



DARWIN RACING

# DARWIN TURF CLUB STRATEGIC PLAN

DECEMBER 2022 | 2022 - 2027





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# 1. INTRODUCTION AND BACKGROUND

Darwin Turf Club (DTC) is situated on Crown land leased in perpetuity and owns racing facilities at Fannie Bay in Darwin, in addition to owning and operating a successful licensed club, Silks.

DTC is a member-based association formed to promote thoroughbred horse racing and hold race meetings at its facilities. While the Objects of the association are far wider than this, these elements embody the core and fundamental functions of the Club.

DTC has developed and maintained racing and stabling facilities but the vast majority of its operations and income centre on the provision of hospitality services and facilities to members, visiting guests and stakeholders.

Thoroughbred Racing Northern Territory (TRNT) is the body established under statutory authority to oversee all aspects of thoroughbred horse racing throughout the NT.

DTC & TRNT work collaboratively to ensure the successful operation and development of thoroughbred racing and the staging of race meetings, including the very successful Darwin Cup Carnival.

DTC earns its income principally from:

- Race meeting operations;
- Product fees derived from TAB, on-course bookmaker and corporate bookmaker commissions paid on bets made on racing product staged by DTC and TRNT;
- Rental fees from tenants on site;
- Sponsorships;
- Annual membership income; and
- Grants from NT Government via TRNT.

Race track facilities around Australia tend to be aged and require substantial ongoing and continuous maintenance and capital to maintain compliance and meet modern standards. Racing clubs, often the custodians or owners of these facilities, are seeking ways to become financially independent and sustainable. The shared challenges for racing clubs is to set a path for transformation to be more broadly relevant to a wider audience, secure new and increased income sources, and then re-invest to improve facilities to ensure racing product continues to be competitive.

DTC has been investing in and developing new income streams and diversified opportunities. However, DTC has only started on a longer term plan to improve facilities, racing product and to become financially independent from government funding sources on an operational basis.

The Vision described in the Plan has a 10-20 year outlook.

The Pillars and Initiatives have a 3-5 year implementation outlook.

## 2. MISSION, VISION, VALUES

### OUR MISSION

*Delivering quality experiences within a uniquely Darwin thoroughbred racing setting*

#### OUR VISION – IN TWENTY YEARS, WE WANT TO:

1. Achieve financial independence. Through asset investment, diversification and profit generation, create an enterprise that is able to thrive with little or no operational funding assistance from NTG if required.
2. Create a “Precinct Development” on the land-holding at Fannie Bay and this may include retail, commercial office, corporate park, centre of excellence, residential, community assets, additional hospitality facilities – a precinct that is activated at all times of the day and across the week and that generates a festival atmosphere.
3. Create a hub of bookmaking/sports bet/digital gaming.
4. Embed the Darwin Cup Carnival as one of the premium events on the Australasian racing calendar.
5. Expand upon the success of the Darwin Cup to create an additional Racing Carnival that is different, in terms of time of year and focus, that rivals the Darwin Cup in terms of success and impact.
6. Create an environment that proudly showcases day and night racing to place the Darwin racing product at a differentiated and premium viewing time slot.
7. Further develop our Silks facility to remain the premier licensed gaming club in NT.
8. Develop the Racing Industry facilities.
9. Increase, broaden and diversify our membership base and increased member participation within our local community and across Australasia.
10. Create and maintain a governance framework that ensures+ ongoing board integrity, innovation, stability and performance.

#### OUR VALUES

- Integrity – We are led by the highest standards of integrity, ethics & honesty in all that we do.
- Innovation – We embrace new ideas & innovations to achieve continuous improvement.
- Excellence – We set & achieve the highest standards in service, facilities & value for our members & all those who engage with us.
- Openness – We are accountable to our stakeholders through collaboration, consultation & communication.

### 3. SWOT

DTC's SWOT analysis was drawn from an extensive survey of Industry Stakeholders, the Board and Executive Management.

#### STRENGTHS

The attributes that we control and do well. The attributes that we will build upon to drive strategic initiatives:

<b>Carnival and Darwin Cup</b> – major event, economic contribution, highly regarded	Good <b>racing facilities</b> and infrastructure
<b>Unique</b> facility for a function or event, great hospitality facilities	<b>Silks</b> now operational to diversify income
<b>Land</b> – available land to develop	<b>TRNT</b> relationship
<b>Membership</b> base – loyal, growing	New <b>Board</b> , new direction, culture
<b>Staff</b> – resilient, loyal, committed	

#### WEAKNESSES

The attributes that we control and could do better. The attributes that we will improve to drive strategic initiatives:

<b>Relationship</b> with <b>NT Govt</b> and other stakeholders	<b>Racing facilities</b> – Stable Street
<b>Hospitality facilities</b> – don't cope with major events and Darwin Cup	<b>New Board</b> is inexperienced and under pressure to resolve past issues
<b>Racing industry</b> is challenged – jockeys, trainers, owners, apprentices	Lack of year-round depth of <b>sponsorship revenue</b> for program (\$ stakes)
<b>Neighbours</b> are inhibiting what we can do	<b>Communications</b> – with stakeholders and internally between Board and Management
Highly reliant on <b>NT Govt grants</b> , revenue reliance	Most of our <b>profit</b> from racing is derived in <b>one month</b>
<b>TRNT</b> relationship	We have suffered <b>reputational damage</b>
<b>Staff turnover</b> and access to good people	Lack of <b>land ownership</b>

## OPPORTUNITIES

The external identifiable items of which we may be able to take advantage to drive our Mission and achieve our Vision.

Restore <b>relationship with NT Govt</b> and establish longer term funding and <b>master plan funding</b>	<b>Grow events</b> usage for existing and future facilities
Examine <b>development options</b> over leased land eg additional office space for corporate bookmakers	Create an <b>investment portfolio</b> potentially outside racing and hospitality
Partnership with <b>corporate bookmakers</b> licensed in NT	With TRNT, create a plan to tap into <b>Asian market</b> , expand racing calendar, <b>night racing</b>
Examine <b>greyhound racing track</b> at DTC	

## THREATS

The external identifiable items which stop us from achieving our Mission and Vision.

Reduced <b>funding from NT Govt</b>	<b>Racing product decline</b> (jockeys, trainers, prizemoney, owners, sponsors)
<b>EPA</b> issue with oil based track	Further loss of <b>reputation</b>
<b>Reduced financial viability</b> , Silks failing to return a dividend, loss of tenants, product fee	<b>Board failure</b>
<b>Economic - recession</b>	<b>Animal welfare</b> lobby
Continued increase in <b>competition</b> from other leisure and hospitality providers	<b>Continued litigation</b> – reputation and costs
<b>Loss of confidence</b> from stakeholders, stakeholder relationships	Increased <b>difficulties in accessing Darwin</b> (flight, accommodation costs and availability)
Lack of access to <b>labour and skills</b>	

## KEY ISSUES EMERGING FROM THE SWOT ANALYSIS

The key issues emerging from the SWOT analysis were:

1. Successful conduct of Darwin Cup and Carnival
2. Financial stability – secure economic independence and sustainability
3. Racing sector health (with TRNT)
4. Customer experience - quality of hospitality offering Staffing – skills, retention
5. Standard and quality of facilities
6. Board / Governance
7. Club and board performance perception
8. Lack of agreed long term vision
9. Regulatory compliance and legislation changes (gaming, EPA, animal welfare)

## STRATEGIC PILLARS

Our Strategic Pillars are:

### 1. Governance

Board, corporate structure, constitution, skills, policy, strategic planning, sustainability (financial, environmental, social)

### 2. Stakeholder relationships

Members, sponsors, Governments, community

### 3. Racing Industry development

Participants (owners, trainers, jockeys, apprentices), TRNT, NTG

### 4. People, leadership & teams

### 5. Financial independence

Profit, assets & facilities



PILLAR 1	PILLAR 2	PILLAR 3	PILLAR 4	PILLAR 5
<i>Governance</i>	<i>Stakeholder relationships</i>	<i>Racing Industry development</i>	<i>People, leadership &amp; teams</i>	<i>Financial independence</i>
<b>Strong governance to underpin plans &amp; operations</b>	<b>Relationships to ensure our success</b>	<b>DTC + TRNT + NTG + Industry to deliver best outcomes for Darwin</b>	<b>The best people to drive our businesses &amp; assets</b>	<b>An enterprise that delivers sustainable outcomes</b>
<p>We will continue to improve, enhance &amp; develop strong governance frameworks to support the on-going successful, and sustainable strategic direction of DTC.</p> <p>We will ensure that our governance structures &amp; systems promote strong commercial, ethical &amp; environmental outcomes within the right risk and compliance settings for members, industry &amp; stakeholders to promote growth &amp; stability</p>	<p>We will develop &amp; nurture strong communications and cooperative arrangements with our key stakeholders. Thoroughbred racing, our racing facilities and the major events including Cup Carnival are in safe hands with DTC.</p> <p>In particular, NTG will remain confident that all funding, investment and support for DTC are high priority initiatives for the Northern Territory</p>	<p>We will work collaboratively with TRNT, NTG, Industry &amp; the wider community to ensure that thoroughbred racing in Darwin flourishes through a commitment to providing quality racing facilities &amp; a hub for aligned racing entities</p>	<p>We will attract, retain &amp; develop cohesive, professional, skilled &amp; informed leadership teams.</p> <p>Our people will be motivated &amp; incentivised to achieve sustained outstanding outcomes.</p> <p>Professionalism from our leadership team will flow to operational staff, through a strong culture &amp; on-going training &amp; development.</p> <p>We will live each day by our values, nurturing workplaces that our people enjoy &amp; appreciate.</p> <p>Because of our professionalism, standards and culture, people will prefer to work for DTC</p>	<p>We will achieve strong financial performances and growth through operations and investments that give us financial independence.</p> <p>We commit to offering modern hospitality and industry facilities that provide a uniquely Darwin experience and that will delight our customers.</p> <p>Strategic land developments and acquisitions will also be identified &amp; evaluated as a part of our long-term masterplan</p>



## 4. STRATEGIC INITIATIVES

### PILLAR ONE - GOVERNANCE

*Strong governance to underpin our plans & operations*

**Strategic Statement:**

We will continue to improve, enhance & develop strong governance frameworks to support the on-going successful, and sustainable strategic direction of DTC.

We will ensure that our governance structures & systems promote strong commercial, ethical & environmental outcomes within the right risk and compliance settings for members, industry & stakeholders to promote growth & stability.

### PILLAR TWO – STAKEHOLDER RELATIONSHIPS

*Relationships to ensure our success*

**Strategic Statement:**

We will develop & nurture strong communications and cooperative arrangements with our key stakeholders. Thoroughbred racing, our racing facilities and the major events including Cup Carnival are in safe hands with DTC.

In particular, NTG will remain confident that all funding, investment and support for DTC are high priority initiatives for the Northern Territory.

PILLAR ONE – GOVERNANCE
<i>Initiatives</i>
1. Review DTC’s constitution and accompanying by-laws to ensure best governance outcomes, risk management and legislative compliance
2. Review existing suite of policies, procedures, compliance processes and risk management systems
3. Commit to a systematic strategic planning program with ongoing reviews
4. Develop an ongoing board training and development program that is in line with our skills requirements and the needs flowing from our strategic plan
5. Develop a periodic independent review of our governance systems and operations

PILLAR TWO – STAKEHOLDER RELATIONSHIPS
<i>Initiatives</i>
1. Develop and enhance communications programs with key internal stakeholders including the ongoing publication of member news and information
2. Develop and enhance ongoing consultation programs with key stakeholders ie members, sponsors, tourism, neighbours, Alice Springs TC, suppliers & the Racing Industry
3. Facilitate the conduct of the AGM and delivery of the Annual Report in such a way that communications and openness are reasonably maximised

## PILLAR THREE – RACING INDUSTRY DEVELOPMENT

*DTC + TRNT + NTG + Industry to deliver best outcomes for Darwin*

### **Strategic Statement:**

We will work collaboratively with TRNT, NTG, Industry & the wider community to ensure that thoroughbred racing in Darwin flourishes through a commitment to providing quality racing facilities & a hub for aligned racing entities.

## PILLAR FOUR – PEOPLE, LEADERSHIP & TEAMS

*The best people to drive our businesses & assets*

### **Strategic Statement:**

We will attract, retain & develop cohesive, professional, skilled & informed leadership teams.

Our people will be motivated & incentivised to achieve sustained outstanding outcomes.

Professionalism from our leadership team will flow to operational staff, through a strong culture & on-going training & development.

We will live each day by our values, nurturing workplaces that our people enjoy & appreciate.

Because of our professionalism, standards and culture, people will prefer to work for DTC.

PILLAR THREE – RACING INDUSTRY DEVELOPMENT
<i>Initiatives</i>
1. Create a precinct development master plan that includes and prioritises Stable Street improvements in the initial stages. This process may include research, establishment of a task force, securing planning funding from NTG and allocation of resources to the executive team
2. Review systematic and budgeted maintenance schedule for sign off (commitment) from Board
3. Create an indicative long term capital and replacement program
4. Work collaboratively with TRNT to encourage and support the organisation in its key industry objectives including increased horse population and licensed personnel

PILLAR FOUR – PEOPLE, LEADERSHIP & TEAMS
<i>Initiatives</i>
1. Create an employment environment that helps deliver consistent more permanent workforce that is engaged
2. Undertake an informal research/consultation program aimed at gaining a better understanding of workforce needs to inform our HR engagement plan
3. Examine partnerships for career pathways and training through either an external and well-placed RTO or examine the creation of an RTO within DTC – utilisation of facilities and expertise
4. Examine plans for the creation of a professional development program for teams

## PILLAR FIVE – FINANCIAL INDEPENDENCE

*An enterprise that delivers sustainable outcomes*

### **Strategic Statement:**

We will achieve strong financial performances and growth through operations and investments that give us financial independence.

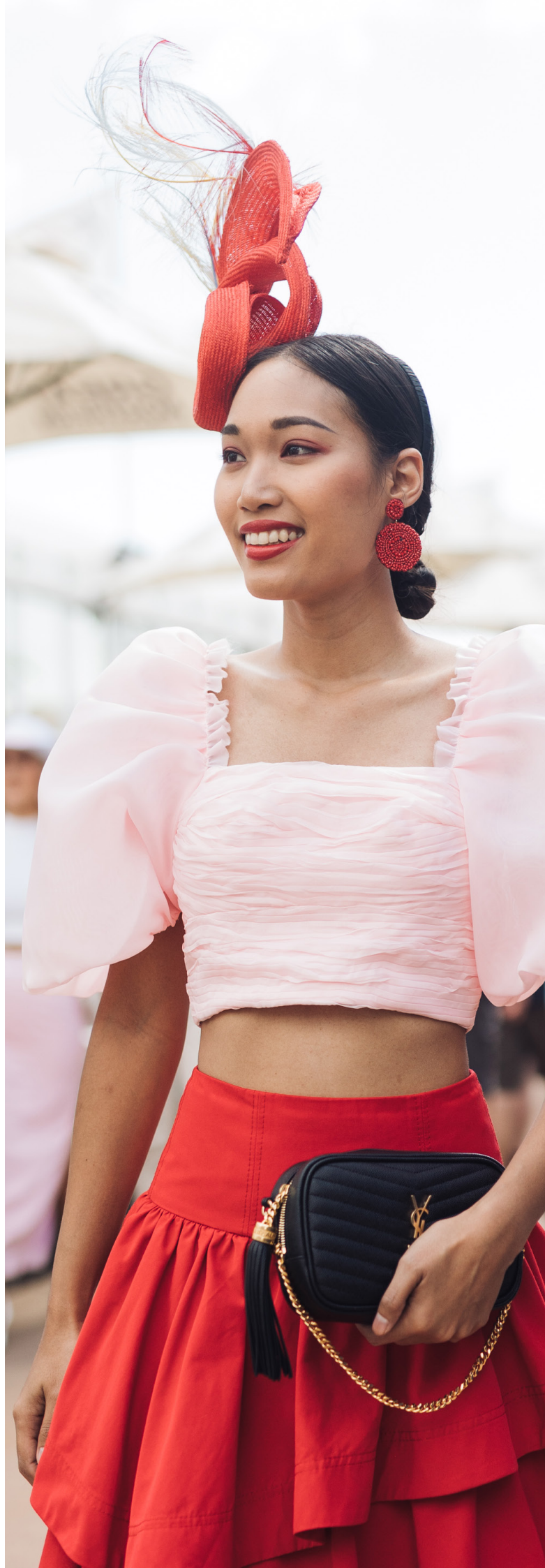
We commit to offering modern hospitality and industry facilities that provide a uniquely Darwin experience and that will delight our customers.

Strategic land developments and acquisitions will also be identified & evaluated as a part of our long-term masterplan.

## PILLAR FIVE – FINANCIAL INDEPENDENCE

### *Initiatives*

1. Create a precinct development master plan that includes and prioritises Stable Street improvements in the initial stages (Pillar 3) but which identifies and unlocks the value of DTC land
2. Prepare submission to seek funding for master plan for presentation to NTG (incl in principle support for freehold/suitable tenure)
3. Investigate commercial and other funding opportunities and long-term capital program
4. Establish DTC investment criteria for potential diversified external investments (eg passive/ active, geographic considerations, hurdle rates of return, risk)
5. Undertake initial, then annual, collaborative planning with Silks team to develop operating plans to deliver 15% EBITDARD on revenues to maximise long-term dividends and returns from the investment





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