

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of the proposed private Plan Change 113 (Ruakaka Racecourse) to the Whangarei District Plan

STATEMENT OF EVIDENCE OF GEOFF VAZEY

1. Introduction

1.1 My name is Geoff Vazey. I am the Deputy Chairman of the Board of Auckland Racing Club, and Chairman of its Masterplan Committee responsible for the process of identifying the Club's non-racing land assets and ensuring that they are used and developed in a manner that will produce a complimentary revenue stream for the Club thereby improving its financial future and very existence.

1.2 My qualifications are a Bachelor of Engineering Degree (Honours) and Fellow of the Institute of Professional Engineers NZ. I worked as an engineer, project manager and general manager in the construction business for 19 years. I was a port manager for 8 years, and CEO of Ports of Auckland for 11 years. I hold the following directorships: Auckland Racing Club, HEB Construction Ltd, Orion NZ Ltd, Connetics Ltd, Marphona Farms Ltd, Green Valley Dairies Ltd, Green Valley Distribution Ltd, Consult GV Ltd, Cook Islands Port Authority, and Blues Rugby Franchise Ltd. I previously have held numerous other directorships including being a director, and chairman, of Northland Port Corporation Ltd.

- 1.3 Some years ago Whangarei Racing Club ("WRC") officials became aware of the Masterplan approach being undertaken by the Auckland Racing Club and its endeavours to secure an improved financial base. Consequently they asked me to assist them in the initial development of their ideas as to how they might also use their land that was surplus to current racing needs in a way that could improve their financial standing. I was pleased to do so and have met at Ruakaka with WRC representatives on numerous occasions to advance the concepts and assist with the process of moving a plan change forward.
- 1.4 I have been furnished with a copy of the Ruakaka Racecourse Plan Change Request and I fully support that plan change as a means to gain some financial sustainability for the WRC going forward so that racing at Ruakaka can continue in the long term.
- 1.5 The Auckland Racing Club also supports this plan change. Some details emphasising why the Auckland Racing Club is so supportive are set out below.
- 1.6 Horse racing in New Zealand is a \$1.64 billion industry. By comparison, the fishing industry is worth \$1.7 billion and the wine industry is worth \$1.5 billion. Horse racing in New Zealand employs around 53,000 people. This equates to around 17,000 full time employees. Those employees range from vets to farmers to trainers, jockeys etc. Racing is an enormous employer of low skill workers. Racing pays over \$39m per year in wagering tax. Racing clubs are pivotal and crucial to the racing industry and those jobs.
- 1.7 In May 2011 the publication "Inside Running" quoted the IER Pty Ltd figure of \$12.68m of economic contribution to Northland per annum from racing.
- 1.8 New Zealand has a deservedly proud history of producing world class race horses representing New Zealand all around the world. Horses like

Sunline, Cardigan Bay, Horlicks, and of course Phar Lap. WRC and the Ruakaka racecourse need to continue to be part of that important tradition.

2. The Difficulties Facing the Racing Industry and Clubs

2.1 Historically racing clubs have survived financially from funding derived from the commission on betting on racing via the TAB. That commission paid the stakes for races, the costs to run racedays, and the costs to build and maintain the facilities involved in staging racing at a venue. The New Zealand racing industry and individual racing clubs are currently, and have for some time, been under enormous financial pressure. That presents a significant challenge to the efforts being made to ensure that Clubs and the New Zealand racing industry can be maintained and enhanced in the future to provide the many benefits they offer to the community.

2.2 There has been a substantial decline in the funding of racing over many years due to a range of factors. These include:

- a. Sporting and entertainment options have increased dramatically in the last 20-30 years. Nowhere near as many people attend race days now as once occurred.
- b. Bets can now be placed on races by people who are anywhere in the world; a far cry from when you had to be on the course to place a legal bet.
- c. In the 1980's the gaming laws were liberalised providing an extensive range of alternative forms of betting. As a result, where racing was previously first place in a one horse race, it is now a distant fourth behind pokie machines, Lotto, and casinos.

- d. Historically all betting took place through either the New Zealand TAB or oncourse. The Club would receive a proportion of both forms of betting commission. However, now there are online and offshore betting options which reduce the Club' earnings.
- 2.3 The challenges facing the New Zealand racing industry are stark when you look at the figures:
- a. Total betting on races at Ellerslie has dropped from approximately \$101 million in the 1988/89 season to just over \$50 million now.
 - b. Between the 2006/7 season and the 2010/11 season betting on the New Zealand galloping industry dropped from about \$400 million to \$321 million.
- 2.4 Some Australian States have legalised Corporate bookmakers who take online bets from all around the world. Last year alone over \$50 million of betting commissions was lost to the racing industry in New Zealand from New Zealanders placing bets on New Zealand racing with these Australian corporate bookmakers. That is over one million dollars a week less that is available to the New Zealand racing industry to pay stakes and the running of races. These corporate bookmakers pay nothing to the New Zealand racing industry for stealing our product.
- 2.5 As a result racing clubs in New Zealand have been facing considerable financial difficulties over recent years. Some clubs have reduced the number of days that they race, some have amalgamated and some have closed. Avondale and Paeroa are the ones in the northern area to have closed, albeit that Avondale has been supported to trial again holding some race days and trials days.
- 2.6 This predicament means that racing clubs cannot survive financially on racing income alone. Alternative revenue streams are essential to their survival. The issue is not unique to New Zealand. Major property

developments are planned and some underway on what was racing land at Sydney, Melbourne and Brisbane. All for similar reasons.

- 2.7 At my racing club, horseracing as a financial business alone has not been self-sustaining for over 20 years. The Auckland Racing Club has been able to survive at Ellerslie through selling off land, and through utilising many of its buildings as a conference centre. The Ellerslie Events Centre can hold 26 events in separate rooms at one time. It is patronised by over 140,000 people each year. The conference facilities compliment the racing by using the same buildings on the 339 days per year when there is no racing at Ellerslie.
- 2.8 The reality is that unless clubs are able to utilise their non-essential land holdings to derive further income they are in an industry of diminishing returns and they will not be able to continue to race at their present venues in the long term.
- 2.9 The number of training facilities for the industry is reducing, private tracks are closing as land values escalate eg Wallace in Takanini, and the Auckland Racing Club closed its Takanini training track. The Ruakaka track and facilities are a good training location which is much needed by the industry and ideally needs to be enhanced to gain more horses, more trainers, more local jobs.
- 2.10 The Ruakaka track is unique with its density of sand in the soil, and its relatively warmer geography thusly providing a track surface that can stand up to winter racing, in particular. The racing industry is desiring of more winter racing being held at Ruakaka as that then allows other northern area tracks to recuperate, whilst providing the racing opportunities for horses to continue to race on a reasonable surface for New Zealand targeted racing, and for preparation for overseas racing campaigns. It needs to be understood that racing surfaces will not stand up to unlimited days of racing. For instance the Auckland Racing Club holds 80% of its racedays between November and April, and has some

months of no racing in the winter. This is by design to allow the racing surface to recover from the busy period. The 26 racedays at Ellerslie are considered to be close to the maximum that could be held at that venue without an artificial surface.

3. WRC Response

3.1 The WRC has identified a number of areas of land that are more or less surplus to its core horse racing activities. Innovatively it has decided that the raceday stabling and stalls can be resited into the infield freeing up some land and thereby providing further potential dwelling unit sites.

3.2 The WRC together with advisers and council officers rationalised numerous options of layout and use for each area of non-racing land and a Masterplan was developed. This masterplan guides the calculations as to whether it would be worthwhile seeking a plan change to gain the right to develop the land in this way in terms of producing the financial benefit that the WRC so very much needs. Mr Nick Brandon provided the calculations of cost and benefit. I would like to record that Mr Brandon has been the Project Director for the Ellerslie Racecourse Masterplan as well.

3.3 As long as the plan change authorises sufficient new dwelling sites to cover the very considerable cost of paying for the infrastructure it will be worthwhile following this plan change path. If the number of dwelling units is further reduced from the 350 in the draft plan papers it is questionable as to whether there would be enough funds generated to cover the infrastructure costs. The outcome if there was a further reduction in dwelling units would be that the lands may be developed for housing etc, but the WRC would be no better off financially than now, ie continued racing at Ruakaka could be in jeopardy.

4. Plan Change would derive benefits to the NZ Racing scene

4.1 Continued and enhanced racing at Ruakaka is very much to the benefit of the whole of the New Zealand racing scene. By WRC gaining some financial improvement from this plan change over time it will be able to offer better stakes for some of its races. That will attract better classes of horse and in turn attract more people to go to those events. The racing public love to see top quality horses in action. Numerous highly rated New Zealand horses seek to races a few times in New Zealand prior to embarking on international racing campaigns, mainly to Australia. Ruakaka being an ideal winter racing surface can provide winter racing opportunities for these top New Zealand horses as they go through the normal months of preparation for their spring rich race campaigns in Australia.

4.2 The Northern racing area (north of Taupo) is in much need of further trials meetings. Ruakaka provides trials now and could provide more if the club had a better financial basis. Ruakaka's disadvantage is that it is a considerable distance from other training centres such as Cambridge. Trainers there can be understandably reluctant to incur the cost of travelling from Cambridge to Ruakaka, but with a better financial basis it may be feasible to subsidise the travel so that the disadvantage is mitigated.

4.3 With the number of training facilities in New Zealand reducing this plan change could provide the funds to improve the training facilities at Ruakaka and thereby attract more horses, more trainers, and more jobs to the region.

5. Conference Centre

5.1 If a conference centre can be accommodated on the WRC land it would be a facility that could be used for racedays and utilised as a conference centre on non-racedays. This formula has worked well at Ellerslie, albeit

with a far larger local population, but at Ruakaka the conference centre would not necessarily need to be of such a scale. Utilising assets is one of the keys to running both racing clubs and conference centres.

6. The Auckland Racing Club Experience

6.1 Prior to the masterplanning exercise referenced in item 6.2 below the Auckland Racing Club facilitated an initial zone change on Greenlane Rd (the club's northern boundary), which enabled the development of the Ascot Hospital, Novotel Hotel, Ascot Clinics and Ascot Parade Office Building.

6.2 Since developing the ARC Masterplan (see diagram attached) two plan changes have been sought and obtained. Plan change 167 enables four 5 storey office blocks to be built on the land that had been used for parking between the club and the southern motorway, and plan change 168 enables 450 apartments, or 350 apartments plus a 150 bed hotel, to be built on land alongside the home straight of the track which has seldom been used at all. The club now has a lease agreement with a property developer for the latter plan change site which should go unconditional in October/November 2013. This would give a financial benefit to the Auckland Racing Club of over \$2m per year, thereby substantially improving the clubs financial standing. Indeed without this additional income from its plan change initiatives the club would continue to trade at a loss.

6.3 The Auckland Racing Club made submissions to the Auckland Unitary Plan and these have been incorporated into that plan. These include rezoning further land for residential use and indicating that other areas of the club's land will be developed in time.

GEOFF VAZEY
23 October 2013

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A handwritten signature in blue ink, appearing to read 'GEOFF VAZEY', with a large, stylized flourish underneath.



	Ascot Parade Plan Change 167 Property Boundary
	Core Property Boundary
	The Infield
	Plan Change 168 Property Boundary
	Plan Change 167 Property Boundary
	Plan Change 168 Property Boundary
	Plan Change 167 Property Boundary

Site	Area
Core	20.26
Infield	17.28
PC167	2.80
PC168	5.93
1: West Site	1.94
2: Northwest Site	0.32
3: East Site	0.16
4: The Hill	5.37
5: Ladies Mile	1.14
6: Peach Parade	0.60
7: Greenlane East	0.13
Total Area	55.93

Legend

Steeplechase Track

0 100 200 300 400 500 600 700 800 900 1000 meters

North Arrow

0100 Street, Teerua - Auckland Council/COPE UNOQ Property Ltd
 UNZ Surveys Ltd - H&C Photography - RWJ Environmental Planning
 Boffa Miskell - 2011