

Stage 1 of the project is an attractive investment for government as it has a benefit/cost ratio of 7.96 and is considered low risk. It is also forecast to conservatively create 83 new jobs within the Mildura region and a net economic impact of \$162.3m for Mildura and \$173.4m for Victoria over 30 years.



The proposed funding mix is determined from a cost of capital modelling in the above graph that incorporates the following assumptions:

- 5% annual interest rate
- 12 payments per year
- 30 years finance (terms)
- Differing percentages of capital borrowed
- 55% utilisation of the facility in year 1 and 2% increase in every subsequent year

The costing model includes:

- The Principal plus interest
- The Revenue from operating the facility incorporates conservative and benchmarked figures which includes:
  - o Driver training
  - o Driver experience days
  - o Corporate functions

- o Event days of 8 regional and 1 major event p.a
  - o Attendance at events based on existing events in Mildura
  - o Food & beverage sales
  - o Facilities such as the workshops, garages, storage
- These have been largely benchmarked from other facilities

- The Expenses from operating the facility incorporates conservative and benchmarked figures which includes:
  - o Staff costs for three full time employed employees in year 1
  - o Facility running costs of
    - Maintenance calculated at 1.5% of capital cost
    - Running costs calculated at 2% of capital cost
  - o Asset replacements and upgrade calculated at a rate of 40% of capital cost
    - Track replacement calculated every 15 years
    - Other assets (buildings) calculated as being replaced every 30 years
  - o Other costs like admin, marketing and other minor expenditure



The graph for Options 1-4 illustrates that private investment would be unviable for the first five years because of the negative return on investment.

Private investment only becomes viable from Option 5 onwards, where return on investment for the first five years is positive. Due to the uniqueness of this project and the sport, a higher rate of return will be beneficial in attracting a potential investor or developer.

As a low risk investment, the Mildura Motorsports and Community Precinct development compares favorably to other low to medium risk investments such as:

- Property - 8% return and low risk<sup>1</sup>
- Fixed income assets such as government and corporate bonds offer a 6.2% return and low risk<sup>2</sup>
- Equities such as shares with a 5.5% return and high risk<sup>3</sup>
- Compared managed funds offered a 7.2% return<sup>4</sup>
- Cash such as savings and term deposits at 3.1% and low risk<sup>5</sup>

In options 5-8 the Mildura Motorsports and Community Precinct will compare favourably against these competing investments, if the appropriate public/private funding mix is marketed and communicated. The funding mix will not only encourage private investment but the make-up of the total government contribution will have an impact on how quickly this project can be realised for the Mildura region.

1. Reported in the ASX's 2016 Long-term Investing Report, Australian residential investment property averaged an 8% return per annum over 10 years to December 2015.)

2. According to the aforementioned ASX report, Australian fixed income assets averaged a 6.2% return per annum over 10 years.

3. According to the ASX report, Australian shares averaged a 5.5% return per annum over 10 years to December 2015 which encompassed the GFC

4. CommSec, in the last financial year (June 30 2015 to June 30 2016)

5. In Australia, cash averaged a 3.1% return per annum over 10 years, according to the ASX report.

# Why Invest in Stage One?

It is envisaged for this project to be realised it will require investment from government and private investment. Stage 1 involves the development of a bitumen race track, skid pan and associated facilities.

This is a new motorsport offering for the Mildura area and will move towards development of a full motorsport precinct planned for Block H, Koorlong. Development of Stage 1 of the precinct

is a proposed funding mix between government (local, state and federal) and private investment with Council providing additional support to enable this to occur.

Detailed on coming pages is information to support why government and private investors may want to invest in this valuable project.

## All Investors

- Landmark development
- The Mildura region is well positioned to develop such a facility, hosting more than a 100 motorsports events every year which range from club events to national and international events. The FIM Speedway U21 World Championships 2015 were hosted in Mildura. The first time this event has been held outside of Europe
- High participation rates in motorsports in Mildura that are 4 times the national average
- Large catchment > 2 million within a 3-4 hour drive of Mildura
- High concentration of State, national and international motorsports champions indicating advocacy, profile and ability to leverage opportunities
- High level of commitment from the local motorsports industry and community
- Strong support from peak national and state motorsports bodies, the tourism industry, education providers and business and community advocates
- Complements recent large scale projects and developments and creates opportunities to leverage opportunities for stage 1 of this project
- Significant economic and social benefits to the Mildura region
- Mildura is a major tourism destination which continues to grow
- Mildura has Victoria's largest regional airport. 7 flights a day between Melbourne and Mildura on three airlines and direct flights to Sydney, Adelaide and Broken Hill. The airport can accommodate domestic and commercial flights for the transport of large scale tourists, agricultural goods and if desired, motor vehicles
- The motorsports industry currently employs approximately 347 people locally and contributes approximately:
  - o \$100m to total output
  - o \$32m to total local sales
  - o \$26m to total local expenditure
  - o \$16m to total wages and salaries
  - o \$31m to regional exports
  - o \$45m to regional imports
- More than \$300,000 in cash and in kind support has been contributed to research and validation of this opportunity by State Government, Local Government, The Confederation of Australian Motorsports, Motorcycling Australia, Visit Victoria, Murray Regional Tourism Board, private enterprise, the motorsports clubs and facilities in Mildura, the Mildura Motorsports Industry Reference Group and the Mildura Motorsports Advocacy Group

- Will create education and training opportunities in fields such as driver education for secondary school students and adults, as well as potential for truck licencing. Local training providers have indicated that they see substantial opportunities for training and education at the site. Mildura's SuniTafe have indicated that if the development can occur, this will open up more opportunities for vocational training in the motorsports industry at their facility in Mildura
- Will create many social benefits. Development of the precinct can provide social benefits including, participation, volunteering, capacity building, social cohesiveness and social engagement opportunities for the local community. Social benefits would include opportunities for disadvantaged youth groups (e.g. indigenous, migrant youth) to engage in social interaction, volunteering, training and participation at the site
- Financially viable investment with an attractive return on investment from year 1
- Utilities are available with some cost effective opportunities for large scale developments and major projects such as motorsports. Opportunities includes existing gas connections close to the proposed site, options to source water that range from the more expensive town water to the cheaper recycled or potable reuse water and power options that range from minimal cost upgrades to existing power infrastructure or the more clean and green solar power opportunities
- This project is shovel ready for an investor or developer. The business case Includes extensive research on the proposed site including cultural heritage assessments, features and levels surveys, geotechnical design surveys and vegetation assessments. Stage 1 includes 30% engineering for the bitumen raceway and skidpan
- Climate - moderate to warm permitting all year motor sports activities including ideal conditions for car and motorbike testing which has created some interest and demand in recent years
- Accommodation supply of more than 6,000 available beds makes Mildura an ideal location to host small to large scale motorsports events
- Experience in hosting major events.  
Mildura has enjoyed a reputation for its diverse calendar of events for decades. Council provides a strong role in capacity building and working with event organisers to enhance and grow their event. With the majority of our annual events lead by community organisations and partnered by Council, some of our recent major events include:

| Year | Event  | Attendance (approximate) |
|------|--|--------------------------|
| 2017 | Annual New Year's Eve Community Celebrations | 6,000                    |
| 2016 | Annual Easter Power sports Easter Weekend    | 20,000                   |
| 2016 | Annual Mildura Country Music Festival        | 12,000                   |
| 2016 | Annual Merbein Vanilla Slice Triumph         | 10,000                   |
| 2015 | FIM Speedway Under 21 World Championships    | 6,000                    |
| 2014 | triple j One Night Stand                     | 18,000                   |
| 2012 | Ulysses National Conference                  | 4,500                    |





# Government

## Why invest in Stage one of the Mildura Motorsports and Community Precinct?

### **This development:**

- Leverages off the existing importance of motorsports to the region:
  - o motorsports currently contributes \$21.4m in direct economic benefits to the region per annum
  - o the development of stage 1 will add an additional \$27m in direct economic benefits to the region per annum
  - o participation in motorsports in the region is three times the State average and four times the national average
- Projected to add a net economic benefit of \$173.4m to Victoria and \$162.3m to Mildura over 30 years. This includes additional or new spend as a direct result of the new motor sport precinct.\*
- Will create 324 new jobs in year 1, 86 jobs in year 10, 100 jobs in year 20 and 83 jobs in year 30. The vast majority of employment will be created away from the precinct through related

industries such as accommodation, retail, food and beverage. Year 1 is high because of the employment created due to construction.\*

- Has a benefit cost ratio of 7:96
- Aligns with National, State, Regional and Local Strategies and Plans
- Is an opportunity for an investor or developer to partner with other funding partners to realise an opportunity that will diversify the current tourism offering. It will also provide a unique and iconic tourism attraction that can attract significant visitors through major and minor events, as well as leverage future motor sports industry business developments
- Highlights the need for some Government funding and that a part funding model between Government and private enterprise would be the way to see the project realised

\*ref Full Business Case for the Mildura Motorsport & Community Precinct 2017





# Private and Community Investors

## Why invest in Stage One of the Mildura Motorsports and Community Precinct?

- Financial analysis shows a projected return on investment from the first year\*
- Revenue projected for the raceway are very conservative. For example only 1 major event and 8 regional events are estimated per annum for the bitumen raceway. Utilisation of the facility is assumed to be 55% in year one and will increase by 2% per annum until year 24
- Council manage the leasing of the site through various leasing options
- There are detailed cost estimates, financial modelling assumptions and an engineering report for the bitumen raceway and skidpan for investors willing to sign a confidentiality agreement
- In the last 5 years there has been a strong demand and growth in major developments and projects in Mildura by the three tiers of Government and private investors. Since 2011, there has been over \$500m worth of large scale developments and an additional \$2.5b in large scale projects committed to the Mildura region
- The land at the proposed site is owned by Mildura Rural City Council, apart from a grid of unmade road reserves that are Crown land. Council has worked with State Government to close the road reserves and have taken on the role of Committee of Management with a view to purchasing the land in the near future. In the future Council will look to change planning of this land to a zoning for motor sports

\*ref Full Business Case for the Mildura Motorsport & Community Precinct 2017



# Support and Advocacy

During development of the business case for this project, Council received strong support from government (including \$103,000 from the Victorian Government to develop the business case), peak motorsport bodies including CAMS (Confederation of Australian Motorsports) and Motorcycling Australia. National and local motorsport clubs, community organisations, businesses and the local community also supported the initiative.

There are 34 letters of support within the business case from local motorsport clubs, businesses interested in basing themselves at the site or wishing to utilise the track facilities, as well as many car clubs from Victoria and interstate. Interested businesses include race day operators, driver/rider experience organisations and driver education bodies. CAMS and Motorcycling Australia have provided extensive in-kind support towards this project and continue to advocate for it at a national level.

## Motorsports industry in Mildura

There are eight motorsports clubs and one driver training facility in Mildura. Each motorsport club/facility has had one volunteer represented on the Mildura Motorsports Industry Reference Group since 2013. This group has driven development of the Mildura Motorsports and Community Precinct staged development plan. Three are located at the proposed site, while the remaining clubs/facilities have committed to moving to this precinct in the short to medium term. There are also letters of support and active advocacy for this project from the peak motorsports bodies on a national, state and regional level which includes Confederation of Australian Motor Sports (CAMS), Motorcycling Australia, Australian Formula Jet Sprint Association, Speedway Australia, and Australian National Drag Racing Association.

## Mildura community

There is a strong level of support in the Mildura community, as evidenced by the popularity of social media including a local Facebook page which has 2078 'likes' as of December 2016 supporting the development of Stage 1 of the project. There is an advocacy group comprising up to 50 members from business, motorsports and the general community who are willing to advocate for this project and assist in securing funding. Just under 1000 community

members have been engaged through two rounds of engagement for this project and there has been strong overall support to see Stage 1 of the project realised.

## Tourism Industry

There are letters of support and contributions to the research findings for this project from state, regional and local tourism bodies which include Visit Victoria, Murray Regional Tourism Board and Mildura Regional Development (formerly Mildura Tourism).

## Mildura Rural City Council

Council has made a major commitment towards realising the Motorsports and Community Precinct. It will play a major role as sponsor of the project and will assist in facilitating planning, club and community consultations, development approvals and development programs throughout the life of the project. It will also facilitate the formation of management, programming and user liaison bodies and processes. Council will continue to support the development of the project and will look to determine further support it can provide to enable the project to progress. In a major effort to realising the project, Council has:

- Conducted the comprehensive planning and research into geotechnical, cultural heritage, features and levels, vegetation, zoning, leasing, infrastructure considerations and completed 30% engineering drawings for stage 1 of the development
- Defined its position regarding the retention of site ownership and the creation of long term leases for investors
- Consulted extensively with motorsport clubs considering relocating to the motorsport precinct over the coming years
- Initiated investigations into an array of additional funding sources for other elements of the project with these including the use of Council resources for some infrastructure elements, State and Federal government funding, club and community financial and in-kind contributions and crowd funding options



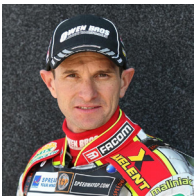
*"The development of a regional bitumen circuit in Mildura is a project CAMS has not only watched with keen interest, but been consulted on several times since its inception. We are major supporters of this project and the raft of opportunities it would deliver for Mildura, its residents and motorsport generally. Whether it's driver/rider training, car club days or race events, this project offers so many benefits to the region. CAMS will continue to be a major supporter."*

**– Eugene Arocca. CEO Confederation of Australian Motor Sport.**



*"Motorcycling Australia is fully supportive of this proposed facility. If a race circuit can be developed it will offer a great opportunity for many motorcycle events to be held at the circuit. The development of a new race circuit and skid pan provides more opportunities for our competitors to compete, and the location of the track in regional north west Victoria would be an ideal location. There are already great events in Mildura for other motorcycle disciplines and I am sure this would allow even more."*

**– Peter Doyle. CEO Motorcycling Australia**



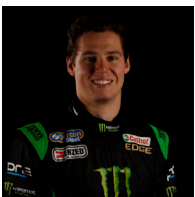
*"Mildura is ideally positioned for a motorsport precinct. It is centrally located between Melbourne, Adelaide and Sydney with a population base of over two million people within four hours. Competitors and spectators from these areas already travel to the many motorsport events in our area, and I know many of my competitors and spectators often stay for a holiday to enjoy the river and our great lifestyle."*

**– Leigh Adams. National and international motorcycle speedway champion.**



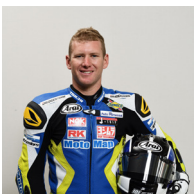
*"Mildura has an ideal climate to run motorsport events every day of the year. A motorsport facility like this would be well received by competitors and spectators alike, who can travel here knowing they'll have good weather conditions as well as being able to enjoy a host of other activities in town following the event."*

**– Darren Morgan. Multiple Australian Top Fuel drag racing champion.**



*"Motorsport is huge in Mildura, with a strong following for all motorsports. I received great support from the community during my development and a facility like this would be well supported by the community I'm sure."*

**– Cameron Waters. Supercars driver.**



*"After decades racing at circuits across Australia and internationally, the opportunity to race in my home town of Mildura would be an amazing experience in front of my family and friends, I look forward to this facility being developed."*

**- Josh Waters. Multiple Australian Superbike Champion**







# Your Opportunity

The Mildura Motorsports and Community Precinct is an exciting prospect for investors and for Mildura. Council is seeking approaches from potential investors, clubs, individuals, private businesses and companies who might be interested in working in partnership with Council to help realise the motorsports precinct in coming years. In particular, Council is seeking one or more partners to realise the first stage of the development at a cost of \$21.8m and includes:

- A sealed road circuit
- A multi-use skid pan
- Pit area
- Control tower
- Offices and associated facilities
- Maintenance/wash down shed
- Camping facilities, and
- Food and beverage facilities.

For more information on the proposed motorsport precinct please watch our 3D animation video [www.mildura.vic.gov.au/Motorsports](http://www.mildura.vic.gov.au/Motorsports)

## What to do next...

Interested parties should contact Mildura Rural City Council's Events and Projects team to discuss a range of funding and investment opportunities.

### **MRCC Events and Projects Unit**

(03) 5018 8100

[mrcc@mildura.vic.gov.au](mailto:mrcc@mildura.vic.gov.au)

PO Box 105, Mildura VIC 3500

[www.mildura.vic.gov.au](http://www.mildura.vic.gov.au)

Site visits can be arranged for interested parties, further detailed financials on the precinct are available on request.

All inquiries will be treated confidentially.

## Important Information

This document is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to invest. No does it constitute financial product advice.

Certain statements made in this document are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Council's current expectations, estimates and projections about the municipal district and motorsports generally. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Council, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Council cautions readers not to place undue reliance on these forward-looking statements, which reflect the view of Council only as of the date of this document. The forward-looking statements made in this document relate only to events as of the date on which the statements are made.

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**MILDURA**  
**WE LIVE MOTORSPORTS**

[www.mildura.vic.gov.au](http://www.mildura.vic.gov.au)



Mildura Rural City Council