

C

Assumes a reduction in the annual number of local events from 26 to 20 and regional from seven to five and a 50 percent reduction in management salaries and prize money

Total Event Revenue	\$386,955	
Total Ancillary Revenue	\$90,216	
Total Event Expenses		\$274,989
Total Overhead Expenses		\$176,001
Annual Profit / Loss		\$26,181

CIDM attendance estimates

Assumes attendances of 530 per local event and 1,700 regional events

Total Event Revenue	\$650,831	
Total Ancillary Revenue	\$96,582	
Total Event Expenses		\$459,072
Total Overhead Expenses		\$309,514
Annual Profit / Loss		-\$21,173

CIDM - A

Assumes a reduction in the annual number of local events from 26 to 20 and regional from seven to five

Total Event Revenue	\$479,541	
Total Ancillary Revenue	\$90,216	
Total Event Expenses		\$350,311
Total Overhead Expenses		\$284,248
Annual Profit / Loss		-\$64,802

CIDM - B **Assumes a 50 percent reduction in management salaries and prize money**

Total Event Revenue	\$650,831	
Total Ancillary Revenue	\$96,582	
Total Event Expenses		\$385,922
Total Overhead Expenses		\$212,379
Annual Profit / Loss		\$149,113

CIDM - C **Assumes a reduction in the annual number of local events from 26 to 20 and regional from seven to five and a 50 percent reduction in management salaries and prize money**

Total Event Revenue	\$479,541	
Total Ancillary Revenue	\$90,216	
Total Event Expenses		\$298,061
Total Overhead Expenses		\$187,112
Annual Profit / Loss		\$84,584

MODEL ASSUMPTIONS

Notes: The analysis assesses the operational performance of Option 7 at year three, using CIDM's proposed business plan and the assumptions below. While the analysis uses many of CIDM's original assumptions, a number of assumptions have been changed to reflect current market values.

Number of local events	26
Number of regional events	7
Ticket price per local event	14
Ticket price per regional event	19.29
Patrons per local event	350
Patrons per regional event	1450

Item	Local	Regional	Total	Assumption	Calculation
Event Revenue					
Gate Takings	\$127,400	\$195,794	\$323,194	Based on historical attendance statistics (325 local and 1,411 regional) with modest increase.	Local: 350 patrons * 26 local events * \$14 ticket / Regional 1450 patrons * 7 regional events * \$19.29 ticket
Effect of being alcohol free				In CIDM's projections a factor was built in to increase catering revenue from the dragway being alcohol free - CIDM has since said the event would have an enclosed alcohol area. Treasury has built in extra revenue from alcohol sales in catering due to this.	
Entrants	\$30,092	\$48,099	\$78,192	Based on CIDM assumptions in year 3	Local: 60 entrants * entrant \$19.29 fee * 26 events / Regional: 95 entrants * \$72.33

					entrant fee * 7 events
					Local: 350 patrons * 26 events * \$1.59 catering profit per patron * 2 to reflect sale of alcohol / Regional: 1450 patrons * 7 events * \$2.65 catering profit per patron * 2 to reflect inclusion of alcohol sales
Catering	\$28,938	\$53,795	\$82,733	Treasury has doubled the revenue projected by CIDM in year 3, to factor in the inclusion of alcohol sales in an enclosed area.	
Corporate Box Takings	\$0	\$27,528	\$27,528	As projected by CIDM in year 2 (Reason year 2 was chosen is that the number of Corporate Tickets sold doubles in CIDM's projections in year 3)	Local: No Corporate Boxes / Regional: 7 events * 35 tickets * \$112.36 ticket
Sponsorship	\$0	\$15,750	\$15,750	Based on CIDM assumptions in year 3	Local: No Sponsorship / Regional: 7 events * \$2250 sponsorship profit per event
Total Event Revenue			\$527,397		
Ancillary Revenue					
Burnout Competitions			\$27,586	As projected by CIDM in year 3	26 burnout events * \$1061 profit per burnout

competition

Signage Rent	\$20,736	As projected by CIDM in year 3	
Driver Training	\$25,750	As projected by CIDM in year 3	
		CIDM's projection of \$10,000 profit from Music Events and another \$10,000 profit for Stadium Style Events represents about 10 hires a year based on the market price of hiring EPIC or the Greyhound track. Treasury believes that CIDM's projections of 10 hires for these items is too high, as the other sites still have unused capacity, and because the option 3 dragway is of lesser standard than the one in CIDM's projections. For these reasons Treasury has assumed 4 hires for these items, amounting to \$8000 total profit for the Music and Stadium events.	
Music Entertainment / Stadium Style event	\$8,000		4 Events * \$2000 profit per event
			\$4360 (car, bike, truck shows) +
Car Shows / Bike Shows / Truck Shows / Swap Meets / Field Days	\$14,510	As projected by CIDM in year 3	\$5000 (field days) + \$ 5150 (swap meets)
Fuel Challenge Event	\$0	Treasury has removed the revenue due to the Fuel Challenge event not running any more.	
Corporate Facility Hire	\$0	Treasury has removed this as Option 7 does not have a permanent corporate Facility	
Total Ancillary Revenue	\$96,582		
Total Revenue	\$623,979		
Event Expenses			

Advertising			\$52,740	10% of event revenue - As projected by CIDM
				Local: \$1650 hire of ambulance and crew * 26 events / Regional: \$2547 for hire of ambulance and crew * 7 events (Regional hire costs more because they are required for a longer period)
Ambulance	\$42,900	\$17,829	\$60,729	Based on quote supplied by CIDM for ambulance.
Andra Permit & Licences			\$52,290	As projected by CIDM in year 3
Corporate Box expenses	\$0	\$9,176	\$9,176	One third of corporate box revenues - Based on CIDM assumptions
Fire rescue			\$2,690	0.51% of event revenue - Based on CIDM assumptions
Hire of Equipment			\$10,548	2% of event revenue - Based on CIDM assumptions
Other Licences			\$2,690	0.51% of event revenue - Based on CIDM assumptions
Officials			\$26,897	5.1% of revenue - Based on CIDM assumptions
Postage			\$12,658	3% of Event revenue (as projected by CIDM) plus a 20% discount as agreed by Treasury and CIDM due to improvements in communication technology
Printing			\$8,438	2% of Event revenue (as projected by CIDM) plus a 20% discount as agreed by Treasury and CIDM due to improvements in communication technology

					Local: No prize money / Regional \$220 prize money allocated per entrant * 7 events * 95 entrants per event
Prize money	\$0	\$146,300	\$146,300	Based on CIDM assumptions	
Rubbish removal			\$1,500	Based on quote supplied by CIDM	
				Treasury Assumption - Two security guards at local events for five hours and four at regional events for 11 hours @ \$45 per hour for a guard based on quotes from ISS Security and Chubb Security. Number of guards presumed minimum to meet security based on other sporting events.	Local: 2 security guards * 5 hours * \$45 hourly rate * 26 events / Regional: 4 security guards * 11 hours * \$45 hourly rate * 7 events
Security	\$11,700	\$13,860	\$25,560		
Toilet supplies			\$1,330	As projected by CIDM in year 3	
Track preparation			\$10,548	2% of event revenue - Based on CIDM assumptions	
Trophies			\$4,219	0.8% of event revenue - Based on CIDM assumptions	
Total Event Expenses			\$428,312		
Overheads Expenses					
Management / Other Salaries			\$173,457	As projected by CIDM in year 3	
Superannuation			\$15,611	9% of Management Salaries	
Workers Comp Insurance			\$5,204	3 % of Management Salaries	
General Insurance			\$1,735	As projected by CIDM in year 3	
Repairs & Maintenance			\$6,240	1% of total revenue - As projected by CIDM	
Materials			\$12,480	2% of total revenue - As projected by CIDM	
Fuel & Oil			\$12,480	2% of total revenue - As projected by	

			CIDM
Traffic Control	\$6,818	\$6,818	Traffic control will be needed for regional events - The AFP quoted the cost for an officers controlling traffic is \$487, this is high because CIDM will need to pay the minimum shift time of fours. It would be expected that two officers would be needed per regional event. Local: No Traffic Control costs / Regional: 2 police officers * \$487 minimum shift cost * 7 regional events
Water and Waste Water maintenance		\$5,000	Information from procurement solutions indicates that there will be costs to maintain the water and waste water services (e.g. Inspecting water pipes and storm water) The figure provided by Procurement Solutions is \$5000.
Noise Monitoring	\$7,000	\$7,000	Information from ACT Environment and Heritage is that noise monitoring costs will need to be incurred to demonstrate compliance and monitor noise at regional events. This amounts estimated to be \$16,000 in the first year, lowering as years go on to \$7000 per annum.
Fuel for generator		\$5,000	The Dragway will not be connected to mains electricity, CIDM will operate the site with diesel generators, based on information collected by Treasury the cost of running the diesel generation would be \$5000 at the least
Other Overheads		\$43,678	7% of total revenue - As projected by CIDM
Total Overhead Expenses		\$294,702	
Total Expenses		\$723,015	
Profit Loss		-\$99,036	