



NORTHERN INLAND CENTRE OF SPORTING EXCELLENCE

Business Case
2016



PROJECT OVERVIEW

The Northern Inland Centre of Sporting Excellence will see the strategic alignment of sport, health, and commercial sector delivering economic and social outcomes for the Northern Inland Region.

The Centre will provide a vibrant space with specialised sport and recreational facilities for schools, sporting clubs, community groups, organisations, businesses and the general public. It will assist in hosting national, state and local sporting competitions and will boost tourism, development and liveability in the region. It has been earmarked as key infrastructure to encourage future growth and community development in the Northern Inland Region. The integration of a range of facilities will optimise efficiency's and create valuable business synergies.

The key elements of the Project include:

- New Athletics Facility including an all weather synthetic track with associated infrastructure and amenities;
- Extension to the existing Sports Dome to provide additional indoor multi use courts;
- New outdoor equestrian arena with associated infrastructure and amenities to provide an international venue for equestrian events where it is mandatory that such event take place outdoors;
- The Northern Inland NSW Cycling Centre. This comprises a velodrome, criterion track and associated infrastructure and amenities to be used by both junior and experienced cyclists; and
- Upgrade of infrastructure including roads, carparks, stormwater management and street lighting to service the Works and provide a 24 hour safe environment for users of the complex, given that the facilities include for late and overnight stays.

The Project will increase investment and economic activity in the Region through the release of the current land the aged Velodrome and Athletics fields occupy. The relocation of the Velodrome will act as a catalyst to revitalise the southern end of Tamworth's main street and allow further retail development and create valuable employment opportunities helping to address the region's high unemployment rates. The relocation of the Athletics field will create opportunities to address the shortage in tourism accommodation or create further bulky goods development which is currently at capacity.

The Northern Inland Centre of Sporting Excellence is a unique opportunity to increase economic activity in the region, meet growing commercial sector demand for land within the central business district, assist in revitalizing Tamworth's main street and a key piece of infrastructure for improving wellbeing in the Region. Through the co-location of sporting assets, the Centre focuses on all aspects of recreation and sport from grass-root participation through to elite sport, ranging from little kids to older people and recognising the needs of the diverse communities and growing population. The Centre will have the ability to attract, retain and assist with the training regimes of athletes who have previously had no other option than to move away to pursue sporting aspirations.

The development of the Centre of Sporting Excellence is evidence of Northern Inland Region's sport and recreation sector working together to achieve a common vision of the Region's residents more active, more often.



\$17.2M
TOTAL PROJECT COST

\$28.86M
NET PRESENT VALUE

YEAR 1
\$6.55M GRP 51 FTE

YEAR 2
\$6.34M GRP 50 FTE

CONSTRUCTION
VALUE

NORTHERN INLAND
CENTRE OF SPORTING
EXCELLENCE

1.8
COST BENEFIT RATIO

\$1.16M GRP 12 FTE
ANNUAL ONGOING
TOURISM IMPACT

EXECUTIVE SUMMARY

The Northern Inland Centre of Sporting Excellence is a major regional sporting infrastructure project that will see the strategic alignment of sport, health and commercial sector in delivering economic and social outcomes for the Northern Inland Region.

The Northern Inland Centre of Sporting Excellence will provide a vibrant space with specialised sport and recreational facilities for schools, sporting clubs, community groups, organisations, businesses and the general public. It will assist in hosting national, state and local sporting competitions and will boost tourism, investment and liveability in the region. It has been earmarked as key infrastructure to encourage future growth and community development in the Northern Inland Region.

The key components of the Project are:

Athletics Centre – provision of a synthetic track and long jump run ups and associated field events. This will provide an all-weather facility, the only one between Newcastle and the Gold Coast, increasing participation in all forms of athletics across the Northern Inland region and allowing elite local athletes access to first class facilities.

Extension of the Tamworth Sports Dome – provision of an additional court. This will cater for a day to day demand that cannot currently be met. Additionally, the facility would also be able to attract indoor hockey and futsal tournaments and provide additional event options for basketball and netball.

Outdoor Arena – provision of an Outdoor Arena at the AELEC complex, the significant factor to attract additional events at the current facility. The Outdoor Arena would allow for international standard dressage and showjumping competitions to be held at the facility thus increasing national and international visitor numbers to the region.

Cycling Centre – provision of a cycling facility, replacing the ageing asset located in the CBD. The facility will meet the need for a modern, state-of-the-art regional facility, currently lacking in the region. It is expected that the Velodome will be used by individuals, schools, sporting organisations and teams from across the Region and attract state and national events to Tamworth.

Other Supporting Infrastructure – the project will also deliver supporting roads, car parks, street lights, amenities, stormwater and landscaping.

The Project is located 5km from the Tamworth CBD on a designated site which currently contain key recreational assets. This 100ha Masterplanned site is already home to The Australian Equine and Livestock Events Centre (AELEC), The Tamworth Sports Dome, Tamworth Regional Entertainment and Conference Centre (TRECC) and Tamworth Regional Hockey Complex. Adjacent to, or nearby, the site is a commercial precinct, golf course and new release residential sites as well as a proposed harness racing facility. It is strongly recognised that the integration of a range of facilities, will optimise efficiency's and create valuable business synergies.

The concept for the Northern Inland Centre of Sporting Excellence was born out of the recognition of the region's current state of the art recreational assets, the demand for upgraded sporting facilities to meet the needs of region and attract further state and national events, and the need to diversify and strengthen the region's economy.

In addition, the Project is the recognition of the quality of existing facilities in the Sporting Centre and strength of the partnerships formed with key organisations. Excellence to some extent had already begun to develop in certain sectors as a result of these facilities in that an opportunity to bring these 'threads of excellence' together

existed in both a physical and relationship sense. Consideration of possible additional services and facilities identified through associated planning highlighted even greater potential and demand for the Project.

The Northern Inland Centre of Sporting Excellence will see state of the art sporting infrastructure collocated with existing sports infrastructure which will boost Tamworth and North West New England Region as a Sporting Centre for Excellence.

The current aged and unused velodrome is located in the CBD, occupying a key location for the city's future retail growth. The relocation of the sporting facilities to the Northern Inland Centre of Sporting Excellence will allow the redevelopment of the land in this area, revitalising the southern end of the main street. There is a current shortage of land in the CBD and Council has received significant interest to redevelop the land. The aged and inadequate athletics field is located in what has become a bulky goods and further commercial sector precinct which has reached capacity. Relocation of these two facilities to the Sporting Precinct will act as a catalyst to spur private investment, creating economic activity and employment opportunities.

The Northern Inland Centre of Sporting Excellence precinct offers considerable benefit to the Northern Inland community, growing liveability for the region and forming part of the communities vision and strategy for the region's future.

The development of a high quality Sporting Precinct is a particularly fruitful opportunity, with the Tamworth Region uniquely positioned through its geography and existing tourism infrastructure to benefit from major and regional sporting events and destination programming.

There is demand for sporting and recreational infrastructure to service the Region that exceeds the capacity of the existing facilities provided. The development of the Northern Inland Centre of Sporting Excellence will transform the experience of current sports participants, attract new events and act as the catalyst for existing sports bodies to provide a presence through Development Officers in the region.

A dollar value can be estimated from employment, time value of volunteer service, health cost savings (a healthier population), sale of goods, provision of services, infrastructure and facilities, and the organisation and delivery of events. In addition, there is a notional sense of 'value' related to personal and community wellbeing and national pride derived from sport participation or perceived affiliation with sport. The investment in infrastructure facilitates and encourages the growth of sporting events and delivers social and economic benefits for the region. The investment would provide new opportunities for community segments including young people, children, families, older people and as an attractor of diversity to the region.

All of these elements contribute to the liveability of the region, assist in meeting the North West, New England region's economic and localised community goals and will contribute to a strong sustained Regional NSW. The Projects completion will drive significant economic and community benefits to the region and represents value for money and a return on investment for the Tamworth Region, State and Commonwealth Governments.

The Business Case

Tamworth Regional Council commissioned Business Sense to undertake an analysis of the Project including an economic impact and cost benefit analysis.

The Northern Inland Centre for Sporting Excellence will draw on the Region's unique identity, provide facilities for the increasing population, employment opportunities and create a contemporary and vibrant sporting destination.

The key outputs resulting from this Business Case are:

- An economic analysis of the project
- Financial assessment to determine the long term viability of the facility
- Concept plans for the facility
- Assessment of key social outcomes from project
- Cost plan for the capital and operating costs for the facility
- Ensure Tamworth Regional Councils capacity to deliver the Project and sustain the Project following construction
- Investigate the strategic alignment of local, regional, state and national policy outcomes

relevant sports Talented Player Pathway with access to facilities, and in particular playing surfaces that are conducive to high level skill development.

5. Be profitable and subsequently provide a sustainable revenue stream, which at the least covers the facility's ongoing maintenance costs; optimise efficiency's and create valuable business synergies through the integration of facilities.
6. Provide more people with more opportunity to participate in sport throughout the year.
7. Provide facilities and opportunities for participation for the physically impaired
8. Provide an administrative base to deliver sporting outcomes for the Northern Inland Region.
9. Establish the capacity to host significant state and national championships tournaments and events.
10. Provide an alternative training venue for other related sports.
11. Provide a base for elite team training camps.
12. Provide a training hub for referees, coaches, administrators and volunteers;
13. Provide a meeting place for stakeholders.
14. Allow for expansion of competitions which promote sport tourism to the region.
15. Strengthen the region's position as a leading Equine Centre in Australia.
16. Provide an avenue for exercise for active seniors, the health conscious working group, formal and informal

Project Objectives

The objectives driving the development of the proposed Northern Inland Centre of Sporting Excellence are:

1. Provide a legacy for sport.
2. Contribute to the creation of new jobs and add value to the Gross Regional Product through retention of Regional Income (expenditure on Sporting Activities) and attraction of Inter-Regional Income (generated by visitors to the Centre).
3. Create commercial opportunities on the vacant land following the relocation of the Velodrome and aged Athletics facility.
4. Provide players engaged within the



social groups, students and school children.

17. Increase and complement the growing number of national outdoor sporting events hosted in the Northern Inland Region.

Economic Analysis

The Northern Inland Centre of Sporting Excellence will contribute to the regional and state economy's in the following ways:

- Increased visitor expenditure in the region from participants and spectators at a range of regional, national and international events held at the Centre;
- Improved health benefits from increased levels of physical activity in the community through access to first class facilities linked to programs encouraging participation in sport;
- Increased levels of productivity in the workplace as a result of participation in physical activity;
- Increased productivity through the replacement of aged assets and co-location of sporting assets;
- The economic impact of the construction phase of the project in terms of contribution to GRP and employment;
- On-going employment from increased tourism activity and increased participation in sport and recreation; and
- Employment generation from the relocation of aged sporting facilities in the Central Business District allowing a greater economic use of the land.

An independent Economic Analysis of the project was undertaken on the Project including a cost benefit analysis (Annexure 1). Using the central discount rate of 7 per cent, the development of the Northern Inland Centre of Sporting Excellence is estimated to generate a net present value of the net cash flow of approximately \$28.86

million with a benefit cost ratio of 1.80. As the benefit cost ratio is greater than 1 and the net present value is positive, the Project can be deemed an efficient use of funds.

The estimated economic impact of the construction phase of the Northern Inland Centre of Sporting Excellence on Tamworth LGA is:

- \$6.55m in GRP and 51 FTE jobs in Year 1; and
- \$6.34m in GRP and 50 FTE jobs in Year 2.

The economic analysis has indicated that the on-going impact of the Northern Inland Centre of Sporting Excellence will result in a significant increase in visitors to the region. This will undoubtedly lead to the creation of further jobs in the tourism sector (and flow-ons to other sectors) helping to address the loss of jobs in the Arts and Recreation Sector.

The economic impact of ongoing tourism activity as a result of the proposed Sporting Centre has been based on an average increased expenditure of \$1.3 million dollars per annum following construction of the facilities. This is the average expenditure of projected events over a ten year period. The economic impact of the increased tourism expenditure, including flow-on effects is \$1.16 million in GRP and 12 FTE jobs on average each year.

Social Benefits

The Northern Inland Centre of Sporting Excellence will encourage and facilitate participation in sport in numerous ways and will therefore play an important role in building the region's communities, in achieving wider physical and mental health, and providing social benefits.

The project will assist in building community identity, sense of place, social interaction and contribute to social capital in the

The completion of the Project will act as a catalyst for further public infrastructure and attract private sector development due the commercial sector on the land following the relocation of the Athletics ground and Velodrome.

Region. It will contribute to the quality and liveability of the region supporting community cohesion, shared identity, social connection and lifelong learning. The activities and programs offered through the various sporting codes will create new opportunities for the community and increase community pride and health outcomes.

Additionally the Project will assist in improving and supporting educational outcomes in the region and reducing the risk of crime. Programs offered through various sporting codes, the ability to host dressage and equestrian events, increased provision for netball, indoor hockey and futsal will also assist increasing womens participation in sport. The Project will also see increased participation in sports by people in the Region with a disability.

- NSW 2021 & Regional Action Plan goals;
- The NSW Government State Infrastructure Strategy;
- Visitor Economy Industry Action Plan;
- The National Sport and Active Recreation Framework
- Regional Development Australia Northern Inland (RDANI) Strategic Plan
- Tamworth Destination Management Plan;
- Tamworth Community Strategic Plan;
- Draft Tamworth Economic Development Strategy; and
- Other localised strategies.

Capacity to Deliver

Tamworth Regional Council has allocated significant funding of \$8.7million for this project as it is viewed as a strategic priority not only in terms of valued community amenity but also as a catalyst for attracting and boosting major sporting events for the region and State. On-going operation and maintenance will be managed through inclusion in Council's Maintenance and Asset Preservation Program.

Tamworth Regional Council has the capacity to deliver with detailed schematic designs, the development application process, project management already well advanced so construction could commence quickly with a partnership formed with State and Federal Governments.

Strategic Alignment

The Northern Inland Centre of Sporting Excellence aligns and will assist the NSW and Commonwealth Government's in meeting objectives identified in various federal, state, regional and local policy and planning documents. The project has the capacity to improve economic growth and productivity in the State through the increased capacity of a community to hold local, regional and state sporting events. In addition, the project will deliver significant social and community benefits through improved social cohesion, community pride and reduction in healthcare costs.

Strong evidence is provided that improved economic growth comes from the capacity of the community to host local, regional and state sporting events. This project will provide that capacity for the region, and the State.

Strategic Alignment with NSW and Federal Government policy and planning documents include but are not limited to:

The project is aligned to local, state and federal commitments to improve access and participation in sport and recreation for children, people with disabilities, Indigenous Australians, women and girls, and for the purpose of social inclusion and community development.

Table 1: Summary of Project Benefits

| Outcome Area | Direct and Indirect Benefits |
|--------------|---|
| ECONOMIC | <ul style="list-style-type: none"> • Direct Cost Savings associated with new facility (Athletics, Velodrome) • Increased employment during and beyond construction • Participation in sport and physical activity has proven health benefits and can lead to productivity gains • Productivity gains through the replacement of aged assets • Increased revenue from hosting events and usage through the facilities • Increased commercial opportunities by releasing the current sites (Velodrome & Athletics) to private development creating further employment opportunities • The Northern Inland Region has a low rate of participation in sport and any additional facilities and programs have the potential for marked improvement in participation • There will be additional savings in time and travel costs for athletics which would have travelled to other locations to train/compete • Health savings due to increased physical activity • Strengthen the Sport and Recreation industry sector • Assist in attracting people to the Region |
| SOCIAL | <ul style="list-style-type: none"> • Potential to improve health and wellbeing of the indigenous community • Activation and revitalisation of the southern end of retail centre through the relocation of the Velodrome • Assist in connecting the community's of the Northern Inland Region • Assist in the branding of the Region • Strengthen the Tamworth and broader region and assist in social cohesiveness • Support education • Assist in preventing at risk behaviour • Provide players engaged within relevant sports Talented Player Pathway with access to facilities, and in particular playing surfaces that are conducive to high level skill development • Assist in reducing barriers to womens participation in sport • Address a decline in participation in sports • Increase social capital of the Region • Increase people with disability access to sport and recreation |