
Australian Turf Club Night Racing Opportunities for Enhancing Randwick & Sydney October 2017

Executive Summary

BellRinger Property Group and Place Narrative & Research were engaged by The Australian Turf Club (ATC) to prepare a report outlining the economic, social and community opportunities and benefits the night racing proposal might contribute to Randwick and Sydney communities.

The ATC are exploring the opportunity for night racing in response to changing community lifestyles, to ensure the viability of Royal Randwick, and to reinforce Royal Randwick as a world leading race course for thoroughbred racing. The proposed night racing over the daylight saving months provides an opportunity to create a new calendar of night time events that are better aligned with the changing lifestyles of Sydney residents, and provides a new night time economy anchor to contribute to revitalizing the night time economy.

Key Elements of the Proposal

The key elements of the proposed night racing include

- 16 race meetings between the months of October and April.
- Events to be staged between 6pm-10pm.
- The race meets are to be predominantly held on Thursday, Friday and Saturday evenings.

A Placemaking Approach

Placemaking it is the process of creating authentic, vibrant and resilient places that resonate with, and are admired by their community and visitors. Placemaking has an important role to play in Royal Randwick as a key piece of infrastructure, connectivity, identity and gathering space for the community.

The night racing provides an important layer when utilising a placemaking framework when assessing how Royal Randwick and night racing can provide opportunities to improving the Royal Randwick

experience and broader precinct experience for visitors and members of the local community.

Community Engagement

The approach by ATC has been to engage with the community and target user groups prior while developing the strategy for night racing. The ATC has engaged with local resident groups such as The Randwick Precinct Committee, The Kensington Committee and undertaking community “drop in sessions”. By meeting with respected community representatives, the ATC has been able to garner a better understanding of the community’s key concerns regarding night racing. The engagement with the local community has also assisted the ATC in better understanding the community’s values, and what inspires and attracts them to the locality.

Expenditure Analysis

Analysis prepared by Economic Consultants, IER, for the Office of Liquor, Gaming and Racing, on the Economic Size and Scope of the

Racing Industry, indicated that, patrons at Thoroughbred Race Meetings, spend on average \$232 per person on race days. Data supplied by the ATC indicates that the proposed night race events could attract close to 200,000 patrons across 16 meetings. Based on attendances at these levels, the proposed night races could generate on track expenditure (excluding wagering) of close to \$20 million and off-track expenditure of over \$30 million.

Changing Societal Trends

A number of society trends have necessitated the need to investigate the night racing opportunity at Royal Randwick. These trends include:

- Sydney’s Changing Demographics
- The Rise of the “Experience Economy”
- Changing Lifestyles of Sydney Residents
- Increased Apartment Living Generating Need for Additional Non Work and Home Experiences.

Executive Summary

Opportunities and Potential Benefits

A number of opportunities and potential benefits that night racing may provide to the local community and broader Sydney have been identified. These include:

- Tourism Generation
- Shaping a City
- An Additional Anchor for the Local Retail and Business Precincts
- Increased Amenity in Kensington's "Ideas Hub"
- Building the Community
- Improved Exposure for Randwick & Kensington
- Attracting Workers, Foreign Business & Investment
- Employment Generation
- Anchor a Week of Festivities
- Improve Connections with Asia

Alignment with Randwick Council's City Plan

The proposed night racing assists in achieving a number of Randwick Council's City Plan and Outcomes including:

- **A Sense of Community** - 'a vibrant and diverse community' and 'an informed and engaged community'
- **Places for People** - 'excellence in urban design and development', 'excellence in recreation and lifestyle opportunities', 'a liveable city' and 'heritage that is protected and celebrated'
- **A Prospering City** - 'a strong local economy'
- **Moving Around** - 'integrated and accessible transport'
- **Looking after our Environment** - 'a healthy environment'

Introduction

BellRinger Property Group and Place Narrative & Research were engaged by The Australian Turf club to prepare a report outlining the economic, social and community opportunities the night racing proposal might contribute to Randwick and broader Sydney communities.

Events have the opportunity to deliver improved economic and social benefits to the local community and broader Sydney. The Australian Turf Club and Racing NSW are exploring the opportunity to introduce “Night Racing” at Royal Randwick. This report outlines how the proposed night racing may contribute to the local economy. In addition the report highlights some of the societal trends, and benefits and opportunities that night racing may provide to improving the communities of Randwick and broader Sydney and ambitions of the local and state governments.

The ATC are exploring the opportunity for night racing in response to changing community lifestyles, to ensure the viability of

Royal Randwick, and to reinforce Royal Randwick as a world leading race course for thoroughbred racing. The proposed night racing over the daylight saving months provides an opportunity to create a new calendar of night time events that are better aligned with the changing lifestyles of Sydney residents, and provides a new night time economy anchor to contribute to revitalizing the night time economy.

The Australian Turf Club is one of the world’s leading destinations for thoroughbred racing, events and hospitality. The Australian Turf Club (ATC) commenced as an entity in 2011, when the Australian Jockey Club and the Sydney Turf Club merged. The ATC own and manage all of now owning all four Sydney racetracks; Royal Randwick, Rosehill Gardens, Warwick Farm and Canterbury Park.

Royal Randwick racecourse is an important piece of infrastructure located in Sydney’s East approximately 6km from the CBD.

The 77 ha site forms part of a green belt connecting Moore Park, The Sydney Cricket Ground and Centennial Park.

This report has been prepared in collaboration between BellRinger Property Group and Place Narrative & Research.

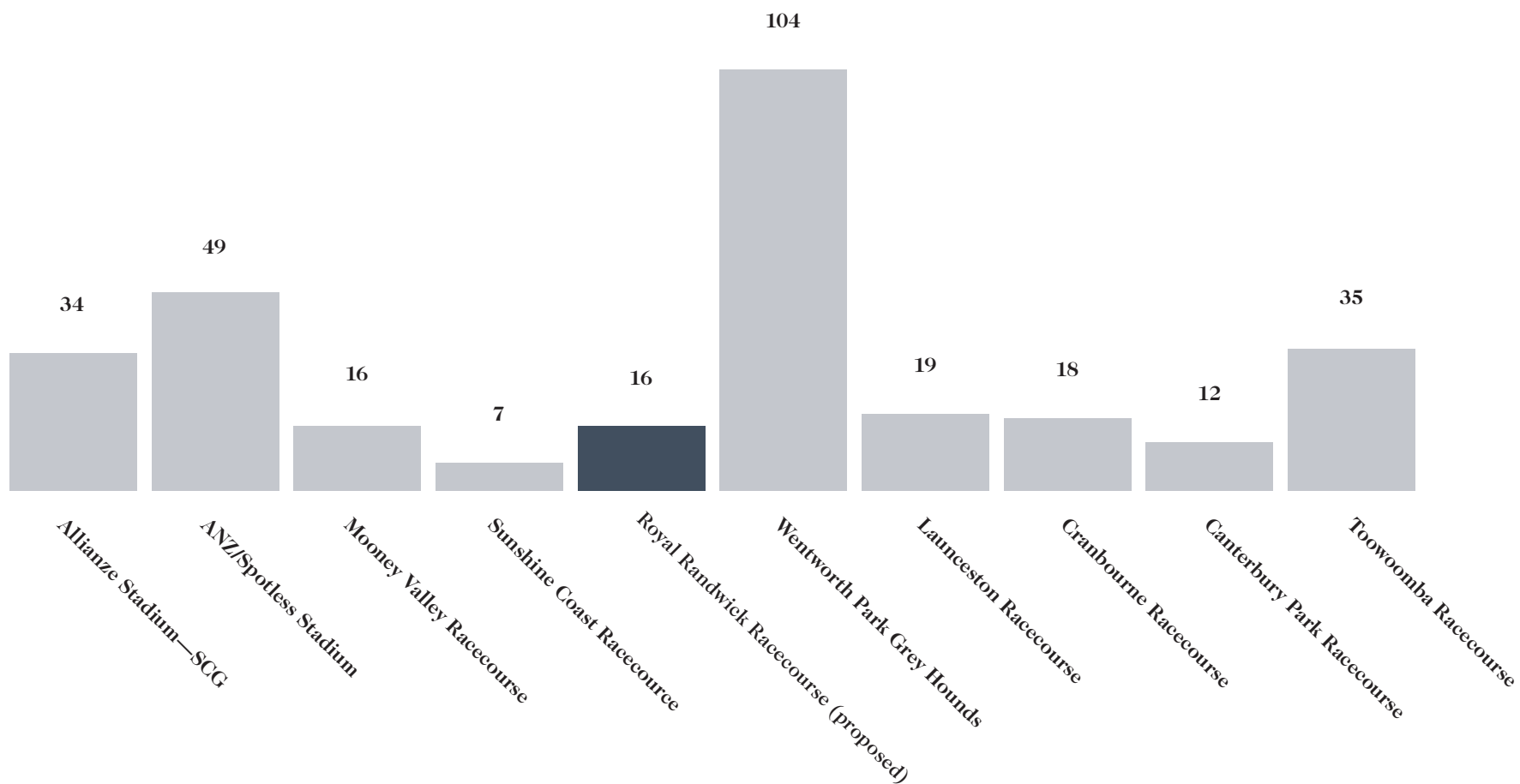
BellRinger Property Group is an innovative strategic property adviser focusing on delivering projects that enhance the livability, experience and wellbeing of communities. By integrating disciplined development management processes with innovative thinking and engagement a more detailed understanding of an opportunity is realised. Rather than adopting a ‘build it and they will come’ philosophy embracing a ‘build it right and they will come back’ can deliver improved social and investment performance.

Place Narrative and Research Pty Ltd is a property research consultancy specialising in helping property owners, managers and developers

understand an asset’s market dynamics. Established in 2013, Principal and Managing Director Andrea Byrne identified the need for a Research consultancy that was able to analyse and articulate the market story for an asset to create a rich and in-depth understanding of its potential. By collecting, analysing and synthesising quantitative and qualitative data and using cutting edge modeling and spatial analysis tools Place Narrative and Research can articulate the emerging threats and opportunities within any market.



EXISTING SPORTS STADIUM AND RACE TRACK NIGHT EVENTS PER YEAR





Placemaking Process & the Role of Night Racing

Placemaking is the process of creating authentic, vibrant and resilient places that resonate with, and are admired by their community and visitors. Placemaking has an important role to play in events and public places as a key piece of infrastructure, connectivity, identity and gathering space for the community. Public spaces and sports stadia, including race tracks can act as a place of significant human interaction which can help to create a sense of inclusion and belonging. The following place making framework provides an improved holistic view to managing and enhancing the Royal Randwick experience for users and the local community. It also provides a framework for assessing how night racing may play a role in contributing to delivering a better “place”.

The place creation process addresses both tangible and intangible elements of a successful project. Throughout a project's delivery process, each of the following pillars should be considered and evolved to increase the richness of the place experience.

The Place Story

The Place Story is the unique positioning of a place. The Place Story, informed by the local economics, social history, local history, lifestyles, and local and global trends, will define a project or place. It should inform all elements including events, design, ongoing operations, marketing, communications, events and land uses.

Design

Describes the physical environment of a precinct or space. The design includes all tangible elements of a place including the placement of the buildings, scale, materiality, sight lines, roads, public spaces, and landscaping. These elements will enhance the precinct and contribute to driving visitation and economic success

Uses

The range of uses in a precinct is a key driver for the success of a place. By introducing an appropriate range of uses there will be increased reasons to visit and stay increasing activation and economic performance of a project.

Events

The rituals and behaviours of a place are significantly shaped by the organised events, activities within a place. A programmatic layer of events and other organised activities are critical to a successful place providing a changing range of experiences driving visitation. Night Racing has the opportunity to play an important event layer at Royal Randwick.

Engagement

People are developing new needs. People want the sophistication and complexity of global communities within their local neighbourhood. Engagement with users and local community provides insights to better tailor the experience to connect with the and community.

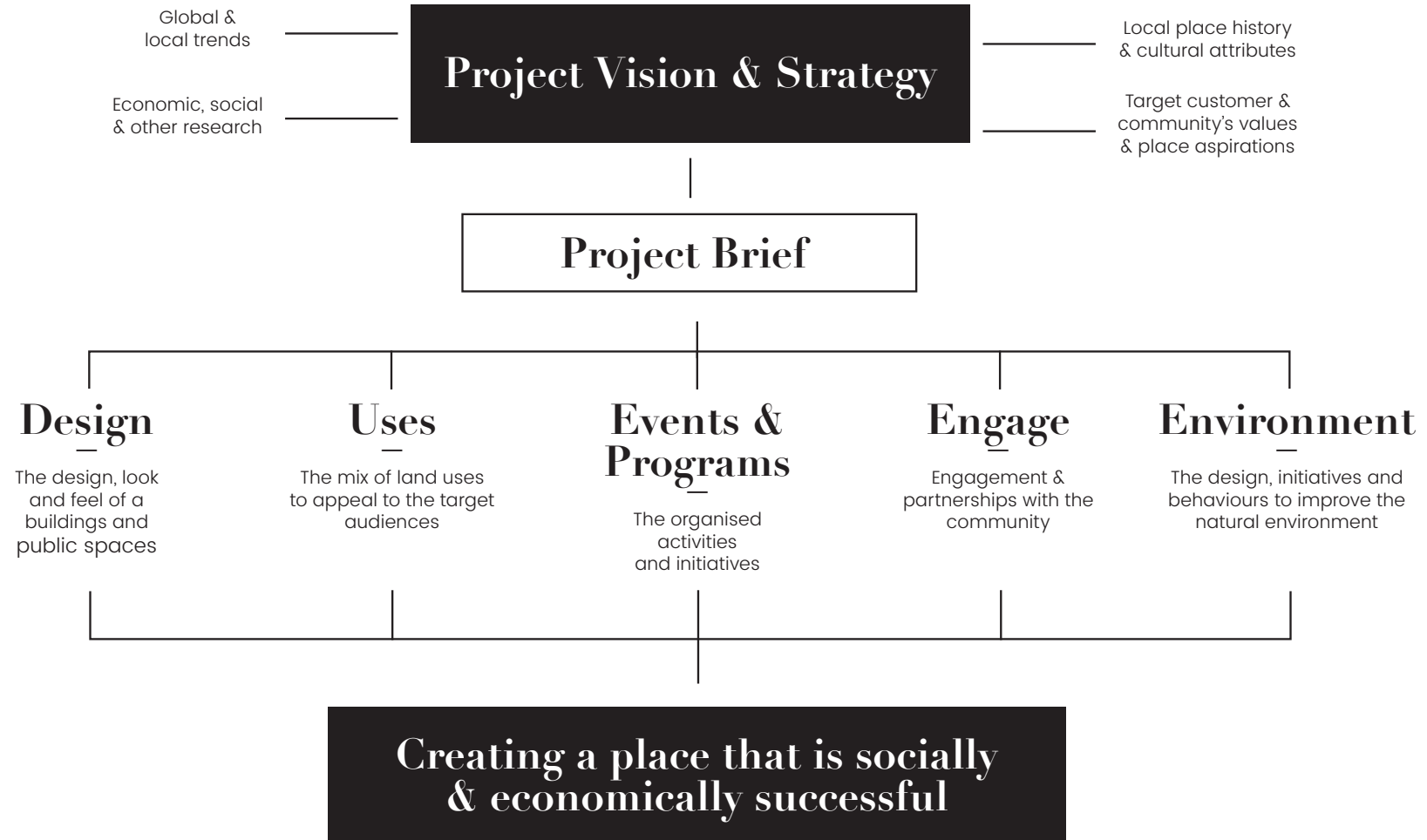
Environment

Describes the relationship between the place and global environmental issues. A well designed project will reduce both the eco footprint as well as operating costs improving the asset's economic performance.

This framework assist in identifying how the proposed night races can assist in achieving a number of Randwick Council's “City Plan and Outcomes” including:

- **A Sense of Community** - ‘a vibrant and diverse community’ and ‘an informed and engaged community’
- **Places for People** - ‘excellence in urban design and development’, ‘excellence in recreation and lifestyle opportunities’, ‘a liveable city’ and ‘heritage that is protected and celebrated’
- **A Prospering City** - ‘a strong local economy’
- **Moving Around** - ‘integrated and accessible transport’
- **Looking after our Environment** - ‘a healthy environment’

A DISCIPLINED PROCESS FOR GREAT PLACES



The History of Royal Randwick and its Role in the Local Community & Sydney

Royal Randwick Racecourse has been integral in the history of Randwick and broader Sydney. Royal Randwick dates back to 1833. For more than 150 years, race meetings at Royal Randwick Racecourse have been some of the most popular social events in Sydney. Importantly attending horse races cut across all levels of society, and as such played a significant part in the development of Sydney society and its history. It was a popular social activity from the very early days of the colony. By the end of the 19th century racing was considered by many as the national sport. The federation of Australia in 1901 was celebrated in Sydney and throughout the country with race meetings.

The local history of Royal Randwick racecourse provides a number of opportunities to weave the narrative into both physical and soft elements such as events. Some key elements of the local place story include:

- The racecourse dates back to 1833 predating residential development in the eastern

suburbs. Until the opening of Royal Randwick Racecourse, Hyde Park had been Sydney's main racecourse. However with the rising popularity of racing, Sydney required a dedicated race course with Randwick the chosen location.

- Royal Randwick Racecourse was originally known as the 'Sandy Course' due to the condition of the ground.
- The Australian Jockey Club as part of the ATC, was formed in the early 1840s with the AJC moving its headquarters to Randwick in 1860.
- Royal Randwick Racecourse has played an influential role shaping the history and culture of the suburb of Randwick and Kensington with numerous stables, saddle makers, farriers, trainers, jockeys, bookmakers living and working and building their homes in the suburb. This history can still be seen today with Gai Waterhouse's stables

being located in adjoining residential streets and the recently closed Inglis Stables at Newmarket Randwick.

- Up until the mid 20th century, horse racing was one of Sydney's most popular social events for people to attend. Tens of thousands of people would attend race days at Royal Randwick Racecourse regularly.
- During the World Wars, Royal Randwick was used as a military camp for soldiers about to embark.
- Many of the stands and buildings built in the first half of the twentieth century were designed by the Sydney firm Robertson and Marks who had also been involved in a number of other sporting ground buildings including the SCG.
- Andrew 'Banjo' Patterson was a regular visitor to Randwick. Patterson wrote a weekly racing column for the Sydney Mail and published at least one verse,

'The Oracle' (1917), on the Randwick races.

- Royal Randwick has been used for a range of events over the years including the landing in Sydney by Charles Kingsford Smith and Charles Ulm in the Southern Cross in 1928, following their trans-Pacific flight from the USA.

Community Engagement

Royal Randwick Racecourse plays a critical role in the local Randwick and surrounding community. Royal Randwick has the opportunity to deliver positive impacts for the local community.

The Royal Randwick Racecourse interfaces with the local community providing a sense of open space, amenity and views for nearby residents. As a result, some members of the local community are likely to perceive the site as semi-public space and have a sense of ownership. This carries significant risk, yet also opportunities. If project is delivered with a consultative approach the ATC is more likely to engender support rather than opposition from the local community.

Under the traditional development approach there was little or no community consultation and if there was it was generally to “tick a box” for the authority approvals process. The common strategy was to prepare a design, submit the application, and hope or “pray” the community was

not too opposed and then manage the issues in a reactive manner as the objections and issues arose. This approach often resulted in significant additional project costs due to approval delays, redesigns and delivering a product that often did not resonate with the community and target customer. As a result, projects often failed to engender support and pride from the community resulting in less visitation and economic activity. Rather than reduce risk, the traditional process regularly increased risk and costs, and eroded economic and social value in both the short and longer term.

The approach by ATC has been to engage with the community and target user groups prior to submitting an application for night racing. The ATC has engaged with local resident groups such as The Randwick Precinct Committee, The Kensington Committee and undertaking community “drop in sessions”. By meeting with respected community representatives, the ATC has been able to garner a better understanding

of the community’s key concerns regarding night racing. These key concerns relate mainly to noise, traffic and anti social behaviour that are also their general concerns associated with race days. The engagement with the local community has also assisted the ATC in better understanding the local character, the community’s values, and what inspires and attracts them to the locality.



Night Racing Expenditure Analysis

The following, is an assessment of the spending by patrons, attending a number of new night racing events, proposed at Royal Randwick Racecourse. This spending includes both spending on track as well as off track expenditure.

Analysis prepared by Economic Consultants, IER, for the Office of Liquor, Gaming and Racing, on the Economic Size and Scope of the Racing Industry, indicated that, patrons at Thoroughbred Race Meetings, spend on average \$232 per person on race days.

The modeling on the following page conservatively assumes that a 10% uplift in per person expenditure could be applied to these averages for the proposed meetings. This uplift would occur as a result of cost premiums associated with the night time economy and the more “event” like experience that could be cultivated by undertaking meetings after hours. This would result in raceday expenditure of over \$255 per person.

Data supplied by the ATC indicates that these events could attract close to 200,000 patrons across 16 meetings.

The tables on the following page shows that, based on attendances at these levels, the proposed night races could generate on track expenditure (excluding wagering) of close to \$20 million and off-track expenditure of over \$30 million.

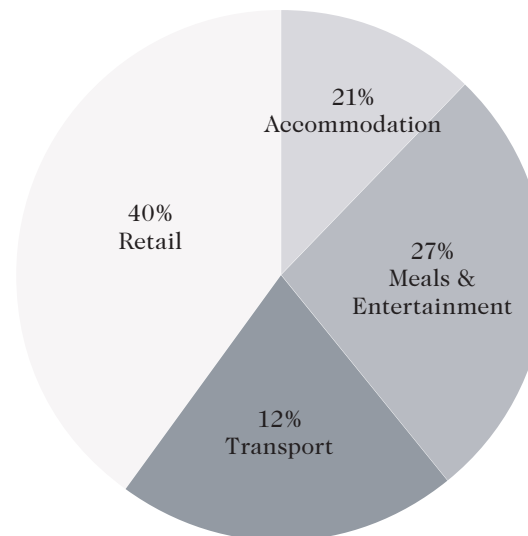
For every dollar in on track expenditure there is anticipated to be \$1.50 spent within the community. This off track raceday expenditure is expected to generate economic spin-off benefits to a number of industries, specifically; Accommodation, Meals and Entertainment, Transport and Retail. It is estimated that of the \$30 million in expenditure that will flow to businesses within the community, around \$12 million will flow to retail establishments and \$8.2 million will go to food and beverage providers, this represents 67% of off track expenditure.

Night Racing Expenditure Analysis

EXPENDITURE	PESSIMISTIC	LIKELY	OPTIMISTIC
Night Racing Attendees	165,000	195,000	226,000
Average on track raceday expenditure	\$91.62	\$101.80	\$111.98
Average off track raceday expenditure	\$139.35	\$154.83	\$170.31
Total on track raceday expenditure	\$15,117,227	\$19,901,803	\$25,307,357
Total Off track raceday expenditure	\$22,992,065	\$30,269,014	\$38,490,419

SPENDING CATEGORY	EXPENDITURE PER PERSON	TOTAL EXPENDITURE
Accommodation	\$32.94	\$6,439,902
Meals and entertainment	\$41.95	\$8,200,928
Transport	\$18.51	\$3,617,840
Retail	\$61.43	\$12,010,344
TOTAL	\$154.83	\$30,269,014

OFF TRACK RACE DAY EXPENDITURE





Societal Trends Creating Opportunities for Night Racing

Change to Sydney's Demographics

Successful places tend to adopt a 'places are for people' approach. The most resilient, social and economically successful places are ones that resonate with the people who live, work and play in them.

Sydney is currently undergoing significant change. This change in Sydney's "make up" is causing disruption to many sectors and businesses including sport and social activities. As Sydney is becoming culturally more diversified and more connected with Asia it is generating a need for businesses and sports to respond differently. This creates opportunities for entertainment and leisure experiences that are more sensitively aligned to the target users and community.

As Sydney becomes more culturally diversified, night racing provides an opportunity for a sporting event that has cross appeal to the diversified Sydney community. This provides an opportunity to enhance and improve social connections. As horse racing dates back to 4500 BC,

it is one of the few sports that has crossed civilizations and continents. Horse racing is one of the most ancient sports and remains popular within Europe, South America, Asia, and the Middle East. As such it is a truly multi cultural sport that if appropriately delivered provides an opportunity to be a "glue" that binds a healthier community by building and connecting a multicultural society.

The Experience Economy

The experience economy is the market that focuses on the selling of services rather than goods to engage with customers to create a memorable experience. The experience economy fulfills a critical role in communities' access to retail and services in Australia. The experience economy building blocks of retail, services, events, and public places makes an important contribution to communities. When well delivered and managed, retail and the experience economy provide a range of improved social and economic outcomes. As cities become more urban where space is becoming a luxury, the ability for consumers to consume "goods" is becoming diminished and peoples

spending habits shift to "services and experiences".

The ATC has recognised it is part of the "experience economy" and is looking to deliver a world leading product at Royal Randwick that engages with its customers via a continually evolving and dynamic race day experience.

Changing Lifestyles

Australia and Sydney is undergoing enormous change in the way residents live their lives. The increasingly diverse Sydney community is experiencing significant change in housing, work, and lifestyles. This is changing the way people spend their leisure time. With the rise of time poor families, people are seeking a vibrant after hours economy that is more aligned with their lifestyles. They are seeking events, activities and vibrant precincts that deliver amenity, services and experiences in a safe environment over an extended day. These environments engender an emotional connection and sense of belonging that assists in driving increased visitation, improved social

connections and improved economic performance. This changing appetite for what communities and people are seeking from their local community and broader Sydney is creating the need to deliver improved entertainment offerings to meet this changing lifestyle. Night racing provides an opportunity to better meet these changing lifestyles.

Increased Apartment Living and need for "3rd Places"

With greater numbers of Australians living in apartments, there is increasing demand for "3rd Places", places that are not work or home. In 2017, circa 51% of all housing approvals were for multi dwelling buildings. This is creating the need for better spaces and places out of the home and workplace. Events, cafes, parks, sports grounds that are aligned with modern lifestyles fill the role of these additional "3rd Places" that make a city more liveable. The night racing provides additional 3rd places for people to spend time at outside of the home and office.

An aerial, high-angle photograph of a horse racing track at night. The track is a vibrant green, contrasting with the dark surroundings. Several jockeys on horses are visible, racing along the curve of the track. To the left of the track is a large, modern building with a curved roof, likely a grandstand or clubhouse. To the right, there are tiered seating areas or bleachers. The scene is illuminated by bright lights, creating a dynamic and energetic atmosphere. The title text is overlaid in the center-right of the image.

Potential Benefits & Opportunities

Tourism Generation

Events are becoming an increasingly important tourism generator, and can greatly enhance the reputation and positioning of a city as a destination of choice. A high quality range of events bring tourists to a city and can provide an improved profile for a city on a global stage. The proposed night races, and particularly The Everest, provide increased opportunities for exposure for Randwick, Sydney and Australia into Asia and Europe due to time zones. This was highlighted by the strong interest from and attendance from Asia for “The Everest” in October 2017 and the indicative 150 countries “The Everest” was televised to.

Shaping a City

Events can assist in transforming cities. While no one event will be a silver bullet, a range of cultural, sporting, creative, music and business events of various size and scale intersecting a city’s urban ecosystem can make a significant contribution to the shaping of a city and its perception. Events such as

night racing have the opportunity to drive increased economic activity to enable the delivery of better amenity to the communities of Randwick, Kensington and broader Sydney.

An Additional Anchor for Local Retail and Business Precinct

Like a supermarket attracts shoppers to a shopping centre and help support the adjoining specialty retailers, events can act as an anchor to help support local retailers and businesses that provide important amenity to community on non event days. Night racing provides an opportunity to drive increased visitation into Randwick & Kensington. This has been highlighted by the return of AFL to the Adelaide Oval. For many years AFL was not played at Adelaide Oval, but rather at Football Park, West Lakes. In 2014, AFL returned to the Adelaide Oval for the first time in 40 years. The return of these important events and social anchors provided significant uplift in visitation and retail trade to the city on weekends.

Increased Amenity for New Urban Densities

With the impending increase in residential densities within the locality of Royal Randwick, including the proposed 1500 new dwellings as part of the ANZAC Parade “Ideas Hub” transformation project there is need for increased amenity to service these residents. The proposed night time racing could be a very important traffic generator to improve and support the amenity and vibrancy for the proposed \$300 million transformation development on ANZAC Parade at Kensington and Kingsford further enhancing the reputation of the “Ideas Hub”.

Building the Community

Events and festivals have long played an important role in human society and communities. They originated as forms of public display, rituals and community celebrations. Events, rituals and celebrations crossed all civilizations and date back thousands of years. Sport has been significant in these rituals and events. From the Ancient Olympic

games organised by the Greeks, the Roman’s chariot races, and Jousting Tournaments of the middle ages. Sporting events, including horse racing have played a critical role in building healthy communities.

Improved Exposure for Randwick & Kensington

With the impending light rail connection between the CBD and Royal Randwick scheduled for completion in 2019. The completion of the Sydney South East Light rail will provide improved opportunities for connecting Royal Randwick and the broader precinct with the CBD and exposing more people from Sydney to the amenity that Randwick and Kensington provides driving greater visitation on non race days to the precinct.

Attracting Workers, Foreign Business & Investment

Global cities need to attract workers, foreign businesses and investment. As highlighted by Richard Florida’s book “The Rise of the Creative Class”, modern knowledge workers

are locating themselves in liveable cities with a range of high quality experiences. Housing, night life, retail, public places, events and public transport are critical layers in the experience of a liveable city. A critical shift occurring over the past twenty years is companies now following the workforce, rather than workers following companies. Hence to attract foreign investment it is now critical to attract the knowledge workers that these companies require. The proposed night races at Royal Randwick with its integration with the light rail, provides an opportunity to contribute to a more vibrant precinct and night time economy that will contribute to these layers, and Sydney as a global city.

Employment Generation

The ATC is an important employment generator for the local community from the stable hands, trainers and jockeys through to the numerous UNSW students that are employed in food and beverage and other part time and casual roles at Royal Randwick racecourse.

In NSW, the thoroughbred industry creates in excess of 21,000 full time equivalent jobs according to a report prepared by IER. This includes 8641 FTE jobs created by the inner Sydney thoroughbred industry. Subject to the attendance at the proposed night racing and the final implementation strategy, the night racing proposal should also provide additional employment opportunities, particularly for the large numbers of local university students seeking part time employment.

Anchor a Spring Festival

Given the success of “The Everest”, this event could act as an anchor for a week of events or a festival bringing together sport, the arts, creative industries and other sectors to deliver a week of experiences in a traditionally quiet time between the football finals and the commencement of the summer sport. For “The Everest” to deliver a truly unique experience that develops a global reputation will require numerous “soft” experiences in addition to the main race. By collaborating with other sectors and

industries such as the arts to create a truly memorable event or week of activities that is reflective of Sydney and delivers a unique experience as opposed to copying Melbourne’s Spring Carnival. There may also be synergies between Melbourne and Sydney to attract an even greater international contingent and greater tourist numbers.

Improve Connections with Asia

Night racing presents opportunities to showcase Sydney into the Asian market enhancing the international profile of Sydney. Today China, India and Indonesia make up 40% of the world population. By 2050, these three countries will be three of the world’s 4th largest economies. Thailand, Pakistan, Vietnam, The Philippines and Bangladesh will each have economies more than twice the size of Australia’s today. The concept of the Asian Century parallels with the evolution of the 20th century as the American Century, and the 19th century as the Britain’s Imperial Century. Change on this scale will create many opportunities and night racing being televised into these

nations will assist in increasing the connectivity between Australia racing industry and more broadly with Asia.

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